

A photograph of a large, grey oil and gas pipeline stretching across a landscape. The pipeline is supported by several tall, reddish-brown metal towers. The ground is covered with dry, brownish vegetation and patches of snow. In the background, there are evergreen trees under a blue sky with scattered white clouds.

Intergovernmental Agreements and Host Government Agreements on Oil and Gas Pipelines -A Comparison-



ENERGY CHARTER SECRETARIAT

Intergovernmental Agreements
and Host Government Agreements
on Oil and Gas Pipelines
-A Comparison-



ENERGY CHARTER SECRETARIAT
2015

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The Energy Charter Secretariat is a permanent office based in Brussels supporting the Energy Charter Conference (an intergovernmental organization) in the implementation of the Energy Charter Treaty.

The Energy Charter Treaty and the Energy Charter Protocol on Energy Efficiency and Related Environmental Aspects were signed in December 1994 and entered into force in April 1998. To date, the Treaty has been signed or acceded to by 52 states, the European Union and Euratom.

The fundamental aim of the Energy Charter Treaty is to strengthen the rule of law on energy issues by creating a level playing field of rules to be observed by all participating governments, thereby mitigating risks associated with energy-related investment and trade.

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Abbreviations

Baku-Supsa PCaOA	Pipeline Capacity and Operating Agreement between the Project Investors and the State Oil Company of the Azerbaijan Republic
Baku-Supsa PCoOA	Pipeline Construction and Operating Agreement between the Project Investors and the Georgian International Oil Corporation
BIT	Bilateral investment treaty
BTC Pipeline	Baku-Tbilisi-Ceyhan Pipeline
CCO Pipeline	Chad-Cameroon Oil Pipeline
ECC	Energy Charter Conference
ECT	Energy Charter Treaty
HGA	Host Government Agreement
IGA	Intergovernmental Agreement
ISI	Irish Sea Interconnector
MEP	Main Export Pipeline
Model Agreements	Energy Charter Secretariat's Model Agreements for cross-border pipelines
SCP	South Caucasus Pipeline
SS Pipeline	South Stream Pipeline
TAP	Trans-Adriatic Pipeline
TANAP	Trans-Anatolian Pipeline
Transit Protocol	Draft Transit Protocol of 2010
TSG Pipeline	Trans-Saharan Gas Pipeline
VCLT	Vienna Convention on the Law of Treaties
WAG Pipeline	West African Gas Pipeline

Covered Pipelines

1. Baku-Supsa Pipeline
2. Baku-Tbilisi-Ceyhan Pipeline Project
3. Burgas-Alexandroupolis Oil Pipeline
4. Chad-Cameroon Oil Pipeline
5. Dolphin Gas Pipeline
6. Irish Sea Interconnector 1 (ISI 1)
7. Irish Sea Interconnector 2 (ISI 2)
8. Kirkuk-Ceyhan Oil Pipeline
9. Nabucco Pipeline
10. South Caucasus Pipeline
11. South Stream Pipeline
12. Turkmenistan-Afghanistan-Pakistan-India Pipeline Project
13. Trans-Adriatic Pipeline
14. Trans-Anatolian Pipeline
15. Trans-Balkan Oil Pipeline
16. Trans-Saharan Gas Pipeline
17. West African Gas Pipeline

A. Methodology

This report compares several agreements relating to cross-border pipelines with the Energy Charter Secretariat's Model Agreements for cross-border pipelines (Model Agreements) and with the draft Transit Protocol of 2010 (Transit Protocol). The report first outlines basic relevant information on those oil and gas pipelines whose agreements were collected (Section C). Subsequently, the report presents the different possible legal frameworks for cross-border pipeline projects (Section D), followed by a short introduction of the background and scope of the Model Agreements and Transit Protocol (Section E).

The core area of this report (Section F) compares the identified agreements with the Model Agreements and the Transit Protocol on the basis of 19 main topics (general obligations of the states; acting and obligated entity; entry into force, expiry and termination of the agreements; relationship of the agreements with international law; relationship of the agreements with national law; applicable law; exchange of information; establishment of a project-specific body; constructing and operating entity; transit and non interruption of energy flow; rights on land; standards; security; taxes; tariffs; dispute settlement; funding/financing; force majeure; and liability/responsibility; local content). Most of these topics are mainly contained in Intergovernmental Agreements (IGAs), i.e. agreements between states, while others are only found in Host Government Agreements (HGAs), i.e. agreements between the state and the investor(s), such as tariffs and *force majeure*.

Each of these 19 topics is the object of a single subchapter. Each subchapter first outlines the respective provisions of the Model Agreements and/or Transit Protocol – when relevant – and then the respective provisions of the identified pipelines agreements. When possible, the subchapter also presents the general approaches found in each topic. Thereby, unusual handlings or approaches can be identified and illustrated. Those general approaches are then grouped under Section G ('Common Principles and (Regional) Specificities'). Each subchapter, if possible, concludes with an overview chart. This report is intended to illustrate the current state of practice and serve as a basis for a potential third edition of the Model Agreements.

B. Terminology

For the purposes of this report:

- **Intergovernmental Agreements (IGAs)** are agreements among the states through whose territories the pipeline system is to be constructed and operated. They deal mainly with horizontal issues that concern the pipeline infrastructure as a whole (e.g. co-operation, physical security, the provision of land rights, the harmonisation of tax structures applicable to the project and issues relevant to the implementation of the project). It is therefore intended to facilitate the realisation of the project within the territories of the states collectively.
- **Host Government Agreements (HGAs)** shall be considered as 'each agreement entered into between a host government, on the one hand, and project investors, on the other hand, relating to the pipeline system'.¹ Agreements between the project investors and state entities other than the governments are therefore not covered by this term. Many project agreements, although being HGAs, are named differently, which does not change their nature as HGAs. HGAs deal mainly with vertical issues that concern the project activity within the territory of each state and expand on some of the issues identified in the relevant IGA(s): e.g. various governmental obligations, investor duties, environmental and other relevant standards, liability, termination and issues relevant to the implementation of the project in each specific territory.
- **A Project** is the evaluation, development, design, construction, installation, insurance, financing, operation, repair, replacement, refurbishment, maintenance, expansion, and extension of the pipeline system.²
- The term **Project Agreement** is defined by the Energy Charter's Model Intergovernmental Agreement (Model IGA) as 'any agreement, contract, licence, concession or other document, other than this Agreement and any Host Government Agreement, to which, on the one hand, a Host Government, any State Authority or State Entity and, on the other hand, any Project Participant are or later become a party relating to Project Activities...'.³ According to the Model Agreements, project agreements are therefore explicitly not the IGA and the HGA(s) themselves. For the purpose of this report, this term will not be defined, as it is used differently in practice. For instance, as per the Baku-Supsa IGA, the term 'project agreements' covers the respective HGA as well as other agreements between the oil companies and state entities, but no other contract, licence, concession or other document.⁴ Since it is not practicable to determine one single definition applying to this report, whenever the term 'project agreement' is used, one has to look at each individual case in order to assess the meaning of it.

¹ Article 1(1) of the Model IGA, definition of 'Host Government Agreement'.

² Article 1(1) of the Model IGA, definition of 'Project'.

³ Article 1(1) of the Model IGA, definition of 'Project Agreement'.

⁴ Article 8(5) of the Baku-Supsa IGA.

C. The Gas and Oil Pipelines

C. The Gas and Oil Pipelines

1. Pipeline Projects in General

The report focuses on agreements governing oil and gas 'transit' or 'cross-border' pipelines.

For this purpose, 'transit' shall have the meaning ascribed to it in Article 7(10)(a) of the ECT. Accordingly, a pipeline qualifies as a transit pipeline when it originates in one state, travels through another state and exists in the area of a third state or when it originates and exists in one state and in between travels through the area of another state. A transit pipeline therefore requires involvement of at least two states.

In contrast, a 'cross-border' pipeline is any pipeline travelling through at least two different state territories. Therefore a pipeline crossing the border between two sovereign states, one being the exporting state and the other the importing one, is not considered a transit but a cross-border pipeline.

Whenever the term 'pipeline' is used it shall refer to both transit and cross-border pipelines unless referred otherwise.

2. The Pipelines Covered by this Report and their Respective Agreements

The report covers the following pipelines and (part of) their respective agreements:

a. Baku-Supsa Pipeline

The Baku-Supsa Pipeline is an oil pipeline running from the Sangachal Terminal near Baku, Azerbaijan to the Supsa terminal in Georgia. Operation of the pipeline started in 1999. The pipeline is governed by the following project-specific treaty:

- 'Agreement between Azerbaijan Republic and Georgia' (**Baku-Supsa IGA**),⁵ signed 8 March 1996
- Additionally, a project-unspecific (broader) agreement between the two states applies to any cooperation in the sphere of oil and gas industry and might have to be considered:
- 'Agreement on Cooperation in the Sphere of Oil and Gas Industry between the Azerbaijan Republic and the Republic of Georgia',⁶ signed 18 February 1997
- There is only one HGA governing the Baku-Supsa Pipeline, that between Georgia and the project investors. There is no HGA between Azerbaijan and the project investors.
- 'Host Government Agreement among the Government of Georgia and the Project Investors' (**Baku-Supsa HGA Georgia**)⁷
- In addition, the project investors entered into two agreements with the Azerbaijani and Georgian state-owned oil companies respectively:
- 'Pipeline Construction and Operating Agreement' between the Project Investors⁸ and the Georgian International Oil Corporation (**Baku-Supsa PCoOA**),⁹ signed 8 March 1996
- 'Pipeline Capacity and Operating Agreement' between the Project Investors and the State Oil Company of the Azerbaijan Republic (**Baku-Supsa PCaOA**)¹⁰

The Baku-Supsa PCoOA was executed contemporaneously with the Baku-Supsa Georgia HGA¹¹ and is attached to it as an annex. The Baku-Supsa Georgia HGA often refers to the Baku-Supsa PCoOA and should be read in conjunction therewith.

5 An unexecuted version of the Baku-Supsa IGA is attached as Appendix I.

6 The agreement is attached as Appendix II.

7 The Baku-Supsa HGA Georgia is attached as Appendix III. The signature date is not available.

8 The Baku-Supsa PCoOA was concluded by the following project investors: Amoco Caspian Sea Petroleum Limited; BP Exploration (Caspian Sea) Limited; Delta Nimir Khazar Limited; Den Norske Stats Oljeselskap; Exxon Azerbaijan Limited; Oil Company Lukoil; McDermott Azerbaijan Inc.; Pennzoil Caspian Corporation; Ramco Hazar Energy Limited; the State Oil Company of the Azerbaijan Republic; Turkiye Petrolleri A.O.; and Unocal Khazar Limited.

9 The Baku-Supsa PCoOA is attached as Appendix IV.

10 The Baku-Supsa PCaOA could not be collected and is therefore not known to the author.

11 Article 1 of the Baku-Supsa HGA Georgia, definition of 'Pipeline Construction and Operating Agreement'.

The consortium owning the pipeline consists of 9 different companies: BP (U.K.) 35.8%, SOCAR (Azerbaijan, state-owned) 11.6%, Chevron (U.S.) 11.3%, INPEX (Japan) 11%, Statoil (Norway) 8.6%, Exxonmobil (U.S.) 8%, TPAO (Turkey, state-owned) 6.8%, Itochu (Japan) 4.3%, ONGC (India) 2.7%.¹²

Georgia and Azerbaijan are Contracting Parties to the ECT. All agreements governing the Baku-Supsa Pipeline were signed before the Model Agreements were published and before the ECT entered into force.

b. Baku-Tbilisi-Ceyhan Pipeline (BTC Pipeline)

The BTC Pipeline is a crude oil pipeline originating in the Azeri-Chirag-Guneshli oil field in the Caspian Sea, running through the territories of Azerbaijan, Georgia and Turkey and ending in the port of Ceyhan at the Mediterranean coast. It started operation in 2005 and is owned and operated by the BTC Company, which is a consortium consisting of 11 (mainly private) shareholders: BP (U.K.) 30.1%, SOCAR (Azerbaijan, state-owned) 25%, Unocal (U.S.) 8.9%, Statoil (Norway) 8.71%, TPAO (Turkey, state-owned) 6.53%, Eni (Italy) 5%, Total (France) 5%, Itochu (Japan) 3.4%, INPEX (Japan) 2.5%, ConocoPhillips (U.S.) 2.5% and Amerada Hess (U.S.) 2.36%.¹³

The BTC Pipeline is governed by the following agreements:

- 'Agreement among the Azerbaijan Republic, Georgia and The Republic of Turkey relating to the Transportation of Petroleum Via the Territories of The Azerbaijan Republic, Georgia and The Republic of Turkey Through the Baku-Tbilisi-Ceyhan Main Export Pipeline' (**BTC IGA**),¹⁴ signed 18 November 1999
- 'Host Government Agreement' between and among the Government of the Azerbaijan Republic and the MEP Participants (**BTC HGA Azerbaijan**)¹⁵
- 'Host Government Agreement between and among the Government of Georgia and the MEP Participants' (**BTC HGA Georgia**),¹⁶ Appendix 1 to the IGA
- 'Host Government Agreement between and among the Government of the Republic of Turkey and the MEP Participants' (**BTC HGA Turkey**),¹⁷ Appendix 2 to the IGA
- 'Turnkey Agreement' between the MEP Participants and the BOTAŞ Petroleum Pipeline Corporation, Appendix 2 to the HGA Turkey (**BTC Turnkey Agreement**),¹⁸ signed 19 October 2000
- 'Agreement between the Baku-Tbilisi-Ceyhan Pipeline Company and the Government of Georgia on the Provision of Security Equipment, Facilities and Operations Funding for the BTC Pipeline Project',¹⁹ signed 19 October 2004
- 'Agreement between the Baku-Tbilisi-Ceyhan Pipeline Company and the Government of Georgia on the Establishment of a Grant Program for Georgia',²⁰ signed 19 October 2004

Because of public opinion opposing the project, the legal framework of the BTC Pipeline was subsequently amended. It now additionally includes the BTC Human Rights Undertaking and the Security Protocol.²¹

All three states are Contracting Parties to the Energy Charter Treaty. The agreements were signed before the Model Agreements were published and they have influenced the drafting of the Model Agreements to a great extent.

c. Burgas-Alexandroupolis Oil Pipeline

The Burgas-Alexandroupolis Pipeline was a planned pipeline transporting Russian oil from Bulgaria to Greece. However, in December 2011 the Bulgarian side suspended the project due to environmental and supply concerns. Subsequently, in 2013, Russia passed a law ratifying the termination of the Burgas-Alexandroupolis IGA.²² The

¹² <http://www.bp.com/en/global/corporate/about-bp/bp-worldwide/bp-in-georgia.html>.

¹³ Reyes, Berkeley J. Int'l L. 24/3 (2006), 842 (843, 844).

¹⁴ http://www.bp.com/content/dam/bp-country/en_az/pdf/legalagreements/BTC_eng_agmt4_agmt4.pdf.

¹⁵ http://www.bp.com/content/dam/bp-country/en_az/pdf/legalagreements/BTC_eng_agmt1_agmt1.pdf.

¹⁶ http://www.bp.com/content/dam/bp-country/en_az/pdf/legalagreements/BTC_eng_agmt2_agmt2.pdf.

¹⁷ http://www.bp.com/content/dam/bp-country/en_az/pdf/legalagreements/BTC_eng_agmt3_agmt3.pdf.

¹⁸ http://www.bp.com/content/dam/bp-country/en_az/pdf/legalagreements/BTC_eng_agmt5_agmt5.pdf.

¹⁹ <http://www.thecornerhouse.org.uk/sites/thecornerhouse.org.uk/files/Georgia%20BTC%20Security%20Provision%20Protocol%20EN.pdf>

²⁰ The agreement is not available on BP's website anymore, but will not be attached to this report as it is not subject to comparison.

²¹ <http://subsites.bp.com/caspian/citizens%20guide%20final.pdf>.

²² <http://www.parliament.bg/bg/laws/ID/14313>.

Burgas-Alexandroupolis Pipeline (originally also called the Trans-Balkan Pipeline) is not to be confused with the Trans-Balkan Pipeline between Albania, Macedonia and Bulgaria.

The pipeline was regulated by the following treaty:

- 'Agreement between the Government of the Russian Federation, the Government of the Republic of Bulgaria and the Government of the Hellenic Republic relating to the Cooperation in the Construction and the Operation of the "Burgas-Alexandroupolis" Oil Pipeline' (**Burgas-Alexandroupolis IGA**),²³ signed 15 March 2007

Despite its failure, the Burgas-Alexandroupolis IGA provides an example of a cross-border pipeline agreement and can serve as a basis for this report.

Bulgaria and Greece are Contracting Parties to the ECT, whereas the Russian Federation signed and was applying the ECT provisionally until its withdrawal on 28 October 2009. The Burgas-Alexandroupolis IGA was signed before the first edition of the Model Agreements was published.

d. Chad-Cameroon Oil Pipeline (CCO Pipeline)

The CCO Pipeline is a crude oil pipeline originating in three oil fields in South-Western Chad and running through to the Cameroon port of Kribi on to a floating storage and offloading vessel on the coast of Cameroon. Operation began in 2003. The pipeline section running through the Chad territory is owned by the State of Chad and managed by the Tchad Oil Transportation Company (TOTCO). The section traveling through Cameroon is owned by the State of Cameroon and managed by the Cameroon Oil Transportation Company (COTCO).

The CCO Pipeline is governed by the following agreements:

- 'Agreement between the Government of the Republic of Chad and the Government of the Republic of Cameroon Relating to the Construction and Operation of a Transportation System of Hydrocarbons by Pipeline' (**CCO IGA**),²⁴ signed 8 February 1996
- 'Convention of Establishment between the Republic of Chad and the Tchad Oil Transportation Company' (**CCO HGA Chad**)²⁵
- 'Convention of Establishment between the Republic of Cameroon and the Cameroon Oil Transportation Company' (**CCO HGA Cameroon**)²⁶

The pipeline project is funded by the World Bank, which means that both states as well as the companies must adhere to the operational policies and procedures of the World Bank.²⁷

Chad and Cameroon are not Contracting Parties to the ECT. The agreements were signed before the Model Agreements were published.

e. Dolphin Gas Pipeline

The offshore Dolphin Gas Pipeline between Ras Laffan, Qatar, and Taweelah, United Arab Emirates, is part of the broader Dolphin Gas Project involving Qatar, United Arab Emirates and Oman. The Dolphin Gas Pipeline is owned and operated by Dolphin Energy Limited, a company registered under the laws of the United Arab Emirates. This cross-border pipeline is governed by the following agreements:

- 'Agreement between the Government of the State of Qatar and the Government of the United Arab Emirates Relating to the Transmission of Gas by Pipeline Between the State of Qatar and the United Arab Emirates' (**Qatar-UAE IGA**),²⁸ signed 26 September 2004, entered into force 9 July 2005

²³ <http://www.tbpipeline.com/sites/default/files/files/IGA-EN.pdf>.

²⁴ The CCO IGA is attached to this report as Appendix V. The agreement was adopted in Cameroon by Laws 96-14 and 97/14 of 5 August 1996.

²⁵ The CCO HGA Chad could not be collected and is therefore not known to the author.

²⁶ The CCO HGA Cameroon could not be collected and is therefore not known to the author. The CCO HGA Cameroon was approved as Cameroon Law No. 97-16 on 7 August 1997.

²⁷ Simonet, 'The Chad-Cameroon Export Project and The Bakola Pygmies', in *Oil, Gas & Energy Law Intelligence*, 2011, Volume 9, Issue 4, p. 2.

²⁸ The Qatar-UAE IGA is attached to this report as Appendix VI.

- 'Export Pipeline Agreement between the Government of the State of Qatar and the Dolphin Energy Limited'²⁹

Though Qatar and the United Arab Emirates are not Contracting Parties to the ECT, they are both observers to the Energy Charter Conference (ECC). The Qatar-UAE IGA was signed after the first edition of the Model Agreements was published.

f. Irish Sea Interconnector 1 (ISI 1)

The Irish Sea Interconnector 1 Pipeline is a sub-sea gas interconnector pipeline running from Moffat, Scotland, to Loughshinny, Ireland. The pipeline was completed in 1993 and is governed by the following treaty:

- 'Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Ireland Relating to the Transmission of Natural Gas by Pipeline Between the United Kingdom of Great Britain and Northern Ireland and the Republic of Ireland' (**ISI 1 IGA**),³⁰ signed 30 April 1993

The ISI 1 IGA was signed before United Kingdom and Ireland became Contracting Parties to the ECT and before the first edition of the Model Agreements was published.

g. Irish Sea Interconnector 2 (ISI 2)

The Irish Sea Interconnector 2 Pipeline is a sub-sea gas interconnector pipeline running parallel to the ISI 1 Pipeline. The pipeline is governed by the following treaty:

- 'Agreement Relating to the Transmission of Natural Gas through a Second Pipeline between the United Kingdom of Great Britain and Northern Ireland and Ireland and through a Connection to the Isle of Man' (**ISI 2 IGA**),³¹ signed 24 September 2004

The ISI 2 IGA was signed after United Kingdom and Ireland became Contracting Parties to the ECT but before the first edition of the Model Agreements was published.

h. Kirkuk-Ceyhan Oil Pipeline

The Kirkuk-Ceyhan Pipeline comprises two parallel crude oil pipelines originating in the Iraqi city of Kirkuk and ending in the port of Ceyhan on the Mediterranean coast where the oil is offloaded. The first pipeline began operations in 1977 and the second in 1987.³²

The pipeline was originally regulated by one agreement only:

- 'Crude Oil Pipeline Agreement between The Government of the Turkish Republic and The Government of the Iraqi Republic' (**Kirkuk-Ceyhan IGA**),³³ signed 27 August 1973

This legal framework was later amended by the two following agreements:

- 'Addendum to the Crude Oil Pipeline Agreement of 27 August 1973 between the Government of the Iraqi Republic and the Government of the Turkish Republic' (**Kirkuk-Ceyhan IGA Addendum**),³⁴ signed 1986
- 'Crude Oil Pipeline Protocol Between The Government Of The Turkish Republic And The Government Of The Iraqi Republic' (**Kirkuk-Ceyhan Protocol**),³⁵ signed 16 May 1976

This original Kirkuk-Ceyhan IGA was valid for twenty years³⁶ and was renewed in 2010 with the following changes and amendments:³⁷

29 The Export Pipeline Agreement could not be collected and is therefore not known to the author.

30 <https://treaties.un.org/doc/Publication/UNTS/Volume%201792/v1792.pdf>.

31 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/243255/7132.pdf.

32 http://pipelinesinternational.com/news/pipeline_projects_in_the_middle_east/040183/.

33 The Kirkuk-Ceyhan IGA is attached to this report as Appendix VII.

34 The Kirkuk-Ceyhan Addendum is attached to this report as Appendix VIII.

35 The Kirkuk-Ceyhan Protocol is attached to this report as Appendix IX.

36 Article 22 of the Kirkuk-Ceyhan IGA.

37 <http://www.todayszaman.com/news-204633-iraq-agrees-to-renew-kirkuk-ceyhan-oil-link-accord-with-turkey.html>.

- 'Amendment to the Crude Oil Pipeline Agreement dated 27 August 1973 and Subsequent relevant Agreements, Protocols, Minutes of Meeting and Addendums between the Government of the Republic of Turkey and the Government of the Republic of Iraq' (**Kirkuk-Ceyhan Amendment**),³⁸ signed September 2010

The construction, operation, maintenance, management and financing of the Kirkuk-Ceyhan Pipeline is a governmental obligation.³⁹ No separate HGA was deemed necessary as the pipeline is entirely operated by state-owned companies: BOTAŞ⁴⁰ in Turkey and Iraq National Oil Company in Iraq.

While Turkey is a Contracting Party to the ECT, Iraq is not. The Kirkuk-Ceyhan IGA was signed long before the ECT negotiations. The Kirkuk-Ceyhan Amendment, however, was signed after the second edition of the Model Agreements was published.

i. Nabucco Pipeline

The Nabucco Pipeline was a planned natural gas pipeline, which was supposed to originate in Turkey, travel through Bulgaria, Romania, Hungary and end in Austria. However, since the pipeline was not chosen as an export route for the Shah Deniz gas by the successful consortium, the future of the project remains uncertain. The project was governed by the following treaty:

- 'Agreement among the Republic of Austria, the Republic of Bulgaria, the Republic of Hungary, Romania and the Republic of Turkey regarding the Nabucco Project' (**Nabucco IGA**),⁴¹ signed 13 July 2009

The Nabucco IGA envisaged the conclusion of corresponding Project Support Agreements (HGAs) between each state and Nabucco Gas Pipeline International GmbH. The following HGAs were concluded:

- 'Project Support Agreement between the Republic of Austria represented by the Federal Minister of Economy, Family and Youth and Nabucco Gas Pipeline International GmbH and Nabucco Gas Pipeline Austria GmbH Concerning the Nabucco Pipeline System' (**Nabucco HGA Austria**),⁴² signed 8 June 2011
- 'Project Support Agreement between the Republic of Bulgaria and Nabucco Gas Pipeline International GmbH and Nabucco Gas Pipeline Bulgaria EOOD Concerning the Nabucco Pipeline System' (**Nabucco HGA Bulgaria**)⁴³
- 'Project Support Agreement between the State of Hungary represented by the Minister Responsible for Supervising State Assets and Nabucco Gas Pipeline International GmbH and Nabucco National Company of Hungary Concerning the Nabucco Pipeline System' (**Nabucco HGA Hungary**),⁴⁴ signed 8 June 2011
- 'Project Support Agreement between Romania and Nabucco Gas Pipeline International GmbH and Nabucco National Gas Pipeline Romania S.R.L. Concerning the Nabucco Pipeline System' (**Nabucco HGA Romania**),⁴⁵ signed 8 June 2011
- 'Project Support Agreement between the Government of the Republic of Turkey and Nabucco Gas Pipeline International GmbH and Nabucco Doğal Gaz Boru Hattı İnşaatı ve İşletmeciliği Limited Şirketi Concerning the Nabucco Pipeline System' (**Nabucco HGA Turkey**),⁴⁶ signed 8 June 2011

Austria, Bulgaria, Hungary, Romania and Turkey are all Contracting Parties to the ECT. All agreements were signed after the second edition of the Model Agreements was published.

j. South Caucasus Pipeline

The South Caucasus Pipeline is a natural gas pipeline originating in the Shah Deniz gas field in the Caspian Sea.

38 Official Gazette, No. 27947, Decision Number 2011/1705, published on May 28, 2011, available at <http://www.resmigazete.gov.tr/main.aspx?home=http://www.resmigazete.gov.tr/eskiler/2011/05/20110528M1-5.htm/20110528M1.htm&main=http://www.resmigazete.gov.tr/eskiler/2011/05/20110528M1-5.htm>.

39 Article 1 of the Kirkuk-Ceyhan IGA.

40 In fact, BOTAŞ was originally established to construct and operate the Kirkuk-Ceyhan Pipeline in 1974.

41 The Nabucco IGA is available at: http://www.zaoerv.de/71_2011/71_2011_1_a_127_156.pdf.

42 The Nabucco HGA Austria is attached to this report as Appendix X.

43 The Nabucco HGA Bulgaria is attached to this report as Appendix XI.

44 The Nabucco HGA Hungary is attached to this report as Appendix XII.

45 The Nabucco HGA Romania is attached to this report as Appendix XIII.

46 The Nabucco HGA Turkey is attached to this report as Appendix XIV.

The pipeline runs parallel to the BTC Oil Pipeline, thereby travelling through Azeri, Georgian and Turkish territories. It started operation in 2006 and is owned and operated by the South Caucasus Pipeline Company, a consortium consisting of seven international companies, the shareholders of which are BP, operator, (U.K.) 28.8 %, AzSCP (a commercial affiliated company of SOCAR incorporated in 2003 under the laws of the Cayman Islands) 10.0 %, SGC Midstream (Azerbaijan) 6.7 %, Statoil (Norway) 15.5 %, Lukoil (Russia) 10 %, NICO (a Swiss-based subsidiary of the National Iranian Oil Company (NIOC) 10 % and TPAO (Turkey, state-owned) 19 %.⁴⁷

The South Caucasus Pipeline is governed by the following project-specific treaty:

- 'Agreement Between Georgia and the Azerbaijan Republic Relating to the Transit, Transportation and Sale of Natural Gas In and Beyond the Territories of Georgia and the Azerbaijan Republic Through the South Caucasus Pipeline System' (**SCP Georgia-Azerbaijan IGA**),⁴⁸ signed 29 September 2001

Additionally, there is a bilateral gas sales arrangement between Azerbaijan and Turkey:

- 'Agreement between the Republic of Turkey and the Azerbaijan Republic Concerning the Delivery of Azerbaijan Natural Gas to the Republic of Turkey' (**SCP Azerbaijan-Turkey IGA**),⁴⁹ signed 12 March 2001

The South Caucasus Pipeline is also governed by the following HGAs:

- 'Host Government Agreement' between and among the Government of the Azerbaijan Republic and the SCP Participants (**SCP HGA Azerbaijan**)⁵⁰
- 'Host Government Agreement' between and among the Government of Georgia and the SCP Participants (**SCP HGA Georgia**)⁵¹

Overall, the South Caucasus Pipeline does not only have the same route as the BTC Pipeline, but also the legal framework of the two pipelines is very similar as will be pointed out throughout the report.

Azerbaijan, Georgia and Turkey are Contracting Parties to the ECT. All agreements were signed before the first edition of the Model Agreements was published.

k. South Stream Pipeline (SS Pipeline)

The South Stream Pipeline was a gas pipeline, which was planned to run from Russia through Bulgaria, Serbia, Hungary and Slovenia to Austria. For this purpose, Russia had signed bilateral treaties with each state as well as an agreement with Former Yugoslav Republic of Macedonia regarding a gas pipeline branch and a protocol with Turkey regarding the section running through the Black Sea and a possible expansion of the pipeline into the Turkish territory:

- 'Agreement between the Government of the Republic of Austria and the Government of the Russian Federation on Cooperation in Construction and Operation of the Gas Pipeline on the Territory of the Republic of Austria' (**SS IGA Russia and Austria**),⁵² signed 24 April 2010
- 'Agreement between the Government of the Republic of Bulgaria and the Government of the Russian Federation on Cooperation in Construction of the Gas Pipeline for Transit of Gas via the Territory of the Republic of Bulgaria' (**SS IGA Russia and Bulgaria**),⁵³ signed 18 January 2008
- 'Agreement between the Government of the Russian Federation and the Government of the Republic of Croatia on Cooperation in Construction and Operation of the Gas Pipeline on the Territory of the Republic of Croatia' (**SS IGA Russia and Croatia**),⁵⁴ signed 2 March 2010

⁴⁷ See business updates of BP Caspian, available at: http://www.bp.com/en_az/caspian/press/businessupdates/businessupdates.html.

⁴⁸ http://www.bp.com/content/dam/bp-country/en_az/pdf/legalagreements/SHA_eng_intergov_Azerbaijan_Georgia_Intergovernmental_Agreement.pdf.

⁴⁹ http://www.bp.com/content/dam/bp-country/en_az/pdf/legalagreements/SHA_eng_intergov_Azerbaijan_Turkey_Intergovernmental_Agreement.pdf.

⁵⁰ http://www.bp.com/content/dam/bp-country/en_az/pdf/legalagreements/SHA_eng_HGA_Host_Government_Agreement_Azerbaijan_English_.pdf.

⁵¹ http://www.bp.com/content/dam/bp-country/en_az/pdf/legalagreements/SHA_eng_HGA_Host_Government_Agreement_Georgia_English_.pdf.

⁵² Page 16 at: <http://www.menachambers.com/expertise/energy/South-Stream-IGAs.pdf>.

⁵³ Page 38 at: <http://www.menachambers.com/expertise/energy/South-Stream-IGAs.pdf>.

⁵⁴ Page 57 at: <http://www.menachambers.com/expertise/energy/South-Stream-IGAs.pdf>.

- 'Agreement between the Hellenic Republic and the Government of the Russian Federation on Cooperation in Construction and Operation of the Gas Pipeline on the Territory of the Hellenic Republic' (**SS IGA Russia and Greece**),⁵⁵ signed 29 April 2008
- 'Agreement between the Government of the Russian Federation and the Government of the Republic of Hungary on Cooperation in Construction of the Gas Pipeline for Transit of Gas via the Territory of the Republic of Hungary' (**SS IGA Russia and Hungary**),⁵⁶ signed 28 February 2008
- 'Agreement between the Government of the Russian Federation and the Government of the Republic of Macedonia on Cooperation in Construction of a Gas Pipeline Branch for Gas Supply to the Republic of Macedonia' (**SS IGA Russia and Macedonia**),⁵⁷ signed 23 July 2013
- 'Agreement between the Government of the Russian Federation and the Government of the Republic of Serbia on Cooperation in Oil and Gas Sector' (**SS IGA Russia and Serbia**),⁵⁸ signed 25 January 2008
- 'Agreement between the Government of the Republic of Slovenia and the Government of the Russian Federation on Cooperation in Construction and Operation of the Gas Pipeline on the Territory of the Republic of Slovenia' (**SS IGA Russia and Slovenia**),⁵⁹ signed 14 November 2009
- 'Protocol between the Government of the Russian Federation and the Government of the Republic of Turkey on Cooperation in the Gas Sector' (**SS Protocol Turkey**),⁶⁰ signed 6 August 2009

The construction and operation of the pipeline was not envisaged to be done by a single consortium throughout the entire pipeline area but by different joint project companies, each set up by the 'founders' within the context of each state.⁶¹ The 'founders' of the respective pipeline section are defined as the Russian Gazprom and an equivalent national joint stock company of the contracting state.⁶²

The following project companies were incorporated: South Stream Bulgaria (Gazprom and Bulgarian Energy Holding, 50 % each),⁶³ South Stream Serbia (Gazprom (51 %) and Srbijagas (40 %)),⁶⁴ South Stream Hungary (Gazprom and Hungarian Development Bank MFB, 50 % each),⁶⁵ South Stream Slovenia (Gazprom and Plinovodi, 50 % each),⁶⁶ South Stream Austria (Gazprom and OMV, 50 % each),⁶⁷ and South Stream Greece (Gazprom and DESFA, 50 % each).⁶⁸

In December 2014, Russian president Putin announced Russia's withdrawal from the project.⁶⁹ The agreements, however, can still serve as examples of project-specific agreements for cross-border pipelines and will be considered in this report.

Austria, Bulgaria, Croatia, Hungary, Former Yugoslav Republic of Macedonia, Slovenia and Turkey are Contracting Parties to the ECT. The only country, which holds an observer status, is Serbia. All agreements were signed after the second edition of the Model Agreements was published.

55 Page 79 at: <http://www.menachambers.com/expertise/energy/South-Stream-IGAs.pdf>.

56 Page 102 at: <http://www.menachambers.com/expertise/energy/South-Stream-IGAs.pdf>.

57 Page 123 at: <http://www.menachambers.com/expertise/energy/South-Stream-IGAs.pdf>.

58 Page 147 at: <http://www.menachambers.com/expertise/energy/South-Stream-IGAs.pdf>.

59 Page 167 at: <http://www.menachambers.com/expertise/energy/South-Stream-IGAs.pdf>.

60 Page 196 at: <http://www.menachambers.com/expertise/energy/South-Stream-IGAs.pdf>.

61 Article 1 of the SS IGA Russia and Austria, SS IGA Russia and Bulgaria, SS IGA Russia and Croatia, SS IGA Russia and Greece, SS IGA Russia and Greece, and SS IGA Russia and Slovenia.

62 OMV Gas & Power GmbH in Austria, Bulgargas Holding in Bulgaria, Plinacro in Croatia, DESFA S.A. in Greece, Hungarian Development Bank in Hungary, Srbijaga in Serbia (in this case, however, not named as the 'founders', see Article 2 of the SS IGA Russia and Serbia), and Geoplin plinovodi Ltd. in Slovenia.

63 <http://www.novinite.com/articles/166117/Project+Company+South+Stream+Bulgaria+AD+Is+Still+Operational+-+CEO>.

64 See Background at <http://www.gazprom.com/press/news/2014/february/article184863/>.

65 <http://www.gazprom.com/press/news/2010/january/article75681/>.

66 <http://www.gazprom.com/press/news/2012/may/article136482/>.

67 <http://rt.com/business/168044-austria-russia-south-stream/>.

68 <http://www.gazprom.com/press/news/2010/june/article99464/>.

69 <http://www.reuters.com/article/2014/12/01/us-russia-gas-gazprom-pipeline-idUSKCN0JF30A20141201>.

l. Turkmenistan-Afghanistan-Pakistan-India Pipeline (TAPI Pipeline)⁷⁰

The TAPI Pipeline is a proposed natural gas pipeline. Originally it was planned to run from Turkmenistan via Afghanistan to Pakistan. A corresponding framework agreement was signed in 2002:

- Agreement between the Government of Islamic Republic of Pakistan and the Afghanistan Interim Authority and the Government of Turkmenistan on Turkmenistan-Afghanistan-Pakistan Natural Gas and Crude Oil Pipelines Project (**Pre-TAPI IGA**),⁷¹ signed 30 May 2002

The proposed pipeline and its legal framework was subsequently extended to include India as per the following two treaties:

- 'Gas Pipeline Framework Agreement between the Government of the Islamic Republic of Afghanistan, the Government of the Republic of India, the Government of the Islamic Republic of Pakistan and the Government of Turkmenistan' (**TAPI Framework Agreement**),⁷² signed 11 December 2010
- Intergovernmental Agreement between the Government of the Islamic Republic of Afghanistan, the Government of the Republic of India, the Government of the Islamic Republic of Pakistan and the Government of Turkmenistan (**TAPI IGA**),⁷³ signed 11 December 2010

According to both agreements, the parties shall jointly form a consortium of international companies to finance, design, construct and operate the pipeline.⁷⁴ Thereafter, each state is required to enter into HGAs with this consortium.⁷⁵

Afghanistan and Turkmenistan are Contracting Parties to the ECT. Pakistan holds observer status and India is not formally associated with the ECT/ECC. All agreements were signed after the second edition of the Model Agreements was published.

m. Trans-Adriatic Pipeline (TAP)

The Trans-Adriatic Pipeline (TAP) is a planned interconnector gas pipeline. At the Greek-Turkish border it will connect with the Trans Anatolian Pipeline (TANAP) and transport gas from Northern Greece via Albania and the Adriatic Sea to southern Italy. The pipeline is to be developed and operated by TAP AG comprised of BP (U.K.) 20%, SOCAR (Azerbaijan, state-owned) 20%, Statoil (Norway) 20%, Fluxys (Belgium) 19%, Enagás (Spain) 16% and Axpo (Switzerland) 5%⁷⁶ and governed by the following treaty:

- Agreement between the Republic of Albania, the Hellenic Republic and the Italian Republic relating to the Trans Adriatic Pipeline Project (**TAP IGA**),⁷⁷ signed 13 February 2013

In addition, the pipeline is governed by two HGAs, that of Albania and that of Greece. There is, however, no HGA between the TAP AG and the Italian Republic.

- 'Host Government Agreement between the Republic of Albania acting through the Council of Ministers and Trans Adriatic Pipeline AG concerning the Trans Adriatic Pipeline Project' (**TAP HGA Albania**)⁷⁸
- 'Host Government Agreement between the Hellenic Republic and Trans Adriatic Pipeline AG concerning the Trans Adriatic Pipeline Project' (**TAP HGA Greece**)⁷⁹

All states are Contracting Parties to the ECT and all agreements were signed after the second edition of the Model Agreements was published.

70 The TAPI Pipeline was originally named TAP Pipeline, when India was not yet part of it, and is also known as the Trans-Afghanistan Pipeline.

71 http://www.gasandoil.com/news/south_east_asia/cd2dcdcc01bafd1a3cbfcf46b87dd4ed

72 The TAPI Framework Agreement is attached to this report as Appendix XV.

73 The TAPI IGA is attached to this report as Appendix XVI.

74 Article 2 of the TAPI IGA and Paragraph 3 of the TAPI Framework Agreement.

75 Paragraph 5 of the TAPI Framework Agreement.

76 <http://www.tap-ag.com/about-us/our-shareholders>.

77 The TAP IGA is attached to this report as Appendix XVII.

78 The TAP HGA Albania is attached to this report as Appendix XVIII.

79 The TAP HGA Greece is attached to this report as Appendix XIX.

n. Trans-Anatolian Pipeline (TANAP)

The TANAP is a proposed natural gas pipeline to run from the Shah Deniz gas field in Azerbaijan to exit points within Turkey and on the borders of Turkey with Greece and Bulgaria. The construction of a new pipeline was one of two options set out by the IGA between the Government of the Republic of Turkey and the Government of the Republic of Azerbaijan relating to the sale of gas from stage 2 of the Shah Deniz Field and transit passage of natural gas originating from Azerbaijan across the territory of Turkey and the development of a standalone pipeline for the transportation of natural gas across the territory of Turkey.⁸⁰ The other option was the transport of Azeri gas through the Turkish National Transmission System.

The construction of the pipeline began in March 2015 and should be completed in 2018.⁸¹

The TANAP is governed by one IGA and one HGA only:

- 'Intergovernmental Agreement between the Government of the Republic of Turkey and the Government of the Republic of Azerbaijan Concerning the Trans Anatolian Natural Gas Pipeline System' (**TANAP IGA**),⁸² signed 26 June 2012
- 'Host Government Agreement between the Government of the Republic of Turkey and Trans Anatolian Gas Pipeline Company B.V. Concerning the Trans Anatolian Natural Gas Pipeline System' (**TANAP HGA**),⁸³ signed 26 June 2012

The pipeline shall be constructed, owned and operated by the Trans Anatolian Gas Pipeline Company B.V., an entity that was originally envisaged to be organised and existing under the laws of the Netherlands,⁸⁴ but is now established under Turkish law.⁸⁵ Shareholders of the Trans Anatolian Company B.V. include SOCAR (Azerbaijan) 58%, BOTAŞ (Turkey) 30% and BP (U.K.) 12%. Since the pipeline is located only in Turkish territory there is only one HGA with Turkey and no HGA with Azerbaijan.

Both states are Contracting Parties to the ECT and all agreements were signed after the second edition of the Model Agreements was published.

o. Trans-Balkan Oil Pipeline

The Trans Balkan Pipeline (also called AMBO Pipeline) is a planned oil pipeline running from Bulgaria via Former Yugoslav Republic of Macedonia to Albania. It is governed by the following treaty:

- 'Tripartite Convention relating to the Trans Balkan Oil Pipeline System among the Republic of Albania, the Republic of Bulgaria and the Republic of Macedonia' (**Trans-Balkan IGA**),⁸⁶ signed 31 January 2007

Additionally, the states shall enter into 'Bilateral Agreements' (or HGAs) with the Project Company.⁸⁷ The Project Company is the US-registered Albanian Macedonian Bulgarian Oil Pipeline Corporation (AMBO) and is supposed to build and operate the pipeline.

All three states are Contracting Parties to the ECT. The Trans-Balkan IGA was signed after the first edition of the Model Agreements was published.

p. Trans-Saharan Gas Pipeline (TSG Pipeline)

The Trans-Saharan pipeline is a planned gas pipeline running from Nigeria through Niger to Algeria, where it shall be linked to the Trans-Mediterranean Pipeline (Algeria, Tunisia, Italy) and to the Maghreb-Europe Pipeline (Algeria, Morocco, Spain). The pipeline is governed by the following IGA:

80 See the Joint Opinion of the Energy Regulators on TAP AG's Exemption Application, available at <http://www.autorita.energia.it/allegati/docs/13/249-13all.pdf>, p. 17.

81 http://en.wikipedia.org/wiki/Trans-Anatolian_gas_pipeline.

82 The TANAP IGA is attached to this report as Appendix XX.

83 The TANAP HGA is attached to this report as Appendix XXI.

84 Preamble of the TANAP HGA.

85 <http://investing.businessweek.com/research/stocks/private/snapshot.asp?privcapId=224042678>.

86 http://bankwatch.org/documents/ambo_convention_26_09_2006.pdf.

87 Paragraph 15 of the Trans-Balkan IGA.

- Intergovernmental Agreement between Nigeria, Niger and Algeria (**TSGP IGA**),⁸⁸ signed 3 July 2009

Niger signed the Energy Charter in April 2015 and is an observer of the ECC. Algeria and Nigeria are observers to the ECC by invitation. The TSGP IGA was signed after the second edition of the Model Agreements was published.

q. West African Gas Pipeline (WAG Pipeline)

The West African Gas Pipeline is an operating pipeline running from Nigeria through Benin and Togo to Ghana. Commissioned in 2006,⁸⁹ the pipeline is governed by the following treaty:

- 'Treaty on the West African Gas Pipeline Project between the Republic of Benin and the Republic of Ghana and the Federal Republic of Nigeria and the Republic of Togo' (**WAGP IGA**),⁹⁰ signed 31 January 2003

The WAG Pipeline is owned and operated by West African Gas Pipeline Company Limited (WAGPCo), a consortium comprised of six international companies: Chevron (U.S.) 36.9 %, Nigerian National Petroleum Corporation (Nigeria, state-owned) 24.9 %, Shell Overseas Holdings Limited (Netherlands) 17.9 %, Takoradi Power Company Limited (Ghana) 16.3 %, Societe Togolaise de Gaz (Togo) 2 %, and Societe BenGaz S.A. (Benin) 2 %.⁹¹

The pipeline is governed by one HGA concluded between all states and the company:

- 'International Project Agreement' between the Republic of Benin, the Republic of Ghana, the Federal Republic of Nigeria, the Republic of Togo and the West African Gas Pipeline Company Limited (**WAGP HGA**),⁹² signed 22 May 2003

Nigeria is an observer to the ECC by invitation. Benin signed the International Energy Charter of 2015, while Ghana and Togo are not formally associated with the ECT/ECC. All agreements were signed before the first edition of the Model Agreements was published.

88 The agreement is available in French (Accord intergouvernemental entre la République fédérale du Nigeria, la République algérienne démocratique et populaire et la République du Niger) at <http://www.joradp.dz/FTP/jo-francais/2010/F2010072.pdf>, p. 3 et seq.

89 http://en.wikipedia.org/wiki/West_African_Gas_Pipeline.

90 The WAGP IGA is attached to this report as Appendix XXII.

91 http://www.wagpco.com/index.php?option=com_content&view=article&id=46&Itemid=78&lang=en.

92 The WAGP HGA is available at <http://www.wagpco.com/images/stories/docs/reports/IPA-English.pdf>.

D. The Different General Approaches to Governing Pipeline Projects

D. The Different General Approaches to Governing Pipeline Projects

A transit or cross-border pipeline may generally be composed in two different ways:⁹³

The pipeline can be composed as a connection of different national pipelines, where each section travelling through a state's territory is regarded a 'national' pipeline on itself, being only subject to the relevant national jurisdiction; or

- (1) The pipeline can be composed as a single unified asset, which means that the involved states agreed on the pipeline as a whole.
- (2) This report covers pipelines composed as described in (2), which legal framework can either be of a project-specific or of a non project-specific nature:

Non project-specific agreements, though still applying to an identified pipeline project, are of a general nature in order to apply to or govern various projects. Such agreements either deal with the overall cooperation among the state parties regarding, for example, various future pipeline projects (and may in this case have the nature of a framework agreement) or they cover various kinds of investments between all or some of the parties, as it is done via BITs or the ECT.⁹⁴

Project-specific agreements are drafted to regulate a specified pipeline project. Such an approach will lead to one or more project-specific treaties between the states (IGAs), but will most probably also entail according agreements with the investors (HGAs) in order to create an exhaustive project-specific regime. These IGAs aim at operating together with the HGAs from the very beginning. They should therefore be read in conjunction with the applicable HGA for the purposes of this report. Where the HGA is not publicly available the relevant IGA will be examined solely.⁹⁵

Within the group of project-specific agreements several different approaches can be identified. The project-specific approach aims at creating an exhaustive regime for the identified project. Therefore, it is not enough for the involved states to merely agree on cooperation regarding the project. Instead, the actual construction and operation of the project should be regulated. This task is, however, mostly assigned to a private company or a whole consortium consisting of private and sometimes also state-owned companies that are registered and established in different states (the foreign investors). In order to incorporate the investors into the legal regime of a project, additional agreements are signed between the involved states and the foreign investors (the so-called HGAs) and are often incorporated into or referred to in the respective IGAs.

Regulating a pipeline project on a project-specific basis still leaves room for a range of different concepts including, *inter alia*, the following structures:

- (1) The project can be regulated solely by **one or more IGAs standing alone** without HGAs. For instance, the Kirkuk-Ceyhan Pipeline is governed only by one IGA. This is due to the fact that, within this single IGA, the construction, operation, maintenance, management and finance of the pipeline project are made governmental obligations⁹⁶ that are carried out either by a state-owned company or a company registered in that state. Since the Kirkuk-Ceyhan IGA is a framework instrument, additional issues are governed by contracts signed between the respective states.⁹⁷ In this case, specification of the IGA, which would otherwise be found in the according HGAs, is made by an additional Protocol.⁹⁸

The South Stream pipeline is regulated by means of several bilateral IGAs signed by Russia with each of the involved states, i.e. Austria, Bulgaria, Croatia, Greece, Hungary, Serbia, Former Yugoslav Republic of Macedonia, Slovenia and Turkey. There are no corresponding HGAs. The concept chosen for this pipeline is close to a connection of different national pipelines,⁹⁹ since the construction and operation of the pipeline

⁹³ Lagoni, 'Pipelines', in Encyclopaedia of Public International Law, 2(1997), p. 1033.

⁹⁴ A project-specific regulation would in that case then be implemented at national level, especially by means of state contracts.

⁹⁵ This applies for the following pipeline projects: Chad-Cameroon Pipeline and the Dolphin Gas Pipeline.

⁹⁶ Article 1 of the Kirkuk-Ceyhan IGA.

⁹⁷ Article 2(1) of the Kirkuk-Ceyhan IGA.

⁹⁸ Article 2(3) of the Kirkuk-Ceyhan IGA requires the state parties to specify the steps and measures referred to in paragraph (1) in a Protocol, which will then become an integral part of the IGA.

⁹⁹ Vinogradov/Mete, 'Cross-Border Oil and Gas Pipelines in International Law', *G.Y.I.L.* 56 (2014), 65, 101.

is carried out by different companies each set up within the context of each individual state.¹⁰⁰

- (2) Alternatively **one or several IGAs referring to or interacting with one or more HGAs** can be concluded. Within this approach, the degree of interdependence and interaction between IGAs and HGAs differs as well as the extent of regulation, depending on the specific circumstances of each project.

- (a) The most straightforward implementation of the second approach is the conclusion of one IGA and one HGA only.

The West African Gas Pipeline follows this concept, as it is governed by one single IGA concluded between the four involved states and by one international project agreement (the WAGP HGA) between all states and the West African Gas Pipeline Company.

In cases of cross-border pipelines involving only two states, as long as the operating company is established under the laws of one of the two states, only one HGA is necessary to regulate the rights and duties between the other state and the company. This is the case for the Dolphin Pipeline (governed by an IGA between Qatar and the United Arab Emirates and one HGA between Qatar and the Dolphin Energy Limited, a company registered under the laws of the United Arab Emirates). But even if the company is established under the laws of a third state, the parties may decide to conclude only one HGA. This is the case for the TANAP, which is governed by an IGA between Turkey and Azerbaijan and a HGA between Turkey and the Trans Anatolian Gas Pipeline Company B.V. (registered in Netherlands).

- (b) The most common concept for the legal regime of a pipeline project is to sign **one single IGA between all involved states and several HGAs between each state and the investors**. In other words, the amount of involved states correlates to the number of HGAs.

This approach was followed for the BTC Pipeline, the Trans-Balkan Pipeline, the TAPI Pipeline and the Nabucco Pipeline. The degree of interdependence between the IGA and the HGAs differs from project to project. Whereas the Nabucco IGA only refers to the respective HGAs¹⁰¹ regarding the regulation of taxes,¹⁰² the BTC IGA refers to the respective HGAs in almost every aspect.¹⁰³ This depends on various reasons such as the willingness of the state parties to agree on certain (HGA) issues at the time of conclusion of the IGA.

The regulation of the TAPI Pipeline includes an IGA and a Framework Agreement. This Framework Agreement resembles the form, content and purpose of an IGA and should therefore neither be seen as a deviation from this approach (b), nor as a non-project-specific approach, which would normally have the form of a framework agreement.

- (c) As a third option, **several IGAs can be concluded, together with several HGAs**.

This is the case for the South Caucasus Pipeline. One IGA was concluded between Turkey and Azerbaijan and another one between Georgia and Azerbaijan. Additionally, one HGA was concluded between Georgia and the investors and another one between Azerbaijan and the investors. As the pipeline investment does not cover Turkey, there is no HGA with Turkey. However, it is important to note that these two IGAs serve quite different purposes. The IGA between Georgia and Azerbaijan is a project-specific pipeline agreement, while the one between Turkey and Azerbaijan is a sales-backed agreement.

100 Article 1 of the SS IGA Russia and Austria, SS IGA Russia and Bulgaria, SS IGA Russia and Croatia, SS IGA Russia and Greece, SS IGA Russia and Greece, and SS IGA Russia and Slovenia.

101 In the Nabucco IGA they are called 'Project Support Agreement'.

102 See Article 11.1 of the Nabucco IGA.

103 See Articles II (1),(2),(4),(7), III(2),(3), IV, V(1),(2),(3),(4), VI(1),IX of the BTC IGA.

E. Standard of Comparison

E. Standard of Comparison

In this report, the existing agreements will be compared

- (1) among each other;
- (2) with the Energy Charter's Model Agreements for Cross-Border Pipeline Projects; and
- (3) with the Energy Charter's draft Transit Protocol from 2010.

For this purpose, the Model Agreements for Cross-Border Pipelines as well as the Transit Protocol will briefly be presented in this chapter.

There are, of course, various other non-project-specific legal binding or non-binding documents relevant to cross-border pipeline projects which existing project-specific agreements could potentially be compared with.

Some multilateral treaties, such as the ECT itself or even more transit-orientated treaties like the Barcelona Convention and Statute on Freedom of Transit (1921) or the Convention on Transit Trade of Land-Locked States (1965), cover various aspects of cross-border pipelines. The same is true for the INOGATE Umbrella Agreement on the Institutional Framework for the Establishment of Interstate Oil and Gas Transportation Systems, which is a framework agreement signed by 21 countries in 2001 that sets out an institutional and legal system designed to rationalise and facilitate the development of interstate oil and gas transportation systems and to attract the investments necessary for their construction and operation.

Next to these multilateral framework agreements, various bilateral or multilateral treaties promoting cooperation among the states in the sphere of energy on a general and non-project-specific level exist. Examples are the Convention on Construction of Oil Pipelines signed by Argentina, Bolivia, Brazil, Paraguay and Uruguay (1941); the Agreement on Cooperation in the Sphere of Oil and Gas Industry between the Azerbaijan Republic and the Republic of Georgia (1997); or the Treaty between the Government of the Russian Federation and the Cabinet of Ministers of Ukraine about Transit of Oil on the Territory of Ukraine (2004).

Comparisons between existing project-specific treaties and such framework agreements and treaties might be an interesting subject for another study. This report will focus on the comparison with the Model Agreements and the Transit Protocol.

1. The Model Agreements for Cross-Border Pipelines

In order to assist states and investors 'with a neutral and non-prescriptive starting point for negotiations' the Energy Charter Secretariat developed and published a set of Model Agreements for Cross-Border Pipelines and for Cross-Border Electricity Projects.¹⁰⁴ The first edition of the Model Agreements for Cross-Border Pipelines (Model Agreements) was released in 2004, followed by a second edition in 2008.

The Model Agreements consist of

- A state-to-state Intergovernmental Pipeline Model Agreement (Model IGA); and
- A Host Government Pipeline Model Agreement between an individual state and the project investors (Model HGA).

The Model Agreements are built on the basis of the above-mentioned approach (2)(b) consisting of one IGA between the involved states and several HGAs between each state and the investors. The conclusion of one IGA enables a harmonised legal framework throughout the entire pipeline area and is therefore chosen by the majority of existing pipelines and by the Model Agreements. However, this does not limit a comparison between the Model Agreements and pipeline agreements following a different approach than (2)(b).

The Model Agreements 'offer a set of texts, which represent some of the possible drafting approaches'.¹⁰⁵ This first sentence illustrates the awareness of its creators as to different approaches and methods existing. The task was to find a compromise of Model Agreements applying to as many pipeline projects as possible, while still incorporating basic principles and regulations to serve as a guideline. The Model Agreements are therefore neither exhaustive

¹⁰⁴ <http://www.encharter.org/index.php?id=38>.

¹⁰⁵ See introductory remark of the Model Agreements.

nor absolutely detailed and leave certain issues open. It is entirely up to the parties (as well as non-parties) to use the Model Agreements either in full or in part.¹⁰⁶

On the basis of concluded pipeline agreements the Model Agreements are continuously developed further in order to represent the current state of practice. While the first edition consists only of the actual Model Agreements, the second edition also includes introductory and explanatory remarks. In addition, the second edition contains a new article on transport of oil and gas according to the principle of freedom of transit, but abandons the establishment of a joint commission.

2. The Draft Transit Protocol

Shortly after the entry into force of the ECT, the Charter Conference was mandated to negotiate a Transit Protocol¹⁰⁷ with an aim to (1) ensure secure, efficient, uninterrupted and unimpeded transit, (2) promote more efficient use of transit infrastructure, and (3) facilitate the construction or modification of transit infrastructure.¹⁰⁸

The first formal draft version was issued in 2003¹⁰⁹ and was designed to apply to both cross-border pipeline and electricity projects as its stated objective was 'to establish an enhanced set of rules under international law governing cross-border flows of energy in transit via inter-state pipelines and grids'.¹¹⁰ A second (informal) draft was produced in 2010.¹¹¹ This report refers to the 2010 version of the draft Transit Protocol as a basis for comparison with relevant provisions of existing agreements covered in this report.

¹⁰⁶ See introductory remark of the Model Agreements.

¹⁰⁷ http://www.encharter.org/fileadmin/user_upload/document/CC_156_ENG.pdf.

¹⁰⁸ <http://www.encharter.org/index.php?id=37>.

¹⁰⁹ http://www.encharter.org/fileadmin/user_upload/document/CC251.pdf.

¹¹⁰ Press Release, Statement by the Secretary General of the Energy Charter Secretariat, Brussels, 27th June 2003.

¹¹¹ http://www.encharter.org/fileadmin/user_upload/document/TTG_87_ENG.pdf.

F. The Content of Pipeline Agreements and Comparison

F. The Content of Pipeline Agreements and Comparison

This chapter compares the most relevant sections of the existing agreements with the Model Agreements and the Transit Protocol (when relevant). The following categories of sections will be considered: (1.) general obligations of the states; (2.) the acting and obligated entity; (3.) entry into force, expiry and termination; (4.) the relationship with national law; (5.) the relationship with international law; (6.) applicable law; (7.) exchange of information; (8.) establishment of a project-specific body; (9.) constructing and operating company; (10.) transit and uninterrupted flow; (11.) rights on land; (12.) standards; (13.) security; (14.) taxes; (15.) tariffs; (16.) dispute settlement; (17.) funding/financing; (18.) force majeure and liability; and (19.) local content.

1. General Obligations of the States

a. Model Agreements

Part II (Articles 4 – 12) of the Model IGA sets out general obligations, including ‘performance and observance of this and other related agreements’, cooperation, land rights, transport of petroleum/gas, ownership of petroleum/gas, non-interruption of project activities, standards and security. Within this list, Article 4 of the Model IGA contains the overall obligation by requiring the states ‘to fulfil and perform each of its obligations under this Agreement, any Host Government Agreement to which it is a party and any Project Agreement to which it is a party from time to time’ as well as to ‘fully support the implementation and execution’ of the project activities. The overall obligations of the states therefore lie in the legal obligations of the relevant agreements as well as in the actual implementation and execution of the pipeline. The legal obligations thereby do not only stem from the (Model) IGA itself but also from other related and subsequent agreements including, *inter alia*, the (Model) HGAs.

b. Existing Agreements

In most of the IGAs, an initial clause in the beginning contains general obligations of the respective states. However such clauses are not always actually headlined as general obligations. These clauses may encompass obligations to act or refrain from acting in various ways. Looking at such general states’ obligations is important as it gives a quick overview of what the respective agreements are mainly about and which actions are ascribed to the states.

However, not all IGAs contain such a general clause, like the Burgas-Alexandroupolis IGA, the TAPI IGA and the TAPI Framework Agreement, the CCO IGA and the Qatar-UAE IGA. The CCO IGA sets out the purpose of the agreement instead, being ‘to facilitate the construction and operation’ of the pipeline.¹¹² The same holds true for the Qatar-UAE IGA, which in addition states that the purpose of the agreements is to ‘provide for a mechanism by which the Governments can address issues arising from the construction, operation and utilization of the Pipeline.’¹¹³

What is considered as general obligations differs from project to project. A very comprehensive list of general obligations can be found in the Baku-Supsa IGA: each government shall (a) support the project, (b) take no action, which would delay, curtail or interrupt the project, (c) comply with the Project Agreements, (d) guarantee the performance of its entities, and (e) take no action, which would amend or modify the Project Agreements.¹¹⁴

Most agreements, however, contain only one or two of these general obligations. They can broadly be categorised along the following lines:

Most agreements generally oblige the states to **fulfil and perform their obligations** under the agreements. These obligations are then further elaborated in the course of the agreements. While some agreements only refer to the obligations stemming from themselves, other agreements oblige states to also fulfil and perform their obligations under related and subsequent agreements such as the corresponding HGA(s). The TANAP IGA, for example, obliges the states to ‘fulfil and perform each of its obligations under this Agreement’¹¹⁵ and refrains from referring to obligations under the TANAP HGA. The same is true for the WAGP IGA, which does not integrate the obligations of the WAGP HGA as general treaty obligations. On the other side, the Trans-Balkan IGA for example, sets out that ‘each State shall at all times fulfil and perform on a timely basis each of its duties and obligations

¹¹² Article 2 of the CCO IGA.

¹¹³ Article 2 of the Qatar-UAE IGA.

¹¹⁴ Article 1 of the Baku-Supsa IGA.

¹¹⁵ Article 3(2) of the TANAP IGA.

arising under this Convention and under any Bilateral Agreement it has entered into.¹¹⁶ Bilateral Agreements are any agreements 'entered into between a State, on the one hand, and one or more Project Companies, on the other hand'.¹¹⁷ Such a reference to obligations stemming from subsequent or related agreements, which are not even rooted in public international law, can be found in many other agreements as well. Under the BTC IGA and the SCP Georgia-Azerbaijan IGA, the states undertake to 'fulfil and perform on a timely basis each of its duties arising under any applicable Project Agreement'.¹¹⁸ These 'Project Agreements' include the HGAs as well as other agreements concluded thereunder. The Baku-Supsa IGA contains a similar reference.¹¹⁹

Some agreements simply oblige the states **not to object to the construction and operation** of the pipeline by the operator. This is the case for both the ISI 1 IGA and the ISI 2 IGA¹²⁰ as well as for the Qatar-UAE IGA.¹²¹

In a more proactive manner, other agreements require the states to **support the investor/company** with the implementation of the project. This is the case for most SS IGAs,¹²² while the other simply oblige states to assist the founders in establishing the company.¹²³ A similar approach can be found in the TSGP IGA. The first sentence of its article on the objective formulates a general obligation of the states to support the operating companies, NNPC, Sonatrach and SONIDEP.¹²⁴ States are supposed (1) to take the necessary measures to enable the companies to carry out the initial project activities,¹²⁵ (2) to give the companies the necessary support in order for them to take final investment decisions,¹²⁶ (3) to implement a scheme in order to determine the relevant regulatory and task conditions as well as the commitments regarding the natural gas supply needs.¹²⁷

Other agreements refer to the **realisation of the pipeline project** itself. The WAGP IGA notes that state parties 'undertake to permit the construction and operation of the WAGP and to take, jointly or severally, all measures that are necessary or expedient for its construction and operation'.¹²⁸ Similarly, the TAP IGA obliges parties to 'facilitate, enable, and support the implementation of the [p]roject and to co-operate and co-ordinate with each other in that respect'.¹²⁹ The Nabucco IGA requires the state parties to 'lend their full political support for, and undertake to promote, support and facilitate the measures necessary for the realization of the Nabucco Project'.¹³⁰

Very differently, due to the states being the obligated entities themselves, the Kirkuk-Ceyhan IGA obliges the parties to 'erect, construct, operate, maintain, manage, finance and to provide all other requirements for the part of the Project situated within its territory'.¹³¹

All these provisions are equally in line with the Model IGA as they provide for the support in the implementation and execution of the project.

c. Conclusion

Regarding general obligations, none of the agreements covered is in conflict with the structure and content of the Model IGA provisions. An additional, although not contradictory approach found is the inclusion of a reference to (subsequent) agreements not rooted in public international law in some IGAs. The study indicates that the reason and consequences of incorporation of HGA obligations into the IGAs are not self-evident in each case. It would be advisable for a potential third edition of Model Agreements to provide clarification on scope and rationale in this regard.

¹¹⁶ Paragraph 2.1 of the Trans-Balkan IGA.

¹¹⁷ Paragraph 1.1. of the Trans-Balkan IGA.

¹¹⁸ Article II(4) of the BTC IGA and the SCP Georgia-Azerbaijan IGA; 'Project Agreements' mean the IGA, the HGA and other projects agreements as defined in Article I of both IGAs.

¹¹⁹ Article 1 (c) of the Baku-Supsa IGA.

¹²⁰ Article 2(1) of the ISI 1 IGA and the ISI 2 IGA.

¹²¹ Article 3.01 of the Qatar-UAE IGA.

¹²² Article 2 of the SS IGA Russia and Austria; Article 2 of the SS IGA Russia and Hungary; Article 1 of the SS IGA Russia and Macedonia; Article 1 of the SS IGA Russia and Serbia.

¹²³ Article 2 of the SS IGA Russia and Bulgaria, of the SS IGA Russia and Greece and of the SS IGA Russia and Croatia.

¹²⁴ Article 2 of the TSGP IGA.

¹²⁵ Article 2.1(a) of the TSGP IGA.

¹²⁶ Article 2.1(b) of the TSGP IGA.

¹²⁷ Article 2.1(c) of the TSGP IGA.

¹²⁸ Article II.1.(1) of the WAGP IGA.

¹²⁹ Article 2(1) of the TAP IGA.

¹³⁰ Article 1 of the Nabucco IGA.

¹³¹ Article 1 of the Kirkuk-Ceyhan IGA.

2. Acting and Obligated Entity

The study revealed that most of the pipeline agreements do not specify an obligated entity that is responsible for execution/implementation of the respective agreements.¹³² There are, however, a select number of agreements that solely and explicitly refer to and oblige the executive branch.¹³³

The Model IGA refers to states authorities, which are defined as 'any organ of a state at each level of authority, whether the organ exercises legislative, executive, judicial or any other state functions'.¹³⁴ This might conflict with general considerations regarding the separation of powers, as the executive branch would thereby bind the legislative and juridical branch.

Regarding the acting and obligated entity, an explicit reference to the ILC Draft Articles on the Responsibility of States for Internationally Wrongful Acts could be considered in the potential third edition of Model Agreements.¹³⁵

3. Entry into Force, Expiration and Termination of Agreements

a. Model Agreements

The Model IGA and the Model HGA are cross-linked regarding their validity. In other words, neither the Model IGA nor the Model HGA is envisaged to be effective without the other.

The entry into force of the Model IGA is conditional 'upon exchange of instruments of ratification'.¹³⁶ This is in line with Article 11 of the VCLT. The Model HGA's entry into force is linked to the (Model) IGA. The Model HGA shall enter into force on the date on which the (Model) IGA has entered into force.¹³⁷

Termination of the Model IGA is linked with the termination or expiration of all HGAs.¹³⁸ This is also in line with Article 54(a) of the VCLT. The Model IGA does not provide for an expiry date. The Model IGA does not only provide for its own termination, but also governs the termination of the Model HGA by a state. This is done by requiring the state to adhere to provisions in the Model IGA if it has grounds to terminate the respective HGA pursuant to the provisions of that HGA.¹³⁹

The provisions on the termination of the Model HGA are more complex.¹⁴⁰ Its termination is linked to the status of the project itself, either by allowing the host government or the project investors to terminate the HGA if the performance of either side is delayed or not commenced at all or by terminating automatically on the date on which all project activities have permanently ceased. Neither the Model IGA nor Model HGA provide for an expiry date.

b. Existing Agreements

i. Entry into Force

(a) IGAs

All covered agreements, except for the Burgas-Alexandroupolis IGA, regulate its entry into force. Overall, two approaches can thereby be identified:

- (1) The IGA comes into force on or after the date of its signing; or

¹³² The SCP Azerbaijan-Turkey IGA refers to the 'Republics'; the agreements governing the South Stream Pipeline, the Burgas-Alexandroupolis Pipeline, the WAGP IGA, the TAPI Framework Agreement and the TAPI IGA refer to the 'parties' or 'state parties'; The TANAP IGA refers either to each republic or the states; the CCO IGA refers to either the 'Contracting States' or to each state individually; the TSGP IGA refers to 'les parties'.

¹³³ The Baku-Supsa IGA, the Qatar-UAE IGA, the ISI 1 IGA, the ISI 2 IGA and the Kirkuk-Ceyhan IGA refer to the 'governments'; the Trans-Balkan IGA defines 'relevant authorities' as 'any and all central, federal, regional, local and municipal authorities of a State and all their constituent elements' (Paragraph 1(1)). The definition of 'state authority' in the TAP IGA follows a similar definition. The BTC IGA refers to the governments and also defines 'state authorities' as any executive body; the SCP Georgia-Azerbaijan IGA mainly refers to the 'government' but defines 'state authorities' in its HGA as any executive body; the Nabucco IGA defines state party authority as 'the authority that has regulatory jurisdiction and competence to deal with Transportation' (Article 2(26)).

¹³⁴ Article 1 of the Model IGA.

¹³⁵ This might be useful in the article of responsibility, Article 18 of the Model IGA.

¹³⁶ Article 2(1) of the Model IGA.

¹³⁷ Article 2(1) of the Model HGA.

¹³⁸ Article 20 of the Model IGA.

¹³⁹ Article 21 of the Model IGA.

¹⁴⁰ Article 39 of the Model HGA.

- (2) The IGA comes into force after its ratification procedure and the requisite instruments have been communicated to the other states.

Those IGAs following approach (1) are the Baku-Supsa IGA,¹⁴¹ the SS IGA Russia and Hungary,¹⁴² the TAPI Framework Agreement¹⁴³ and the TAPI IGA.¹⁴⁴

The second approach appears to be the most common one. Most IGAs following this approach shall come into force upon notification to the other states of the ratification instruments or completion of any other national procedure. This is the case for the Kirkuk-Ceyhan IGA,¹⁴⁵ the Kirkuk-Ceyhan Amendment,¹⁴⁶ the ISI 1 IGA,¹⁴⁷ the ISI 2 IGA,¹⁴⁸ the TAP IGA,¹⁴⁹ the Qatar-UAE IGA,¹⁵⁰ the CCO IGA,¹⁵¹ the SS IGA Russia and Austria,¹⁵² the SS IGA Russia and Bulgaria,¹⁵³ the SS IGA Russia and Croatia,¹⁵⁴ the SS IGA Russia and Greece,¹⁵⁵ the SS IGA Russia and Macedonia,¹⁵⁶ the SS IGA Russia and Serbia,¹⁵⁷ the SS IGA Russia and Slovenia,¹⁵⁸ the SCP Azerbaijan-Turkey IGA,¹⁵⁹ the TANAP IGA¹⁶⁰ and the TSGP IGA.¹⁶¹ Other IGAs, such as the BTC IGA,¹⁶² the Nabucco IGA,¹⁶³ the WAGP IGA¹⁶⁴ and the Trans-Balkan IGA,¹⁶⁵ stipulate that they come into force upon submission to the depository of the last ratification instruments or at least upon notification thereof.

A different approach can be found in the SCP Georgia-Azerbaijan IGA. This IGA is expressed to come into force 'as of the date hereof with respect to Section (1) of Article II'.¹⁶⁶ Section (1) of Article II obliges the states to present the IGA to their respective national parliaments, to take all necessary steps to present drafts of required enabling legislation and to use all actions within their powers to secure ratification.

(b) HGAs

The existing HGAs follow very diverse approaches in order to regulate their entry into force.

The BTC HGAs and the SCP HGAs became effective from the date they were fully executed.¹⁶⁷ The SCP HGA Georgia additionally requires written consent by the project investors with regard to certain topics.

The WAGP HGA, as per its Paragraph 2.4, came into force and became binding upon the parties 'with effect from the date of this Agreement'.¹⁶⁸ Certain clauses of the WAGP HGA, however, came into force on a later date.¹⁶⁹ In any case, no link was stipulated between entry into force of the WAGP IGA and that of the WAGP HGA.

The Baku-Supsa HGA provides for three different options: it is expressed to become effective either one day after its ratification, or one day after the execution of the Baku-Supsa IGA, or, finally, one day after notification from the oil companies that the operating company has been formed.¹⁷⁰

141 Article 7 of the Baku-Supsa IGA.

142 Article 16(1) of the SS IGA Russia and Hungary.

143 Final remarks of the TAPI Framework Agreement.

144 Article 10 of the TAPI IGA.

145 Article 24 of the Kirkuk-Ceyhan IGA.

146 Article 11 of the Kirkuk-Ceyhan Amendment.

147 Article 18 of the ISI 1 IGA.

148 Article 19 of the ISI 2 IGA.

149 Article 14 of the TAP IGA.

150 Article 14(1) of the Qatar-UAE IGA.

151 Article 28 of the CCO IGA.

152 Article 13(1) of the SS IGA Russia and Austria.

153 Article 20(1) of the SS IGA Russia and Bulgaria.

154 Article 16(1) of the SS IGA Russia and Croatia.

155 Article 16(1) of the SS IGA Russia and Greece.

156 Article 13 of the SS IGA Russia and Macedonia.

157 Article 17(1) of the SS IGA Russia and Serbia.

158 Article 17(1) of the SS IGA Russia and Slovenia.

159 Article 6 of the SCP Azerbaijan-Turkey IGA.

160 Article 13(2) of the TANAP IGA.

161 Article 13.1 of the TSGP IGA.

162 Article VIII(1) of the BTC IGA.

163 Article 4(1) of the Nabucco IGA.

164 Article XIV(1) of the WAGP IGA.

165 Paragraph 23 of the Trans-Balkan IGA.

166 Article VIII(1) of the SCP Georgia-Azerbaijan IGA.

167 Article 3(1) of all BTC HGAs and all SCP HGAs.

168 Paragraph 2.4 of the WAGP HGA.

169 Paragraph 2.5 and 2.6 of the WAGP HGA.

170 Article 2(1) of the Baku-Supsa HGA.

Two of the Nabucco HGAs refer to the state's procedure of approval: the Nabucco HGA Bulgaria is expressed to enter into force when the ratification procedure is completed.¹⁷¹ The Nabucco HGA Romania 'shall enter into force after it is approved in accordance with the Romanian legal procedures' and 'shall enter into force on the fourth day following the date of the Official Gazette of Romania in which the law of its approval is published'.¹⁷²

The TAP HGAs require several preconditions to be met at the same time: execution of the HGA, signature of the TAP IGA, ratification of the TAP IGA and obtainment of state aid clearance.¹⁷³ The TAP HGA Albania additionally requires an approval by the Council of Ministers and a grant of regulatory exemptions.

Two other Nabucco HGAs identify the same day on which the HGAs are signed (8 June 2011) as their effective date.¹⁷⁴

Some other HGAs link their entry into force to the corresponding IGA. The TANAP HGA is expressed to enter into force on the date on which the TANAP IGA has entered into force.¹⁷⁵ The same provision can be found in the Nabucco HGA Turkey, which, in case the Nabucco IGA comes into force earlier, shall come into force on the date of its signature.¹⁷⁶

ii. Expiry and Termination

(a) IGAs

Some existing IGAs such as the BTC IGA, the Nabucco IGA and the Trans-Balkan IGA do not contain any provision regarding their termination. In such cases, the general rules of Part V of the VCLT shall apply.

Other agreements provide for a fixed period of validity before their expiry. This approach can be found in the Kirkuk-Ceyhan IGA¹⁷⁷ (20 years) and in all bilateral IGAs governing the South Stream Pipeline (30 years).¹⁷⁸ The IGA governing the TAPI Pipeline doesn't provide for a set period of time, but instead for a fixed date (31 December 2045).¹⁷⁹

A third and the most common structure identified in this study for the IGAs is to contain provisions on termination in one of the three following ways:

- (1) The IGA may terminate when the state parties agree accordingly¹⁸⁰ as it is the case under the Qatar-UAE IGA,¹⁸¹ the TAPI Framework Agreement,¹⁸² the ISI 1 IGA¹⁸³ and in the ISI 2 IGA.¹⁸⁴
- (2) Alternatively, the IGA's validity may be linked to the status of the project. For instance, the TAP IGA states that it 'shall remain in full force and effect until the date of completion of the decommissioning of the entire Trans Adriatic Pipeline'.¹⁸⁵ Similarly, the Baku-Supsa IGA shall remain in effect 'until all obligations under the project agreements have been discharged'.¹⁸⁶ The CCO IGA shall remain in force 'for the whole duration of life of the Transportation System'.¹⁸⁷ The Burgas-Alexandroupolis IGA, though concluded for an unlimited period of time, shall be terminated by withdrawal after 'the end of the oil pipeline cost recovery period'.¹⁸⁸ The TSGP IGA, while providing for options for termination, stipulates that it will be valid as long as the pipeline system exists.¹⁸⁹

171 Article 2(1) of the Nabucco HGA Bulgaria.

172 Article 2(1) of the Nabucco HGA Romania.

173 Paragraph 2(1) of both the TAP HGA Albania and the TAP HGA Greece.

174 Article 2(1) of the Nabucco HGA Austria; Article 2(1) of the Nabucco HGA Hungary.

175 Article 2(1) of the TANAP HGA.

176 Article 2(1) of the Nabucco HGA Turkey.

177 Article 22 of the Kirkuk-Ceyhan IGA.

178 Article 13(1) of the SS IGA Russia and Austria, Article 20(1) of the SS IGA Russia and Bulgaria, Article 16(1) of the SS IGA Russia and Croatia, Article 16(1) of the SS IGA Russia and Greece, Article 16(1) of the SS IGA Russia and Hungary, Article 13(1) of the SS IGA Russia and Macedonia, Article 17(1) of the SS IGA Russia and Serbia and Article 17(1) of the SS IGA Russia and Slovenia.

179 Article 10 of the TAPI IGA.

180 In such a case it is unclear whether this provision would constitute the only means of termination or whether it would apply additionally to the rules of the Vienna Convention on the Law of Treaties.

181 Article XIV of the Qatar-UAE Agreement reads: '...this Agreement ...shall continue in force until both Governments agree otherwise'.

182 Second paragraph after Paragraph 34 of the TAPI Framework Agreement: 'This Agreement may be terminated through mutual written agreement of the Parties'.

183 Article 18 of the ISI 1 IGA.

184 Article 19 of the ISI 2 IGA.

185 Article 12 of the TAP IGA.

186 Article 7 of the Baku-Supsa IGA.

187 Article 29 of the CCPO IGA.

188 Article 14 of the Burgas-Alexandroupolis IGA.

189 Article 13.2 of the TSGP IGA.

- (3) Another option is to link the termination of the IGA to the validity of another agreement. This is the method adopted under the Model Agreement and appears to be the most common one. For instance, the SCP Georgia-Azerbaijan IGA, the SCP Azerbaijan-Turkey IGA, TANAP IGA, and TAPI Framework Agreement all interlink termination of IGA to that of the project agreements.

The SCP Azerbaijan-Turkey IGA expires when the respective Natural Gas Purchase and Sales Agreement expires.¹⁹⁰ The SCP Georgia-Azerbaijan IGA terminates upon the termination or expiration of all Project Agreements and the conclusion of all activities thereunder in accordance with the terms of such agreements.¹⁹¹ TANAP IGA terminates upon the termination or expiration of the HGA.¹⁹²

The termination of the WAGP IGA is linked to its corresponding Project Agreement in a different way. State parties are only allowed to withdraw or terminate from the IGA 'upon or after termination of the International Project Agreement'.¹⁹³ In this case, the IGA is not terminated automatically along with the Project Agreement but shall remain in force as long as the Project Agreement is not terminated. The IGA itself can then only be terminated or withdrawn from by consent of all state parties.¹⁹⁴

There is no example within the scope of this study adopting the method of the Model IGA to additionally regulate the termination of the HGA by the IGA itself.

(b) HGAs

Existing HGAs contain similar approaches regarding their termination as the IGAs although they often provide several means of termination. In contrast to existing IGAs, all HGAs studied regulated their termination. In addition to provisions on termination, some existing HGAs also provide for expiry dates. While the termination of treaties would be regulated by the VCLT if the treaty itself remained silent on its termination, no general rules in this regard exist with regards to state-investor agreements.

The Baku-Supsa HGA's validity is linked to another project-related agreement, the Baku-Supsa PCoOA.¹⁹⁵ No reference is thereby made to the validity of the respective Baku-Supsa IGA.

The TAP HGAs provide both expiry and termination options. They expire on the date on which project activities have permanently ceased,¹⁹⁶ or in case of The TAP HGA Greece earlier if the 'Twenty-Five Year COD Date'¹⁹⁷ occurs before that date. Regarding their termination, the two TAP HGAs provide different options. The TAP HGA Greece's validity is linked to the TAP IGA. Accordingly, both parties have the right to terminate the HGA if either party withdrew from the IGA as a result of specified occasions.¹⁹⁸ Other than that, the state parties of both HGAs have the right to terminate if the project investor has not taken certain steps to commence the construction phase of the project.¹⁹⁹

All BTC HGAs opt for a 40 years term of validity starting on the date of first shipment and two successive 10-year rollover terms.²⁰⁰ Despite this expiry date, the BTC HGAs may be terminated at any time by the project investors.²⁰¹

The SCP HGAs²⁰² contain a set of provisions similar to the termination method stipulated in the Model IGA, but additionally include fixed terms. They opt for a primary term of 60 years starting on the date of first shipment and additionally allow the project participants to terminate the agreement collectively at any time.²⁰³ The host governments may terminate the HGA only in case the project investors do not commence the construction within

190 Article 6 of the SCP Azerbaijan-Turkey IGA.

191 Article VIII(3) of the SCP Georgia-Azerbaijan IGA.

192 Article 15 of the TANAP IGA.

193 Article XVII 1(1) of the WAGP IGA.

194 Article XVII 1(3) of the WAGP IGA.

195 Article 2.1 of the Baku-Supsa HGA.

196 Paragraph 43. of the TAP HGA Albania and Paragraph 29.1 of the TAP HGA Greece.

197 According to the definitions, the 'Twenty-Five Year COD Date' means 'the first 31 December to occur following the twentieth-fifth anniversary of the Commercial Operation Date', see Paragraph 1.1 of the TAP HGA Greece.

198 Paragraph 29.2(a) of the TAP HGA Greece.

199 Paragraph 29.2(b) of the TAP HGA Greece and Para 43.2 of the TAP HGA Albania.

200 Article 3(1) of all BTC HGAs.

201 Article 3(2) of all BTC HGAs.

202 Article 3 of both the P HGA Georgia and the SCP HGA Azerbaijan.

203 Article 3(1) and (2) of both SCP HGAs.

a given period of time or in case of material breach of obligations by the investor.²⁰⁴ In any case, the HGA will be of no further effect on the date on which all activities have permanently ceased.²⁰⁵

TANAP HGA includes several termination options; most of them are related to the ones provided by the Model HGA.²⁰⁶ For instance, there is a validity term of 40 years.²⁰⁷ However, each side may terminate the HGA in case of a breach of obligations stipulated in the HGA. The host government also has the right to terminate the HGA if the TANAP Project Entity has not started construction by a given date.²⁰⁸

The Nabucco HGAs all contain the same clause on validity. They terminate upon the expiration of all project agreements and the conclusions of all activities thereunder, subject to a minimum term of fifty years.²⁰⁹ Additionally, the Nabucco HGAs contain a separate clause on termination, which sets out similar provisions to the BTC HGAs: each state has the right to terminate the agreement where the construction has not commenced by 31 December 2016.²¹⁰ Furthermore, either the companies or the states may terminate the HGAs if there is no longer 'any reasonable prospect of successfully developing, financing, constructing and marketing the capacity in the Nabucco Pipeline System'.²¹¹ Additionally, each party has the right to terminate the HGA where another party commits a material breach of its obligations.²¹²

The WAGP HGA provides a rather complex set of clauses on its validity. The WAGP HGA shall be in force until the end of the 'primary transportation term', being the period commencing upon the completion date and ending on the date of the later to occur of either the 20th anniversary of the commercial operation date or the last date on which a 'Foundation Gas Transportation Agreement terminates'.²¹³ However, if at the time of such termination a pipeline licence is in force, the WAGP HGA shall be extended for that period of time.²¹⁴ The WAGP HGA also includes provisions on its termination. Specified circumstances allow either the states or the company to terminate the WAGP HGA.²¹⁵ The WAGP HGA additionally provides provisions on the ownership of the pipeline,²¹⁶ the effect of certain clauses²¹⁷ and compensation²¹⁸ in case of termination.

c. Conclusion

The study reveals that regarding entry into force there is coherence between the Model IGAs and other IGAs covered in this report, and among them. The IGAs often become effective upon the exchange of instruments of ratification. Despite this, the HGAs studied varied to a great extent.

Only three HGAs follow the approach set forth by the Model Agreements by linking the entry into force of the HGA to those of the corresponding IGA, namely the TANAP HGA and the two Nabucco HGAs.

Regarding termination, there is also unity among the IGAs studied and the Model IGA that link its validity to other agreements. The Model HGA provides various options for termination. This can also be traced as a method in HGAs studied in this report, though not necessarily in identical way. The option of the Model HGA linking its termination to that of the IGA is not followed by any existing agreement.

204 Article 3(3) and (4) of both SCP HGAs.

205 Article 3(5) of both SCP HGAs.

206 Article 35 of the TANAP HGA.

207 Article 2(2) of the TANAP HGA.

208 Article 25 of the TANAP HGA.

209 Article 2(2) of the Nabucco HGA Austria, of the Nabucco IGA Bulgaria, of the Nabucco HGA Hungary, of the Nabucco HGA and of the Nabucco HGA Turkey.

210 Article 33(2) of the Nabucco HGA Romania; Article 31(2) of the Nabucco HGA Hungary; Article 33(2) of the Nabucco HGA Turkey; Article 31(2) of the Nabucco HGA Austria; Article 31(2) of the Nabucco HGA Bulgaria.

211 Article 33(3) of the Nabucco HGA Romania; Article 31(3) of the Nabucco HGA Hungary; Article 33(3) of the Nabucco HGA Turkey; Article 31(3) of the Nabucco HGA Austria; Article 31(3) of the Nabucco HGA Bulgaria.

212 Article 33(4) of the Nabucco HGA Romania; Article 31(4) of the Nabucco HGA Hungary; Article 33(4) of the Nabucco HGA Turkey; Article 31(4) of the Nabucco HGA Austria; Article 31(4) of the Nabucco HGA Bulgaria.

213 Para 2.1 and 2.2 of the WAGP HGA.

214 Paragraph 2.3 of the WAGP HGA.

215 Paragraph 39.1 and 39.2 of the WAGP HGA.

216 Paragraph 39.4 and 40.4 of the WAGP HGA.

217 Paragraph 39.5 of the WAGP HGA.

218 Paragraph 40 of the WAGP HGA.

The following chart gives an overview of the provisions on entry into force:

	Ratification (and exchange of documents)	Signature	Execution	Dependence on IGA
IGA	<ul style="list-style-type: none"> • Kirkuk-Ceyhan IGA, Kirkuk-Ceyhan Amendment • ISI 1 IGA, ISI 2 IGA • TAP IGA • Qatar-UAE IGA • CCO IGA • SS IGA Russia and Austria, SS IGA Russia and Bulgaria, SS IGA Russia and Croatia, SS IGA Russia and Greece, SS IGA Russia and Macedonia, SS IGA Russia and Serbia, SS IGA Russia and Slovenia • SCP Azerbaijan-Turkey IGA • TANAP IGA • TSGP IGA • BTC IGA • Nabucco IGA • WAGP IGA • Trans-Balkan IGA 	<ul style="list-style-type: none"> • Baku-Supsa IGA • SS IGA Russia and Hungary • TAPI Framework Agreement, TAPI IGA 	-	-
HGA	<ul style="list-style-type: none"> • Baku-Supsa HGA • Nabucco HGA Bulgaria, Nabucco HGA Romania 	<ul style="list-style-type: none"> • WAGP HGA • Nabucco HGA Austria, Nabucco HGA Hungary 	<ul style="list-style-type: none"> • BTC HGAs • SCP HGAs • TAP HGAs 	<ul style="list-style-type: none"> • Baku-Supsa HGA • TAP HGAs • TANAP HGA • Nabucco HGA Turkey

The following chart gives an overview of the provisions on termination and expiry:

	Expiry date/ fixed period	Termination upon cessation of project activities	Termination upon breach by opposite side	Termination upon agreement	Dependence on HGA/ IGA or other agreement	No provision
IGA	<ul style="list-style-type: none"> • Kirkuk-Ceyhan IGA • All SS IGAs • TAPI Pipeline 	<ul style="list-style-type: none"> • TAP IGA • Baku-Supsa IGA • CCO IGA • Burgas-Alexandroupolis IGA • TSGP IGA 	-	<ul style="list-style-type: none"> • Qatar-UAE IGA • TAPI Framework Agreement • ISI 1 IGA, ISI 2 IGA 	<ul style="list-style-type: none"> • SCP Georgia-Azerbaijan IGA • TANAP IGA • TAPI Framework Agreement • WAGP IGA 	<ul style="list-style-type: none"> • BTC IGA • Nabucco IGA • Trans-Balkan IGA
HGA	<ul style="list-style-type: none"> • BTC HGAs • SCP HGAs • TANAP HGA 	<ul style="list-style-type: none"> • TAP HGAs • SCP HGAs • Nabucco HGAs • WAGP HGA 	<ul style="list-style-type: none"> • TAP HGAs • SCP HGAs • TANAP HGA • Nabucco HGAs 	-	<ul style="list-style-type: none"> • Baku-Supsa HGA • TAP HGA Greece • Nabucco HGAs • WAGP HGA 	-

4. The Relationship of the Agreements with International Law

a. The Relationship of IGAs with International Law

As long as IGAs are not made subject to another treaty, they equally apply like any other treaty previously concluded by the parties. In this case, several treaties covering the same or a similar subject concluded by the same or part of the signatories can simultaneously be in force. This raises the questions as to which treaty or which obligation takes precedence. The VCLT provides for a general solution in the case of a subsequent treaty with the same signatories by giving priority to the latter.²¹⁹ If a treaty, however, states that it is not to be considered as incompatible with an earlier treaty, the provisions of the earlier treaty prevail.²²⁰

Therefore, there are mainly two approaches with regards to an IGA's relationship to other international law:

- (1) Giving priority to the IGA: or
- (2) Giving priority to other treaties.

i. Model Agreements

The Model IGA provides for a rather contradictory suggestion with regards to its relationship with (other) international law by including both approaches (1) and (2).

Accordingly, Article 3(2) of the Model IGA states that '[n]othing in this Agreement shall derogate from the rights

²¹⁹ Article 30(3) of the VCLT: 'When all parties to the earlier treaty are parties to the later treaty but the earlier treaty is not terminated or suspended in operation under article 59, the earlier treaty applies only to the extent that its provisions are compatible with those of the latter treaty.'

²²⁰ Article 30(2) of the VCLT.

or obligations of any State under the ECT or any other relevant international treaty or rule of international law,²²¹ thereby giving primacy to existing international law. At the same time in Article 3(1), the Model IGA provides a confirmation or warranty by the states 'that it is not a party to any ... international agreement or commitment, or bound to observe or enforce any ... international law, regulation, or agreement that conflicts with, violates, impairs, interferes with, limits, abridges or adversely affects the ability of such State to implement this Agreement or to enter into or implement the applicable HGA.'²²²

Since such a provision does not clearly give primacy to the IGA and does not constitute a regulation as envisaged by Article 30(2) of the VCLT,²²³ it is unclear which legal consequences actually derive from it. The Model IGA does not provide a solution in case a state party is in fact bound to observe international law that conflicts with the IGA. Therefore, Articles 3(1) and 3(2) of the Model IGA seem to be highly contradictory – with one providing for the primacy of the IGA while the other provides for its subordination.

ii. Transit Protocol

The only treaty that the Transit Protocol clarifies its relationship with is the ECT. Article 3 of the Transit Protocol states that nothing in this protocol shall derogate from the ECT provisions and that it shall complement, supplement, extend or amplify the provisions of the ECT. The Transit Protocol therefore opts for giving priority to the ECT, which is one option regarding the application of successive treaties relating to the same subject matter envisaged by the VCLT.²²⁴

The Understandings of the Final Act with respect to the Transit Protocol contain additional provisions as to the Protocol's relationship to other international law: 'It is understood that nothing in this Protocol shall derogate from a Contracting Party's rights and obligations under international law.'²²⁵

iii. Existing Agreements

Most of the existing IGAs follow approach (2) by subordinating the IGA to other international treaties.

The majority of IGAs governing the South Stream Pipeline state that 'the provisions of this Agreement shall not affect the rights and obligations of each party arising from other international treaties to which they are parties.'²²⁶ Similarly, the Nabucco IGA,²²⁷ the Burgas-Alexandroupolis IGA,²²⁸ the TAP IGA,²²⁹ the TANAP IGA,²³⁰ the TAPI IGA²³¹ and the Qatar-UAE IGA²³² provide for a clause, which states that the IGA shall not derogate from or affect any rights and obligations under other international agreements. Some of these agreements also refer to the rights and obligations arising from membership to a regional economic integration organisation such as the European Union (EU), which shall not be affected by the respective IGA.²³³ The Nabucco IGA stipulates that compliance with EU law shall not constitute a violation of the Nabucco IGA.²³⁴

The ISI 1 and ISI 2 IGAs state that 'nothing in this Agreement shall be interpreted as affecting the jurisdiction which

221 This provision was only included in the second edition of the Model IGA.

222 Article 3(1) of the Model IGA.

223 Article 30(2) of the VCLT reads: 'When a treaty specifies that it is subject to, or that it is not to be considered as incompatible with, an earlier or later treaty, the provisions of that other treaty prevail.'

224 Article 30(2) of the VCLT.

225 Understanding IV.1.(1) of the Final Act of the ECC with respect to the Energy Charter Protocol on Transit.

226 In very similar wording: Article 11(1) of the SS IGA Russia and Austria, Article 19(1) of the SS IGA Russia and Bulgaria, Article 14 of the SS IGA Russia and Croatia, Article 15(1) of the SS IGA Russia and Greece, Article 15 (1) of the SS IGA Russia and Hungary, Article 16(1) of the SS IGA Russia and Serbia, Article 15(1) of the SS IGA Russia and Slovenia and Article 4 of the SS Protocol Turkey.

227 Article 3(1) of the Nabucco IGA: 'This Agreement shall not affect any treaty rights and obligations of the States Parties, including those deriving from the ECT to which the States Parties are all party, and from the Treaties establishing the European Union for the Republic of Austria, the Republic of Bulgaria, the Republic of Hungary, and Romania.'

228 Article 11(1) of the Burgas-Alexandroupolis IGA.

229 Article 3 of the TAP IGA.

230 Article 2(2) of the TANAP IGA: 'Nothing in this Agreement shall derogate from the rights or obligations of any State under the ECT or any other international treaty or rule of international law.'

231 Article 6 of the TAPI IGA: 'This IGA does not affect the rights and obligations of the Parties stipulated in any other international agreement to which the Parties are signatories.'

232 Article XII(1) of the Qatar-UAE IGA: 'Nothing in this Agreement shall be interpreted as affecting the jurisdiction which each State has under international law over the territorial waters, Continental shelf or exclusive economic zone.'

233 Article 15(2) of the SS IGA Russia and Slovenia, Article 11(2) of the SS IGA Russia and Austria; Article 17(2) of the ISI 1 IGA and Article 18(2) of the ISI 2 IGA.

234 Article 13(5) third paragraph of the Nabucco IGA.

each [s]tate has under international law over the Continental Shelf which appertains to it'.²³⁵ The same provision can be found in the TSGP IGA.²³⁶

Some agreements generally clarify that they are in accordance with international agreements to which the state parties are signatories.²³⁷ Other agreements simply refer to or mention certain applicable treaties without specifying their relationship with them.²³⁸

Few agreements follow approach (1) – or something similar. For instance, the BTC IGA and the SCP Georgia-Azerbaijan IGA both provide the same provision as the Model IGA by confirming that no state has to adhere to any conflicting international law.²³⁹ Yet again, it is unclear which legal consequences actually derive from this clause. Neither the BTC IGA nor the SCP Georgia-Azerbaijan IGA provides a solution in case a state party is in fact bound to observe international law that conflicts with the IGA.

A third approach that is identified in some agreements regulates the validity of prior agreements with respect to the pipeline projects by providing their nullity,²⁴⁰ which seems to be a very useful provision in the case of lengthy foregoing consultations that have resulted in previous agreements or other legal documents.

Agreements that do not govern the relationship with other international law are the CCO IGA, the WAGP IGA, the Trans-Balkan IGA, the TAPI Framework Agreement, the SS IGA Russia and Macedonia and the Kirkuk-Ceyhan IGA.

iv. Conclusion

Neither the Model IGA nor the agreements studied provide clear guidance on how to resolve conflict between an IGA and international obligations arising from other treaties. It is therefore advisable to revise the Model IGA with a view to creating a consistent provision on the relationship with international law.

The following chart summarises the provisions on the relationship of IGAs with international law:

Priority is given to the IGA	Priority is given to other treaties	Nullity of related prior agreements
<ul style="list-style-type: none"> • BTC IGA • SCP Georgia-Azerbaijan IGA 	<ul style="list-style-type: none"> • Most South Stream agreements (SS IGA Russia and Austria, SS IGA Russia and Bulgaria, SS IGA Russia and Croatia, SS IGA Russia and Greece, SS IGA Russia and Hungary, SS IG, A Russia and Serbia, SS IGA Russia and Slovenia, SS Protocol Turkey) • Nabucco IGA • Burgas-Alexandroupolis IGA • TAP IGA • TANAP IGA • TAPI IGA • Qatar-UAE IGA • Nabucco IGA 	<ul style="list-style-type: none"> • BTC IGA • SCP Georgia-Azerbaijan IGA • SCP Azerbaijan-Turkey • Baku-Supsa IGA • WAGP IGA

b. The Relationship of HGAs with International Law

The relationship of HGAs with international law is a more complicated issue than the one of IGAs, as HGAs are not part of international law themselves. In general, HGAs are subject to international law just like any other contract under domestic law. However, some HGAs are attached to and/or ratified with the IGA, thus made part of international law itself.

²³⁵ Article 17(1) of the ISI 2 IGA and Article 16(1) of the ISI 1 IGA.

²³⁶ Article 11.3 of the TSGP IGA.

²³⁷ Preambles of the SS IGA Russia and Austria, the SS IGA Russia and Croatia and the SS IGA Russia and Greece.

²³⁸ Preamble of the TANAP IGA, Preamble of the TAPI Framework Agreement, Article 1 of the SS Protocol Turkey.

²³⁹ Article II(6) and (7) of both the BTC IGA and the SCP Georgia-Azerbaijan IGA.

²⁴⁰ Article XI of the BTC IGA, Article X of the SCP Georgia-Azerbaijan IGA and Article 7 of the SCP Azerbaijan-Turkey IGA; Article 9 of the Baku-Supsa IGA; Article XIX of the WAGP IGA.

The following three main approaches could be identified in this regard:

- (1) Subordinating the HGA under international law; or
- (2) Giving priority to the HGA; and/or
- (3) Making the HGA part of international law itself.

i. Model Agreements

The Model HGA includes one clause regarding its relationship with international law and thereby follows approach (1). It states 'nothing in this Agreement ... shall deprive any Party of its rights or any remedy to which it may be entitled, or affect any obligations it may have from time to time, under the ECT, any other international treaty or any other agreement.'²⁴¹

ii. Existing Agreements

Most HGAs follow approach (1). The TAP HGAs contain a very comprehensive paragraph on their 'relationship to treaties'.²⁴² Both HGAs include a clause similar to that found in the Model HGA, which states that nothing in the agreement shall deprive any project participant of its rights or any remedy to which it may be entitled, or affect any obligations it may have from time to time, under the ECT, the Energy Community Treaty, or any other international treaty or any other agreement.²⁴³ The TAP HGA Greece additionally refers to the Community Treaties.²⁴⁴

Likewise, the Nabucco HGAs state 'nothing in this Agreement or any of the Project Agreements shall deprive any party or the shareholders of its rights or any remedy to which it may be entitled under the ECT or any other international treaties'.²⁴⁵ The Nabucco HGA Austria additionally states that nothing in this agreement shall oblige the state to take any measures to the extent that it can demonstrate that this would be incompatible with its obligations under international laws, treaties or the European Community legal framework.²⁴⁶

The Baku-Supsa HGA Georgia follows approach (2). It shall be given the force of parliamentary law and shall take precedence over any intergovernmental agreement of Georgia, which is inconsistent with its provisions.²⁴⁷ Additionally, it prohibits Georgia to 'enter into, or ratify, any treaties, intergovernmental agreements or other arrangements which would, in any material manner, diminish, infringe upon, nullify or derogate from the rights, interests and benefits of the Oil Companies' under the Baku-Supsa PCoOA.²⁴⁸

The BTC HGAs and the SCP HGAs follow approach (3). Their preambles, in addition to aiming to make the HGAs the prevailing legal regime in the respective state, also make the HGAs the respective state's binding obligation under international law.²⁴⁹ This is due to the fact that the HGAs shall be made effective under the respective constitution,²⁵⁰ equalising it to a ratification of an international treaty. It is not clear how a contract between a state and a private entity can become such part of international law.

In a way that falls in none of the three identified approaches, the states of the West African Gas Pipeline Project confirm in the WAGP HGA that they are not 'a party to or lawfully bound to observe or enforce any international agreement or similar or other commitment that conflicts with, impairs or interferes with, or adversely affects such State's performance of its obligations' under the WAGP IGA and the WAGP HGA.²⁵¹

The TANAP HGA does not regulate its relationship with international law and is therefore subject to Turkey's general handling of the relationship of domestic and international law.

²⁴¹ Article 4(2) of the Model HGA.

²⁴² Paragraph 3 of the TAP HGA Albania and of the TAP HGA Greece.

²⁴³ Paragraph 3.3 of the TAP HGA Albania; Paragraph 3.6 of the TAP HGA Greece.

²⁴⁴ Paragraph 3.6 of the TAP HGA Greece.

²⁴⁵ Article 4(2) of the Nabucco HGA Bulgaria; Article 4(2) of the Nabucco HGA Romania, which only refers to 'any other international treaties in force between Romania and the Republic of Austria'; Article 4(2) of the Nabucco HGA Hungary; Article 4(2) of the Nabucco HGA Austria; Article 3(2) of the Nabucco HGA Turkey.

²⁴⁶ Article (1) of the Nabucco HGA Austria.

²⁴⁷ Article 4.1(b) and (f) of the Baku-Supsa HGA.

²⁴⁸ Article 4.1(c) of the Baku-Supsa HGA Georgia.

²⁴⁹ Preamble of the BTC HGA Georgia, the BTC HGA Azerbaijan, the BTC HGA Turkey, the SC HGA Georgia and the SC HGA Azerbaijan.

²⁵⁰ The preamble of the BTC HGA Turkey states: '... this Agreement shall gain effect following publication in the Official Gazette as a part of the appropriate Decree of the Council of Ministers of the Republic of Turkey'.

²⁵¹ Para 4.2(c) of the WAGP HGA.

iii. Conclusion

The relationship of HGAs with international law is handled in different ways. Whereas there are instances of HGAs, which include a clause akin to that of the Model HGA stating that it shall not deprive the parties of their rights under other international treaties, some other HGAs are arguably made part of international law.

It is advisable for a potential third edition of the Model HGA to attempt to explicitly clarify its relationship with the corresponding IGA, next to its relationship with the ECT, any future Protocol of the ECT including on Transit as well as with other treaties in general.

The following chart summarises the provisions on the relationship of HGAs with international law:

HGA is made part of the international law	Priority is given to international law	Prohibition to enter into new intergovernmental agreements
<ul style="list-style-type: none"> • BTC HGAs • SCP HGAs • Baku-Supsa HGA 	<ul style="list-style-type: none"> • TAP HGAs • Nabucco HGAs 	<ul style="list-style-type: none"> • Baku-Supsa HGA

5. The Relationship of the Agreements with National Law

a. The Relationship of IGAs with National Law

The relationship of IGAs with national law is a subject rooted in general public international law and depends on the state's choice of application of international law (monism or dualism). Therefore, an additional provision on this relationship in any IGA is arguably unnecessary. However, IGAs often still contain provisions on their relationship with national law.

In each national territory that the pipeline section traverses, different national legal acts are necessary in order to implement the pipeline projects. Therefore, most IGAs do not only oblige the state parties to (promptly) ratify the agreement, but also oblige them to enact domestic legislation and to take all other necessary measures to implement the pipeline project according to the IGA provisions.²⁵² This is, however, not a matter of a relationship between the IGA and domestic law, but rather a necessity inherent to a cross-border project with different legal orders applying. In the same line, some agreements provide for a confirmation that the execution and performance of the IGA is within the powers of the respective governments. Even though a national competence on executing IGAs cannot be established by any treaty whatsoever, the lack of such competence would, in this case, lead to the state's liability under public international law. Such provisions can be found in the Baku-Supsa IGA,²⁵³ the TANAP IGA²⁵⁴ and are also provided for in the Model IGA.²⁵⁵

i. Model Agreements

The Model IGA includes an article that appears to cover the relationship with national law in a rather secondary manner. The Model IGA suggests that each state confirm and warrant 'that it is not ... a party to any domestic ... agreement or commitment, or bound to observe or enforce any domestic ... law, regulation, or agreement that conflicts with, violates, impairs, interferes with, limits, abridges or adversely affects the ability of such State to implement this Agreement.'²⁵⁶

ii. Existing Agreements

Most IGAs explicitly declare their supremacy over domestic law. The BTC IGA and the SCP Georgia-Azerbaijan IGA oblige the state parties to make the IGA effective 'under its Constitution as the prevailing legal regime of such state.'²⁵⁷ The WAGP IGA requires the state parties to govern the pipeline by 'the Enabling Legislation and the

²⁵² Article II(1) and (4) of the BTC IGA, Article 3(2) of the Nabucco IGA, Article III(5) of the Qatar-UAE IGA, Paragraph 23.2. of the Trans-Balkan IGA, Article III(1)(a) and (b), (3) of the WAGP IGA.

²⁵³ Article 1(d) of the Baku-Supsa IGA 'guarantees the performance of the obligations undertaken by entities under its control'.

²⁵⁴ Article 2(1) of the TANAP IGA.

²⁵⁵ Article 3(1) of the Model IGA.

²⁵⁶ Article 3(1) of the Model IGA.

²⁵⁷ Article II(1) and (4)(i) of both the SCP Georgia-Azerbaijan IGA and the BTC IGA.

WAGP Regulations, to the exclusion of any other legislation or regulations on the same subject matter.’²⁵⁸ The rationale behind such a structure is to ensure that an independent legal regime governs the respective pipeline project along the whole value chain from well-head to the exit point. Most other agreements provide a lighter implementation of their supremacy by making sure no national legal acts impair the IGA’s provisions. This is done with respect to either existing or future national legal acts. The Trans-Balkan IGA includes an obligation with regards to future legal acts by obliging states to refrain from ‘taking any action with respect to the Project ... that solely, directly and uniquely applies to the Project or any Project Participant and could reasonably be expected to have a material adverse effect on the development, implementation or operation of the Project or on the legal, economic or commercial position of such Project Participant.’²⁵⁹

The BTC IGA²⁶⁰ and the SCP Georgia-Azerbaijan IGA²⁶¹ also contain a wording similar to the Model IGA, stating that the states are not a party to conflicting domestic law. This wording could lead to a state’s liability under the IGA in case such conflicting domestic law does exist.

A different handling can be found in the Qatar-UAE IGA. It states that ‘[n]othing in this Agreement shall be interpreted as prejudicing or restricting the application of the laws of either State, or the exercise of jurisdiction by their courts.’²⁶² The ISI 1 and 2 IGAs²⁶³ as well as the TSGP IGA²⁶⁴ contain similar wording.

Notwithstanding any provisions on supremacy, several agreements include the statement that the respective IGA is in conformity with national law. The preambles of the SS IGA Russia and Austria, SS IGA Russia and Croatia and SS IGA Russia and Greece articulate that the agreements are made ‘in accordance with the legislation of the [p]arties’. Similarly, in the SS IGA Russia and Hungary, the state parties are obliged to support the planning, construction and operation of the pipeline ‘in accordance with the legislation of the states of the [p]arties.’²⁶⁵ In the BTC IGA and the SCP Georgia-Azerbaijan IGA the states warrant ‘that the terms and conditions of this Agreement and the undertakings hereunder are in conformity with its Constitution.’²⁶⁶ According to the Qatar-UAE IGA, each part of the pipeline ‘shall be constructed in accordance with the legal requirements of the jurisdiction in which that part of the Pipeline is laid.’²⁶⁷

Finally, there are several agreements that do not provide for any provision on the relationship with national law. This is the case for the Baku-Supsa IGA, the Burgas-Alexandroupolis IGA, the CCO IGA, the Kirkuk-Ceyhan IGA, the SCP Azerbaijan-Turkey IGA, the Nabucco IGA, the SS IGA Russia and Bulgaria, the SS IGA Russia and Macedonia, the SS IGA Russia and Serbia, the SS IGA Russia and Slovenia, the TAP IGA, the TAPI Framework Agreement and the TAPI IGA. In such a case, the respective states’ general choice of application of international law will take effect without any special amendment.

iii. Conclusion

The Model IGA does not provide a comprehensive approach with regards to its relationship with domestic law. The existing agreements follow different approaches in this regard. As this could lead to fragmented approaches among different states along the pipeline corridor, it would be advisable for a third edition of Model IGA to develop a comprehensive provision on this topic.

258 Article III 2.(1) of the WAGP IGA.

259 Article 16 of the Trans-Balkan IGA.

260 Article II(6) and (7) of the BTC IGA.

261 Article II(6) and (7) of the SCP Georgia-Azerbaijan IGA.

262 Article XII(2) of the Qatar-UAE IGA.

263 Article 17(2) of the ISI 2 IGA and Article 16(2) of the ISI 1 IGA.

264 Article 11.1 and 11.2 of the TSGP IGA.

265 Article 2 of the SS IGA Russia and Hungary.

266 Article II(5) of both the BTC IGA and the SCP Georgia-Azerbaijan IGA.

267 Article III(2) of the Qatar-UAE IGA.

The following chart summarises the provisions on the relationship of IGAs with domestic law:

Explicit supremacy over domestic law	'State is not a party to conflicting domestic law'	'IGA shall not prejudice or restrict domestic law'	'IGA is in conformity with domestic law'	No reference
<ul style="list-style-type: none"> • BTC IGA • SCP Georgia-Azerbaijan IGA • WAGP IGA • Trans-Balkan IGA 	<ul style="list-style-type: none"> • BTC IGA • SCP Georgia-Azerbaijan IGA 	<ul style="list-style-type: none"> • Qatar-UAE IGA • ISI 1 and 2 IGAs • TSGP IGA 	<ul style="list-style-type: none"> • SS IGA Russia and Austria, SS IGA Russia and Croatia and SS IGA Russia and Greece, SS IGA Russia and Hungary • BTC IGA • SCP Georgia-Azerbaijan IGA • Qatar-UAE IGA 	<ul style="list-style-type: none"> • Baku-Supsa IGA • Burgas-Alexandroupolis IGA • CCO IGA • Kirkuk-Ceyhan IGA • SCP Azerbaijan-Turkey IGA • Nabucco IGA • SS IGA Russia and Bulgaria, SS IGA Russia and Macedonia, SS IGA Russia and Serbia, SS IGA Russia and Slovenia • TAP IGA • TAPI Framework Agreement, TAPI IGA

b. The Relationship of HGAs with the Host State's National Law (Change in Law)

As HGAs are not concluded between subjects of public international law, they are not classified as treaties and are subject to a national legal order. Therefore, every HGA needs to provide for a provision on its applicable governing national law, which can be different than the national law of the host state (see the following chapter on applicable law).

In addition to the law governing a HGA, a pipeline project is subject to the national legal system of the state in which its section is located. Any change in that national law by the host state may have adverse effect on the construction, implementation and operation of the project. Some agreements therefore cover the rights and obligations in case of such change in law. This subchapter covers the relationship of HGAs with the host state's law and provisions on the change of such law.

i. Model Agreements

According to Article 37 of the Model HGA, in case of a change of law having the 'effect of impairing, conflicting or interfering with the implementation of the project, or limiting, abridging or adversely affecting the value of the project or any of the rights, indemnifications or protections granted or arising under this Agreement or any Project Agreement' the state in question is obliged to:

- 1 reverse the effect of that change of law or compensate the project investor for the costs as a result of the change of law;²⁶⁸ or
- 2 take all actions to restore the economic equilibrium established under the (Model) IGA.²⁶⁹

Neither the Model HGA itself nor its appendices however define the term 'economic equilibrium' nor do they indicate that such a definition is indispensable in order to avoid disputes.

²⁶⁸ Article 37 Option 1 (4) of the Model HGA.

²⁶⁹ Article 37 Option 2 (2) of the Model HGA.

ii. Existing Agreements

Some HGAs are made the **‘prevailing legal regime’** in respect of that project under the relevant domestic law. Such a clause can be found in the BTC HGA Azerbaijan, the BTC HGA Georgia, the BTC HGA Turkey, the SCP HGA Azerbaijan, and the SCP HGA Georgia.²⁷⁰

A similar handling can be found in the WAGP HGA. There, the states agreed that they should consult with the WAGP Company on proposed legal changes affecting the project. It follows that the states ‘shall not without the prior written approval of the Company agree to or propose changes to the Enabling Legislation which would have the effect of creating a different set of laws on the same topic applying in one or more States or which are materially inconsistent with the provisions of this Agreement’.²⁷¹

In the same line, both TAP HGAs shall be ratified and thereby form **part of the respective state’s national law**.²⁷² Interestingly, the TAP HGAs even explicitly clarify their dual legal nature, being both part of Greek/Albanian Law and a private law contract between the project investor and the state.²⁷³ Additionally, the TAP HGAs state that no domestic law contrary to the agreements shall limit, abridge or affect adversely the right granted to the project company.²⁷⁴

The Baku-Supsa HGA, too, shall be given the force of parliamentary law of Georgia on enactment.²⁷⁵ Together with the Baku-Supsa PCoOA, it shall constitute a ‘parliamentary law of Georgia and shall take precedence over any current law, decree, administrative order, legislative act or intergovernmental agreement of Georgia’, which is inconsistent with any provisions of these two agreements.²⁷⁶

Despite this general grading of HGAs, the HGAs contain provisions on the actual **change of law**.

All BTC HGAs and SCP HGAs oblige the state authorities to ‘take all actions available to them to restore the Economic Equilibrium established under the Project Agreements if and to the extent the Economic Equilibrium is disrupted or negatively affected, directly or indirectly, as a result of any change in’ Georgian/Azerbaijan/Turkish Law occurring after the effective date.²⁷⁷ The ‘change in law’ thereby comprises changes resulting from the ‘amendment, repeal, withdrawal, termination or expiration of [Georgian/Azerbaijan/Turkish] Law, the enactment, promulgation or issuance of [Georgian/Azerbaijan/Turkish] Law, the interpretation or application of [Georgian/Azerbaijan/Turkish] Law, ... the decisions, policies or other similar actions of judicial bodies, tribunals and courts, the State Authorities, jurisdictional alterations, and the failure or refusal of judicial bodies tribunals and courts, and/or the State Authorities to take action, exercise authority or enforce [Georgian/Azerbaijan/Turkish] Law’.²⁷⁸ ‘Economic equilibrium’ is defined as ‘the economic value of the relative balance established under the Project Agreements at the applicable date between the rights, interests, exemptions, privileges, protections and other similar benefits provided or granted to a Project Participant and the concomitant burdens, costs, obligations, liabilities, restrictions, conditions and limitations of such Project Participant under the applicable Project Agreement(s)’.²⁷⁹

The Baku-Supsa HGA, on the other side, does not explicitly mention ‘economic equilibrium’, but does contain a provision on the change of law. According to it, if any future law, decree, administrative order, legislative act, treaty, intergovernmental agreement or other agreement conflicts with it, the government shall indemnify the oil companies for any ‘disbenefit, deterioration in economic circumstances, loss or damages that ensue therefrom’.²⁸⁰

Similarly, the TAP HGAs deals with change of law without explicitly referring to the concept of ‘economic equilibrium’. Change of law is comprehensively defined and includes all elements defined by the BTC HGAs and SCP HGAs, but

270 Article 7.2 (i) of all mentioned HGAs.

271 Paragraph 8.4 of the WAGP HGA.

272 Preamble (6) and Article 5 of the TAP IGA; Paragraph 3.2(a)(i) of the TAP HGA Greece; Paragraph 3.4(b)(i) of the TAP HGA Albania.

273 Paragraph 26 of the TAP HGA Greece; Paragraph 39 of the TAP HGA Albania.

274 Paragraph 3.4(b)(ii) of the TAP HGA Albania and Paragraph 3.2(a)(ii) of the TAP HGA Greece.

275 Article 4.1(b) of the Baku-Supsa HGA.

276 Article 4.1(f) of the Baku-Supsa HGA.

277 Article 7(2)((x) of the BTC HGA Georgia, Article 7(2)((x) of the BTC HGA Azerbaijan, Article 7(2)((xi) of the BTC HGA Turkey, Article 7(2)(x) of the SCP HGA Azerbaijan and Article 7(2)(x) of the SCP HGA Georgia.

278 Article 7(2)((x) of the BTC HGA Georgia, Article 7(2)((x) of the BTC HGA Azerbaijan, Article 7(2)((xi) of the BTC HGA Turkey, Article 7(2)(x) of the SCP HGA Azerbaijan and Article 7(2)(x) of the SCP HGA Georgia.

279 Appendix 1 (Certain Definitions) of the SCP HGA Azerbaijan, SCP HGA Georgia, BTC HGA Georgia, BTC HGA Azerbaijan, BTC HGA Turkey, definition of ‘economic equilibrium’.

280 Article 4.1(g) of the Baku-Supsa HGA.

additionally includes various actions related to authority permission, such as the imposition of requirements or the change in the terms or conditions.²⁸¹ The states are obliged to 'compensate the [p]roject [i]nvestor for the [l]oss or [d]amage it incurs as a result of the [c]hange of [l]aw'.²⁸² At the same time, in case of a change of law that leads to savings, the project investors are obliged to compensate the state for one-half of the amount of such savings.²⁸³ The TAP HGA Greece additionally prohibits the state to 'implement or bring into effect any Discriminatory Change of Law'.²⁸⁴

In contrast, the TANAP HGA only covers '**Discriminatory Change of Law**'.²⁸⁵ Such discriminatory change of law is any change of law that (1) discriminates against any of the interest holders; (2) applies to the TANAP Project but not to similar projects; (3) applies to the interest holders and not to similar entities; or (4) alters any of certain articles listed.²⁸⁶ If such discriminatory change of law occurs, the interest holder and the host government shall 'endeavour to resolve the matter through amicable negotiations' and, if no solution was reached, submit the matter to arbitration.²⁸⁷

The Nabucco HGAs also cover the 'Discriminatory Change of Law'. That is any change of law, which (1) discriminates against any of the companies in relation to the project; (2) applies to the project and not to similar projects; (3) applies to any of the companies and not to other similar companies; (4) applies to business financed in a similar way and not to other such businesses; (5) affects business carrying out activities in the transit pipeline sector to a greater extent than others; or (6) renders any material obligation of the state void or unenforceable.²⁸⁸ The Nabucco HGA Turkey only refers to (1), (2) and (3).²⁸⁹ 'Change of law', according to the Nabucco HGA Austria, the Nabucco HGA Bulgaria, the Nabucco HGA Hungary and the Nabucco HGA turkey, comprises any international or domestic legal act, in relation to the respective state, which arises or comes into effect after the effective date and any change to any of these acts.²⁹⁰ The Nabucco HGA Romania has a wider scope of its change of law, additionally including any interpretation or application by executive or legislative authorities or administrative or regulatory bodies as well as any decision, policy or failure or refusal to take action by a state authority.²⁹¹ 'Economic equilibrium' is defined in the same way as in the SCP HGAs and the BTC HGAs.²⁹²

Despite the very similar definition, the actual handling of such discriminatory change of law, however, differs among the Nabucco HGAs: Bulgaria and Romania shall indemnify the companies against the consequences, which has the effect of (1) impairing, conflicting or interfering with the implementation of the project; (2) limiting, abridging or adversely affecting the value of the project or the economic equilibrium; or (3) imposing any change of law costs.²⁹³ The Nabucco HGA Turkey, on the other side, leaves it to the states to decide whether it reverses the effect of the discriminatory change of law or whether it compensates the company for the costs incurred as a result of the discriminatory change of law.²⁹⁴ All three Nabucco HGAs relieve the states off their liability if the change of law relates to environmental, social or technical standards (Bulgaria and Romania),²⁹⁵ with the Nabucco HGA Turkey additionally adding health, safety and labour standards.²⁹⁶

The Nabucco HGA Austria and the Nabucco HGA Hungary take a different approach. First, the states simply agree to avoid any discrimination and to take due account of the economic equilibrium established under the

281 Paragraph 1.1 of the TAP HGA Albania and the TAP HGA Greece, definition of 'Change of Law'.

282 Paragraph 17.1(b) of the TAP HGA Greece; Paragraph 32.2(b) of the TAP HGA Albania.

283 Paragraph 17.2 of the TAP HGA Greece; Paragraph 32.3 of the TAP HGA Albania.

284 Paragraph 17.5 of the TAP HGA Greece.

285 Article 29 of the TANAP HGA.

286 Article 29.1 of the TANAP HGA.

287 Article 29.3 and 29.4 of the TANAP HGA.

288 Article 1 of the Nabucco HGA Austria, of the Nabucco HGA Bulgaria, of the Nabucco HGA Hungary, and of the Nabucco HGA Romania, definition of 'Discriminatory Change of Law'.

289 Article 31.4 of the Nabucco HGA Turkey.

290 Article 1 of the Nabucco HGA Austria, of the Nabucco HGA Bulgaria, of the Nabucco HGA Hungary, definition of 'Change of Law' and Article 31.3 of the Nabucco HGA Turkey.

291 Article 1 of the Nabucco HGA Romania, definition of 'Change of Law'.

292 Article 1 of the Nabucco HGA Austria, of the Nabucco HGA Bulgaria, of the Nabucco HGA Hungary, of the Nabucco HGA Turkey, and of the Nabucco HGA Romania, definition of 'Economic Equilibrium'.

293 Article 29(1) of the Nabucco HGA Bulgaria; Article 31(1) of the Nabucco HGA Romania.

294 Article 31(1) of the Nabucco HGA Turkey.

295 Article 29(5) of the Nabucco HGA Bulgaria; Article 31(5) of the Nabucco HGA Romania.

296 Article 31(2) of the Nabucco HGA Turkey.

agreements,²⁹⁷ which means that the respective HGAs do not contain provisions on the discriminatory change of law. The Nabucco HGA Hungary, however, stipulates that the companies 'shall not be liable for any breach of this agreement that is caused by them complying with their obligations under any change of law which affects this agreement'.²⁹⁸ This provision 'is without prejudice to any sanctions that may arise under applicable national laws for any failure to comply with any relevant change of law'. The Nabucco HGA Austria does not contain any provisions on change of law but articulates that nothing in the agreement shall oblige the state to take any measures to the extent that it can demonstrate that this would be incompatible with its obligations under national law.²⁹⁹

Only the Baku-Supsa HGA Georgia does not deal with change of law or its general relationship with domestic law.

iii. Conclusion

This study revealed that there is not a single way to address the relationship of the HGA and the domestic laws of the host state, despite the later being applicable to the project. As any changes to the relevant domestic legislation may have severe implications for the pipeline projects, it is important to clarify such consequences in the Model HGA.

A third edition of the Model Agreements could provide for a more balanced approach with regards to the change of law, acknowledging the fact that a contract between a host state and a project investor must not restrain the host state's regulatory powers. The Model HGA could, for example, contain an enclosed list of specific areas of legislation that would be excluded from the scope of this clause such as on environment and human rights issues.

The following chart summarises the provisions found regarding the relationship of HGAs with domestic law:

HGAs are made the prevailing legal regime	Economic equilibrium/change of law clauses	Only discriminatory change of law clauses
<ul style="list-style-type: none"> • BTC HGA Georgia, BTC HGA Azerbaijan, BTC HGA Turkey • SCP HGA Azerbaijan, SCP HGA Georgia • Both TAP HGAs • Baku-Supsa HGA • WAGP HGA 	<ul style="list-style-type: none"> • BTC HGA Georgia, BTC HGA Azerbaijan, BTC HGA Turkey • SCP HGA Azerbaijan, SCP HGA Georgia • Both TAP HGAs • Baku-Supsa HGA 	<ul style="list-style-type: none"> • TANAP HGA • Nabucco HGA Bulgaria, Nabucco HGA Romania, Nabucco HGA Turkey

6. Applicable Law

Since HGAs are not treaties, they need to provide for a provision on their applicable national law. The applicable law on IGAs should by its nature be public international law. However, many IGAs still do contain a clause on their applicable law.

a. Model Agreements

According to the Model IGA, disputes should be decided 'in accordance with this Agreement and applicable rules and principles of international law'.³⁰⁰ Such a clarification might not be necessary but can however be useful to avoid any doubts.

The Model HGA provides a short provision on its applicable law: 'This Agreement (including its formation and any questions regarding the existence, validity or termination of this Agreement) shall be governed by and construed in accordance with the substantive law of []'.³⁰¹ The Model HGA does not suggest any national law to be applied, including that of the host states involved. This said, in practice English law and Swiss law often chosen as applicable law due to their acknowledged neutrality.

²⁹⁷ Article 29(2) of the Nabucco HGA Hungary, Article 29(2) of the Nabucco HGA Austria.

²⁹⁸ Article 33(2) of the Nabucco HGA Hungary.

²⁹⁹ Article (1) of the Nabucco HGA Austria.

³⁰⁰ Article 19(9) of the Model IGA.

³⁰¹ Article 45 of the Model HGA.

b. Existing Agreements

i. IGAs

Most IGAs covered by the report do not regulate their applicable law. This is the case for the Baku-Supsa IGA, the BTC IGA, the Burgas-Alexandroupolis IGA, the ISI 1 IGA, the ISI 2 HGA, the Qatar-UAE IGA, the SCP IGAs, all South Stream IGAs, the SS IGA Russia and Bulgaria, the SS IGA Russia and Croatia, the SS IGA Russia and Greece, the SS IGA Russia and Hungary, the SS IGA Russia and Macedonia, the SS IGA Russia and Serbia, the SS IGA Russia and Slovenia, the TAP IGA, the TAPI Framework Agreement, the TAPI IGA, the Trans-Balkan IGA and the TSGP IGA.

The CCO IGA³⁰² and the TANAP IGA³⁰³ contain the same clause as the Model IGA, stating that the dispute should be settled 'in accordance with this Agreement and with the rules and principles of international law'. A similar provision can be found in the SS IGA Russia and Austria.³⁰⁴ The Nabucco IGA expressly stipulates that it is governed by public international law.³⁰⁵ The WAGP IGA makes several references to public international law.³⁰⁶

A peculiarity can be found regarding the Kirkuk-Ceyhan Pipeline. While its original IGA remained silent with regards to its relationship with national law, just like most other IGAs, the Kirkuk-Ceyhan Amendment from 2010 applies French law to it, thereby making an international treaty subject to a foreign state's national law.³⁰⁷

ii. HGAs

Most HGAs covered by this report choose a third state's law as their applicable law: The BTC HGAs,³⁰⁸ the SCP HGAs,³⁰⁹ the TAP HGA Albania³¹⁰ and the WAGP HGA³¹¹ chose for the **law of England** as its applicable law.³¹²

The TANAP HGA as well as most Nabucco HGAs shall be governed in accordance with the **laws of Switzerland**.³¹³ Similarly, the Nabucco HGA Austria 'shall be governed by and construed in accordance with the **laws of Switzerland**, except for Swiss and Austrian rules of conflicts of laws'.³¹⁴ However those provisions of Austrian laws, which are referred to in the Nabucco HGA Austria shall be interpreted in accordance with Austrian law.³¹⁵

The Baku-Supsa HGA Georgia is 'governed and interpreted in accordance with principles of law common to the **laws of Georgia and English law**' and in case that no such common principles exist it refers to the **common law of Alberta, Canada**.³¹⁶ The Baku-Supsa HGA Georgia also applies the general principle of public international law of pacta sunt servanda to it.

The only HGA simply applying its own national law is the TAP HGA Greece, which shall be governed by **Greek law**.³¹⁷

c. Conclusion

Only a few existing IGAs contain a provision on their applicable law as suggested by the Model IGA. Such a provision is, however, dispensable as the applicable law to an IGA should always only be public international law.

Regarding the applicable national law to HGAs, most existing HGAs apply a foreign state's national law. This illustrates the negotiating power of the investors in these projects, as most host states would presumably rather prefer to apply their own laws. The application of a third state's law to a HGA, which covers public law matters and

302 Article 25(3) of the CCO IGA.

303 Article 12(8) of the TANAP IGA.

304 Article 10 of the SS IGA Russia and Austria.

305 Article 14(3) of the Nabucco IGA.

306 Articles VI.2(2), VI.5(2), VII.2.(1)(f), VII.3(1)(c), VIII.1(2), IX.2(2), XVII.2 of the WAGP IGA.

307 Article 10 of the Kirkuk-Ceyhan Amendment.

308 Article 23(10) of the BTC HGA Georgia, Article 23(10) of the BTC HGA Azerbaijan, Article 24(10) of the BTC HGA Turkey.

309 Article 23(1) of the SCP HGA Azerbaijan and Article 23(1) of the SCP HGA Georgia.

310 Paragraph 38 of the TAP HGA Albania.

311 Paragraph 51 of the WAGP HGA.

312 UK law is often referred to as applicable law as it encompasses a lot of case law relevant for the settlement of matters of liability.

313 Article 33 of the TANAP HGA; Article 36(1) of the Nabucco HGA Bulgaria; Article 28(1) of the Nabucco HGA Romania; Article 36 of the Nabucco HGA Hungary; Article 38 of the Nabucco HGA Turkey.

314 Article 36 of the Nabucco HGA Austria.

315 Article 36 of the Nabucco HGA Austria.

316 Article 13 of the Baku-Supsa HGA Georgia. The same provision can be found in Article 18(1) of the Baku-Supsa PCoOA, the Pipeline Construction and Operating Agreement, the private contract between the project investors of the Baku-Supsa Pipeline.

317 Paragraph 25 of the TAP HGA Greece.

issues of public interests relevant to the host state, seems notable and raises various questions. It should therefore be considered if the Model HGA should not suggest for the host state's law to be applied or at least contain an explanatory note in this regard.

The following chart summarises the provisions found on applicable law for HGAs:

Laws of a third country (UK or Switzerland)	Mixed laws	Host state's own law
<ul style="list-style-type: none"> • BTC HGAs • SCP HGAs • TAP HGA Albania • WAGP HGA • TANAP HGA • Most Nabucco HGAs 	<ul style="list-style-type: none"> • Nabucco HGA Austria • Baku-Supsa HGA Georgia 	<ul style="list-style-type: none"> • TAP HGA Greece

7. Exchange of Information

The realisation of any cross-border pipeline project relies upon the effective cooperation of several entities and companies. Therefore, most agreements provide various provisions on cooperation among the states, among the state authorities and between the states and the investors. Since these provisions touch upon several different issues, it is not practical to set them out and compare them in detail. One important aspect of states' cooperation, however, is the exchange of information and is therefore highlighted later in this report.

a. Model Agreements

The current edition of the Model IGA does not provide for the exchange of information among the parties.

b. Transit Protocol

The Transit Protocol requires contracting parties to facilitate the exchange of information relevant for implementation when requested by another contracting party. The Protocol obliges states to promptly respond to any request by any other contracting party concerning specific information on its 'legislative, regulatory and administrative provisions or bilateral or multilateral agreements'.³¹⁸

c. Existing Agreements

Most of the agreements studied provide a clause expressly dealing with the exchange of relevant documents and other information. The obligation to exchange information can either relate to all relevant documents concerning the pipeline project or it can merely relate to information regarding a specific topic.

The TAPI IGA stipulates a **general exchange of information** by requiring the parties to 'submit to the other Parties the information it possesses on all matters related to the development of the Project, provided that such information is not confidential and its submission does not contradict national laws of the Party submitting it'.³¹⁹ Similarly, the ISI 1 IGA and the ISI 2 IGA require both governments to 'ensure a free flow of information between them about matters relating to the operation of the pipeline and the current and projected utilisation of its capacity'.³²⁰ The Qatar-UAE IGA and the Nabucco IGA also oblige the parties to exchange any relevant information.³²¹ According to the CCO IGA, states 'shall exchange information related to the construction and operation' of the pipeline.³²² Additionally, tax administration of one state may request from its counterpart in the other contracting state information necessary to determine the basis upon which to tax a taxpayer working in both states.³²³

³¹⁸ Article 18(2) of the Transit Protocol.

³¹⁹ Article 5 of the TAPI IGA.

³²⁰ Article 13(1) of the ISI 1 IGA and Article 14(1) of the ISI 2 IGA.

³²¹ Article IX of the Qatar-UAE IGA reads: 'Both Governments shall ensure the free flow of information between them about matters relating to the construction and operation of the Pipeline'; Article 12(2) of the Nabucco IGA reads: 'The States Parties shall co-operate to give effect to the Agreement through regular discussion and exchange of information.'

³²² Article 8 of the CCO IGA.

³²³ Article 20 of the CCO IGA.

Some other agreements also stipulate the **exchange of very specific information**: The Trans-Balkan IGA contains a clause on the immediate notice regarding the interruption of flow of petroleum,³²⁴ while the BTC IGA and the SCP Georgia-Azerbaijan IGA secure the provision 'of information sufficient to keep the recipient State fully informed on a timely basis with respect to the status of its efforts to accomplish all ratifications and adoptions and the prompt furnishing of written evidence of all such actions to the other State[s]'.³²⁵ In addition to the general duty to exchange information, the Qatar-UAE IGA obliges the governments to exchange information on any security matters relating to the pipeline.³²⁶ Finally, the Kirkuk-Ceyhan IGA provides that '[a]ny notification made in accordance with this Agreement must be in writing, and shall be considered as notification in proper form to the other side if it is made by telex, telegraph, or by registered letter to the address of the Nominee'.³²⁷

d. Conclusion

In light of the general practice of existing agreements and the Transit Protocol it would be advisable for a third edition of Model IGAs to include provisions on the exchange of all necessary information in line with normal industry practice by the owners or operators of relevant energy transport facilities.

8. Establishment of a Project-Specific Body

Since the realisation of any cross-border pipeline project relies upon the effective cooperation of the several entities involved, many pipeline agreements establish a body, which facilitates an institutionalised form of cooperation. Various competences can be attributed to these bodies, varying from a mere platform to exchange certain information to a body holding actual decision making powers with regards to disputes arising under the respective pipeline agreements.

a. Model Agreements

The current edition of the Model IGA does not provide for the establishment of a committee or commission in order to enhance cooperation.

The first edition of the Model IGA provided an article on the establishment of a joint commission 'to oversee compliance with and facilitate the implementation of this Agreement'.³²⁸ The current Model IGA instead contains an explanatory note, explaining the difficulties in creating a detailed procedure for such a commission and simply referring to it as an option for the parties.

b. Existing Agreements

Some agreements implement an institutionalised form of cooperation by means of establishing a project-specific body. The terminology of these bodies vary, most of them are called committee or commission. These commissions are different from the body or entity actually financing, designing, constructing or operating the pipeline, as they are designed to form a platform for cooperation and coordination.

The Baku-Supsa IGA,³²⁹ the CCO IGA,³³⁰ the ISI 1 IGA,³³¹ the Nabucco IGA,³³² the SCP Georgia-Azerbaijan IGA,³³³ the Qatar-UAE IGA,³³⁴ the BTC IGA,³³⁵ the TAP IGA,³³⁶ the Trans-Balkan IGA³³⁷ and the TANAP IGA³³⁸ establish bodies or provide the method for establishment of bodies, consisting of one to five representatives of each state party in order to oversee compliance with and facilitate the application, implementation and/or interpretation of the IGA and/or of respective HGAs.

324 Paragraph 5(2) of the Trans-Balkan IGA.

325 Article II(4)(v) of the BTC IGA and Article II(4)(viii) of the SCP Georgia-Azerbaijan IGA.

326 Article 7(1) of the Qatar-UAE IGA.

327 Article 20 of the Kirkuk-Ceyhan IGA.

328 Article 14 of the first edition of the Model IGA.

329 Article 6 of the Baku-Supsa IGA.

330 Article 21 of the CCO IGA.

331 Article 14 of the ISI 1 IGA; the commission is called the 'Irish Sea Interconnector Commission'.

332 Article 12(1) second paragraph of the Nabucco IGA; the body is called 'Nabucco Committee'.

333 Article VI of the SCP Georgia-Azerbaijan IGA; the body is called 'implementation commission'.

334 Article X of the Qatar-UAE IGA; the body is called 'Joint Qatar-UAE Pipeline Commission'.

335 Article VI of the BTC IGA; the body is called 'implementation commission'.

336 Article 10 of the TAP IGA.

337 Paragraph 12 of the Trans-Balkan IGA; the body is called 'joint commission'.

338 Article 4(3) of the TANAP IGA; the body is called 'TANAP Committee'.

The ISI 2 IGA refers to the commission established by ISI 1 IGA.³³⁹ The Kirkuk-Ceyhan IGA allows for the establishment of a joint committee ‘for the purpose of coordinating all matters pertaining to the Project including studies, design, erection, construction, operation, maintenance and management of the Project, as well as other matters related thereto’.³⁴⁰

The WAGP IGA provides the most advanced system of institutionalised cooperation by establishing the WAGP Authority³⁴¹ and a Committee of Ministers.³⁴² The WAGP Authority is allocated various competences such as representative, facilitation and regulatory functions, while the Committee of Ministers decides on the review of decisions by the WAGP Authority and the amendment of its powers and functions.

Similarly, the TSGP IGA establishes a Committee of Ministers, comprised of the ministers of energy of the three states.³⁴³ This committee shall represent the involved governments and facilitate negotiations with the ‘développeurs’, being the operating entities.³⁴⁴ The Committee of Ministers is envisaged to put in place yet another body called the ‘Comité de suivi du projet’, which shall supervise the project on behalf of the Committee of Ministers.³⁴⁵

Despite the similar wording of most of the provisions establishing a committee, the scope and competence of such committees vary. While most committees are merely designed as a platform for cooperation, some are granted real powers in order to resolve disputes.³⁴⁶

c. Conclusion

The establishment of a project-specific body in order to oversee compliance and implementation is a very common concept in existing agreements examined in this report. This concept could be reinforced in a new edition of Model Agreements in order to reflect this common practice.

9. Constructing and Operating Entity

Almost all pipeline projects are owned and operated by a private entity. In most cases, this entity, being the project investors or a defined company, shall enter into one or several subsequent HGAs with the host government(s) in order to agree on further details of the project. The IGA itself, however, may also confer rights and obligations upon the project investor, the company or any other project participant. Such rights have a different legal nature than those stemming from HGAs.

This chapter briefly presents the respective entities and the extent to which these entities and the corresponding HGAs are integrated in the IGA.

a. Model Agreements

The Model IGA envisages the involvement of several non-state entities: project investors, contractors, insurers, lenders, operators and shippers.

According to the Model IGA, the term ‘project investors’ refers to ‘any party to any Host Government Agreement other than a State’.³⁴⁷ The Model IGA therefore does not suggest to list the project investors by name. Neither does the Model IGA ascribe any general function or activity to the project investors. The ownership of the pipeline by the project investors is suggested as an option where ownership is permitted under local law.³⁴⁸ The Model IGA operates under the assumption that the project investors have already been identified by the time the IGA is concluded.³⁴⁹ According HGAs between each state and the project investors shall be concluded.³⁵⁰ It is not clear though which status of the Model HGA is envisaged by the Model IGA at the time the IGA is signed. There is no provision explicitly obliging states to subsequently enter into Model HGAs. There is rather an assumption that the corresponding HGAs have already been concluded.

339 Article 15(1) of the ISI2 IGA.

340 Article 5 of the Kirkuk-Ceyhan IGA.

341 Article IV of the WAGP IGA.

342 Article X of the WAGP IGA.

343 Article 10.1 of the TSGP IGA.

344 Article 10.2 and 10.4 of the TSGP IGA.

345 Article 10.3 of the TSGP IGA.

346 See the WAGP IGA and the Nabucco IGA.

347 Article 1(1) of the Model IGA, definition of ‘project investor’.

348 Explanatory note (3) regarding the preamble of the Model IGA.

349 Introductory Note, Para 21, basic assumptions, of the Model IGA.

350 Article 1(1) of the Model IGA, definition of ‘Host Government Agreement’.

The operator shall mean the person responsible for implementing, managing, coordinating or conducting the project activities for or on behalf of the project investors.³⁵¹ According to the Model HGA, the project investors have the right to establish, own and control one or more operators.³⁵² The operators may even exercise any or all rights of the project investors arising under any project agreement.³⁵³

Both the project investor(s) and the operator(s) – and their affiliates – are considered to be ‘interest holders’ to which both the Model IGA and the Model HGA refer from time to time. The interest holders together with all contractors, shippers, lenders and insurers are covered by another generic term, the ‘project participants’, to which the Model Agreements refer.

Neither the Model IGA nor the Model HGA envisages the establishment of a private project/pipeline company by the project investors. The Model HGA is therefore an agreement between a state and the project investors individually and not an agreement between a state and a single enterprise. This is due to the fact that in most cases a pipeline company would have to be incorporated locally, which would make any coordination among different HGAs difficult.

b. Existing Agreements

The only agreement not referring to any project investor or company is the Kirkuk-Ceyhan IGA, since the erection, construction, operation, maintenance, management and finance are made governmental obligations.³⁵⁴ All other agreements will be presented in alphabetical order:

The Baku-Supsa Pipeline

The Baku-Supsa IGA refers to different ‘oil companies’ as being companies willing to directly or indirectly invest in the project.³⁵⁵ These oil companies are then listed by their names: Amoco Caspian Sea Petroleum Limited, BP Exploration Limited, Delta Nimir Khazar Limited, Den Norske Stats Oljeselskap A.S., Exxon Azerbaijan Limited, Lukoil Joint Stock Company, McDermott Azerbaijan, Pennzoil Caspian Corporation, Ramco Hazar Energy Limited, the State Oil Company of the Azerbaijan Republic, Türkiye Petrolleri A.O., and Unocal Khazar Limited, but also ‘their respective agents, successors and permitted assignees’.³⁵⁶ The last clause enables a changing allocation of involved companies in the future. In fact, BP’s website lists different companies as being part of the consortium owning the pipeline: BP (35.8%), SOCAR (11.6%), Chevron (11.3%), INPEX (11%), Statoil (8.6%), Exxonmobil (8%), TPAO (6.8%), Itochu (4.3%), ONGC (2.7%).³⁵⁷

Each government is envisaged to enter into ‘project agreements’³⁵⁸ with the oil companies.³⁵⁹ Project agreements include the Baku-Supsa HGA Georgia, the Baku-Supsa PCoOA (an agreement between the oil companies and the Georgian International Oil Corporation) and the Baku-Supsa PCaOA (an agreement between the oil companies and the State Oil Company of the Azerbaijan Republic). The Baku-Supsa HGA Georgia is designed together with the Baku-Supsa PCoOA by referring to it in almost every article.

The BTC Pipeline

The BTC IGA refers to the ‘project investors’, without listing them by name, defining them as each person being a party to a HGA (other than the government) and ‘any operating company, branch, office, permanent establishment, affiliate, nominee, agent or representative of such person’ as well as any successor or assignee.³⁶⁰

The BTC IGA envisages the conclusion of HGAs entered into between the government of a state on the one hand and project investors and/or other parties authorised by them on the other hand.³⁶¹ The BTC IGA refers to these HGAs very often and leaves much further regulation to them.

351 Article 1(1) of the Model IGA, definition of ‘operator’.

352 Article 30(1) of the Model HGA.

353 Article 30(2) of the Model HGA. ‘Project Agreement’ is any agreement other than the IGA or HGA.

354 Article 1 of the Kirkuk-Ceyhan IGA.

355 Article 8(2) of the Baku-Supsa IGA.

356 Article 8(2) of the Baku-Supsa IGA.

357 <http://www.bp.com/en/global/corporate/about-bp/bp-worldwide/bp-in-georgia.html>.

358 Article 8(5) of the Baku-Supsa IGA. The term ‘project agreement’ is hereby used differently than in the Model Agreements, where project agreements are all agreements other than the IGA and the HGA.

359 Article 1(c) of the Baku-Supsa IGA.

360 Article 1 of the BTC IGA; definition of ‘project investor’.

361 Article I of the BTC IGA.

The BTC HGAs include a very similar but more detailed provision than the Model HGA on the 'operating company', thereby allowing the project investors to establish, own and control one or more operating companies.³⁶² The BTC HGAs additionally entitle the project investors to transfer, assign, share or otherwise deal with all or any of their rights or obligations under this agreement.³⁶³

The Burgas-Alexandroupolis Pipeline

The Burgas-Alexandroupolis Pipeline was envisaged to be owned by the International Project Company, which is established by the Russian (51%), the Bulgarian (24,5%) and the Greek (24,5%) participants.³⁶⁴ The place of registration of the International Project Company is yet to be determined by the project participants.³⁶⁵ A HGA, called the 'Transit Agreement', shall be concluded between the parties and the International Project Company, outlining the terms of cooperation.³⁶⁶ The Burgas-Alexandroupolis IGA refers to the Transit Agreement only sporadically.

The Chad-Cameroon Oil Pipeline (CCO Pipeline)

The CCO IGA stays silent as to who is operating the CCO Pipeline. In its preamble, it defines the 'consortium' as 'Esso Exploration and Production Chad Inc., Societe Shell Tchadienne de recherche et d'exploitation and Elf Hydrocarbures Tchad' but only refers to the consortium with regards to hydrocarbon measurements.³⁶⁷ The CCO IGA contains no mention of the Tchad Oil Transportation Company (TOTCO), owner and manager of the Chad section of the pipelines, nor of the Cameroon Oil Transportation Company (COTCO), owner and manager of the Cameroon section. The CCO IGA does not refer to the CCO HGAs, but mentions a 'Cooperation Agreement', which is the agreement concluded between the Cameroonian transporter and the Chadian transporter.

The Dolphin Pipeline

The Dolphin Pipeline is owned and operated by Dolphin Energy Limited, which is a limited liability company organised under the laws of the United Arab Emirates.³⁶⁸ This company had previously entered into so-called 'Export Pipeline Agreements' with each state before the signing of the Qatar-UAE IGA to which the IGA refers only once.³⁶⁹ These agreements do not constitute a prevailing regime, since the Dolphin Energy Limited still 'shall be subject to the legislative requirements of each of the State of Qatar and the United Arab Emirates in respect of that part of the pipeline which is under the jurisdiction of such State.'³⁷⁰

The Irish Sea Interconnectors 1 and 2

The ISI 1 IGA and ISI 2 IGA contain provisions on the owner³⁷¹ and on the operator³⁷² of the pipeline. According to these provisions, any owner or change of owner as well as any operator or change of operator shall require the approval of the relevant Irish Minister. The operator shall be subject to the legislative requirements of the UK in respect of that part of the pipeline, which is under the jurisdiction of the UK.³⁷³ The ISI IGAs do not refer to any HGA.

The Nabucco Pipeline

The Nabucco Pipeline was envisaged to be owned and operated by the Nabucco International Company, a limited liability company seated in Vienna, Austria.³⁷⁴ The Nabucco International Company is supposed to own all of the shares of the respective Nabucco National Companies.³⁷⁵ The Nabucco National Companies shall have ownership and operating rights over their respective sections of the Nabucco Project.³⁷⁶ The Nabucco IGA envisaged the conclusion of so-called 'Project Support Agreements' to which content it refers only once.³⁷⁷

362 Article 18(1) of the BTC HGA Azerbaijan; Article 18(1) of the BTC HGA Georgia; Article 19(1) of the BTC HGA Turkey.

363 Article 16 of the BTC HGA Azerbaijan; Article 16 of the BTC HGA Georgia; Article 17 of the BTC HGA Turkey.

364 Article 2 of the Burgas-Alexandroupolis IGA.

365 Article 3 of the Burgas-Alexandroupolis IGA.

366 Article 4 of the Burgas-Alexandroupolis IGA.

367 Article 13 of the CCO IGA.

368 Article I and IV of the Qatar-UAE IGA.

369 Article IV(2) of the Qatar-UAE IGA.

370 Article IV(4) of the Qatar-UAE IGA.

371 Article 3 of both ISI 1 IGA and ISI 2 IGA.

372 Article 4 of both ISI 1 IGA and ISI 2 IGA.

373 Article 4(2) of both the ISI 1 IGA and the ISI 2 IGA.

374 Article 2(12) of the Nabucco IGA.

375 Article 8(2)(b) of the Nabucco IGA.

376 Article 8(2) of the Nabucco IGA.

377 Article 11(1) of the Nabucco IGA.

The South Caucasus Pipeline

The SCP Georgia-Azerbaijan IGA refers to the 'project investors', without listing them by name, defining them similarly as the BTC IGA.

The SCP Georgia-Azerbaijan IGA envisages the conclusion of HGAs entered into between the government of a state on the one hand and project investors and/or other parties authorised by them on the other.³⁷⁸ The SCP Georgia-Azerbaijan IGA refers to these HGAs very often and leaves much of any further regulation to them.

The SCP HGAs include a very similar but more detailed provision than the Model HGA on the 'operating company', thereby allowing the project investors to establish, own and control one or more operating companies.³⁷⁹ The SCP HGAs additionally entitle the participants to transfer, assign, share or otherwise deal with all or any of its rights or obligations under this agreement.³⁸⁰

The South Stream Pipeline

The South Stream Pipeline was to be constructed and operated by different companies in each national section, each set up by the 'founders' within the context of each individual state.³⁸¹ The 'founders' of the relevant pipeline section are defined as the Russian Gazprom and an equivalent national joint stock company of the contracting state.³⁸² The following project companies were already incorporated: South Stream Bulgaria (Gazprom and Bulgarian Energy Holding, 50 % each), South Stream Serbia (Gazprom (51 %) and Srbijagas (40 %), South Stream Hungary (Gazprom and Hungarian Development Bank MFB, 50 % each), South Stream Slovenia (Gazprom and Plinovodi, 50 % each), South Stream Austria (Gazprom and OMV, 50 % each) and South Stream Greece (Gazprom and DESFA, 50 % each). The South Stream IGAs do not refer to any agreements concluded between a state and a founder or company.

The Trans Adriatic Pipeline

The Trans Adriatic Pipeline is to be constructed and operated by the Trans Adriatic Pipeline AG,³⁸³ which is the respective project investor.³⁸⁴ Project participants include the project investor, the shareholders, the shippers, the contractors, the lenders and the gas sellers,³⁸⁵ to whom the TAP IGA refers only once.³⁸⁶

Albania and Greece, as the parties in whose territories the majority of the pipeline will be located, are envisaged to enter into respective HGAs with the project investor.³⁸⁷ There is no HGA between the project investor and Italy.

The TAPI Pipeline

The TAPI Pipeline shall be financed, designed, constructed and operated by a consortium, which consists of technically competent and financially capable international companies experienced in implementing similar projects.³⁸⁸ The state parties are envisaged to individually enter into HGAs with the consortium 'to define the legal, regulatory and fiscal framework' of the pipeline.³⁸⁹ The TAPI Agreement then refers to the respective HGAs only sporadically.³⁹⁰

The TANAP

The TANAP is to be constructed, owned and operated by the TANAP Project Entity.³⁹¹ As per a Memorandum of Understanding signed on 24 December 2011 between the Republic of Turkey and the Republic of Azerbaijan,

378 Article I of the SCP Georgia-Azerbaijan IGA.

379 Article 18(1) of the SCHGA Azerbaijan; Article 18(1) of the SCP HGA Georgia.

380 Article 16 of the SCP HGA Azerbaijan; Article 16 of the SCP HGA Georgia.

381 Article 1 of the SS IGA Russia and Austria, SS IGA Russia and Bulgaria, SS IGA Russia and Croatia, SS IGA Russia and Greece, SS IGA Russia and Greece, and SS IGA Russia and Slovenia.

382 OMV Gas & Power GmbH in Austria, Bulgargas Holding in Bulgaria, Plinacro in Croatia, DESFA S.A. in Greece, Hungarian Development Bank in Hungary, Srbijaga in Serbia (in this case, however, not named as the 'founders', see Article 2 of the SS IGA Russia and Serbia), and Geoplin plinovodi Ltd. in Slovenia.

383 Preamble (3) of the TAP IGA.

384 Appendix of the TAP IGA, definition of 'project investor'.

385 Appendix of the TAP IGA, definition of 'project participant'.

386 Article 5(2)(b) of the TAP IGA.

387 Article 5(1) of the TAP IGA.

388 Paragraph 3 and 6 of the TAPI Framework Agreement.

389 Paragraph 5 of the TAPI Framework Agreement.

390 Paragraph 29, 31, 32 of the TAPI Framework Agreement.

391 Article 4(1) of the TANAP IGA.

TANAP Project Entity (TANAP Dogal Gaz Iletim A.S.) was established and authorized by State Oil Company of the Republic of Azerbaijan (SOCAR) as the project owner to complete the design, construction and the subsequent operation of the TANAP.³⁹²

This entity is envisaged by the TANAP IGA to enter into a HGA with Turkey,³⁹³ to which the TANAP IGA refers from time to time.³⁹⁴ The TANAP HGA is concluded between Turkey and the Trans Anatolian Company B.V., which was originally organised and existing under the laws of the Netherlands,³⁹⁵ but is now established under Turkish law.³⁹⁶ The Trans Anatolian Company B.V. is a subsidiary of SOCAR,³⁹⁷ the State Oil Company of Azerbaijan Republic, which is why there is only one HGA with Turkey and no HGA with Azerbaijan.

The Trans Balkan Pipeline

The Trans-Balkan IGA differentiates between 'project company' and 'project investor'. While the 'project company' is defined as any person 'duly organised under the laws of any state' that is a party to the respective HGA, the so-called 'Bilateral Agreements', and any successor or merited assignee of such person, 'project investor' is any person holding an equity interest in a project company, thereby even including any state.³⁹⁸

Each state shall enter into a HGA, the so-called 'Bilateral Agreement', with one or more project companies that establish rights and obligations of such parties in respect of the pipeline.³⁹⁹ The Trans-Balkan IGA refers to these bilateral agreements frequently.⁴⁰⁰

The Trans-Saharan Pipeline

The Trans-Saharan Pipeline is to be owned by a project company which is established by the so-called sponsors.⁴⁰¹ This project company shall hold the exploitation and construction licences granted by the governments.⁴⁰² The TSGP IGA already identifies three state-owned companies as sponsors, namely the Nigerian national petroleum company NNPC, the Algerian national oil and gas company Sonatrach and the Nigerien national petroleum company SONIDEP.⁴⁰³ Since the identified sponsors are state-owned, the TSGP IGA does not envisage the conclusion of corresponding HGAs. These three state-owned companies shall, however, enter into a joint venture agreement for the initial stage after the TSGP IGA is signed.⁴⁰⁴ Additionally, the preamble states that other sponsors can also join the project at a later stage.⁴⁰⁵

This approach comes close to the one put forward by the Model Agreements, as the sponsors equal the Model IGA's concept of the project investors and the operator equals the Model IGA's function of the project company.

The West African Gas Pipeline

The construction, ownership and operation of the WAGP is to be permitted by the state parties⁴⁰⁶ and transferred to the private sector.⁴⁰⁷ The operation is done by the West African Gas Pipeline Company Limited, to which the WAGP IGA refers very often without explicitly laying down its functions and competences. The state parties are obliged to enter into an International Project Agreement with the company (the WAGP HGA) to which the WAGP IGA refers very often.⁴⁰⁸ The WAGP HGA lays down more detailed provisions of the establishment of the company, requiring the company to establish in each state a certain presence.⁴⁰⁹

392 <http://www.mfa.gov.tr/turkeys-energy-strategy.en.mfa>.

393 Article 2(3) of the TANAP IGA.

394 Article 3(3), 4(1), (3) and (4), 7(2), 9 and 15 of the TANAP IGA.

395 Preamble of the TANAP HGA.

396 See information on Bloomberg Businessweek, available at: <http://investing.businessweek.com/research/stocks/private/snapshot.asp?privcapId=224042678>.

397 See information on Bloomberg Businessweek, available at: <http://investing.businessweek.com/research/stocks/private/snapshot.asp?privcapId=224042678>.

398 Paragraph 1(1) of the Trans-Balkan IGA; definitions of 'project company' and 'project investor'.

399 Paragraph 1(1) of the Trans-Balkan IGA; definition of 'bilateral agreement' and Article 15 of the Trans-Balkan IGA.

400 Paragraph 2(1), 3, 6, 9, 11, 12(3), 15, 18 and 20 of the Trans-Balkan IGA.

401 Article 1.1 of the TSGP IGA, definition of 'compagnie(s) du projet' and of 'sponsors'.

402 Article 1.1 of the TSGP IGA, definition of 'compagnie(s) du projet'.

403 Preamble No. 2 and 6 of the TSGP IGA.

404 Article 1.1 of the TSGP IGA, definition of 'accord de joint venture pour la phase définitionnelle'.

405 Preamble No. 7 of the TSGP IGA.

406 Article III.1 of the WAGP IGA.

407 See Preamble of the WAGP IGA.

408 Article 1(1) of the WAGP IGA; definition of 'International Project Agreement'.

409 Paragraph 5 of the WAGP HGA.

c. Conclusion

All IGAs studied refer to the project investors or the operating company except when the pipeline is constructed and operated by the host state(s). This is in line with the Model IGA. The grade of reference, however, differs for every pipeline project; some IGAs make strong reference to the corresponding HGAs, while others only mention it once.

The provision of the Model HGA on the 'operator' is very similar to those found in the BTC HGAs and SCP HGAs. None of the other studied HGAs, however, provides for such a clause.

10. Transit and Non-Interruption of Energy Flows

This chapter will focus on provisions dealing with transit of oil and gas and the risk of interruption. It does not deal with the different kind of transits.⁴¹⁰

a. Model Agreements

The Model Agreements oblige states to take the necessary measures to facilitate and permit the transport of oil and gas in connection with the project, consistent with the principle of freedom of transit.⁴¹¹

The Model IGA additionally prohibits states from doing anything to 'interrupt, curtail, delay or otherwise impede the project activities in its territory'.⁴¹² In case of a dispute, no state through whose territory the petroleum or gas transits is allowed to interrupt or reduce the existing flow of petroleum and gas.⁴¹³ Only unreasonable danger or hazard to public health might allow a state to interrupt the project activities in its territory.⁴¹⁴ In case of an interruption of project activities, states are obliged to give notice to the other states and use all lawful endeavours to eliminate the threat.⁴¹⁵

b. Transit Protocol

The main objective of the Transit Protocol is to 'ensure secure, efficient, uninterrupted and unimpeded transit for the benefit of all contracting parties'.⁴¹⁶ The Transit Protocol applies to energy materials and products in transit through energy transport facilities such as pipelines.⁴¹⁷ However, many of its provisions can also apply to energy products not only in transit but also transported through cross-border pipelines.

This is the case for its provision on 'accidental interruption, reduction or stoppage of transit', which can equally apply to cross-border transport. Each contracting party shall ensure that owners and operators of the pipeline take necessary measures to 'minimize the risk of accidental interruption, reduction or stoppage' and 'to expeditiously restore the normal operation' after accidental interruption, reduction or stoppage.⁴¹⁸ It is the owners and operators that have to minimize that risk. There is no provision obliging states to not interrupt the transit/flow of petroleum or gas.

A provision that only applies to transit is the one on 'prohibition of unauthorized taking of energy materials and products in transit'.⁴¹⁹ A contracting party through whose territory petroleum or gas transits 'shall not take from, or interfere with, the flow of energy materials and products in any manner inconsistent with the provisions of the ECT or this Protocol'.⁴²⁰

c. Existing Agreements

Only one agreement does not deal with transit or interruption of energy products, namely the **Qatar-UAE IGA**.

Three agreements, governing cross-border and not transit pipelines, regulate non-interruption of flow instead of transit issues:

410 Roggenkamp, *W.C.L.E.R.* 19/2 (1995), 119, 120.

411 Article 7 of the Model IGA and Article 5 of the Model HGA.

412 Article 9(1) of the Model IGA.

413 Article 9(2) of the Model IGA.

414 Article 9(3) of the Model IGA.

415 Article 9(4) and (5) of the Model IGA.

416 Article 2(1)(a) of the Transit Protocol.

417 Article 4(1) of the Transit Protocol.

418 Article 16 of the Transit Protocol.

419 Article 6 of the Transit Protocol.

420 Article 6(1) of the Transit Protocol.

The **Baku-Supsa IGA** requires each government, 'based on the principle of unimpeded flow of goods and services', to guarantee that it shall neither interrupt nor impede the flow of petroleum through the facilities in its territory, nor shall it act ... or suffer the taking of any action to interrupt, curtail ... or otherwise impede such flow unless it creates a threat to public health, safety, property or the environment.⁴²¹ The same provision can be found in the Baku-Supsa HGA.⁴²²

The **Kirkuk-Ceyhan IGA** takes a different approach by regulating the continuous flow for each state individually. The Turkish side is obliged to guarantee to take 'all measures required for the continuous flow of the crude oils coming from Iraq across the Turkish territory'.⁴²³ The Kirkuk-Ceyhan Amendment changed this provision into requiring the Turkish side, with the exception of force majeure, to 'guarantee the continuous flow and security of the crude oil coming from Iraq across the Turkish territory'.⁴²⁴ Additionally, 'taking into consideration the special circumstances existing in Iraq', the Turkish side shall not enforce any 'cautionary attachment, attachment, and interim injunction' against the crude oil and any claims for such an attachment shall neither be accepted nor processed by the debt enforcement offices in the Republic of Turkey.⁴²⁵ If any debt or compensation has to be paid to a third party as a result of any foreign and/or international judicial or quasi-judicial settlement due to the protection and immunity granted to crude oil from Iraq against attachment proceedings, the government of the Republic of Iraq will reimburse the government of the Republic of Turkey.⁴²⁶ The Iraqi side, on the other hand, 'guarantees to take all measures required for the continuous flow of Iraqi crude oils across the Iraqi-Turkey border, and to give priority to the lifting of the crude oils purchased by Turkey'.⁴²⁷

The IGAs governing the **Irish Sea Interconnectors** oblige states to consult each other in order to establish the framework for cooperation in the event of a serious disruption in natural gas supplies.⁴²⁸ Despite the Irish Sea Interconnectors only being cross-border pipelines, both IGAs additionally contain a clause obliging the government of the Republic of Ireland to ensure that the owner or operator facilitates the transit of gas.⁴²⁹

All other agreements deal with transit as follows:

The **BTC IGA** and the **SCP Georgia-Azerbaijan IGA** require states to maintain conditions for the transit of petroleum/gas⁴³⁰ and oblige them not to interrupt or impede the freedom of transit of petroleum/gas in, across, through or across its territory.⁴³¹ In case of interruption or impediment of the flow, the states are obliged to use all lawful endeavours to eliminate that threat.⁴³² Additionally, each state must ensure the safety and security of all petroleum/gas in transit.⁴³³ The corresponding HGAs allow states not to interrupt or impede the freedom of transit.⁴³⁴

Similarly, the **Trans-Balkan IGA** requires each state to ensure the transit through, into, across and from its territory.⁴³⁵ In addition, no state shall interrupt, curtail or otherwise impede the flow of petroleum through the pipeline and give notice to the other states in case of any interruption, curtailment or impediment.⁴³⁶

In similar terms, the **TAP IGA** obliges states not to interrupt, curtail, delay or otherwise impede the flow of natural gas through the pipeline, use all lawful endeavours to eliminate any threat and give notice to the other states.⁴³⁷ The according HGAs, acknowledging that both Greece and Albania are core transit countries for the European Union,⁴³⁸ require the states to take all measures to facilitate the project activities consistent with the principle of freedom of transit and without distinction as to the origin, destination or ownership of the gas.⁴³⁹

421 Article 2(1) of the Baku-Supsa IGA.

422 Article 4(1)(a) of the Baku-Supsa HGA.

423 Article 12(1) of the Kirkuk-Ceyhan IGA.

424 Article 2(2)(b) of the Kirkuk-Ceyhan Amendment.

425 Article 2(2)(b) of the Kirkuk-Ceyhan Amendment.

426 Article 2(2)(b) second paragraph of the Kirkuk-Ceyhan Amendment.

427 Article 13 of the Kirkuk-Ceyhan IGA.

428 Article 11 of the ISI 1 IGA and Article 12 of the ISI 2 IGA.

429 Article 10(3) of the ISI 1 IGA and Article 10(4) of the ISI 2 IGA.

430 Article II(4)(ii) of both the BTC IGA and the SCP Georgia-Azerbaijan IGA.

431 Article II(4)(iii) of both the BTC IGA and the SCP Georgia-Azerbaijan IGA.

432 Article VII(4) of both the BTC IGA and the SCP Georgia-Azerbaijan IGA.

433 Article III(2) of both the BTC IGA and the SCP Georgia-Azerbaijan IGA.

434 Article 5(2)(i) of the BTC HGA Azerbaijan, of the BTC HGA Georgia, of the BTC HGA Turkey, of the SCP HGA Azerbaijan, and of the SCP HGA Georgia.

435 Paragraph 3 of the Trans-Balkan IGA.

436 Paragraph 5 of the Trans-Balkan IGA.

437 Article 7 of the TAP IGA.

438 Preamble (B) of both the TAP HGA Greece and the TAP HGA Albania.

439 Paragraph 4 of the TAP HGA Albania and Paragraph 4.8 of the TAP HGA Greece.

The **TANAP IGA** requires Turkey to ensure the freedom of transit passage and - similarly to the Transit Protocol provision on the 'prohibition of unauthorized taking of energy materials and products in transit' - to take all measures to prevent the taking of any transit passage gas by any state authority of state entity.⁴⁴⁰ In addition, Turkey shall ensure that gas transit shall not be interrupted, delayed restricted or curtailed.⁴⁴¹ In the TANAP HGA, Turkey grants to the TANAP Project Entity the exclusive right to conduct the transit passage to its full extent, consistent with the principle of freedom of transit, free of any fees, charges and costs.⁴⁴² Additionally, Turkey shall use its best endeavours to ensure the uninterrupted, unimpeded, unrestricted and uncurtailed flow of transit passage gas and is not allowed to take, or ownership of rights over any transit passage gas.⁴⁴³

The **TAPI IGA** obliges states to provide secure, uninterrupted and unobstructed conditions for the transportation of the Turkmen natural gas via the territories of the parties and within these territories,⁴⁴⁴ while the **TAPI Framework Agreement** additionally states that state parties shall not interrupt or impede the transit of gas moving into, within, across, through or beyond their territories and shall also eliminate threats.⁴⁴⁵ State parties are entitled to an agreed transit fee based on the natural gas exiting their territories.⁴⁴⁶ A unique provision is that in case of unclaimed quantities of natural gas, the Pakistan party shall provide unobstructed transit of such gas to relevant ports in Pakistan.⁴⁴⁷

The **Nabucco IGA** does not allow states to interrupt or restrict the freedom of transportation of natural gas unless it is necessary to remove a hazard.⁴⁴⁸ In case a situation arises, which interrupts, curtails or otherwise restricts project activities, states shall give notice to each other and to the Nabucco International Company.

All **IGAs** governing **the South Stream Pipeline** contain clauses on transit. While most of them provide a guarantee of 'full and unrestricted transit of gas',⁴⁴⁹ Austria shall ensure the 'unimpeded gas transmission across its territory'. Two IGAs require the states to 'ensure all conditions for full and unrestricted transportation of gas'.⁴⁵⁰

The **Burgas-Alexandroupolis IGA** does not itself regulate any transit issues but refers to the Transit Agreement yet to be concluded between the states and the International Project Company. This Transit Agreement shall 'ensure free transit of oil, without any delays and obstacles, after the oil pipeline is put into operation'.⁴⁵¹

A different approach can be found in the **CCO IGA**. Chad, a land-locked state, is granted right of access to the sea and 'free transit for the export by pipeline of hydrocarbons' by Cameroon.⁴⁵² Cameroon then agrees to take all measures to avoid delays and difficulties in the moving of goods in transit.⁴⁵³ The right of access to the sea as well as the right of Cameroon to protect its legitimate interests regarding the exercise of its sovereignty in its territory shall be in accordance with the United Nations Convention on the Law of the Sea.⁴⁵⁴

The **TSGP IGA** obliges the states to authorise transit of natural gas through the pipeline system without any restriction.⁴⁵⁵

In the **WAGP IGA**, both the supplier and the transit states are obliged to 'allow the export and transit of such natural gas on its territory' without discrimination as to the origin, destination or ownership of the gas, in no less favourable a manner than such gas originating in or destined for its own market, without imposing any unreasonable delays and without imposing any licence, permit or restrictions.⁴⁵⁶ The wording used in WAGP IGA is similar to Article 7 of the ECT and GATT Article V. Despite this, the WAGP IGA makes reference to the Economic Community of West

440 Article 7(1) of the TANAP IGA.

441 Article 7(2) of the TANAP IGA.

442 Article 3(1) of the TANAP HGA.

443 Article 3(3) and (4) of the TANAP HGA.

444 Article 4(3) of the TAPI IGA.

445 Paragraph 19 of the TAPI Framework Agreement.

446 Paragraph 25 of the TAPI Framework Agreement.

447 Paragraph 23 of the TAPI Framework Agreement.

448 Article 7(2) and (4) of the Nabucco IGA.

449 Article 9 of the SS IGA Russia and Greece; Article 8(1) of the SS IGA Russia and Hungary; Article 6 of the SS IGA Russia and Serbia; Article 10 of the SS IGA Russia and Bulgaria.

450 Article 7 of the SS IGA Russia and Croatia; Article 8(1) of the SS IGA Russia and Slovenia.

451 Article 4 of the Burgas-Alexandroupolis IGA.

452 Article 3 of the CCO IGA.

453 Article 4 of the CCO IGA.

454 Article 3 and 5 of the CCO IGA.

455 Article 3.3 and 8.1(b) of the TSGP IGA.

456 Article VIII.1.(1) of the WAGP IGA.

African States (ECOWAS) Treaty⁴⁵⁷ and to the ECOWAS Energy Protocol and not the ECT. Accordingly, transit shall be facilitated by the states consistently with the principle of freedom of transit set out in Article 45(2) of the ECOWAS Treaty and Article 7 of the ECOWAS Energy Protocol.⁴⁵⁸ The states shall not interrupt or reduce the existing flow of natural gas,⁴⁵⁹ but shall take any reasonable endeavour to eliminate a threat in case such action was taken.⁴⁶⁰

d. Conclusion

Almost all existing agreements deal with the matter of interruption or impediment of petroleum or gas flow.

Unlike the Transit Protocol, the agreements covered here do not regulate any obligation of the owners or operator of the pipeline with regards to transit and non-interruption. Rather, the IGAs oblige the states to guarantee secure transit and/or require the states to provide the conditions ensuring uninterrupted transit. Considering that owners and operators of the pipeline are better equipped to deal with risks of interruption, it would be advisable for a third Model of IGAs to insert a provision on this as set out by the Transit Protocol.

A prohibition of the unauthorized taking of energy material, like it is contained in the Transit Protocol, can only be found in one existing agreement, namely the TANAP IGA.

A regional specificity can be found in the Kirkuk-Ceyhan Amendment, where the special circumstances in Iraq were taken into consideration.⁴⁶¹

11. Rights on Land

This chapter focuses on the provisions dealing with rights on land as required to carry out project activities. Such rights on land do not only refer to **private land rights** (i.e. ownership, possession or lease), but also include access, passage and other **free movement rights**.

a. Model Agreements

The Model IGA defines land rights as ‘all those rights of examination, testing, evaluation, analysis, inspection, construction, use, possession, occupancy, control, [ownership], assignment and enjoyment with respect to any territory as are required to carry out the project activities.’⁴⁶² The IGA obliges states to grant and maintain land rights ‘under fair, transparent, legally enforceable and clear commercial terms and conditions’ and refers the actual establishment of such terms and conditions to the (Model) HGA.⁴⁶³

The Model HGA adopts the definition of land rights set forth by the Model IGA, but in addition states that the term ‘is used in its broadest sense to refer not only to the pipeline system corridor within, over or under which the pipeline system, as completed, will be located, but also such other and additional lands (including sea beds) and land rights within the territory as the project investors may reasonable require for purpose of evaluating and choosing the particular routing and location(s) desired by the project investors for the pipeline system.’⁴⁶⁴ ‘Project Land’ is defined as ‘the pipeline route and all the land included that is necessary for implementation of the project.’⁴⁶⁵

The Model HGA then includes a list of the states’ general obligations towards the project investors in terms of land rights, including (a) making available land rights in any project land, (b) identifying persons having or claiming any form of ownership or other interest in any project land and notifying them of the land rights granted to the project investors, (c) assisting project investors in acquiring and exercising land rights, (d) exercising sovereign powers to enable the project investors to acquire and exercise land rights, (e) issuing all necessary permits, authorisations and land registration certificated, (f) ensuring ‘that the project investors enjoy exclusive and unrestricted right to [own], use, occupy, possess, control and construct upon and/or under the land within the pipeline system corridor’, (g) defending and indemnifying each of the project investors from and against any loss or damage in respect of the land rights, and (h) settling with or paying compensation to those persons who were damaged due to the project

457 Economic Community of West African States (ECOWAS), Revised Treaty of the Economic Community of West African States (ECOWAS), 24 July 1993.

458 Article VIII.1.(2) of the WAGP IGA.

459 Article VIII.1.(3) of the WAGP IGA.

460 Article VIII.1.(4) of the WAGP IGA.

461 Article 2(2)(b) of the Kirkuk-Ceyhan Amendment.

462 Article 1 of the Model IGA.

463 Article 6 of the Model IGA.

464 Article 1 of the Model HGA.

465 Article 1 of the Model HGA.

investors' land rights and indemnifying the project investors against the costs associated with the payment of compensation by the project investors to such persons.⁴⁶⁶ The Model HGA therefore envisages the states to bear the costs of acquiring land rights from third parties.

The appendix of the Model HGA includes more detailed provisions on land rights, arranged according to three identified phases:

- (1) the preconstruction phase;
- (2) the facilities construction and installation phase; and
- (3) the post construction phase.⁴⁶⁷

Land rights granted during these phases do not include only exclusive rights on use, possession and control of the pipeline system corridor, but also free movement rights such vehicular access,⁴⁶⁸ rights to transport of material within and across the territory,⁴⁶⁹ rights of access over any land⁴⁷⁰ and/or rights to fly across the borders of the territory.⁴⁷¹

In their provisions on security, both the Model IGA and the Model HGA additionally oblige the states to ensure the security of land rights and 'exert all lawful and reasonable endeavours to enforce any relevant provisions of its law relating to threatened and/or actual instances of loss or damage caused by third parties to the land rights.'⁴⁷²

b. Existing Agreements

Most pipeline agreements covered by the report follow the Model IGA's example by referring the actual regulation of any rights regarding a state's territory to its corresponding HGA(s).⁴⁷³ Three IGAs do not regulate land rights or free movement rights at all, namely the Qatar-UAE IGA, the ISI 1 IGA and the ISI 2 IGA.

As the BTC Pipeline, the SCP, the TAP and the TANAP follow almost identical clauses with the Model Agreements these will be explained together. Other agreements deal with land on rights in different ways and will therefore be described individually:

The Baku-Supsa IGA does not deal with land rights, but only with rights of access and passage by obliging the states to ensure 'an unrestricted right of entry to and exit from its territory' and 'an unrestricted right of travel ... for all personnel, vehicles, equipment and other assets.'⁴⁷⁴ The Baku-Supsa HGA requires Georgia to grant 'rights to exit and enter from the Pipeline Route.'⁴⁷⁵

The Burgas-Alexandroupolis IGA obliges states to grant land-use rights (allotment of land) as a necessary condition for the smooth construction and operation of the pipeline, thereby referring the granting of such irrevocable rights to the corresponding HGA, namely the Transit Agreement with the International Project Company.⁴⁷⁶

The CCO IGA does not regulate land rights as such, but contains a provision obliging the state to take all necessary measures to allow the transporters, their employees and sub-contractors to have free access to all sites and installations.⁴⁷⁷ Similarly, the **Kirkuk-Ceyhan IGA**, which does not involve a private company at treaty level, does not deal with land rights. However, it grants to the personnel the necessary rights for passage and visits to the project within Turkish territory.⁴⁷⁸

⁴⁶⁶ Article 14(3) of the Model HGA.

⁴⁶⁷ Appendix I, Part II of the Model HGA.

⁴⁶⁸ Appendix I, Part II, Paragraph 3.1.1.(a)(iv) and 3.1.2.(b)(ii) of the Model HGA.

⁴⁶⁹ Appendix I, Part II, Paragraph 3.2.2.(a) of the Model HGA.

⁴⁷⁰ Appendix I, Part II, Paragraph 3.2.2.(f) and Paragraph 3.3.1.(f) of the Model HGA.

⁴⁷¹ Appendix I, Part II, Paragraph 3.1.1.(a) of the Model HGA.

⁴⁷² Article 12 of the Model IGA and Article 24 of the Model HGA.

⁴⁷³ The BTC IGA refers to its corresponding HGAs; the Burgas-Alexandroupolis IGA refers to the Transit Agreement with the International Project Company; the SCP Georgia-Azerbaijan IGA refers to its corresponding HGAs; the TAP IGA stays completely silent on this matter, letting both HGAs regulate it; the TANAP IGA also leaves the matter to the TANAP HGA; and the Trans-Balkan IGA refers to the Bilateral Agreements.

⁴⁷⁴ Article 4 of the Baku-Supsa IGA.

⁴⁷⁵ Article 4.2(b) of the Baku-Supsa HGA; the following page of the Baku-Supsa HGA is unfortunately not available. Other rights on land might be dealt with in the following provisions (Article 4.3 and 4.4).

⁴⁷⁶ Article 4 and 8 of the Burgas-Alexandroupolis IGA.

⁴⁷⁷ Article 16 of the CCO IGA.

⁴⁷⁸ Article 17 of the Kirkuk-Ceyhan IGA.

The Nabucco IGA deals with land rights by first defining them broadly as ‘all those rights and permits in accordance with the applicable legislation with respect to land in any territory which grants such free and unrestricted rights, access and title as are necessary for the project activities, which may include but not limited to use, possession, ownership, occupancy, control, assignment and enjoyment of such land.’⁴⁷⁹ Each state shall then ‘endeavour to facilitate either the concession, the grant, or the acquisition of land rights necessary for the realisation of the project under fair, transparent, legally enforceable, commercial terms and conditions.’⁴⁸⁰ The Nabucco HGAs deal with land rights in different ways. The Nabucco HGA Hungary requires the state to use reasonable endeavours to ‘assist the Nabucco International Company in discussion with state authorities ... regarding the acquisition and exercise of land right’ without any obligation on the state as to the outcome of such discussions.⁴⁸¹ The Nabucco HGA Austria refers to a national law regulating land rights as well as to the provision in the Nabucco IGA.⁴⁸² The Nabucco HGAs of Turkey, Romania and Bulgaria contain similar and more detailed clauses on land rights. Next to various obligations by the state to assist the company in acquiring and exercising land rights, their main feature is, in contrast to the Model HGA, the imposition of any costs related to land rights onto the Nabucco National Company.⁴⁸³

The SS IGAs deal with land rights without too much detail. Some of these agreements refer to the operating company as the entity to obtain land rights, while others refer to state’s general obligations. The SS IGA Russia and Macedonia obliges the host state, Former Yugoslav Republic of Macedonia, to ensure ‘provision of necessary land-use rights.’⁴⁸⁴ Similarly, the SS IGA Russia and Croatia, the SS IGA Russia and Hungary and the SS IGA Russia and Serbia oblige the host states to ensure ‘the allocation of land plots and irrevocable land-use rights ensuring unrestricted implementation of the project’ without referring to any operating company.⁴⁸⁵ The SS IGA Russia and Austria, the SS IGA Russia and Bulgaria and the SS IGA Russia and Slovenia, on the other hand, require the states to make sure that the company obtains the necessary permits and other land rights required for the construction and operation of the pipeline.⁴⁸⁶

The regulation of **the TAPI Pipeline** takes another approach with regards to land rights by obliging state parties to ‘ensure allocation of land necessary for the implementation of the project.’⁴⁸⁷ The costs of this allocation will then be ‘paid for at a fair value by the consortium as a cost of construction of the project.’⁴⁸⁸ The TAPI Framework Agreement also regulates free movement rights, though in separate paragraphs. State parties shall allow the consortium ‘the right for free movement of goods, materials, technologies, and personnel to and between applicable facilities and to, within, and between each of the territories’⁴⁸⁹ as well as unrestricted access to and within its territory for members of the consortium, their personnel, operating companies, contractors, suppliers and others involved in the project.⁴⁹⁰

The Trans-Balkan IGA defines land rights as ‘all those rights of examination, testing, evaluation, analysis, inspection, construction, use, possession, occupancy, control, operation and enjoyment.’⁴⁹¹ The IGA obliges each state to ensure that it will ‘grant exclusive land rights for all project activities under fair, transparent and clear commercial terms and conditions in the Bilateral Agreements.’⁴⁹² The use of such rights is thereby not limited to the pipeline corridor, but may also be enjoyed on other land as may be required by the project investors (such as roads and paths constructed temporarily to carry equipment).⁴⁹³ Additionally, the states shall grant and maintain access to seaports and territorial waters for all project activities.⁴⁹⁴

479 Article 2(9) of the Nabucco IGA.

480 Article 10(1) of the Nabucco IGA.

481 Article 13(1) of the Nabucco HGA Hungary.

482 Article 13 of the Nabucco HGA Austria.

483 Article 12(3) of the Nabucco HGA Romania; Article 14(3) of the Nabucco HGA Turkey; Article 12(3) of the Nabucco HGA Bulgaria.

484 Article 7(2) of the SS IGA Russia and Macedonia.

485 Article 9 of the SS IGA Russia and Croatia; Article 10 of the SS IGA Russia and Hungary; and Article 11 of the SS IGA Russia and Serbia.

486 Article 4(a) of the SS IGA Russia and Austria; Article 12 of the SS IGA Russia and Bulgaria; Article 9 of the SS IGA Russia and Greece; and Article 10 of the SS IGA Russia and Slovenia.

487 Paragraph 12 of the TAPI Framework Agreement.

488 Paragraph 12 of the TAPI Framework Agreement.

489 Paragraph 20 of the TAPI Framework Agreement.

490 Paragraph 22 of the TAPI Framework Agreement.

491 Paragraph 1(1) of the Trans-Balkan IGA.

492 Paragraph 11(1) of the Trans-Balkan IGA.

493 Paragraph 11(1) of the Trans-Balkan IGA.

494 Paragraph 11(2) of the Trans-Balkan IGA.

The TSGP IGA requires states to grant right of way to the sponsors, which is necessary for the construction of the pipeline.⁴⁹⁵ If the required land is owned by private entities, state parties are obliged to facilitate the acquisition of such rights. In such a case, the investors ('sponsors') shall compensate these entities for the acquired rights.

Finally, **the WAGP HGA** includes a comprehensive clause on land rights.⁴⁹⁶ Land rights are defined under a different term, 'exclusive possession right', that is the 'right to occupy that land to the exclusion of any other person, but without prejudice to the constitutional rights of the State in which such land is situated'.⁴⁹⁷ The company is obliged to identify the relevant land⁴⁹⁸ and negotiate with non-state landowners.⁴⁹⁹ States are obliged to grant permanent land rights (other than exclusive possession rights) as rights attached to the pipeline licences⁵⁰⁰ and to procure that the company is granted exclusive possession rights.⁵⁰¹ In case the land over which such rights are granted was not owned by the state, the company shall pay fair and reasonable compensation for the acquisition of these rights.⁵⁰²

The IGAs of the BTC Pipeline,⁵⁰³ of **the South Caucasus Pipeline**⁵⁰⁴ and of **the TANAP Pipeline**⁵⁰⁵ refer to their respective HGAs for regulation of land rights. **The TAP IGA** does not even mention land rights, directly leaving it to the two according HGAs.

All these HGAs include a broad definition of land rights, including rights of examination, testing, evaluation, analysis, access inspection, construction, use, lease, possession, occupancy, control, ownership, easement, assignment and enjoyment.⁵⁰⁶ These definitions are mostly followed by the same clarification as in the Model HGA. Accordingly, the term land rights shall be understood to refer not only to the pipeline system corridor, but also to other lands, which may be required by the project investors.

In line with the structure of the Model HGA, in these HGAs treatment of land rights differ depending on different phases of the project: (1) preconstruction phase, (2) the facilities and installation phase; and (3) the post construction phase. The TAP HGAs provide a different division, differentiating between a (1) pre-construction phase, a (2) post-construction phase, and a (3) expansion phase.⁵⁰⁷

These HGAs grant the project investors exclusive rights to land including, inter alia, assurance not to grant any conflicting rights to any other person⁵⁰⁸ or the assurance to make them enforceable against all state authorities and against all third parties.⁵⁰⁹ This is supported by provisions on rights of way and access for vehicles, goods and personnel.⁵¹⁰ The regulation of free movement rights, which are dealt with separately from the land rights in respective IGAs of the four abovementioned projects, strengthen the support of the relevant states to the pipeline projects in question, hence building confidence upon the project investors.⁵¹¹

Despite these commonalities, the HGAs of these four pipelines differ with regards to the costs of land allocation. While the BTC and SCP HGAs require the state authorities to pay compensation to third parties,⁵¹² the TAP HGAs⁵¹³

495 Article 4.2 of the TSGP IGA.

496 Paragraph 21 of the WAGP HGA.

497 Paragraph 1.1 of the WAGP HGA, definition of 'exclusive possession right'.

498 Paragraph 21.1 of the WAGP HGA.

499 Paragraph 21.3 of the WAGP HGA.

500 Paragraph 21.2 of the WAGP HGA.

501 Paragraph 21.4 of the WAGP HGA.

502 Paragraph 21.6. of the WAGP HGA.

503 'State authorities shall at all times ... secure granting of exclusive rights'; Article II(4)(iv) of the BTC IGA.

504 'State authorities shall at all times ... secure the granting of rights to land'; Article II(4)(vii) of the SCP Georgia-Azerbaijan IGA.

505 Article 5 of the TANAP IGA reads: 'The Republic of Turkey shall facilitate the grant or the acquisition of land rights necessary for the realization of the TANAP Project under fair, transparent and legally enforceable terms and conditions.'

506 Appendix 1 of the BTC HGA Azerbaijan, of the BTC HGA Georgia and the BTC HGA Turkey; Appendix 1 of the SCP HGA Azerbaijan and of the SCP HGA Georgia; Paragraph 1.1 (Definitions) of Schedule 1 of the TAP HGA Albania and Paragraph 1.1 of the TAP HGA Greece; and Article 1 of the TANAP HGA.

507 Schedule 1, Part 1, Paragraph 6 of the TAP HGA Greece and of the TAP HGA Albania.

508 Article 7(2)(ii) of the BTC HGA Turkey.

509 Appendix 2, Paragraph 1.2 of the TANAP HGA.

510 For example: Appendix 2, Paragraph 2.1 and Paragraph 2.3(ii) of the BTC HGA Azerbaijan and the BTC HGA Georgia, Appendix 4, Paragraph 2.1(iv) of the BTC HGA Turkey; Appendix 2, Paragraph 2.1 and Paragraph 3.1 of the SCP HGA Azerbaijan and of the SCP HGA Georgia; Schedule 1, Part 1, Paragraph 5 of the TAP HGA Greece and the TAP HGA Albania; Article 18 and Appendix 2, Paragraph 2.1 of the TANAP HGA.

511 Article II(4)(viii) of the BTC IGA and Article II(4)(xi) of the SCP IGA Georgia-Azerbaijan grant the right to freely move goods, materials, supplies, technology and personnel and Article III(3) of both the BTC IGA and the SCP IGA Georgia-Azerbaijan oblige states to ensure the right of access to and from its territory for project investor and their employees.

512 Article 7.2(vii)(5) of the BTC HGA Turkey; Article 7.2(vii)(6) of the BTC HGA Georgia; Article 7.2(vii)(5) of the BTC HGA Azerbaijan; Article 7.2.(vii)(5) of the SCP HGA Azerbaijan; Article 7.2(vii)(6) of the SCP HGA Georgia.

513 Schedule 1, 3.1(f); 3.5.(b)(iii)(B) of the TAP HGA Albania; Schedule 1, Part 1, Paragraph 2.1(a) of the TAP HGA Greece.

and the TANAP HGA⁵¹⁴ oblige the investors to pay such compensation. The TAP HGA Greece indirectly imposes the burden on compensation to the project company by stating ‘nothing in this schedule shall require the state to make any payment to any person ... in respect of the acquisition of the relevant rights for the purpose of the project.’⁵¹⁵

c. Conclusion

Almost all agreements covered in the report contain provisions on land rights and access rights. Although the Model HGA deals with these two different kinds of rights in one provision/article, the agreements studied often differentiate.

The Model Agreements’ wording on land rights is inspired by the provisions of the BTC Agreements and the SCP Agreements. This approach was then followed, albeit in less strict fashion, by the TAP and TANAP Agreements, both concluded after the publication of the Model Agreements. However, neither the TANAP HGA nor the TAP HGAs adopted the Model Agreements’ suggestion to make the states responsible for the bearing of costs associated with land rights. In fact, no agreement other than those of the BTC and the SCP oblige the states to pay compensation for third parties for the acquisition of land rights. As the Model Agreements aim at reflecting the prevailing international practice, it would be advisable to investigate the need to revise this clause in a third edition of Model Agreements. Other than this, the Model HGA may contain a reference to the host state’s constitution with regards to land rights and expropriation to provide greater legal certainty.

In addition, dividing the article on rights on land into two separate articles, one on land rights, and the second on access issues, could be considered in a third edition of Model Agreements to keep in line with developments in state practice.

The following chart summarises the provisions on allocation of costs regarding rights on land:

States bear costs	Investors bear costs	No mentioning of costs allocation
<ul style="list-style-type: none"> • BTC HGAs • SCP HGAs 	<ul style="list-style-type: none"> • Nabucco HGA Turkey, Bulgaria and Romania • TAPI Agreements • TSGP IGA • WAGP HGA • TAP HGAs • TANAP HGA 	<ul style="list-style-type: none"> • Burgas-Alexandroupolis IGA • CCO IGA • Kirkuk-Ceyhan IGA • Nabucco HGA Hungary and Austria • Trans-Balkan IGA

12. Standards

A variety of issues apt to being regulated as standards can be relevant for the construction and operation of a transit or cross-border pipeline: technical, health, quality, insurance, environmental, safety, labour, human rights or social issues. These standards can either apply only to a pipeline section within the territory of a state or uniformly to the entire pipeline situated in two or more states.

In principle, there are two major ways of dealing with standards at treaty level: The IGA can either set out the standards itself, or it can provide for a compilation of standards by other means (such as codes of conduct or appendixes). Interestingly, no existing IGA does itself provide for detailed standards. So providing for standards by other means, the IGAs use of the four following approaches:

- (1) Leave it to each state to determine the standards applicable on its own territory;
- (2) Refer the standard setting to the committee established by it;
- (3) Oblige the states to coordinate standards among themselves in the future;
- (4) Oblige the states to coordinate standards with the project investors;
- (5) Refer to the applicable HGAs.

⁵¹⁴ Article 16.5(b) of the TANAP HGA.

⁵¹⁵ Schedule 1, Part 1, Paragraph 2.1(a) of the TAP HGA Greece.

a. Model Agreements

The Model IGA deals with environmental, safety and technical standards, while the Model HGA additionally covers quality, labour and social standards. Health and human rights standards are not covered by either of the two Model Agreements.

The Model IGA requires states to 'establish environmental and safety standards' that shall be appropriate to the prevailing conditions, internationally compatible and acceptable and not less stringent than the World Bank Group Environmental, Health, and Safety Standards and Guidelines.⁵¹⁶ Technical standards shall be harmonised by the states.⁵¹⁷ The Model IGA thereby takes over approaches (3) and (5), obliging states to coordinate standards and leaving it to the applicable HGAs to set them out in more detail.

The Model HGA aims at establishing technical specifications regarding the quality of the gas or petroleum.⁵¹⁸ Other technical standards are dealt with in the appendix, which refers to the standards 'from time to time in effect' of various organisations listed.⁵¹⁹ Regarding environmental and safety standards, however, the Model HGA simply takes over the provision of the Model IGA by obliging states and project investors to observe those of the World Bank.⁵²⁰

Both the Model IGA and the Model HGA contain clauses on 'security of persons', i.e. safety, in separate articles dealing also with other security issues. States are thereby obliged to ensure the security of all persons within its territory and 'exert all lawful and reasonable endeavours to enforce any relevant provisions of its law relating to threatened and/or actual instances of loss or injury to persons' within its territory.⁵²¹ The different location of this provision and of other safety provisions might be explained by its different obligated entity. While safety standards will mainly apply to the operating companies and the project investors employing, security provisions are envisaged to bind only the states.

The Model HGA also envisages labour standards, including 'hours of work, leave, remuneration, fringe benefits and occupational health and safety standards', to be not less beneficial than those provided by a yet to be identified state's national legislation.⁵²² Additional labour standards are set out in the appendix referring to the Conventions and Recommendations of the International Labour Organisation.⁵²³ Finally, the Model HGA obliges states and project investors to observe social standards which shall be set forth in an appendix that was not yet included in the latest version of the Model HGA.⁵²⁴

The approach followed by the Model Agreements is to leave the actual establishment of the standards mainly to the HGAs. Regarding environmental and safety standards, the Model IGA does however provide for a minimum set of protection by requiring the standards to be not less stringent than the World Bank Group Environmental, Health, and Safety Standards and Guidelines. Some of the standards covered by the Model HGA are not mentioned by the Model IGA, namely quality, labour and social standards.

b. Transit Protocol

The Transit Protocol provides for some standards (or regulations) relevant and applicable for cross-border and transit pipeline projects. These include environmental, technical, health, safety, social and accounting standards.

Minimising the harmful environmental impact is one of the main objectives of the Transit Protocol.⁵²⁵ Particularly in construction, expansion, operation and maintenance of energy transport facilities the contracting parties are required to minimize environmental impact in a cost-effective manner.⁵²⁶ Respective domestic legislation shall also provide an effective and non-discriminatory liability regime in case of environmental damage.⁵²⁷

516 Article 10(1) of the Model IGA.

517 Article 11 of the Model IGA.

518 Article 15 of the Model HGA.

519 Article 22 (technical standards) of the Model HGA refers to Appendix III, Part I.

520 Article 16 of the Model HGA and Appendix III, Part II of the Model HGA.

521 Article 12 of the Model IGA and Article 24 of the Model HGA.

522 Article 18(1) of the Model HGA.

523 Appendix III (Code of Practice), Part IV of the Model HGA.

524 Article 21 of the Model HGA.

525 Article 2(1)(e) of the Transit Protocol.

526 Article 7(1) of the Transit Protocol.

527 Article 7(2) of the Transit Protocol.

Regarding technical, health, safety, social and environmental standards, the states are requested to ‘use their best endeavours to agree’ on such generally accepted standards.⁵²⁸ The financial performance of the energy transport facilities shall be accounted according to national or internationally accepted accounting standards.⁵²⁹ The Transit Protocol, however, does not specify the level of such standards.

Overall, the Transit Protocol provides only very broad and minimal standards and leaves much room to the state to further formulate those standards.

c. Existing Agreements

Existing IGAs touch upon a variety of standards including technical, health, quality, environmental, safety, labour, social or accounting standards. The agreements often follow different approaches and provide different levels of details. Only one IGA, the Kirkuk-Ceyhan IGA, does not deal with any standards or matters.

i. Approach

As described above, no existing IGA provides for its own standards. Therefore, it is important to look at which other means are chosen and provided for by the IGAs in order to set out standards [see (1), (2), (3), (4) and (5) as described above]. Whenever an IGA obliges states to coordinate among themselves [approach (3)] or together with the project companies [approach (4)] to establish standards or whenever it refers the task to a committee [approach (2)], the standards will most likely be incorporated in the HGAs [approach (5)]. Options (2), (3), (4) and (5) are therefore not alternative options, but can be chosen cumulatively. However, most HGAs not only pick up those standards delegated by the respective IGA, but also regulate additional standards themselves.⁵³⁰

The majority of IGAs follow approach (3), (4) and/or (5): The Baku-Supsa IGA obliges states to cooperate with the oil companies in establishing common standards across the facilities.⁵³¹ In the same line, the BTC IGA and the SCP Georgia-Azerbaijan IGA require states to cooperate and coordinate with the others and the applicable project investors in the formulation and establishment of uniform standards which shall be set forth in the applicable HGA.⁵³² The same obligation can be found in the Trans-Balkan IGA, where states shall cooperate with the other state and the project companies through the inclusion of provisions in the HGAs regarding standards to be observed while implementing the project activities.⁵³³ Similar provisions, without referring to HGAs though, can be found in the Nabucco IGA,⁵³⁴ the TAPI Framework Agreement⁵³⁵ and the TANAP IGA.⁵³⁶ The Burgas-Alexandroupolis IGA aims at the conclusion of a Transit Agreement with the International Project Company, which shall solve ‘environmental protection issues, as well as other issues’. This provision appears to refer the standard setting to the respective HGA, although it does not expressly speak about ‘standards’.

Two IGAs refer the establishment of standards to their own bodies (approach (2)): The TAP IGA refers the establishment of coordinated and uniform standards to the Implementation Commission.⁵³⁷ The respective HGAs then formulate these standards (5).⁵³⁸ The WAGP IGA does not expressly deal with standards as such, but allows its WAGP Authority to receive, review and respond to the environmental impact assessment and the environmental management plan, though leaving most regulation to its according International Project Agreement (the WAGP HGA).⁵³⁹

Some IGAs apply approach (1) by referring to national legislation. The Qatar-UAE IGA leaves the determination of standards to each state in accordance with its own laws, thereby not aiming at a uniform approach throughout the whole pipeline.⁵⁴⁰ Similarly, the SS IGA Russia and Bulgaria⁵⁴¹ and the SS IGA Russia and Greece⁵⁴² opt for the

⁵²⁸ Article 12 of the Transit Protocol.

⁵²⁹ Article 13(1) of the Transit Protocol.

⁵³⁰ This is often the case for social, health and labour standards.

⁵³¹ Article 5 of the Baku-Supsa IGA.

⁵³² Article IV of both the BTC IGA and the SCP Georgia-Azerbaijan IGA.

⁵³³ Paragraph 6(1) of the Trans-Balkan IGA.

⁵³⁴ Article 10(2) of the Nabucco IGA.

⁵³⁵ Paragraph 14 of the TAPI Framework Agreement.

⁵³⁶ Article 8 of the TANAP IGA, although the TANAP HGA does pick up the standards, see Article 17 et seq. of the TANAP HGA.

⁵³⁷ Article 8 of the TAP IGA.

⁵³⁸ Paragraph 19 et seq. of the TAP HGA Albania and Schedule 2 of the TAP HGA Greece.

⁵³⁹ Article IV(2)(2)(b)(iv) and (v) of the WAGP IGA.

⁵⁴⁰ Article 5(1) of the Qatar-UAE IGA.

⁵⁴¹ Article 4(3) of the SS IGA Russia and Bulgaria.

⁵⁴² Article 4(2) of the SS IGA Russia and Greece.

environmental standards established under the respective national legislation. The ISI 1 IGA and the ISI 2 IGA give each government the right to determine safety measures, which are to govern the construction and operation of the part of the pipeline under its jurisdiction.⁵⁴³

ii. The Covered Standards

Identified standards regulated by pipeline agreements are quality, environmental, labour, social, health, insurance, human rights, safety, technical and measurement issues. Some of these issues are covered by almost all existing agreements, while others are only dealt with by very few.

The three standards covered by almost all agreements, IGAs and HGAs, are technical,⁵⁴⁴ environmental⁵⁴⁵ and safety⁵⁴⁶ standards.

Social standards are set out in all HGAs governing the BTC Pipeline,⁵⁴⁷ all HGAs governing the South Caucasus Pipeline,⁵⁴⁸ all HGAs governing the Nabucco Pipeline,⁵⁴⁹ and all agreements, IGA and HGAs, governing the Trans Adriatic Pipeline.⁵⁵⁰ Health standards are also covered by all HGAs governing the BTC Pipeline,⁵⁵¹ both HGAs governing the South Caucasus Pipeline,⁵⁵² all HGAs governing the Nabucco Pipeline,⁵⁵³ both HGAs governing the Trans Adriatic Pipeline,⁵⁵⁴ the Trans-Balkan IGA⁵⁵⁵ and briefly by the WAGP HGA.⁵⁵⁶

Labour standards are covered by almost all HGAs, the TAP HGAs,⁵⁵⁷ the TANAP HGA,⁵⁵⁸ the BTC HGAs,⁵⁵⁹ the SCP HGAs⁵⁶⁰ and the Nabucco HGAs.⁵⁶¹

Labour standards are covered by two of the agreements governing the Trans Adriatic Pipeline⁵⁶²

543 Article 5(1) of the ISI 1 IGA and Article 6(1) of the ISI 2 IGA.

544 Article 5 of the Baku-Supsa IGA and Schedule 2, Part B of the Baku-Supsa PCoOA; Article V of the BTC IGA and Appendix 3 of the BTC HGA Georgia; Article 10(2) of the Nabucco IGA; Article 18 of the Nabucco HGA Bulgaria; Article 19 of the Nabucco HGA Turkey; Article 18 of the Nabucco HGA Romania; Article 18 of the Nabucco HGA Austria; Article 18 of the Nabucco HGA Hungary; Article IV of the SCP Georgia-Azerbaijan IGA and Appendix 4 of both the SCP HGA Georgia and the SCP HGA Azerbaijan; Article 8 of the TAP IGA and Paragraph 20 of the TAP HGA Albania; Paragraph 14 of the TAPI Framework Agreement; Article 8 of the TANAP IGA; Paragraph 6(1) of the Trans-Balkan IGA; Article 9.2 of the TSGP IGA; Article IV(2)(2)(a)(xxv) of the WAGP IGA does not expressly deal with technical standards but obliges the WAGO Authority to negotiate maintenance standards with the company; the WAGP HGA includes 'design standards', which are essentially technical standards, Schedule 9 of the WAGP HGA.

545 Article 5 of the Baku-Supsa IGA, Article 7 of the Baku-Supsa HGA and Schedule 2, Part B of the Baku-Supsa PCoOA; Article V of the BTC IGA, Article 12 of both the BTC HGA Georgia and the BTC HGA Azerbaijan and Article 13 of the BTC HGA Turkey; Article 15 of the CCO IGA; Article 6 of the ISI 1 IGA; Article 6 of the ISI 2 IGA; Article 5(1),(2) of the Qatar-UAE IGA; Article 10(2) of the Nabucco IGA; Article 14 of the Nabucco HGA Bulgaria; Article 16 of the Nabucco HGA Turkey; Article 14 of the Nabucco HGA Romania; Article 15 of the Nabucco HGA Austria; Article 15 of the Nabucco HGA Hungary; Article IV of the SCP Georgia-Azerbaijan IGA and Article 12(2) together with Appendix 4 of both the SCP HGA Georgia and the SCP HGA Azerbaijan; Article 4(3) of the SS IGA Russia and Bulgaria as well as Article 4(2) of the SS IGA Russia and Greece; Article 8 of the TAP IGA, Paragraph 18 of the TAP HGA Albania and Schedule 2 of the TAP HGA Greece; Paragraph 14 of the TAPI Framework Agreement; Article 8 of the TANAP IGA; Paragraph 6(1) of the Trans-Balkan IGA; Article 4.1 of the TSGP IGA; and Article IV(2)(2)(b)(iv) and (v) of the WAGP IGA and Paragraph 19.8 of the WAGP HGA (environmental standards are expressly excluded from the WAGP Regulations, Paragraph 12.2 of the WAGP HGA).

546 Article 3 and 5 of the Baku-Supsa IGA, Article 6 of the Baku-Supsa HGA; Article V and III(2) of the BTC IGA, Article 12 of both the BTC HGA Georgia and the BTC HGA Azerbaijan, Article 13 of the BTC HGA Turkey; Article 15 of the CCO IGA; Article 5 of the ISI 1 IGA; Article 5 of the ISI 2 IGA; Article 5(1),(3) of the Qatar-UAE IGA; Article 10(2) of the Nabucco IGA; Article 14 of the Nabucco HGA Bulgaria; Article 16 of the Nabucco HGA Turkey; Article 14 of the Nabucco HGA Romania; Article 15 of the Nabucco HGA Austria; Article 15 of the Nabucco HGA Hungary; Article IV and III(2) of the SCP Georgia-Azerbaijan IGA; Article 12(1) together with Appendix 4 of both the SCP HGA Georgia and the SCP HGA Azerbaijan; Article 8 of the TAP IGA, Paragraph 18 and Paragraph 14.1(b) of the TAP HGA Albania and Paragraph 9.1(b) and Schedule 2 of the TAP HGA Greece; Article 4 of the TAPI IGA and Paragraph 21, 26 and 27 of the TAPI Framework Agreement; Article 8 of the TANAP IGA; Article 22.1(b) of the TANAP HGA; Paragraph 6(1) of the Trans-Balkan IGA; and Paragraph 23.5(c) of the WAGP HGA.

547 Article 12 of both the BTC HGA Georgia and the BTC HGA Azerbaijan and Article 13 of the BTC HGA Turkey.

548 Article 12(2) and Appendix 4 of both the SCP HGA Azerbaijan and the SCP HGA Georgia.

549 Article 17 of the Nabucco HGA Bulgaria; Article 16 of the Nabucco HGA Turkey; Article 17 of the Nabucco HGA Romania; Article 15 of the Nabucco HGA Austria; Article 15 of the Nabucco HGA Hungary.

550 Article 8 of the TAP IGA, Paragraph 18 of the TAP HGA Albania and Schedule 2 of the TAP HGA Greece.

551 Article 12 of both the BTC HGA Georgia and the BTC HGA Azerbaijan and Article 13 of the BTC HGA Turkey.

552 Article 12(1) and Appendix 4 of both the SCP HGA Azerbaijan and the SCP HGA Georgia.

553 Articles 14 and 16 of the Nabucco HGA Bulgaria; Article 16 of the Nabucco HGA Turkey; Articles 14 and 16 of the Nabucco HGA Romania; Article 15 of the Nabucco HGA Austria; Articles 15 and 17 of the Nabucco HGA Hungary.

554 Paragraph 18 of the TAP HGA Albania and Schedule 2 of the TAP HGA Greece.

555 Paragraph 6(1) of the Trans-Balkan IGA.

556 Paragraph 23.5(c) of the WAGP HGA.

557 Article 8 of the TAP IGA; Schedule 2 (Standards), Part 2, No. 4(b) of the TAP HGA Albania; Schedule 2, No. 4(b) of the TAP HGA Greece.

558 Article 19 of the TANAP HGA.

559 Article 18(2) of both the BTC HGA Georgia and the BTC HGA Azerbaijan and Article 19(2) of the BTC HGA Turkey.

560 Article 18(2) of both the SCP HGA Azerbaijan and the SCP HGA Georgia.

561 Article 17 of the Nabucco HGA Hungary; Article 17 of the Nabucco HGA Austria; Article 18(1) of the Nabucco HGA Turkey; Article 16 of the Nabucco HGA Romania; Article 16 of the Nabucco HGA Bulgaria.

562 Article 8 of the TAP IGA and Paragraph 19 of the TAP HGA Albania.

Accounting standards are covered by the BTC HGAs,⁵⁶³ the SCP HGAs,⁵⁶⁴ the Nabucco HGAs,⁵⁶⁵ the TAP HGA Albania⁵⁶⁶ and the WAGP HGA.⁵⁶⁷

The two standards rarely covered are quality and human rights standards. Reference to quality standards can be found in the Trans-Balkan IGA,⁵⁶⁸ the Nabucco HGAs⁵⁶⁹ and the SS IGA Russia and Serbia.⁵⁷⁰ Human rights standards, finally, are only formulated in the two HGAs governing the Trans Adriatic Pipeline.⁵⁷¹

Only the CCO IGA⁵⁷² and the Nabucco HGAs⁵⁷³ also deal with insurance standards. And only the CCO IGA additionally covers measurement standards.⁵⁷⁴

iii. Level

The fact that an agreement includes standards relating to a specific issue does not necessarily mean that this issue thereby enjoys a better protection than if there were no standards at all. In fact, the subjects of protection might even be weakened through the incorporation of standards in IGAs and HGAs.

As has been shown, no IGA sets out specific standards itself. Some IGAs, however, still provide a minimum level of protection by referring either to the legislation of a specific state or to international standards or practices. This is the case for the SS IGA Russia and Bulgaria⁵⁷⁵ and the SS IGA Russia and Greece,⁵⁷⁶ which apply the environmental standards established under the Bulgarian or the Greek legislation, respectively, as well as for the TANAP IGA,⁵⁷⁷ which refers to the domestic law of Turkey and international industry practices, the TSGP IGA, which refers to the technical regulation of each state's domestic legal order,⁵⁷⁸ and the Qatar-UAE IGA as well as both ISI IGAs, which leave the determination of safety and environmental standards to each state in accordance with its own laws.⁵⁷⁹ The TAPI Framework Agreement calls for technical, environmental and safety standards 'consistent with international standards and practices', but makes national legislation relating to environmental protection and safety of the pipeline the prevailing law 'if they are more stringent than international standards'.⁵⁸⁰ The Trans-Balkan IGA requires states to cooperate regarding the establishment of technical, health, quality, environment and safety standards 'that are in accordance with generally accepted international standards and business practices within the petroleum industry and the *Acquis Communautaire*'.⁵⁸¹

The TSGP IGA includes a general provision on standards, stating that the pipeline system should be operated and maintained in a safe and reliable manner in accordance with internationally accepted standards⁵⁸² as well as a provision on the activities in the initial phase which shall be carried out according to the best international practice and the respective state's laws.⁵⁸³ Additionally, it applies 'good international practice' to its environmental impact assessment and environmental management plan.⁵⁸⁴

563 Article 8(3) of the BTC HGA Azerbaijan; Article 8(2)(vi) of the BTC HGA Georgia; Article 9(2)(vi) of the BTC HGA Turkey.

564 Article 8(3) of the SCP HGA Azerbaijan; Article 8(4) of the SCP HGA Georgia.

565 Article 9(8) of the Nabucco HGA Bulgaria; Article 11 of the Nabucco HGA Turkey; Article 9(7) of the Nabucco HGA Romania; Article 10(7) of the Nabucco HGA Austria; Article 10(7) of the Nabucco HGA Hungary.

566 Schedule 5, Paragraph 5 of the TAP HGA Albania.

567 Paragraph 5.3 of the WAGP HGA.

568 Paragraph 6(1) of the Trans-Balkan IGA.

569 Article 13 of the Nabucco HGA Bulgaria; Article 15 of the Nabucco HGA Turkey; Article 13 of the Nabucco HGA Romania; Article 14 of the Nabucco HGA Austria; Article 14 of the Nabucco HGA Hungary.

570 Article 11 of the SS IGA Russia and Serbia: 'The Serbian Party ... shall ensure ... preservation of existing quality standards in production of oil products...'

571 Paragraph 9 and Schedule 2, Para 5, 6 and 7 of the TAP HGA Greece and Paragraph 14 and Schedule 2, Part 2, Paragraph 5, 6 and 7 of the TAP HGA Albania.

572 Article 17 of the CCO IGA.

573 Article 10 of the Nabucco HGA Bulgaria; Article 12 of the Nabucco HGA Turkey; Article 10 of the Nabucco HGA Romania; Article 11 of the Nabucco HGA Austria; Article 11 of the Nabucco HGA Hungary.

574 Article 13 of the CCO IGA.

575 Article 4(3) of the SS IGA Russia and Bulgaria.

576 Article 4(2) of the SS IGA Russia and Greece.

577 Article 8 of the TANAP IGA.

578 Article 9.2 of the TSGP IGA.

579 Article 5(1) of the Qatar-UAE; Articles 5 and 6 of both the ISI 1 IGA and the ISI 2 IGA.

580 Paragraph 14 of the TAPI Framework Agreement.

581 Paragraph 6(1) of the Trans-Balkan IGA.

582 Article 9.1 of the TSGP IGA.

583 Article 7.6 of the TSGP IGA.

584 Article 4.1 of the TSGP IGA.

For those IGAs, which refer the standard setting to subsequent coordination or agreements, one can look at the HGAs in order to determine the actual level of protection.

The WAGP HGA includes a general provision on standards, stating that the pipeline system shall be 'operated, maintained and repaired in accordance with internationally acceptable industry standards'⁵⁸⁵ without distinguishing the scope. Additionally, it explicitly covers environmental, technical and accounting standards.

(a) Environmental Standards

All HGAs governing the BTC Pipeline and the SCP HGA Azerbaijan require the project investors to use their best endeavours to minimise potential disturbances to the environment.⁵⁸⁶ Two of the BTC HGAs and the SCP HGA Azerbaijan additionally refer to standards and practices generally prevailing in the international petroleum/gas pipeline industry, ensuring that the project is never subject to any more stringent rules.⁵⁸⁷ The BTC and SCP HGAs of Georgia, however, provide a more stringent environmental protection: The BTC HGA Georgia opts for environmental standards not less stringent than the relevant standards and practices applied in the Netherlands and with respect to mountainous terrain that of Austria.⁵⁸⁸ The SCP HGA Georgia refers to the World Bank environmental standards and those standards generally observed by the international community with respect to gas pipelines.⁵⁸⁹ The legal framework of the BTC Pipeline was subsequently extended, now also including environmental impact assessments, which apparently opt for more stringent environmental standards than those set out by the according IGA and HGAs.⁵⁹⁰

The Baku-Supsa PCoOA, to which the Baku-Supsa HGA refers, and the TAP HGAs refer to EC Directive 85/337/EC (Directive on the assessment of the effects of certain public and private projects on the environment). The TAP HGAs additionally incorporate the standards set out by the ESPOO Convention, the United Nations Economic Commission for Europe Convention on Access to Information, performance requirements detailed in the Environmental and Social Policy by the European Bank and the environmental standards as outlined in the Strategic Community Investment Handbook established by the International Finance Corporation.⁵⁹¹

The TANAP HGA chooses a different approach by referring the establishment of environmental standards to the TANAP Project Entity, which should nonetheless comply with national laws and international standards and practices generally prevailing in the gas pipeline industry, including relevant standards of the International Finance Corporation.⁵⁹²

Similarly, almost all Nabucco HGAs state that the environmental standards shall be established by the Nabucco International Company while still being in accordance with national laws and consistent with the equator principle.⁵⁹³ Only the Nabucco HGA Romania takes a different approach by applying national environmental regulations to the companies.⁵⁹⁴

The CCO IGA requires states to determine the obligations of the transporters concerning environmental protection and to implement regulations applicable to the pipeline 'in accordance with the generally accepted rules of the international petroleum industry with the purpose of preventing, mitigating and controlling environmental pollution'.⁵⁹⁵

According to the WAGP HGA, its Environmental Impact Assessment and Environmental Management Plan shall be consistent with 'the highest standard of contemporary practice used in similar conditions for the construction and

⁵⁸⁵ Paragraph 23.5 of the WAGP HGA.

⁵⁸⁶ Appendix 3, Paragraph 3(1) of the BTC HGA Azerbaijan; Appendix 3, Paragraph 3(1) of the BTC HGA Georgia; Appendix 5, Paragraph 3(1) of the BTC HGA Turkey; Appendix 4, Paragraph 3(1) of the SCP HGA Azerbaijan.

⁵⁸⁷ Appendix 3, Paragraph 3(3) of the BTC HGA Azerbaijan; Appendix 5, Paragraph 3(3) of the BTC HGA Turkey; Appendix 4, Paragraph 3(3) of the SCP HGA Azerbaijan.

⁵⁸⁸ Appendix 3, Paragraph 3(1) of the BTC HGA Georgia.

⁵⁸⁹ Appendix 4, Paragraph 3 of the SCP HGA Georgia. However, even in this case, the project shall not be subject to new environmental standards imposed by any authority, see Paragraph 3(3).

⁵⁹⁰ See 'Citizen's Guide to the BTC Project Agreements' by BP, p. 12, available at: <http://subsites.bp.com/caspian/citizens%20guide%20final.pdf>.

⁵⁹¹ Schedule 2, Part B of the Baku-Supsa PCoOA; Schedule 2, Part 2, Paragraph 1, 2, 3, 4 and 8 of the TAP HGA Albania and Schedule 2, Paragraph 1, 2, 3, 4 and 8 of the TAP HGA Greece.

⁵⁹² Article 17(1) of the TANAP HGA.

⁵⁹³ Article 15(1) of the Nabucco HGA Hungary; Article 15(1) of the Nabucco HGA Austria; Article 16(1) of the Nabucco HGA Turkey; Article 14(1) of the Nabucco HGA Bulgaria.

⁵⁹⁴ Article 14(1) of the Nabucco HGA Romania.

⁵⁹⁵ Article 15 of the CCO IGA.

operation of high pressure Natural Gas pipelines in order to protect the environment; internationally acceptable industry standards and recognised good practice applicable to high pressure Natural Gas pipelines; and the standards used by export credit agencies and international financial institutions in similar conditions for the construction and operation of high pressure Natural Gas pipelines in order to protect the environment, to the extent the Company would need to comply with such standards.⁵⁹⁶

Similarly, the TSGP IGA applies 'good international practice' to its environmental impact assessment and environmental management plan.⁵⁹⁷

(b) Technical Standards

Almost all HGAs, the Baku-Supsa HGA Georgia,⁵⁹⁸ the SCP HGAs,⁵⁹⁹ the BTC HGAs,⁶⁰⁰ the TANAP HGA⁶⁰¹ and the TAP HGA Albania⁶⁰² refer to technical standards set out by various European, American and other international institutions or societies, such as the American Petroleum Institute, the World Bank or the Pipeline Research Council International.

The Nabucco HGAs, on the other side, leave the establishment of the technical standards to the companies without requiring any minimum level.⁶⁰³ Only one Nabucco HGA, the Nabucco HGA Bulgaria, requires those technical standards to be consistent with generally accepted international and EU pipeline standards.⁶⁰⁴

The WAGP HGA includes 'design standards', whose governing code is the ANSI/ASME B.31.8,⁶⁰⁵ a code for the design, operation, maintenance, and repair of natural gas pipelines.

The only HGA not containing technical standards is the TAP HGA Greece.

(c) Social Standards

Social standards are vaguely protected by the BTC HGAs and the SCP HGAs by obliging the project investors merely to use their best endeavours to minimize potential disturbance to surrounding communities and the property of the inhabitants thereof.⁶⁰⁶ Here again, the subsequently extended legal framework of the BTC Pipeline now also includes social impact assessments, which apparently involve more stringent social standards than those set out by the HGAs.⁶⁰⁷

The TAP HGAs refer to social standards as outlined in the Strategic Community Investment Handbook established by the International Finance Corporation and performance requirements detailed in the Environmental and Social Policy by the European Bank.⁶⁰⁸

Similarly, almost all Nabucco HGAs state that the environmental standards shall be established by the Nabucco International Company while only the Nabucco HGA Romania takes a different approach by applying the national environmental regulations to the companies.⁶⁰⁹

The Nabucco HGAs, again, leave the establishment of social standards to the company while still being in accordance with national laws and consistent with the equator principle.⁶¹⁰

⁵⁹⁶ Paragraph 19.8 of the WAGP HGA.

⁵⁹⁷ Article 4.1 of the TSGP IGA.

⁵⁹⁸ The Baku-Supsa HGA Georgia does not itself contain the technical standards, but its corresponding Baku-Supsa PCoOA, see Schedule 2, Part b, Paragraph 2 of the Baku-Supsa PCoOA.

⁵⁹⁹ Appendix 4, Paragraph 2 of the SCP HGA Azerbaijan; Appendix 4, Paragraph 2 of the SCP HGA Georgia.

⁶⁰⁰ Appendix 3, Paragraph 1 of the BTC HGA Azerbaijan; Appendix 3, Paragraph 2 of the BTRC HGA Georgia; Appendix 5, Paragraph 1 of the BTC HGA Turkey.

⁶⁰¹ Article 20 and Appendix 1 of the TANAP HGA.

⁶⁰² Schedule 2, Part 1 of the TAP HGA Albania.

⁶⁰³ Article 18(1) of the Nabucco HGA Romania; Article 18(1) of the Nabucco HGA Bulgaria; Article 19 of the Nabucco HGA Turkey; Article 18 of the Nabucco HGA Austria; Article 18(1) of the Nabucco HGA Bulgaria.

⁶⁰⁴ Article 18(1) of the Nabucco HGA Bulgaria.

⁶⁰⁵ Schedule 9, Paragraph 1.1 of the WAGP HGA.

⁶⁰⁶ Appendix 4, Paragraph 6 of both the SCP HGA Azerbaijan and the SCP HGA Georgia; Appendix 3, Paragraph 5 of the BTC HGA Georgia; Appendix 3, Paragraph 4 of the BTC HGA Azerbaijan; Appendix 5, Paragraph 4 of the BTC HGA Turkey.

⁶⁰⁷ See 'Citizen's Guide to the BTC Project Agreements' by BP, p. 12, available at: <http://subsites.bp.com/caspian/citizens%20guide%20final.pdf>.

⁶⁰⁸ Schedule 2, Part 2, Paragraph 4 and 8 of the TAP HGA Albania and Schedule 2, Paragraph 4 and 8 of the TAP HGA Greece.

⁶⁰⁹ Article 14(1) of the Nabucco HGA Romania.

⁶¹⁰ Article 15(1) of the Nabucco HGA Hungary; Article 15(1) of the Nabucco HGA Austria; Article 16(1) of the Nabucco HGA Turkey; Article 17 of the Nabucco HGA Romania; Article 17 of the Nabucco HGA Bulgaria.

The Baku-Supsa HGA Georgia and the TANAP HGA do not regulate social standards.

(d) Labour Standards

Labour standards are covered by almost all HGAs.

The TAP HGA Albania obliges the project participants to comply with the 'Core Labour Standards' as defined by the International Labour Organisation.⁶¹¹ Both TAP HGAs, however, refer to the performance requirements by the European Bank's Environmental and Social Policy, which also includes labour and working conditions.⁶¹²

The TANAP HGA refers to labour standards established under national laws and additionally states that all employment programmes and practices shall not be less beneficial than is provided by the state's relevant legislation generally applicable to its citizens.⁶¹³ The same provisions can be found in all BTC HGAs⁶¹⁴ and all SCP HGAs.⁶¹⁵ Regarding the BTC Pipeline, it has to be noted though that the subsequently extended legal framework includes a legally binding instrument called the BTC Human Rights Undertaking, apparently preventing the company from seeking any compensation from a host government for fulfilling an obligation under international labour rights treaties.⁶¹⁶

The Nabucco HGAs apply the employment standards pursuant to the relevant national laws.⁶¹⁷

The Baku-Supsa HGA Georgia does not contain any labour standards.

(e) Human Rights Standards

The only HGAs covering human rights standards are those governing the Trans Adriatic Pipeline. They refer to the UN Global Impact on Human Rights, the Guiding Principles for Business and Human Rights as endorsed by the United Nations Human Rights Council and the Voluntary Principles of Security and Human Rights developed by the governments of the United States and United Kingdom.⁶¹⁸

With regard to human rights standards and the BTC Pipeline, it has to be noted again that the subsequent BTC Human Rights Undertaking prevents the company from seeking any compensation from a host government for fulfilling an obligation under international human rights treaties.⁶¹⁹

(f) Health and Safety Standards

Since health and safety standards are mostly dealt with together by existing HGAs, they will be presented accordingly.

The SCP HGAs refer to health and safety standards generally observed by the international community, without describing them in more detail, but at the same time exempting the project from being subject to new standards imposed by any authority.⁶²⁰ The BTC HGA Georgia opts for the same provision on health and safety standards,⁶²¹ whereas the BTC HGA Azerbaijan and the BTC HGA Turkey only mention health and safety standards in the headline, but do not deal with them in the following paragraph.⁶²²

The TAP HGAs refer to international standards with regards to safety and community health standards, such as the performance requirements by the European Bank's Environmental and Social Policy and social standards as outlined in the Strategic Community Investment Handbook established by the International Finance Corporation.⁶²³

The TANAP HGA deals with human health and safety with regards to the release of natural gas, obliging the TANAP Project Entity to take action in order to prevent further damage and restore the conditions.⁶²⁴ Additionally the

611 Paragraph 19.1(a) of the TAP HGA Albania.

612 Schedule 2 (Standards), Part 2, No. 4(b) of the TAP HGA Albania; Schedule 2, No. 4(b) of the TAP HGA Greece.

613 Article 19 of the TANAP HGA.

614 Article 18(2) of both the BTC HGA Georgia and the BTC HGA Azerbaijan and Article 19(2) of the BTC HGA Turkey.

615 Article 18(2) of both the SCP HGA Azerbaijan and the SCP HGA Georgia.

616 See 'Citizen's Guide to the BTC Project Agreements' by BP, p. 4, available at: <http://subsites.bp.com/caspian/citizens%20guide%20final.pdf>.

617 Article 17 of the Nabucco HGA Hungary; Article 17 of the Nabucco HGA Austria; Article 18(1) of the Nabucco HGA Turkey; Article 16 of the Nabucco HGA Romania; Article 16 of the Nabucco HGA Bulgaria.

618 Schedule 2, Part 2, Paragraph 5, 6 and 7 of the TAP HGA Albania and Schedule 2, Paragraph 5, 6 and 7 of the TAP HGA Greece.

619 See 'Citizen's Guide to the BTC Project Agreements' by BP, p. 4, available at: <http://subsites.bp.com/caspian/citizens%20guide%20final.pdf>.

620 Appendix 4, Paragraph 5 of both the SCP HGA Georgia and the SCP HGA Azerbaijan.

621 Appendix 3, Paragraph 4 of the BTC HGA Georgia.

622 Appendix 3, Paragraph 3 of the BTC HGA Azerbaijan and Appendix 5, Paragraph 3 of the BTC HGA Turkey.

623 Schedule 2, Part 2 of the TAP HGA Albania and Schedule 2 of the TAP HGA Greece.

624 Article 17(4) of the TANAP HGA.

TANAP Project Entity shall implement a health, safety and environmental program, which will be subject to the review of the host government.⁶²⁵

The Baku-Supsa HGA Georgia merely obliges the government to 'make best endeavours to ensure the safety ... of the personnel ... and protect them from loss, injury and damage' resulting from war, terrorism or the like.⁶²⁶ The Baku-Supsa HGA does not contain any safety standards that must be adhered to by the project investors.

Almost all of the Nabucco HGAs state that the safety standards shall be established by the Nabucco International Company while still being in accordance with national laws and consistent with the equator principle.⁶²⁷ Only the Nabucco HGA Turkey additionally includes health standards in this provision. The Nabucco HGA Romania takes a different approach by requiring the companies to adhere to national safety regulations and standards.⁶²⁸

(g) Accounting Standards

The SCP HGAS⁶²⁹ and the BTC HGAS⁶³⁰ refer to accounting standards generally accepted in the international natural gas or petroleum transportation industry.

The TAP HGA Albania makes accounting standards applicable pursuant to Albanian Law,⁶³¹ while both the TAP HGA Albania and the TAP HGA Greece also refer to accounting standards issued by the International Accounting Standards Committee.⁶³²

The Nabucco HGAs refer both to generally accepted international accounting standards as well as to generally accepted accounting standards of the state in which the relevant company is incorporated.⁶³³

The WAGP HGA obliges the company to prepare its accounts in accordance with the international accounting standards,⁶³⁴ being the accounting standards promulgated by the International Accounting Standards Board.⁶³⁵

(h) Insurance and Measurement Standards

As the only IGA covering insurance and measurement standards, the CCO IGA solely refers to the 'usual standards of the international petroleum industry'⁶³⁶ regarding insurance and to 'international standards of the petroleum industry' regarding measurement.⁶³⁷

The only HGAs covering insurance standards, the Nabucco HGAs, refer to internationally accepted standards and business practices of the natural gas industry.⁶³⁸

d. Conclusion

Most existing IGAs are in line with the Model IGA by covering technical, environmental and safety standards. The Model HGA is mostly followed by existing HGAs covering labour and social standards. Quality standards with regards to the energy source are, however, not common in existing HGAs.

The standards referred to in the Transit Protocol include environmental, technical, health, safety, social and accounting standards, can also be found in most existing agreements.

Human rights standards are covered by only a few existing agreements and are not regulated in either the Transit Protocol or the Model Agreements. Considering the impact of construction, expansion, operation and maintenance

625 Article 17(7) of the TANAP HGA.

626 Article 6(1) of the Baku-Supsa HGA.

627 Article 14(1) of the Nabucco HGA Bulgaria; Article 15(1) of the Nabucco HGA Hungary; Article 15(1) of the Nabucco HGA Austria; Article 16(1) of the Nabucco HGA Turkey.

628 Article 14(1) of the Nabucco HGA Romania.

629 Article 8(3) of the SCP HGA Azerbaijan; Article 8(4) of the SCP HGA Georgia.

630 Article 8(3) of the BTC HGA Azerbaijan; Article 8(2)(vi) of the BTC HGA Georgia; Article 9(2)(vi) of the BTC HGA Turkey.

631 Schedule 5, Paragraph 5 of the TAP HGA Albania.

632 Preamble of both the TAP HGA Greece and the TAP HGA Albania, defining the term 'IFRS'.

633 Article 9(8) of the Nabucco HGA Bulgaria; Article 11 of the Nabucco HGA Turkey; Article 9(7) of the Nabucco HGA Romania; Article 10(7) of the Nabucco HGA Austria; Article 10(7) of the Nabucco HGA Hungary.

634 Paragraph 5.3 of the WAGP HGA.

635 Paragraph 1.1 of the WAGP HGA, definition of 'international accounting standards'.

636 Article 17 of the CCO IGA.

637 Article 13 of the CCO IGA.

638 Article 10 of the Nabucco HGA Bulgaria; Article 12 of the Nabucco HGA Turkey; Article 10 of the Nabucco HGA Romania; Article 11 of the Nabucco HGA Austria; Article 11 of the Nabucco HGA Hungary.

of pipeline projects on the communities along the pipeline corridor and beyond, as well as the international pressure from various NGOs, integration of human rights standards into a new version of the Model Agreements or the Transit Protocol could be considered.

The applied standards are mostly industry standards. Only very few agreements refer to multilateral agreements. This study revealed that technical, health, and safety requirements are not harmonised, and would most successfully serve their purpose if applied consistently. It is therefore advisable to develop uniform guidelines or codes of conduct as an attachment to the Model Agreements under the auspices of the ECS.

The following chart summarises the approaches used by the IGAs to set out standards:

Each state determines the standards on its own territory	Referring the standard setting to the committee	Obliging the states to coordinate standards among themselves and with the project investors	Referring to the applicable HGAs
<ul style="list-style-type: none"> • Qatar-UAE IGA • SS IGA Russia and Bulgaria • SS IGA Russia and Greece • ISI 1 IGA and the ISI 2 IGA 	<ul style="list-style-type: none"> • TAP IGA • WAGP IGA 	<ul style="list-style-type: none"> • Baku-Supsa IGA • BTC IGA • SCP Georgia-Azerbaijan IGA • Trans-Balkan IGA • Nabucco IGA • TAPI Framework Agreement • TANAP IGA 	<ul style="list-style-type: none"> • Baku-Supsa IGA • BTC IGA • SCP Georgia-Azerbaijan IGA • Trans-Balkan IGA • Burgas-Alexandroupolis IGA

The following chart summarises the three most common issues regulated by means of standards:

Technical standards	Environmental standards	Safety standards
<ul style="list-style-type: none"> • Baku-Supsa Agreements • BTC IGA, BTC HGA Georgia • SCP Agreements • Nabucco Agreements • TANAP IGA • Trans-Balkan IGA • TSGP IGA • TAP IGA and TAP HGA Albania • TAPI Framework Agreement • WAGP IGA, WAGP HGA 	<ul style="list-style-type: none"> • Baku-Supsa Agreements • BTC Agreements • SCP Agreements • Nabucco Agreements • TANAP IGA • Trans-Balkan IGA • TSGP IGA • TAP Agreements • TAPI Framework Agreement • WAGP IGA, WAGP HGA • CCO IGA • ISI 1 IGA, ISI 2 IGA • Qatar-UAE IGA • SS IGA Russia and Bulgaria, SS IGA Russia and Greece 	<ul style="list-style-type: none"> • Baku-Supsa Agreements • BTC Agreements • SCP Agreements • Nabucco Agreements • TANAP IGA, TANAP HGA • Trans-Balkan IGA • TSGP IGA • TAP Agreements • TAPI Agreements • WAGP IGA, WAGP HGA • CCO IGA • ISI 1 IGA, ISI 2 IGA • Qatar-UAE IGA

The following chart summarises less common issues regulated by means of standards:

Health standards	Social standards	Quality standards	Labour standards	Accounting standards
<ul style="list-style-type: none"> • BTC HGAs • SCP HGAs • Nabucco HGAs • TAP HGAs • Trans-Balkan IGA • WAGP HGA 	<ul style="list-style-type: none"> • BTC HGAs • SCP HGAs • Nabucco HGAs • TAP Agreements 	<ul style="list-style-type: none"> • Trans-Balkan IGA • Nabucco HGAs • SS IGA Russia and Serbia 	<ul style="list-style-type: none"> • BTC HGAs • SCP HGAs • TAP Agreements • TANAP HGA • Nabucco HGAs 	<ul style="list-style-type: none"> • BTC HGAs • SCP HGAs • Nabucco HGAs • TAP HGA Albania • WAGP HGA

The following chart summarises the least common issues regulated by means of standards:

Measurement standards	Human rights standards	Insurance standards
<ul style="list-style-type: none"> • CCO IGA 	<ul style="list-style-type: none"> • TAP HGAs 	<ul style="list-style-type: none"> • COO IGA • Nabucco HGAs

13. Security

This chapter deals with the issue of security, the concept of protecting the pipeline system, the pipeline facilities and other physical pipeline assets from harmful external influence. Additionally, this chapter also covers security of the energy source itself. It does not deal with energy security or security of energy supply nor with investment security for the project investors, reinsurance security or national security.

a. Model Agreements

The Model IGA and the Model HGA contain the exact same provisions on security. States are obliged to ensure the security of the pipeline system within its territory and 'exert all lawful and reasonable endeavours to enforce any relevant provisions of its law relating to threatened and/or actual instances of loss or damage caused by third parties to ... the pipeline system' within its territory.⁶³⁹ This provision does not only refer to the security of pipeline facilities, but also to land rights and persons within the territory of a state.

The Model Agreements do not cover security of the energy source itself, neither do they deal with the use of security forces or the handling of undetonated ordnance on a state's territory.

b. Existing Agreements

Physical pipeline security is not covered by many IGAs, namely the Burgas-Alexandroupolis IGA, the Kirkuk-Ceyhan IGA, the Nabucco IGA, the TAP IGA, the Trans-Balkan IGA, the WAGP IGA and all IGAs relating to the South Stream Pipeline.

Only three IGAs provide for the security of the energy source: the Baku-Supsa IGA, the BTC IGA and the SCP Georgia-Azerbaijan IGA.⁶⁴⁰

Those agreements that stipulate provisions on physical pipeline security do so in rather general terms. Most agreements simply contain the states' obligation to ensure the (safety and) security of the pipeline facilities and all other assets or even of the project activities themselves.⁶⁴¹ The CCO IGA requires states to 'take all necessary measures ... to ensure the protection' of the pipeline.⁶⁴² Some agreements additionally contain the states'

⁶³⁹ Article 12 of the Model IGA and Article 24 of the Model HGA.

⁶⁴⁰ Article 3(1) of the Baku-Supsa IGA; Article III(2) of the BTC IGA; and Article III(2) of the SCP Georgia-Azerbaijan IGA.

⁶⁴¹ Article 3(1) of the Baku-Supsa IGA, Article 6(1) of the Baku-Supsa HGA; Article III(2) of the BTC IGA; Article III(2) of the SCP Georgia-Azerbaijan IGA; Article 4(1) of the TAPI IGA and Paragraph 26 of the TAPI Framework Agreement; Article 22 of the TANAP HGA (to which Article 9 of the TANAP IGA referred); Paragraph 9.1(b) of the TAP HGA Greece; Paragraph 14.1(b) of the TAP HGA Albania; Article 11 of both the BTC HGA Georgia and the BTC HGA Azerbaijan; Article 12 of the BTC HGA Turkey; Article 11 of the SCP HGA Azerbaijan; and Paragraph 11 of the SCP HGA Georgia; Article 3.9 of the TSGP IGA.

⁶⁴² Article 15 of the CCO IGA.

obligations to search for, detonate or remove explosive charges.⁶⁴³ The TSGP additionally requires states to protect the pipeline from any external threats within their jurisdiction.⁶⁴⁴

Some of those HGAs containing states' obligations to ensure the security of the pipeline facilities, namely the BTC HGAs, the SCP HGAs and the TANAP HGA, contain a very similar (almost identical) wording to the Model HGA.⁶⁴⁵ The BTC HGAs and the SCP HGA additionally contain a clause requiring the governments to use security forces of the state, 'as its sole cost and expense' to provide physical security for the pipeline facilities, thereby making the states solely liable for the conduct of all such security operations by their forces.⁶⁴⁶ This provision was not included in the Model HGA or IGA. However, while the Model HGA obviously takes upon most of the security provisions of the BTC HGAs and the SCP HGAs, the TANAP HGA, on the other side, only takes over part of the Model HGA in this regard, not including the security of land rights and persons, and exempting the host government from liability for any loss or damage of the project investors caused by such state's security actions.⁶⁴⁷ The TAP HGAs, being agreements designed after the publication of the Model Agreements, do take on some provisions of the Model HGA, but do not implement the Model HGA's approach on security matters. Instead, they strongly refer to human rights standards while obliging the states to use their best endeavours to protect the pipeline facilities within their territory.⁶⁴⁸

The Qatar-UAE IGA obliges each government to exchange information on likely threats to, or security incidents relating to the pipeline.⁶⁴⁹ In addition, the competent authorities must consult one another with a view to concluding mutual arrangements in relation to the physical protection of the pipeline.⁶⁵⁰ Similarly, the ISI IGAs envisage the subsequent conclusion of 'mutual arrangements in relation to the physical protection of the pipeline as shall from time to time seem appropriate to them'.⁶⁵¹

The Nabucco HGAs all contain provisions on security, but regulate the matter in different ways. Four Nabucco HGAs call for the states to ensure security: according to the Nabucco HGA Hungary and the Nabucco HGA Austria, the companies require the preservation of the security of the project land, the pipeline and all persons involved, for which a certain state authority is responsible.⁶⁵² The Nabucco HGA Romania and the Nabucco HGA Bulgaria simply oblige the states to endeavour to ensure the security of project land, the pipeline and all persons involved. A completely different approach can be found in the Nabucco HGA Turkey, which does not call for the state but for the companies to provide for the security of the project land, the pipeline and all persons involved.⁶⁵³

A specific provision warranting attention can be found in the TAP HGA Greece. Its provision on security also covers the installation of crossing infrastructure and the necessary consent by the state and approval by the project investor.⁶⁵⁴ It is not clear though to what extent this provision actually rests upon security concerns.

c. Conclusion

Around half of the agreements considered deal with the matter of security of pipeline facilities and other assets, whereas only three agreements ensure the security of the energy source itself. The common handling is to generally oblige the states to ensure the security of pipeline facilities, without providing for detailed requirements. One major security concern seems to be the existence of undetonated explosive charges, being regulated by the agreements of four different pipelines.

While the Model Agreements took over the security provisions of the BTC HGAs and the SCP HGAs, none of the subsequent existing agreements again fully implemented the Model Agreements' provision. Therefore it is questionable whether the approach suggested by the Model Agreements is indeed feasible and should remain. This is especially

643 Article 3(2) of the Baku-Supsa IGA; Article III(1) of the BTC IGA; Article III(1) of the SCP Georgia-Azerbaijan IGA; Paragraph 9.3. of the TAP HGA Greece and Paragraph 14.3 of the TAP HGA Albania.

644 Article 4.3 of the TSGP IGA.

645 Article 11(1) and (2) of the BTC HGA Azerbaijan; Article 12(1) and (2) of the BTC HGA Turkey; Article 11(1) and (2) of the BTC HGA Georgia; Article 11(1) and (2) of the SCP HGA Azerbaijan; Paragraph 11(1) and (2) of the SCP HGA Georgia; Article 22 of the TANAP HGA.

646 Article 11(3) of the BTC HGA Azerbaijan; Article 12(3) of the BTC HGA Turkey; Article 11(3) of the BTC HGA Georgia; Article 11(3) of the SCP HGA Azerbaijan; Paragraph 11(3) of the SCP HGA Georgia.

647 Article 22 of the TANAP HGA.

648 Paragraph 9 of the TAP HGA Greece and Paragraph 14 of the TAP HGA Albania.

649 Article 7(1) of the Qatar-UAE IGA.

650 Article 7(2) of the Qatar-UAE IGA.

651 Article 8 of both the ISI 1 IGA and the ISI 2 IGA.

652 Article 20(1) of both Nabucco HGA Austria and Nabucco HGA Hungary.

653 Article 21 of the Nabucco HGA Turkey.

654 Paragraph 9.4 of the TAP HGA Greece.

the case for the Model IGA. The Model IGA simply repeats the security provision of the Model HGA. However, none of the existing IGAs does in fact contain such a clause or repeats the provision of its according HGA(s).

In their articles on security, the Model Agreements deal not only with the security of the pipeline facilities as such, but also with the security of land rights and persons on a state's territory. This is a provision also copied from the BTC HGAs and the SCP HGAs, but not followed by any other existing agreement. As the Model Agreements are intended to reflect contemporary state practice, it is advisable to separate security of land rights and persons from physical security of the pipeline. For instance, provisions on security of land rights could be incorporated to the general section dealing with land rights under the Model IGA and the Model HGA could deal with land rights in separate articles.

The Transit Protocol does not deal with security matters other than the security of energy supply.

14. Taxes

a. Model Agreements

According to the Model Agreements, the term 'taxes' shall mean 'all existing and future levies, duties, customs, imposts, payments, fees, penalties, assessments, taxes (including value added tax or sales taxes), charges and contributions payable to or imposed by a state, any organ or subdivision of a state, whether central or local.'⁶⁵⁵ Tax is thereby understood in a very broad sense.

At the basis of the Model Agreements' tax provisions stands the obligation that the 'tax treatment of project investors with respect to any part of project activities will be no less favourable than that applicable to its nationals in the same circumstances under its general tax legislation on income and capital.'⁶⁵⁶

The Model IGA, additionally, states that there shall be no non-recoverable VAT or sales taxes on imports, exports or the supply of goods, works or services with respect to all or any project activities.⁶⁵⁷ The Model IGA obliges states to exempt project investors (and interest holders, shippers or persons who provide goods, works, technology or services) from withholding taxes on cash transfers,⁶⁵⁸ from taxes levied on the value of the pipeline system or on any gas/petroleum that is transported through the pipeline⁶⁵⁹ and from taxes on payments or deemed payments that are associated with the project activities.⁶⁶⁰ The last clause of the relevant article of the Model IGA contains a general exemption of any project investor, shipper or person who provides goods, works, technology or services from taxes or associated obligations.⁶⁶¹ It is not clear why the more detailed exemptions are followed by such a broad exemption and why it was not at the beginning of the clause.

The Model HGA, in contrast, contains a general exemption clause at the beginning, stating that 'no project participants or their employees shall be subject to any taxes ... arising from ... any part of specific project activities, land rights petroleum/gas that is transported through the pipeline system or any related assets or activities, whether before, on or after the effective date.'⁶⁶²

The Model Agreements seem to suggest a taxation framework, which is very favourable for the project investors. Host states should, however, also have the possibility to gain economically from the investment project, especially if the host state functions merely as a transit country without receiving energy itself. A respective update of the Model Agreements should be considered.

b. Transit Protocol

The Transit Protocol does not regulate taxes, but charges: any charges imposed by a contracting party on transit of energy materials has to comply with Article V of GATT 1994.⁶⁶³

⁶⁵⁵ Article 1 of both the Model IGA and the Model HGA.

⁶⁵⁶ Article 26(1) of the Model HGA and Article 13(1) of the Model IGA. The Model HGA refers only 'general tax legislation', while the Model IGA refers to 'general tax legislation on income and capital'. It is not clear why the Model IGA differs in this regard.

⁶⁵⁷ Article 13(2) of the Model IGA.

⁶⁵⁸ Article 13(6) of the Model IGA.

⁶⁵⁹ Article 13(8) of the Model IGA.

⁶⁶⁰ Article 13(9) of the Model IGA.

⁶⁶¹ Article 13(10) of the Model IGA.

⁶⁶² Article 26(3) of the Model HGA.

⁶⁶³ Article 11 of the Transit Protocol.

c. Existing Agreements

Only four pipeline IGAs do not deal at all with the matter of taxes, namely the Baku-Supsa IGA, the ISI 1 IGA, the ISI 2 IGA and the Qatar-UAE IGA.

i. Definitions

Those agreements defining the term 'taxes' provide a very broad scope.

The BTC and the SCP agreements define taxes as 'all existing or future taxes, levies, duties, customs, imposts, contributions (such as social fund and compulsory medical insurance contributions), fees, assessments or other similar charges payable to or imposed by a state or state authority'.⁶⁶⁴ The BTC HGA Turkey additionally includes 'interest, penalties and fines with respect thereto'.

The Model Agreements, obviously, took over this definition set out by the agreements governing the BTC Pipeline and the SCP.

Subsequent agreements seem to rest on the Model Agreements' definition to a wide extent: The Trans-Balkan IGA defines taxes as 'all future and existing taxes, fees, assessments, charges and contributions'.⁶⁶⁵ The Nabucco IGA adds levies, imposts and payments to this list.⁶⁶⁶ The TAP agreements additionally include duties, customs, penalties, while the TAP HGA Greece also includes duties implemented by the EU according to a EU Regulation.⁶⁶⁷ The TANAP HGA, finally, in addition differentiates between 'duties, customs duties, import duties and export duties' and also adds VAT and withholdings.⁶⁶⁸ The tax liability of the TANAP project entity is defined as Corporate Tax. There is an Advance Corporation Tax responsibility, which was not required under BTC Turkey HGA.⁶⁶⁹

Agreements covering tax issues either do not provide any definition of taxes at all, or they aim at a very broad definition of taxes. There does not seem to be a handling in between. While it is certainly useful to define important terms and thereby clarify what is meant by the respective provisions, it is questionable whether the broad definition of taxes, including also medical insurance contributions or interests, should be subject to the following regulation.

ii. Regulations

Tax provisions, especially in HGAs, can be lengthy and very detailed when it comes to different activities being subject to different kind of taxes. The grade of regulation of existing agreements varies to a wide extent. This chapter therefore tries to set out the basic handling of taxes, without going into every detail of the tax provisions.

The most expansive tax provisions, and also the closest to the Model Agreements, can be found in the agreements governing the BTC Pipeline and the SCP. These agreements exempt the project investors from any taxes arising from or related to the project, the facilities or the system.⁶⁷⁰ The according HGAs even make these provisions 'at all times' prevailing the conflicting provisions of the respective national law.⁶⁷¹

Only a few agreements take over the general handling of the Model Agreements by stating that the treatment of taxation to project participants shall be no less favourable than that applicable to its nationals or domestic entrepreneurs, namely the Nabucco IGA,⁶⁷² the TAP HGAs⁶⁷³ and the Trans-Balkan IGA.⁶⁷⁴

A more common clause is the one granting to the operating companies the most favourable (customs and) tax regime. This can be found in all IGAs governing the South Stream Pipeline and the Burgas-Alexandroupolis IGA.⁶⁷⁵

664 Article 1 of the BTC HGA; Appendix 1 of the BTC HGA Azerbaijan, the BTC HGA Turkey and the BTC HGA Georgia; Article I of the SCP Georgia-Azerbaijan IGA; Appendix 1 of both the SCP HGA Azerbaijan and the SCP HGA Georgia.

665 Paragraph 1.1 of the Trans-Balkan IGA.

666 Article 2(28) of the Nabucco IGA.

667 Appendix of the TAP IGA; Para 1.1 of the TAP HGA Albania and the TAP HGA Greece.

668 Article 1 of the TANAP HGA.

669 Ibid.

670 Article V(1) of both the BTC IGA and the SCP Georgia-Azerbaijan IGA; Article 8(1)(i) of the BTC HGA Azerbaijan; Article 8(1)(i) of the BTC HGA Georgia; Article 9(1)(i) of the BTC HGA Turkey; Article 8(1)(i) of the SCP HGA Azerbaijan; Article 8(1)(i) of the SCP HGA Georgia.

671 Article 8(1)(iii) of the BTC HGA Azerbaijan; Article 8(1)(iii) of the BTC HGA Georgia; Article 9(1)(iii) of the BTC HGA Turkey; Article 8(1)(iii) of the SCP HGA Azerbaijan; Article 8(1)(iii) of the SCP HGA Georgia.

672 Article 11(1) of the Nabucco IGA. The corresponding Nabucco HGAs all refer the matter of taxation to separate agreements: Article 21 of the Nabucco HGA Romania; Article 21 of the Nabucco HGA Hungary; Article 21 of the Nabucco HGA Bulgaria; Article 22 of the Nabucco HGA Austria; Article 22 of the Nabucco HGA Turkey.

673 Para 24 of the TAP HGA Albania; Paragraph 12 of the TAP HGA Greece.

674 Paragraph 7(1) of the Trans-Balkan IGA.

675 Article 9 of the Burgas-Alexandroupolis IGA; Article 7 and 8 of the SS IGA Russia and Austria; Article 14 of the SS IGA Russia and Bulgaria; Article 10 of

Two of these agreements additionally state that the taxation shall adhere to the principles of non-discrimination, fairness and transparency.⁶⁷⁶ The Nabucco IGA, similarly, obliges states to 'refrain from imposing any additional Nabucco Project specific Taxes or discriminatory tax'.⁶⁷⁷

Most agreements apply the respective state's national tax legislation,⁶⁷⁸ the majority of them applying the national law being in effect as of the signature or conclusion date of the agreement.⁶⁷⁹ One of these agreements even provides compensation in case the national tax legislation changes to the detriment of the operating company or project investors.⁶⁸⁰ The CCO IGA additionally aims at avoiding double taxation of all individuals involved in the activities relating to the construction, operation, use and maintenance of the pipeline.⁶⁸¹

The TSGP IGA aims at a general harmonisation of the applicable tax and custom law,⁶⁸² for example by way of future agreements between the states.⁶⁸³ It doesn't explicitly provide for a non-discrimination clause, although harmonisation may result in such non-discrimination. The TSGP IGA obliges the project company to create a local branch in each state and to produce financial statements.⁶⁸⁴ Interestingly, the costs and revenues of the project company shall be shared among the states.⁶⁸⁵

A very different approach can be found in the WAGP IGA. This agreement establishes an entire fiscal regime, which apportions the taxes between the involved states according to exact calculation on the basis of distance and capacity proportion.⁶⁸⁶ The WAGP HGA takes up this agreed fiscal regime and provides for further details in relation to the company.⁶⁸⁷

Since there is no company envisaged by the Kirkuk-Ceyhan IGA, the only tax provision it provides applies to the office established by it, the Iraqi office at Ceyhan terminal. This office shall be exempted from all taxes, dues, charges and any other financial burden.⁶⁸⁸

Only a few agreements regulate the tax on the energy source itself as the Model Agreements suggest. The BTC IGA, the SCP Georgia-Azerbaijan IGA and the Trans-Balkan IGA obliges states to not levy any taxes on the value of the petroleum that is transported through the pipeline.⁶⁸⁹

d. Conclusion

The Model Agreements, again, seem to rest upon the agreements governing the BTC Pipeline and the South Caucasus Pipeline to a wide extent. The tax provisions of most other existing agreements, however, differ from the Model Agreements' approach. An update of the Model Agreements towards a more favourable taxation framework for the host states should be considered.

the SS IGA Russia and Croatia; Article 10 of the SS IGA Russia and Greece; Article 11 of the SS IGA Russia and Hungary; Article 12 of the SS IGA Russia and Serbia; Article 8 of the SS IGA Russia and Macedonia; Article 11 of the SS IGA Russia and Slovenia.

676 Article 8 of the SS IGA Russia and Austria; Article 12 of the SS IGA Russia and Slovenia.

677 Article 7 of the Nabucco IGA.

678 Article 8(1) of the SS IGA Russia and Austria; Article 12 of the SS IGA Russia and Hungary; Article 9 of the TAP IGA; Article 19 of the CCO IGA.

679 Article 23(1)(a) of the TANAP HGA; Article 15(2) of the SS IGA Russia and Bulgaria; Article 11(2) of the SS IGA Russia and Croatia; Article 11(2) of the SS IGA Russia and Greece; Article 9(2) of the SS IGA Russia and Macedonia; Article 13(2) of the SS IGA Russia and Serbia; Article 12(1) and (3) of the SS IGA Russia and Slovenia; Article 23(1)(a) of the TANAP HGA; Paragraph 31 and 32 of the TAPI Framework Agreement.

680 Article 12(3) of the SS IGA Russia and Slovenia.

681 Article 18 of the CCO IGA.

682 Article 5.1 and 5.2 of the TSGP IGA.

683 Article 8.1(h) of the TSGP IGA.

684 Article 5.3.1 and 5.3.2. of the TSGP IGA.

685 Article 5.3.3 of the TSGP IGA.

686 Article V of the WAGP IGA.

687 Paragraph 29 of the WAGP HGA.

688 Article 16 of the Kirkuk-Ceyhan IGA and Article 7 of the Kirkuk-Ceyhan Amendment.

689 Paragraph 7(4) of the Trans-Balkan IGA; Article V(1) of the BTC IGA; Article V of the SCP Georgia-Azerbaijan IGA.

The following chart summarises the approaches regarding taxes:

Exemption	No discrimination	Granting of most favourable tax regime	Creation of specific tax regime	Harmonisation
<ul style="list-style-type: none"> • BTC Agreements • SCP Agreements 	<ul style="list-style-type: none"> • Nabucco IGA • TAP HGAs • Trans-Balkan IGA 	<ul style="list-style-type: none"> • SS IGAs • Burgas-Alexandroupolis IGA • Nabucco IGA 	<ul style="list-style-type: none"> • WAGP Agreements 	<ul style="list-style-type: none"> • TSGP IGA

15. Tariffs

Tariffs, being charges imposed by the operating entity onto the users/buyers, are a matter normally regulated by HGAs. However, some IGAs still contain provisions on tariffs.

There are two major approaches to regulate tariffs:

- (1) The tariffs can either be negotiated; or
- (2) The tariffs are regulated.

a. Model Agreements

Neither the Model IGA nor the Model HGA contains any provisions on (transit) tariffs.

b. Transit Protocol

The Transit Protocol only deals with those tariffs imposed for transit services. Each contracting party shall take all necessary measures to ensure that transit tariffs are objective, reasonable, transparent and do not discriminate on the basis of origin, destination or ownership.⁶⁹⁰ Additionally transit tariffs shall not be affected by market distortions and shall be based on operational and investment costs, including a reasonable rate of return.⁶⁹¹

c. Existing Agreements

Some agreements do not deal with tariff issues at all, namely the Baku-Supsa IGA, the agreements governing the BTC Pipeline, the CCO IGA,⁶⁹² the agreements governing the South Caucasus Pipeline, the ISI 1 IGA, the ISI 2 IGA, the Qatar-UAE IGA, the Kirkuk-Ceyhan IGA and Amendment and the agreements governing the Trans Adriatic Pipeline.

Most agreements leave it to the operating company to determine tariffs for its services as its exclusive competence, thereby following approach (1). This is the case for the Burgas-Alexandroupolis IGA,⁶⁹³ the SS IGA Russia and Austria,⁶⁹⁴ the SS IGA Russia and Bulgaria,⁶⁹⁵ the SS IGA Russia and Croatia,⁶⁹⁶ the SS IGA Russia and Greece,⁶⁹⁷ the SS IGA Russia and Hungary,⁶⁹⁸ the SS IGA Russia and Macedonia⁶⁹⁹ and the SS IGA Russia and Serbia.⁷⁰⁰

According to the TANAP IGA (more transparent and systemized procedures are envisaged in terms of tariff methodology) the TANAP Project Entity may negotiate, agree and charge tariffs provided that Ministry of Energy and Natural Resources of the Republic of Turkey is notified about it.⁷⁰¹

All other agreements follow approach (2) by having the states regulate the tariff.

⁶⁹⁰ Article 11(1) of the Transit Protocol.

⁶⁹¹ Article 11(2) and (3) of the Transit Protocol.

⁶⁹² Although the CCO IGA refers to both the GATT 1947 and the GATT 1994 in its preamble.

⁶⁹³ Article 6 of the Burgas-Alexandroupolis IGA.

⁶⁹⁴ Article 5(1) of the SS IGA Russia and Austria.

⁶⁹⁵ Article 8 of the SS IGA Russia and Bulgaria.

⁶⁹⁶ Article 6(2) of the SS IGA Russia and Croatia.

⁶⁹⁷ Article 6(2) of the SS IGA Russia and Greece.

⁶⁹⁸ Article 7 of the SS IGA Russia and Hungary.

⁶⁹⁹ Article 5(2) of the SS IGA Russia and Macedonia.

⁷⁰⁰ Article 8(2) of the SS IGA Russia and Serbia.

⁷⁰¹ Article 7(4) of the TANAP IGA.

The Trans-Balkan IGA refers to its corresponding bilateral agreements (HGAs), which are to establish tariffs to be charged for the transit of petroleum through their territory.⁷⁰²

According to the TSGP IGA, the states shall determine the best incentive tariff for the gas transportation taking into account investment amortisation, operating costs and a reasonable profitability.⁷⁰³

The Nabucco IGA provides a tariff methodology⁷⁰⁴ and additionally regulates the reverse flow at a specific tariff.⁷⁰⁵ The corresponding Nabucco HGAs also include tariff methodology according to which the Nabucco International Company may determine a stable tariff in order to attract financing and shippers' commitments in its sole discretion.⁷⁰⁶

Other agreements also provide for a tariff methodology: According to the TAPI Framework Agreement, the tariff paid by gas buyers to the consortium shall be based on internationally accepted cost-of-service based tariff methodology.⁷⁰⁷ And the WAGP IGA empowers its body, the WAGP Authority, in the name and on behalf of the state parties to negotiate and agree changes to the approved tariff methodology with the company.⁷⁰⁸ The WAGP IGA, however, does not make any other reference to this approved tariff methodology throughout its provisions. The tariff methodology is then in detail subject to the WAGP HGA.⁷⁰⁹

Only one IGA governing the South Stream Pipeline, the SS IGA Russia and Slovenia, recognises approach (2) but tries to follow approach (1): The Slovenian party is required to try to obtain an exemption from tariff regulation rules regarding the capacity of the gas pipeline.⁷¹⁰ Subject to this exemption, tariffs for utilisation of the gas pipeline are set by the company in accordance with the law in the Republic of Slovenia.⁷¹¹

d. Conclusion

The Model Agreements seem to follow the example of the BTC Pipeline and the South Caucasus Pipeline also in regards to tariffs by actually not regulating them. Tariffs are, however, regulated by the majority of agreements. A provision in the Model Agreements on tariffs could therefore be considered.

The following chart summarises the provisions on tariffs:

No mentioning of tariffs	Determination of tariffs is left to the company	States regulate tariffs	Tariff methodology is provided
<ul style="list-style-type: none"> • Baku-Supsa IGA • BTC Agreements • CCO IGA • SCP Agreements • ISI 1 IGA, ISI 2 IGA • Qatar-UAE IGA • Kirkuk-Ceyhan Agreements • TAP Agreements 	<ul style="list-style-type: none"> • Burgas-Alexandroupolis IGA • SS IGA Russia and Austria, SS IGA Russia and Bulgaria, SS IGA Russia and Croatia, SS IGA Russia and Greece, Hungary, SS IGA Russia and Macedonia, SS IGA Russia and Serbia • TANAP IGA 	<ul style="list-style-type: none"> • Trans-Balkan IGA • TSGP IGA • Nabucco IGA 	<ul style="list-style-type: none"> • TAPI Framework Agreement • WAGP Agreements • Nabucco IGA

⁷⁰² Paragraph 15.1(h) of the Trans-Balkan IGA.

⁷⁰³ Article 3.10 of the TSGP IGA.

⁷⁰⁴ Article 3(3) and Annex No. 4 of the Nabucco IGA.

⁷⁰⁵ Article 3(4) of the Nabucco IGA.

⁷⁰⁶ Article 6(1)(b) and Appendix No. 2 of the Nabucco HGA Turkey; Article 8(1)(b) and Appendix No. 4 of the Nabucco HGA Austria; Article 7(1)(b) and Appendix No. 4 of the Nabucco HGA Bulgaria; Article 8(1)(b) and Appendix No. 4 of the Nabucco HGA Hungary; Article 7(1)(b) and Appendix No. 4 of the Nabucco HGA Romania.

⁷⁰⁷ Paragraph 24 of the TAPI Framework Agreement.

⁷⁰⁸ Article IV (2)(2)(a)(xxvi) of the WAGP IGA.

⁷⁰⁹ Para 15 and Schedule 7 of the WAGP HGA.

⁷¹⁰ Article 7(1) of the SS IGA Russia and Slovenia.

⁷¹¹ Article 7(2) of the SS IGA Russia and Slovenia.

16. Dispute Settlement

a. Model Agreements

The Model IGA provides for an ad hoc arbitration if no settlement could be reached via diplomatic means within a given period of time.⁷¹² The provisions on the ad hoc arbitration are based upon Article 27 of the ECT, as the explanatory note states, and shall additionally be governed by the UNCITRAL Rules.⁷¹³

The first edition of the Model IGA referred to the Joint Commission as a first means to settle dispute. However, since the second Model IGA abandoned the establishment of such commission, this dispute mechanism was put aside.

The Model HGA, on the other hand, offers three arbitral options (taken from Article 26 ECT) to submit disputes to: (1) ICSID, (2) a sole arbitrator or an ad hoc arbitration tribunal established under UNCITRAL Rules or (3) an arbitral proceeding under the SCC.⁷¹⁴

b. Transit Protocol

One of the objectives of the Transit Protocol is to promote the prompt and effective settlement of disputes relating to transit.⁷¹⁵ It first aims at dispute settlement through diplomatic channels. If no settlement can be reached, it refers the disputes to an ad hoc tribunal in accordance with Article 27(3) of the ECT.⁷¹⁶

c. Existing Agreements

i. IGAs

As a first means to solve a dispute, most IGAs refer to negotiations or diplomatic means. In quite a few IGAs the provision on disputes is even limited to these means. This is the case for most IGAs governing the South Stream Pipeline, which provide for the settlement of differences 'by way of negotiations',⁷¹⁷ as well as for the Burgas-Alexandroupolis Pipeline ('negotiations'),⁷¹⁸ the TAP Pipeline ('diplomatic means'),⁷¹⁹ the TAPI Pipeline ('through negotiations and consultations')⁷²⁰ and the Trans-Saharan Pipeline ('réglé directement à l'amiable').⁷²¹

Those IGAs establishing a joint commission to enhance general cooperation mostly appoint this commission to also deal also with disputes arising under the IGA. The BTC IGA and the SCP Georgia-Azerbaijan IGA refer disputes to the implementation commission,⁷²² the Baku-Supsa IGA⁷²³ and the CCO IGA⁷²⁴ to its commission, the ISI 1 IGA and the ISI 2 IGA to the Irish Sea Interconnector Commission,⁷²⁵ the Qatar-UAE IGA to the Joint Qatar-UAE Pipeline Commission,⁷²⁶ the TANAP IGA to the TANAP Committee⁷²⁷ and the Trans-Balkan IGA to its Joint Commission.⁷²⁸ The WAGP IGA provides for a much more elaborated review and dispute settlement mechanism through its own bodies by establishing the Fiscal Review Board to deal with disputes arising under the fiscal regime of the treaty,⁷²⁹ the WAGP Tribunal as an ad hoc body to judge decisions by the Fiscal Review Board⁷³⁰ and the Committee of Ministers as the general body to settle disputes.⁷³¹ Only one of these IGAs, however, assigns its committees the power to make final decisions, namely the Baku-Supsa IGA.⁷³²

⁷¹² Article 19 of the Model IGA.

⁷¹³ Article 19(8) of the Model IGA.

⁷¹⁴ Article 43(4) of the Model HGA.

⁷¹⁵ Article 2(1)(f) of the Transit Protocol.

⁷¹⁶ Article 21 of the Transit Protocol.

⁷¹⁷ Article 18(2) of the SS IGA Russia and Bulgaria, Article 13(2) of the SS IGA Russia and Croatia, Article 14(2) of the SS IGA Russia and Greece, Article 14 of the SS IGA Russia and Hungary, Article 15 of the SS IGA Russia and Serbia, Article 14 of the SS IGA Russia and Slovenia and Article 5 of the SS Protocol Turkey, which has a slightly different wording.

⁷¹⁸ Article 13 of the Burgas-Alexandroupolis IGA.

⁷¹⁹ Article 13 of the TAP IGA.

⁷²⁰ Article 8 of the TAPI IGA. The TAPI Framework Agreement does not provide for any dispute settlement mechanism.

⁷²¹ Article 12 of the TSGP IGA.

⁷²² Article VIII(2) of both the BTC IGA and the SCP Georgia-Azerbaijan IGA.

⁷²³ Article 6(2) of the Baku-Supsa IGA.

⁷²⁴ Article 24(1) of the CCO IGA.

⁷²⁵ Article 15(1) of the ISI 1 IGA and Article 16(1) of the ISI 2 IGA.

⁷²⁶ Article XI of the Qatar-UAE IGA.

⁷²⁷ Article 4(3) of the TANAP IGA.

⁷²⁸ Paragraph 19 of the Trans-Balkan IGA.

⁷²⁹ Article VI(1) of the WAGP IGA.

⁷³⁰ Article VI(4) of the WAGP IGA.

⁷³¹ Article XI in conjunction with Article X(3) of the WAGP IGA.

⁷³² Article 6(2) of the Baku-Supsa IGA.

Most IGAs refer the dispute to an arbitral body. Many IGAs therefore provide for an ad hoc arbitration as the final means to settle a dispute,⁷³³ most of which refer to the provisions contained in Article 27(3) of the ECT.⁷³⁴ The CCO IGA applies the UNCITRAL arbitration rules 'unless the contracting states disagree'.⁷³⁵

The only IGA referring disputes to a judicial, non-arbitral, body for final decision is the WAGP IGA. If a dispute cannot be settled within a period of six months it should be referred to the ECOWAS Court of Justice.⁷³⁶

An exceptional provision on dispute settlement is provided by the Kirkuk-Ceyhan Amendment. While the original Kirkuk-Ceyhan IGA provided for an ad hoc arbitration,⁷³⁷ the Kirkuk-Ceyhan Amendment applies the arbitration rules of the ICC.⁷³⁸

A few IGAs regulate or mention disputes arising under the respective HGA. The WAGP IGA assigns the Committee of Ministers to also deal with disputes arising under the International Project Agreement.⁷³⁹ Certain decisions of the Committee of Ministers may then be challenged by the project investor in a dispute resolution procedure under the International Project Agreement.⁷⁴⁰ In the BTC IGA each state 'acknowledges, consents and agrees that any dispute between a State and a Project Investor ... shall be subject to private international arbitration in accordance with the provisions of such Project Agreement',⁷⁴¹ while the SCP Georgia-Azerbaijan IGA, similarly, contains an acknowledgment that 'any dispute between a State and a Project Investor ... shall be subject to the dispute resolution provisions of the HGA applicable to such State'.⁷⁴² None of these provisions, however, constitute the possibility of an investor-state arbitration under the respective treaty.

ii. HGAs

Almost all HGAs provide for arbitration pursuant to the ICSID Convention and the ICSID Arbitration Rules or the ICC Rules. Many HGAs assign preference to ICSID, but choose ICC Rules in case ICSID is not available,⁷⁴³ while the TAP HGAs leaves it to the parties to pick either ICSID or ICC.⁷⁴⁴ The TANAP HGA⁷⁴⁵ and all Nabucco HGAs⁷⁴⁶ only provide for ICC Rules. The Baku-Supsa HGA provides for arbitration under the UNCITRAL Rules.⁷⁴⁷

The WAGP IGA destines the Committee of Ministers not only to settle disputes under the IGA, but also under the International Project Agreement (the WAGP HGA).⁷⁴⁸ The WAGP HGA itself provides for a special procedure in case of technical disputes,⁷⁴⁹ but refers all other disputes to arbitration pursuant to the ICSID Convention.⁷⁵⁰

d. Conclusion

Most agreements are in line with the Model Agreements and the Transit Protocol.

733 Article 12 of the TANAP IGA, Article 10 of the SS IGA Russia and Austria and Article 11 of the SS IGA Russia and Macedonia; Article 24(3) of the CCO IGA; Article 15(2) of the ISI 1 IGA; Article 16(2) of the ISI 2 IGA.

734 Article 13(5) of the Nabucco IGA, Paragraph 19 of the Trans-Balkan IGA, Article VIII(4) of the SCP Georgia-Azerbaijan IGA, Article 5 of the SCP Azerbaijan-Turkey IGA and Article VIII(2) of the BTC IGA.

735 Article 25(2) of the CCO IGA.

736 Article XI(2) of the WAGP IGA.

737 Article 21 of the Kirkuk-Ceyhan IGA.

738 Article 10 of the Kirkuk-Ceyhan Amendment.

739 Article XI(1) of the WAGP IGA.

740 Article IV(14) of the WAGP IGA.

741 Article VIII(3) of the BTC IGA.

742 Article VIII(5) of the SCP Georgia-Azerbaijan IGA.

743 Article 18(2) and (3) of the BTC HGA Turkey, Article 17(2) and (3) of the BTC HGA Azerbaijan, the BTC HGA Georgia, Article 21(2) and (3) of the BTC Turkey, Article 12 (2) and (3) of both the SCP HGA Georgia and the SCP HGA Azerbaijan.

744 Paragraph 27 of the TAP HGA Albania and Paragraph 24 of the TAP HGA Greece.

745 Article 34 of the TANAP HGA.

746 Article 37(2) of the Nabucco HGA Turkey; Article 35(2) of the Nabucco HGA Austria; Article 25(2) of the Nabucco HGA Bulgaria; Article 35(2) of the Nabucco HGA Hungary; Article 37(2) of the Nabucco HGA Romania.

747 Article 13(3)(a) of the Baku-Supsa HGA.

748 Article X(2)(d) in conjunction with Article XI(1) of the WAGP IGA.

749 Paragraph 42.2 of the WAGP HGA.

750 Paragraph 42.4 of the WAGP HGA.

The following chart summarises the dispute options found in IGAs:

Negotiation/ diplomatic means only	Project-specific body for dispute resolution	Ad hoc arbitration	Reference to Article 27(3) of the ECT
<ul style="list-style-type: none"> • Most SS IGAs • Burgas-Alexandroupolis IGA • TAP IGA • TAPI Agreements • TSGP IGA 	<ul style="list-style-type: none"> • BTC IGA • SCP Georgia-Azerbaijan IGA • Baku-Supsa IGA • CCO IGA • ISI 1 IGA, the ISI 2 IGA • Qatar-UAE IGA • TANAP IGA • Trans-Balkan IGA • WAGP IGA • Baku-Supsa IGA 	<ul style="list-style-type: none"> • TANAP IGA • SS IGA Russia and Austria, SS IGA Russia and Macedonia • CCO IGA (UNCITRAL) • Kirkuk-Ceyhan IGA • ISI 1 IGA, ISI 2 IGA 	<ul style="list-style-type: none"> • Nabucco IGA • Trans-Balkan IGA • SCP Georgia-Azerbaijan IGA • SCP Azerbaijan-Turkey IGA • BTC IGA

17. Funding/Financing

a. Model Agreements

The Model Agreements do not contain any provision on the financing of or funding for the pipeline project.

b. Existing Agreements

Only a few existing agreements regulate or mention the matter of financing the pipeline. They do so in different ways, but all in very short terms.

The SS IGA Russia and Greece requires each 'founder' to independently ensure the funding of the company's activities.⁷⁵¹ The Trans-Balkan IGA aims at Bilateral Agreements to permit the project companies to finance the project through joint loan and credit facilities.⁷⁵²

The BTC IGA and the SCP Georgia-Azerbaijan IGA simply oblige states to secure full cooperation and support for all financing efforts and activities by the project investors.⁷⁵³ Similarly the TANAP IGA obliges each state to lend its full support to the financing of the TANAP Project.⁷⁵⁴

The Kirkuk-Ceyhan IGA, being an IGA not envisaging the construction or operation of the pipeline by private entities, obliges each of the two sides to provide the funds required for carrying out all of its obligations.

Other agreements clarify that the financial burden is not to be carried by the states. The Nabucco IGA states 'nothing in this agreement obliges state parties to finance the Nabucco Project or to accept financial liabilities in regard to the Nabucco Project.'⁷⁵⁵ Most of the corresponding Nabucco HGAs adopt a similar statement by making clear that the state is not obliged to provide any finance.⁷⁵⁶ Similar to the Nabucco IGA, the SS IGA Russia and Bulgaria states that the parties shall not be held liable for the actions of the company and its founders in financing the pipeline.⁷⁵⁷ In the same line, the TSGP IGA makes clear that the states are not obliged to grant any subvention or financial support for the construction and operation of the pipeline.⁷⁵⁸ Instead, the sponsors have to make sure that the project company provides the required financing sources.⁷⁵⁹

751 Article 3(1) of the SS IGA Russia and Greece.

752 Paragraph 15(1)(i) of the Trans-Balkan IGA.

753 Article II(4)(x) of the BTC IGA; Article II(4)(xiii) of the SCP Georgia-Azerbaijan IGA.

754 Article 4(1) of the TANAP IGA.

755 Article 3(2) of the Nabucco IGA.

756 Article 5(2) of the Nabucco Romania; Article 4(2) of the Nabucco HGA Turkey; Article 6(3) of the Nabucco HGA Austria; Article 6(3) of the Nabucco HGA Hungary.

757 Article 19(2) of the SS IGA Russia and Bulgaria.

758 Article 3.13 and 6.4 of the TSGP IGA.

759 Article 7.3.1 of the TSGP IGA.

Some agreements determine that the construction of the pipeline shall be based on the principles or basis of project financing.⁷⁶⁰

The WAGP IGA regulates only the financing of the authority established by it: The state parties shall be responsible for providing or procuring funding for the WAGP Authority.⁷⁶¹

c. Conclusion

The issue of financing is covered only briefly by the existing IGAs and in very different ways. The IGAs mainly oblige states to support the project investors in financing the project, thereby allocating the financial burden to the project investors. It can be discussed whether the Model IGA should also contain a clause on states' support in financing the project.

18. Force Majeure and Liability/Responsibility

This chapter deals with *force majeure* and the associated liability or responsibility. Although the concept might be more commonly dealt with in HGAs, some IGAs still also regulate force majeure. As the term *force majeure* might not be defined in the law applicable to a HGA,⁷⁶² the agreements have to provide for such a definition.

a. Model Agreements

Both the Model IGA and the Model HGA exempt the states, or the project investor, from any liability/responsibility for non-performance caused by force majeure.⁷⁶³ *Force Majeure* covers natural disasters, wars and international embargoes.⁷⁶⁴ It is not clear how long such an exemption would last. A respective clarification and amendment of the Model Agreements could be discussed.

The provision on *force majeure* of the Model HGA is part of a whole section on liability.⁷⁶⁵ It additionally covers the general liability of project investors and host governments. Project investors shall be held liable for any loss or damage caused by any breach of their obligations under the HGA.⁷⁶⁶ The host governments' liability, on the other side, goes further, including loss or damage caused by any failure to satisfy their obligations, any misinterpretation and any breach of duty.⁷⁶⁷ The Model HGA thereby favours the project investors by providing for a wider liability regime of the host government.

The project investors are exempt from liability caused by spillage of petroleum or release of gas if it was a result of an armed conflict, natural phenomenon, compliance with a compulsory measure of the host government, or the wrongful intentional conduct of a third party.⁷⁶⁸ Accordingly, the host governments are obliged to indemnify projects investors against such liability.⁷⁶⁹

These provisions comprise a heavy responsibility on the host state, which leads to a rather unbalanced division of liability between the host states and the project investors. The LATF noted in its meeting on 22 February 2007 that the topic of *force majeure* raised a number of complex issues and should be subject to a special LATF meeting. Such a meeting, however, never took place. This reports suggests a more balanced share of liability between states and investors in a future edition of the Model Agreements.

b. Existing Agreements

i. IGAs

Most existing IGAs do not deal with *force majeure* and corresponding liability issues. This is the case for the Baku-Supsa IGA, the BTC IGA, the Burgas-Alexandroupolis IGA, the ISI 1 IGA, the ISI 2 IGA, the Qatar-UAE IGA, the Nabucco IGA, the SCP Georgia-Azerbaijan IGA the SS IGA Russia and Austria, the SS IGA Russia and Bulgaria, the SS IGA Russia

⁷⁶⁰ Article 3 of the Burgas-Alexandroupolis IGA; Article 3(2) of the SS IGA Russia and Bulgaria; Article 3(2) of the SS IGA Russia and Greece.

⁷⁶¹ Article IV.7(1) of the WAGP IGA.

⁷⁶² This is, for example, the case for English law.

⁷⁶³ Article 17(1) of the Model IGA and Article 35(1) of the Model HGA.

⁷⁶⁴ Article 17(2) of the Model IGA and Article 35(2) of the Model HGA.

⁷⁶⁵ Part V, Articles 32 – 35 of the Model HGA.

⁷⁶⁶ Article 32(1) of the Model HGA.

⁷⁶⁷ Article 33(1) of the Model HGA.

⁷⁶⁸ Article 32(5) of the Model HGA.

⁷⁶⁹ Article 33(3) of the Model HGA.

and Bulgaria, the SS IGA Russia and Croatia, the SS IGA Russia and Hungary, the SS IGA Russia and Macedonia, the SS IGA Russia and Serbia, the SS IGA Russia and Slovenia, the TAP IGA, the TAPI Framework Agreement, the TAPI IGA, TANAP IGA, the TSGP IGA and the WAGP IGA.

However, there are two exceptions among the IGAs: One is the Kirkuk-Ceyhan Pipeline. Its IGA defines *force majeure* as 'events for whose occurrence the side concerned was not responsible and whose occurrence and consequences can not be foreseen and prevented or avoided by the said side'.⁷⁷⁰ *Force majeure* shall temporarily suspend the side concerned from its obligations, restricted to those obligations affected by it and to the period between its occurrence and the cessation of its effect.⁷⁷¹ The subsequent Kirkuk-Ceyhan Amendment appends three paragraphs to the original provision, thereby setting out the regulations in more detail.⁷⁷² The other exception is the CCO IGA. It defines *force majeure* as 'any event, which is not preventable and is unforeseeable, beyond the control of and independent from the contracting state that invokes it'.⁷⁷³ In case a contracting state cannot carry out its obligations under the IGA, the non-performance shall not be considered a breach of the IGA if resulting from an event of *force majeure*.⁷⁷⁴

Another IGA, the Trans-Balkan IGA, does not itself deal with *force majeure* but refers this matter to its corresponding HGAs.⁷⁷⁵

ii. HGAs

The BTC HGAs,⁷⁷⁶ the SCP HGAs,⁷⁷⁷ four Nabucco HGAs,⁷⁷⁸ the TAP HGAs⁷⁷⁹ and the TANAP HGA⁷⁸⁰ all follow a very similar approach to the Model HGA: non-performance or delays in performance shall be suspended if caused or occasioned by *force majeure*. The WAGP HGA, similarly, excludes liability in case of *force majeure*.⁷⁸¹ (According to the Nabucco HGA Austria *force majeure* shall be governed by the general principles of Swiss law).⁷⁸²

The definition of *force majeure*, however, differs among these HGAs:

The BTC HGAs and the SCP HGAs provide for a different definition with respect to the host government as with respect to the project investors. While *force majeure* with respect to the host governments includes natural disasters, wars and international embargoes, *force majeure* with respect to project investors contains any event or cause that is beyond the (reasonable) control of the project investor.⁷⁸³

Similarly, the WAGP HGA distinguishes between 'company *force majeure* events' and 'state *force majeure* events'. 'Company *force majeure* events' are any events or circumstances which are 'unforeseen and beyond the reasonable control of the Company and which prevent the Company from performing its obligations under this Agreement', including acts of war or the public enemy and civil war; public disorder, insurrection, rebellion, act of terrorism, sabotage or riots; landslides, lightning, floods, storms, tidal waves, perils to navigation, explosions, fires, earthquakes or other natural calamities and acts of God; strikes, lockouts, labour or other industrial action; a Regime Failure or an Expropriation Event; plague, epidemic or quarantine restrictions; and any event or circumstance which delays the occurrence of the Completion Date or renders it impracticable to achieve the Completion Date without materially increased expenditure.⁷⁸⁴ 'State *force majeure* events', on the other side, are limited to unforeseen events and circumstances including acts of war and civil war; public disorder, insurrection, rebellion, sabotage, riots, demonstrations or protestor activities; explosions, fires, earthquakes or other natural calamities and acts of God;

770 Article 19(1) of the Kirkuk-Ceyhan IGA.

771 Article 19(2) of the Kirkuk-Ceyhan IGA.

772 Article 9 of the Kirkuk-Ceyhan Amendment.

773 Article 1(2)(j) of the CCO IGA.

774 Article 30 of the CCO IGA.

775 Paragraph 15.1(d) of the Trans-Balkan IGA.

776 Article 19(1) of the BTC HGA Azerbaijan; Article 19(1) of the BTC HGA Georgia; Article 20(1) of the BTC HGA Turkey.

777 Article 19(1) of the SCP HGA Azerbaijan; Article 19(1) of the SCP HGA Georgia.

778 Article 28(1) of the Nabucco HGA Bulgaria; Article 28(1) of the Nabucco HGA Hungary; Article 30(1) of the Nabucco HGA Romania; Article 30(1) of the Nabucco HGA Turkey.

779 Paragraph 35.1 of the TAP HGA Albania; Paragraph 21.1 of the TAP HGA Greece.

780 Article 28(1) of the TANAP HGA.

781 Paragraph 34.1 of the WAGP HGA.

782 Article 28(1) of the Nabucco HGA Austria.

783 Article 19(2) and (3) of the BTC HGA Azerbaijan; Article 19(2) and (3) of the BTC HGA Georgia; Article 20(2) and (3) of the BTC HGA Turkey; Article 19(2) and (3) of the SCP HGA Azerbaijan; Article 19(2) and (3) of the SCP HGA Georgia.

784 Paragraph 1.1 of the WAGP HGA, definition of 'company *force majeure* event'.

and strikes, lockouts, labour or other industrial action.⁷⁸⁵

The TAP HGA Albania limits *force majeure* to natural disasters, civil wars, international embargoes and civil strife, strikes or other labour disputes.⁷⁸⁶ The TAP HGA Greece goes much further by additionally including epidemics, blockades, acts of public enemies, acts of trespass, sabotage, acts of terrorism, riots and disobedience; the closing of any harbours, docks or canals; the imposition of any rationing, allocation or similar controls; nuclear, chemical or biological contamination; pressure waves caused by the devices travelling at supersonic speeds; the inability to obtain necessary goods, materials, services or technology; and the inability to obtain or maintain any necessary means of transportation.⁷⁸⁷

The four Nabucco HGAs define *force majeure* events as: natural disasters; structural shifts or subsidence; strike or any other labour disputes; inability to obtain necessary goods; acts of war acts of rebellion, riot, civil commotion; international boycotts; changes in law, expropriatory acts or any other action or failure to act by a governmental authorisation.⁷⁸⁸

The TANAP HGA refers *force majeure* to the events of natural disasters; other disasters; structural shifts, landslip or subsidence; strikes; compliance by a party with a change in law that affects its ability to fulfil its obligations; inability to obtain necessary goods, materials, services or technology; acts of wars; acts of rebellion, riot, civil commotion, act of terrorism, insurrection or sabotage; international boycotts, sanction, international embargoes; and expropriatory acts.⁷⁸⁹ The Nabucco HGA Bulgaria additionally covers industrial accidents or explosions.

The TANAP HGA and the Nabucco HGAs take over the Model HGA's approach to additionally regulating the liability of the host government and the project investor. While in two Nabucco HGAs, namely the Nabucco HGA Turkey and the Nabucco HGA Romania, the liability of the states is regulated differently than for the companies,⁷⁹⁰ the liability of both the host government and the project investors is equally distributed according to the Nabucco HGA Bulgaria,⁷⁹¹ the Nabucco HGA Austria,⁷⁹² the Nabucco HGA Hungary⁷⁹³ and the TANAP HGA.⁷⁹⁴ The TANAP HGA does not deal with the liability in case of gas release.

c. Conclusion

Force majeure is only regulated by a few agreements. While the Model Agreements, again, seem to rest upon the provisions of the agreements governing the BTC Pipeline and the South Caucasus Pipeline, the subsequent agreements, the TANAP HGA and the TAP HGAs, appear in turn to adopt the Model Agreements' approach.

It can be discussed whether the Model Agreements should suggest a more favourable handling of *force majeure* liability with regards to the project investor than with regards to the host government.

19. Local Content

a. Model Agreements

The Model HGA obliges the project investors to employ citizens of the state, 'as far as reasonably practicable and appropriate, for the construction, installation, operation, maintenance and management of the pipeline system.'⁷⁹⁵

b. Existing Agreements

Only very few existing agreements include a provision on local content.

The Burgas-Alexandroupolis IGA leaves the choice of contractor(s) for the construction of and supply for the pipeline to the International Project Company. This choice shall, however, be made 'preferably among the economic entities of the parties.'⁷⁹⁶

⁷⁸⁵ Paragraph 1.1 of the WAGP HGA, definition of 'state *force majeure* event'.

⁷⁸⁶ Paragraph 35.2 of the TAP HGA Albania.

⁷⁸⁷ Paragraph 21.2 of the TAP HGA Greece.

⁷⁸⁸ Article 28(2) of the Nabucco HGA Bulgaria; Article 28(2) of the Nabucco HGA Hungary; Article 30(2) of the Nabucco HGA Romania; Article 30(2) of the Nabucco HGA Turkey.

⁷⁸⁹ Article 28(2) of the TANAP HGA.

⁷⁹⁰ Articles 26 and 27 of the Nabucco HGA Austria; Articles 27 and 28 of the Nabucco HGA Romania; Articles 28 and 29 of the Nabucco HGA Turkey.

⁷⁹¹ Article 27 of the Nabucco HGA Bulgaria.

⁷⁹² Article 26 of the Nabucco HGA Austria, with exception regarding the liability of public bodies according to Article 27 of the Nabucco HGA Austria.

⁷⁹³ Article 26 of the Nabucco HGA Hungary, with exception regarding the liability of the state according to Article 27 of the Nabucco HGA Hungary.

⁷⁹⁴ Article 26(1) and 27(1) of the TANAP HGA.

⁷⁹⁵ Article 17(1) of the Model HGA.

⁷⁹⁶ Article 7 of the Burgas-Alexandroupolis IGA.

Both TAP HGAs also deal with local content/local support. The TAP HGA Albania obliges the project investor to give preference to Albanian suppliers in those cases where Albanian suppliers are in all material respect competitive.⁷⁹⁷ The TAP HGA Greece first acknowledges that the project represents a major investment in the Hellenic Republic, followed by an obligation of the project investors to encourage the use of Greek companies and labour throughout the project supply chain, in accordance with Community Treaties and WTO law.⁷⁹⁸

The WAGP HGA makes local content an evaluation point of the major contract bidding procedures.⁷⁹⁹

c. Conclusion

Even though every host state is entitled to include local content provisions in its IGAs or HGAs – within the limitations of international (trade) law – it is surprising to see that only very few existing agreements make use of this option. An optional provision on local content could additionally be considered for the Model IGA.

⁷⁹⁷ Paragraph 22 of the TAP HGA Albania.

⁷⁹⁸ Paragraph 8 of the TAP HGA Greece.

⁷⁹⁹ Schedule 11, Paragraph 1.4 of the WAGP HGA.

G. Common Principles and (Regional) Specificities

G. Common Principles and (Regional) Specificities

Common principles can be seen in most of the identified topics presented in the previous chapters. Almost all agreements include a provision trying to secure the free flow of petroleum or gas by prohibiting the states or investors to impede or interrupt the transport of the energy source. Another common element is the awareness of the environmental impact of pipeline projects. Regional specificities, on the other side, are more difficult to identify.

Two of the covered pipelines operate in the region of North-West Africa, namely the Trans-Saharan Gas Pipeline (Nigeria, Niger, Algeria) and the West African Gas Pipeline (Benin, Ghana, Nigeria and Togo). Both pipeline IGAs establish a project-specific body consisting of the respective ministers, the so-called committee of ministers. No other project specific body established by an IGA consists only of ministers. In addition, the legal framework of both pipelines envisages an environmental impact assessment as well as an environmental management plan, which is also not envisaged by any other pipeline agreement (some only call for an environmental impact assessment). Since all states involved in the West African Gas Pipeline are ECOWAS members, the corresponding IGA includes a lot of provisions specific to ECOWAS. However, Algeria is the only country not being an ECOWAS member, which is why the TSGP IGA does not include ECOWAS references.

Despite this regional distinction no specificities can be identified according to the pipelines' regions. In fact, very different agreements share certain provisions or approaches. The ISI 1 and ISI 2 IGAs (United Kingdom, Ireland), for example, share a lot of provisions with the Qatar-UAE IGA, such as the provisions on their entry into force and termination, on the relationship with international and national law (the later calling for a subordination of the IGA in relation to domestic law which is a rare approach), on the exchange of information, on the establishment of a project specific body and on security matters. They also share the same approach regarding standard setting as they refer to national legislation rather than to internationally accepted standards. All three IGAs also do not contain any provisions on land rights, taxes or tariffs. This similarity is striking as the pipeline projects are realised in very different regions of the world. One possible explanation could be the fact that the ISI 1 IGA was one of the very few publicly available IGAs on a cross-border pipeline that the creators of the Qatar-UAE IGA could actually look into. Additionally, the ISI 2 IGA was signed in the same year as the Qatar-UAE IGA, 2004, which might have placed the Qatar-UAE IGA's players' focus on this project or might even have led to some interaction between the involved entities.

In other cases too, the similarity between agreements might rather result from the cooperation between the involved actors or lawyers or even from the fact that the companies or law firms were involved rather than from their regional composition. Obviously, the agreements governing the BTC Pipeline and the SCP are drafted in the same manner, very often even comprising the exact same wording. Even though both pipeline projects involve the same states, the provisions of these agreements are not a Caucasian regional specificity, but a result stemming from the fact that both pipelines are operated by BP. The TAP and TANAP agreements also seem to rely upon the provisions of the BTC, South Caucasus or Model Agreements to some extent.

H. Conclusions

The report has shown that existing agreements on cross-border pipeline projects share many common subjects and principles. However, even though it is not possible to identify regional specificities, the existing agreements also provide for different handlings of various subjects at the same time. This is especially the case for the agreements' relationship to international and domestic law – in particular regarding the change of law -, for the establishment of a project specific body, for the constructing and operating company and its role in creating the legal framework as well as its embedment therein, for the provisions on transit and uninterrupted flow, for the rights on land, for the standards - especially their scope and level-, for matters of security, for taxes, for the funding, for force majeure and for the local content. One way of reflecting these various ways of handling certain subjects would be to include different policy options in a new edition of Model Agreements prepared by the Secretariat.

Additional subjects that this report suggests to address or clarify in a potential new edition of the Model Agreements are the following:

- Regarding general obligations, the approach of incorporating subsequent agreements not rooted in public international law appears noteworthy and exceptional. The purpose and exact consequences of such incorporation remain unclear. If the Model IGA provides for such incorporation it should clarify its scope and reasoning.
- Regarding the (Model) IGA's provisions on its relationship with international law, it is suggested to revise the Model IGA with a view to creating a consistent provision that is not contradictory.
- Regarding the (Model) HGA's relationship with international law, a provision setting out the relationship between the HGA and its corresponding IGA as well as with the ECT and the potential Transit Protocol could be envisaged.
- Regarding the (Model) IGA's provisions on its relationship with domestic law, it is equally suggested to revise it with a view to creating a comprehensive approach.
- Regarding the (Model) HGA's relationship with domestic law, it could be beneficial if the Model HGA also includes a general statement as to the status of the HGA within the respective domestic legal system. The economic equilibrium option of the Model HGA appears to be in practice, however, the Model HGA should provide a definition of 'economic equilibrium' as it is done by the existing HGAs. A new edition of the Model Agreements could provide for a more balanced approach with regards to the change of law.
- Regarding the IGA's applicable law, it is advisable to keep the provision on its governing public international law in order to make clear the nature of an IGA.
- Regarding the HGA's applicable law, the respective provision of the Model HGA could opt for the host state's law to be applied.
- Regarding the exchange of information, the Model IGA should incorporate a respective provision facilitating the exchange of relevant information and document among the states.
- Regarding the establishment of a project-specific body, taking into account the actual prevailing practice of IGAs to establish such a body, the option to do so suggested by the Model IGA could be elaborated further so that it can serve as a drafting tool in case the state parties actually do decide to install such a body.
- Regarding rights on land, it could be beneficial to distinguish land rights and free movement rights in the Model Agreements.
- Regarding standards, the Model Agreements should incorporate human right standards.
- Regarding security, the Model Agreements could be revised in many regards. First, it can be questioned whether the security of land rights and persons should be located in the same article as security concerns of the pipeline itself. Since both the Model IGA and the Model HGA deal with land rights in separate articles, at least any 'security' issues on land rights should be placed there in order to have a consistent and comprehensible handling of matters. Second, the Model Agreements could incorporate a provision on the security of the energy source itself, as it is done by a few existing agreements.

- Regarding taxation, the respective provisions of most existing agreements differ from the Model Agreements' approach. The Model Agreements seem quite investor-friendly in this regard, which is way a more balanced approach could be envisaged.
- Regarding tariffs, a respective provision in the Model Agreements could be considered. So far they are not covered at all.
- Regarding financing, it could be discussed whether the Model IGA should also contain a clause on states' support in financing the project.
- Regarding force majeure, it can be discussed whether the Model Agreements should suggest a more favourable handling of force majeure liability with regards to the project investor than with regards to the host government.
- Regarding local content, an optional provision on local content could be considered for the Model IGA.

The Model Agreements contain no reference to the host states' constitutions, be it with regards to their relationship with domestic law or to any other topic that has constitutional relevance, such as expropriation or basic rights. Such a reference would especially be relevant for the HGAs, as they comprise various substantial topics covered by most constitutions. In addition, such a reference could clarify the HGA's relationship with domestic law, which is a shortcoming of the current edition of the Model Agreements. Overall, the Model Agreements as they stand now do not provide for a comprehensive determination of their relationship with domestic law. The same is true for their relationship with international law.

I. Appendices

Appendix I: 'Agreement between Azerbaijan Republic and Georgia' (**Baku-Supsa IGA**), 8 March 1996

Appendix II: 'Agreement on Cooperation in the Sphere of Oil and Gas Industry between the Azerbaijan Republic and the Republic of Georgia', signed 18 February 1997

Appendix III: 'Host Government Agreement among the Government of Georgia and the Project Investors' (**Baku-Supsa HGA Georgia**)

Appendix VI: 'Pipeline Construction and Operating Agreement' between the Project Investors and the Georgian International Oil Corporation (**Baku-Supsa PCoOA**), signed 8 March 1996

Appendix V: 'Agreement between the Government of the Republic of Chad and the Government of the Republic of Cameroon Relating to the Construction and Operation of a Transportation System of Hydrocarbons by Pipeline' (**CCO IGA**), signed 8 February 1996

Appendix VI: 'Agreement between the Government of the State of Qatar and the Government of the United Arab Emirates Relating to the Transmission of Gas by Pipeline Between the State of Qatar and the United Arab Emirates' (**Qatar-UAE IGA**), signed 26 September 2004, entered into force 9 July 2005

Appendix VII: 'Crude Oil Pipeline Agreement between The Government of the Turkish Republic and The Government of the Iraqi Republic' (**Kirkuk-Ceyhan IGA**), signed 27 August 1973

Appendix VIII: 'Addendum to the Crude Oil Pipeline Agreement of 27 August 1973 between the Government of the Iraqi Republic and the Government of the Turkish Republic' (**Kirkuk-Ceyhan IGA Addendum**), 1986

Appendix IX: 'Crude Oil Pipeline Protocol Between The Government Of The Turkish Republic And The Government Of The Iraqi Republic' (**Kirkuk-Ceyhan Protocol**), signed 16 May 1976

Appendix X: 'Project Support Agreement between the Republic of Austria represented by the Federal Minister of Economy, Family and Youth and Nabucco Gas Pipeline International GmbH and Nabucco Gas Pipeline Austria GmbH Concerning the Nabucco Pipeline System' (**Nabucco HGA Austria**), signed 8 June 2011

Appendix XI: 'Project Support Agreement between the Republic of Bulgaria and Nabucco Gas Pipeline International GmbH and Nabucco Gas Pipeline Bulgaria EOOD Concerning the Nabucco Pipeline System' (**Nabucco HGA Bulgaria**)

Appendix XII: 'Project Support Agreement between the State of Hungary represented by the Minister Responsible for Supervising State Assets and Nabucco Gas Pipeline International GmbH and Nabucco National Company of Hungary Concerning the Nabucco Pipeline System' (**Nabucco HGA Hungary**), signed 8 June 2011

Appendix XIII: 'Project Support Agreement between Romania and Nabucco Gas Pipeline International GmbH and Nabucco National Gas Pipeline Romania S.R.L. Concerning the Nabucco Pipeline System' (**Nabucco HGA Romania**), signed 8 June 2011

Appendix XIV: 'Project Support Agreement between the Government of the Republic of Turkey and Nabucco Gas Pipeline International GmbH and Nabucco Doğal Gaz Boru Hattı İnşaatı ve İşletmeciliği Limited Şirketi Concerning the Nabucco Pipeline System' (**Nabucco HGA Turkey**), signed 8 June 2011

Appendix XV: 'Gas Pipeline Framework Agreement between the Government of the Islamic Republic of Afghanistan, the Government of the Republic of India, the Government of the Islamic Republic of Pakistan and the Government of Turkmenistan' (**TAPI Framework Agreement**), signed 11 December 2010

Appendix XVI: Intergovernmental Agreement between the Government of the Islamic Republic of Afghanistan, the Government of the Republic of India, the Government of the Islamic Republic of Pakistan and the Government of Turkmenistan (**TAPI IGA**), signed 11 December 2010

Appendix XVII: Agreement among the Republic of Albania, the Hellenic Republic and the Italian Republic relating to the Trans Adriatic Pipeline Project (**TAP IGA**), signed 13 February 2013

Appendix XVIII: 'Host Government Agreement between the Republic of Albania acting through the Council of Ministers and Trans Adriatic Pipeline AG concerning the Trans Adriatic Pipeline Project' (**TAP HGA Albania**)

Appendix XIX: 'Host Government Agreement between the Hellenic Republic and Trans Adriatic Pipeline AG concerning the Trans Adriatic Pipeline Project' (**TAP HGA Greece**)

Appendix XX: 'Intergovernmental Agreement between the Government of the Republic of Turkey and the Government of the Republic of Azerbaijan Concerning the Trans Anatolian Natural Gas Pipeline System' (**TANAP IGA**), signed 26 June 2012

Appendix XXI: 'Host Government Agreement between the Government of the Republic of Turkey and Trans Anatolian Gas Pipeline Company B.V. Concerning the Trans Anatolian Natural Gas Pipeline System' (**TANAP HGA**), signed 26 June 2012

Appendix XXII: 'Treaty on the West African Gas Pipeline Project between the Republic of Benin and the Republic of Ghana and the Federal Republic of Nigeria and the Republic of Togo' (**WAGP IGA**), signed 31 January 2003

**AGREEMENT BETWEEN
AZERBAIJAN REPUBLIC
AND
GEORGIA**

**Relating To The Development And Refurbishment Of Certain
Existing Petroleum Transportation Facilities, The Development
Of New Petroleum Transportation Facilities, And The
Transportation Of Petroleum Via Such Facilities Beyond The
Territory Of Georgia**

The Government of the Azerbaijan Republic and the Government of Georgia (together the "Governments" or individually a "Government");

Desiring to strengthen their economic relationships and their relationships as neighboring states;
and

In recognition of the desire of the Government of the Azerbaijan Republic to develop a safe, secure and efficient export route for Petroleum produced in its territory to international markets;
and

In recognition of the desire, readiness and willingness of the Governments to encourage and support the development of the Facilities and the use of such Facilities in their respective territories for the long term receipt, transportation, storage, and export of Petroleum; and

In consideration of the necessity to create a dependable legal basis and favourable conditions which will justify the commitment of resources to the Project; and

Cognizant of the economic and other benefits that will flow to the Governments in the event that the Project is implemented;

HEREBY AGREE among themselves with respect to certain matters relating to the Project as follows:

Article 1

Each Government shall:

- (a) encourage and fully support the Project within its Territory;
- (b) take all necessary measures to facilitate the Project within its Territory and take and suffer the taking of no action which would have the effect of delaying, curtailing, interrupting or frustrating the Project;

- (c) comply with the terms of the Project Agreements entered into by it with the Oil Companies and honour the rights, interests, benefits, privileges and exemptions granted by it thereunder;
- (d) guarantee the performance of the obligations undertaken by entities under its control pursuant to the Project Agreements and guarantee the rights, interests, benefits and exemptions granted by such entities thereunder; and
- (e) take no action, nor suffer the taking of any action which would have the effect of amending or modifying the terms or conditions of the Project Agreements or the benefits, rights, privileges, exemptions and interests granted thereunder.

Article 2

(1) Based on the principle of unimpeded flow of goods and services, each Government hereby guarantees that it shall neither interrupt nor impede the flow of Petroleum through the Facilities in its Territory, nor shall it act, directly or indirectly or suffer the taking of any action to interrupt, curtail, subject to conditions, or otherwise impede such flow except in cases in which operation of the Facilities creates a threat to public health, safety, property or the environment which renders it reasonable to take (or, as the case maybe, fail to take) such action and then only to the extent and for the time necessary to remove such threat.

(2) If a Government takes or suffers the taking of any action which interrupts, curtails, subjects to conditions or otherwise impedes the flow of Petroleum through the Facilities in its Territory, such Government shall immediately give notice to the other Government of the interruption, curtailment, conditioning or impediment, the reasons therefor and its timetable for alleviating the same and, consistent with paragraph (I) above, shall use all lawful and reasonable endeavors to eliminate the reasons underlying such interruption and impediment and restore the uninterrupted, uncurtailed, unconditioned and unimpeded flow of Petroleum through the Facilities in its Territory at the earliest opportunity.

Article 3

(1) Each Government shall use all lawful and reasonable efforts to ensure the safety and security of the Project within its Territory, including the Facilities, Petroleum in the Facilities and all other assets and personnel associated with the Project, and without limiting the foregoing shall make provision for such security personnel and services as may be necessary for such purpose.

(2) Before and during construction of the Facilities, each Government shall, if and when requested by the Oil Companies, search the area within its Territory where Facilities will be or are located for mines or other explosive charges or devices and safely detonate or remove them.

Article 4

Each Government shall ensure an unrestricted right of entry to and exit from its Territory, and ensure an unrestricted right of travel, on land and water and in the air within its Territory, for all personnel, vehicles, equipment and other assets used in the conduct of the Project. Such right shall include, without limitation, the right of such personnel, vehicles, equipment and other assets to

travel without hindrance on land or water in, or in the air over, the Territory of each Government for any purposes related to the Project.

Article 5

The Governments shall cooperate with the Oil Companies in establishing common standards across the Facilities (including technical, safety and environmental standards) for the construction and operation of the Facilities which are consistent with good international oil industry standards and practice.

Article 6

(1) A Commission consisting of one representative from each of the Governments is hereby established to oversee compliance with and facilitate the implementation of this Agreement. Within sixty (60) days after the effective date of this Agreement each Government shall designate in writing to the other its initial representative. Each Government may change its representative effective upon delivery of written notice to the other Government.

(2) The Commission shall meet at the request of either Government, and in response to such a request the Governments agree to consult promptly with a view to resolving in good faith any disputes which may arise in connection with this Agreement, or to discuss any matter relating to the interpretation, application or enforcement of this Agreement.

Article 7

This Agreement shall have effect on and after the date of its signing and shall remain in effect until all obligations under the Project Agreements have been discharged.

Article 8

In this Agreement the following definitions shall apply:

(1) "Facilities" means those existing Petroleum transportation facilities which the Oil Companies wish to reconstruct and develop, together with the new Petroleum transportation and terminal facilities which the Oil Companies wish to construct, all within the respective Territories of the Governments, so as to develop an integrated Petroleum pipeline system from the Caspian Sea coast of the Azerbaijan Republic to the Black Sea coast of Georgia; all such Facilities being the subject of the Project Agreements.

(2) "Oil Companies" means Amoco Caspian Sea Petroleum Limited (a company incorporated in the British Virgin Islands), BP Exploration (Caspian Sea) Limited (a company incorporated in England), Delta Nimir Khazar Limited (a company incorporated in Bermuda), Den norske stats oljeselskap a.s (a company incorporated in Norway), Exxon Azerbaijan Limited (a company incorporated in the Bahamas), Lukoil Joint Stock Company (a company incorporated in the Russian Federation), McDermott Azerbaijan, Inc. (a company incorporated in the Republic of Panama), Pennzoil Caspian Corporation (a company incorporated in the British Virgin Islands), Ramco Hazar Energy Limited (a company incorporated in Scotland), the State Oil Company of the Azerbaijan Republic,

Turkiye Petrolleri A.O. (a company incorporated in Turkey), and Unocal Khazar, Ltd. (a company incorporated in Bermuda), being companies willing to invest in the Project whether directly or indirectly, and their respective agents, successors and permitted assignees.

(3) "Petroleum" means crude mineral oil, condensate, and all kinds of liquid hydrocarbons regardless of gravity, in their natural condition or obtained from natural gas (being hydrocarbons that are gaseous at STP) by condensation or extraction, including natural gas liquids as well as any asphalt, bitumen or ozocerite and any impurities in solution (or suspension) with the foregoing or any hydrocarbon product refined or produced from any of the foregoing.

(4) "Project" means the construction, operation, maintenance, refurbishment and utilization of, and all other activities related to, the Facilities by the Oil Companies as well as the receipt, import, treatment, transportation, storage, handling, redelivery, offtake, sale and export of Petroleum in through and from the Facilities, all as contemplated by the Project Agreements.

(5) "Project Agreements" means collectively the Host Government Agreement entered into by the Oil Companies and the Government of Georgia, the Pipeline Construction and Operating Agreement entered into by the Oil Companies and the Georgian International Oil Corporation and the Pipeline Capacity and Operating Agreement entered into by the Oil Companies and the State Oil Company of the Azerbaijan Republic, relating to the transportation of Petroleum to the Georgian Black Sea Coast from locations in the Territory of the Azerbaijan Republic.

(6) "Territory", as to a Government, means the land territory and adjacent territorial sea and continental shelf subject to the jurisdiction of such Government as well as any zones where international law recognises or allows such Government to exercise sovereign rights or where such Government does, in fact, exercise sovereign rights.

Article 9

This Agreement supersedes and nullifies any prior protocol or other agreement between the Governments with respect to the transportation of Petroleum through the Territories of the Azerbaijan Republic and Georgia, including without limitation that certain Protocol of June 1995 between the Governments relating to the transportation of Petroleum through the territory of Georgia.

Done at Tbilisi this eighth day of March, 1996 in two originals each in the Azerbaijani, Georgian and English languages, each version intended to be identical in substance and meaning. In the event of a conflict in the interpretation of the provisions of this Agreement the English language text shall control.

IN WITNESS WHEREOF, the undersigned have executed the present Agreement.

FOR THE AZERBAIJAN
REPUBLIC

FOR GEORGIA

Geidar Aliev
President

Eduard Shevardnadze
President

.AGREEMENT ON COOPERATION IN THE SPHERE OF OIL AND GAS INDUSTRY BETWEEN THE AZERBAIJAN REPUBLIC AND THE REPUBLIC OF GEORGIA

THE AZERBAIJAN REPUBLIC and GEORGIA hereinafter referred to as the Parties

trying to more develop and strengthen sincere neighborhood relations.

wishing to develop the mutually beneficial bilateral economic cooperation.

giving great importance to the development of oil and gas industry in their countries as one of the factors constituting the basis of efficiency and interaction of the Parties' economy and realizing a particular role and significance of this sphere for the future of the whole region.

taking into account the Parties' mutual interests in the spheres of rational utilization of the Parties' hydrocarbon resources and their increase, the exploration, development, production, processing, transportation of the hydrocarbon resources and as well as the sale of the hydrocarbons and their products.

acknowledging the AZERBAIJAN REPUBLIC's efforts to increase the reliable and efficient ways of transportation of its hydrocarbon resources to the world markets.

trying to create a favorable condition for the transit of the third countries' hydrocarbon resources to the world markets via the territories of the AZERBAIJAN REPUBLIC and GEORGIA.

and taking into consideration the provisions of the Agreement on the Energy Charter of 17 December 1994.

have agreed in connection with the followings:

ARTICLE 1

The Parties will by all means develop the cooperation in the sphere of oil and gas industry and the infrastructure related to it operating on the basis of mutual benefit. All the necessary measures will be taken to successfully implement the needed works and services for the exploration, development, production, processing, transportation, the sale of hydrocarbon resources and their products of the Parties' economy subjects and to conclude and execute Agreements on the delivery of equipment, materials, replenishing products and other products.

ARTICLE 2

The Parties will ensure to render necessary assistance for the implementation of mutually beneficial joint activity of the Parties' economy subjects in various divisions of oil and gas industry in their own territories in accordance with the relevant forms and instructions regulated by the Parties' Legislation.

ARTICLE 3

The Parties will in line with the coordinated terms assist the activity of the state bodies and legal entities authorized by the President of the Azerbaijan Republic and the President of Georgia as per the projects fulfilled in the territories of the Parties in the sphere of the exploration, development, production, processing, transportation, sale of hydrocarbon resources and the most important fields of infrastructure related to it.

ARTICLE 4

The Parties shall create favorable conditions for the transit, transportation, loading and unloading, storage, acceptance and the like operations due to the necessary goods in relation with the hydrocarbons and their products produced in their own territories or belonging to them or to the third countries and take necessary measures to establish suitable Legislation and its economic bases as per the stable, safe, efficient and rational work of the transportation corridor passing through their own territories.

The Parties will never carry out any individual actions able to cause damages to the Parties' interests due to the objectives of this Agreement.

ARTICLE 5

The Parties will contribute to create and develop the coordinated schemes on the active control of the transit transportation and the pipeline network for the transportation of hydrocarbons and their products and as well as the telecommunication schemes.

ARTICLE 6.

The Parties will render necessary assistance to each-other to prevent and eliminate the natural calamities, accidents and other extraordinary cases in the objects of oil and gas industry and the infrastructure related to it and take necessary measures on the preparation and implementation of the proper programs on safety, protection of environment, protection of the employees' life and health in the objects and/or the projects of joint interests.

ARTICLE 7.

With the aim of deepening and developing the mutually beneficial relations in the sphere of oil and gas industry as well as scientific-technical cooperation and training of experts the Parties will from time to time conduct joint consultations.

ARTICLE 8.

The Parties will establish the intergovernmental commission with the aim to fulfill the provisions of this Agreement, coordinate the activity of the economy subjects implementing its provisions, solve the problems and debates arising during the application and/or interpretation of the Agreement; the commission will pass its own work procedures.

ARTICLE 9.

The Parties may on the basis of mutual consent make alteration and amendments to this Agreement.

ARTICLE 10

For the settlement of the debates and disagreements emerged during the application and/or interpretation of this Agreement the Parties will follow the relevant provisions of the Agreement on Energy Charter of 17 December 1994.

ARTICLE 11

This Agreement shall be deemed to have come into force on the day of the Parties' final written notification about the observation of the interstate regulations necessary for the validity of this Agreement has been received and in case one of the Parties is intending to terminate the Agreement it will preserve its validity within twelve months after the day of written notification to the other Party.

This Agreement is executed each in two original copies in the Azerbaijan, Georgian and Russian languages in the city of Baku on February 18, 1997 and shall have the same equal force in all three languages.

ON BEHALF OF THE AZERBAIJAN
REPUBLIC

ON BEHALF OF
GEORGIA

Baku-Supra MOA
Georgia

HOST GOVERNMENT AGREEMENT
AMONG
THE GOVERNMENT OF GEORGIA
AND
AMOCO CASPIAN SEA PETROLEUM LIMITED
BP EXPLORATION (CASPIAN SEA) LIMITED
— DELTA NIMIR KHAZAR LIMITED DELTA HESS
DEN NORSKE STATS OLJESELSKAP a.s
EXXON AZERBAIJAN LIMITED
OIL COMPANY LUKOIL
— MCDERMOTT AZERBAIJAN, Inc. Itochu Oil Exploration
PENNZOIL CASPIAN CORPORATION
RAMCO HAZAR ENERGY LIMITED
THE STATE OIL COMPANY OF THE AZERBAIJAN REPUBLIC
TURKIYE PETROLLERI A.O.
UNOCAL KHAZAR, LTD

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HOST GOVERNMENT AGREEMENT

THIS AGREEMENT, made and entered into in _____, this 8 day of March 1996 by and among:

THE GOVERNMENT OF GEORGIA:

and

AMOCO CASPIAN SEA PETROLEUM LIMITED ("AMOCO"), a company incorporated in the British Virgin Islands:

BP EXPLORATION (CASPIAN SEA) LIMITED ("BP"), a company incorporated in England:

DELTA NIMIR KHAZAR LIMITED ("DELTA"), a company incorporated in Bermuda:

DEN NORSKE STATS OLJESELSKAP a.s ("STATOIL"), a company incorporated in Norway:

EXXON AZERBAIJAN LIMITED ("EXXON"), a company incorporated in the Bahamas

OIL COMPANY LUKOIL ("LUKOIL"), a joint stock company incorporated in the Russian Federation:

MCDERMOTT AZERBAIJAN, INC. ("MCDERMOTT"), a company incorporated in the Republic of Panama:

PENNZOIL CASPIAN CORPORATION ("PENNZOIL"), a company incorporated in the British Virgin Islands:

RAMCO HAZAR ENERGY LIMITED ("RAMCO"), a company incorporated in Scotland:

THE STATE OIL COMPANY OF THE AZERBAIJAN REPUBLIC:

TURKIYE PETROLLERI A.O. ("TPAO"), a company incorporated in Turkey: and

UNOCAL KHAZAR, LTD. ("UNOCAL"), a company incorporated in Bermuda:

all the Parties being legal persons in accordance with the legislation of the countries of their incorporation as confirmed by appropriate documentation thereof.

WITNESSETH:

WHEREAS the Oil Companies wish to develop a secure and efficient pipeline system for the transportation of Petroleum across the territory of Georgia ("Georgia") to a new marine export terminal which the Oil Companies wish to develop on the Black Sea coast of Georgia: and

WHEREAS in developing such pipeline system and marine export terminal the Oil Companies wish to refurbish and upgrade certain existing facilities and construct certain new facilities as well as to operate and utilise the capacity in, such pipeline system and marine export terminal, all on the terms and conditions of the Pipeline Construction and Operating Agreement; and

WHEREAS the Government is responsible for and controls the Georgian Party; and

WHEREAS the Facilities are, or will become, State property; and the Government enters into this Agreement as the body ultimately responsible for managing State property; and

WHEREAS the Government wishes to facilitate and support the activities of the Oil Companies, as described above, and the Operating Company;

NOW THEREFORE, for and in consideration of the premises and mutual covenants herein after set forth, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

In this Agreement (including the Recitals) the following words and expressions shall have the following meanings unless the context otherwise requires:

"Affiliate" means, in relation to any Party, either

- (i) a company, corporation or other legal entity in which such Party holds directly or indirectly shares carrying more than fifty percent (50%) of the votes at a general meeting of such company, corporation or other legal entity; or
- (ii) a company, corporation or other legal entity holding directly or indirectly shares carrying more than fifty percent (50%) of the votes at a general meeting of such Party; or
- (iii) a company, corporation or other legal entity of which shares carrying more than fifty percent (50%) of the votes at a general meeting of such company, corporation or other legal entity are held directly or indirectly by a company, corporation or other legal entity which also holds directly or indirectly shares carrying more than fifty percent (50%) of the votes at a general meeting of such Party;

- (iv) any venture or enterprise in which, directly or indirectly, it has an interest and the right to control, manage or direct the action thereof; or
- (v) any venture or enterprise which, directly and indirectly, has an interest in or the right to control, manage or direct the action of it.

“Agreement” means this instrument including the attached Appendix, together with any written extension, renewal, replacement or modification hereto or hereof which may be mutually agreed to and signed by the Parties.

“Best Efforts” means all lawful and reasonable efforts, diligently pursued in good faith, to perform a specified obligation or to satisfy a specified condition of this Agreement.

“Construction Operations” shall have the meaning given to it in the Pipeline Construction and Operation Agreement.

“Contractor” means any natural person or juridical entity supplying directly or indirectly, goods, work or services to the Oil Companies or the Operating Company (acting for itself or as agent for the Oil Companies) related to Pipeline Operations.

“Dollars” or “\$” means the currency of the United States of America.

“Double Tax Treaty” means any treaty or convention with respect to Taxes which is applicable to Georgia for the avoidance of double taxation of income.

“Effective Date” has the meaning given to it in Clause 2.1.

“Exempt Parties” means the Oil Companies, their Affiliates, the Operating Company and any consortium, partnership or joint venture entered into by two or more of the foregoing, and “Exempt Party” shall mean any one of them.

“Facilities” has the meaning given to it in the Pipeline Construction and Operating Agreement.

“Foreign Contractor” means any Contractor which is a Foreign Entity.

“Foreign Entity” means any natural person who is not a citizen of Georgia or any juridical entity which is incorporated, legally created or organised outside of Georgia, and which:

- (i) has more than fifty per cent (50%) of its shares quoted on a recognised stock exchange outside of Georgia; or

- (ii) has shares carrying more than fifty percent (50%) of the votes at a general meeting of such entity owned directly or indirectly by a legal person which has more than fifty per cent (50%) of its shares quoted on a recognised stock exchange outside of Georgia: or
- (iii) has the majority of its legal and beneficial ownership held directly or indirectly by natural persons who are not citizens of Georgia: or
- (iv) is controlled or managed, directly or indirectly, by a government other than the Government of Georgia

"Foreign Currency" means any currency issued by a national government other than the Government which is freely convertible.

"Georgian Party" means the party to the Pipeline Construction and Operating Agreement, other than the Oil Companies, and its successors and permitted assignees.

"Government" means the Government of the Republic of Georgia and any political or other subdivision thereof, including its ministries, any Republican, national regional, municipal or local government or other representative agency, official body or authority, which has the authority to govern, legislate, regulate, levy and collect taxes, fees or duties, grant licences and permits, approve or otherwise impact (whether financially or otherwise), directly or indirectly, any of the Georgian Party's, the Oil Companies', their Affiliates', the Operating Company's and their Contractors' rights, obligations or activities under this Agreement and the Pipeline Construction and Operating Agreement; and "Governmental" shall be construed accordingly.

"Intergovernmental Agreement" means the Agreement between the Government of the Azerbaijan Republic and the Government of Georgia relating to the development and refurbishment of certain existing petroleum transportation facilities, the development of new petroleum transportation facilities, and the transportation via such facilities beyond the territory of Georgia executed contemporaneously with this Agreement.

"LIBOR" means the three month Dollar London interbank offer rate quoted in the London Financial Times (or in the event that the London Financial Times ceases to be published, or ceases to publish such a rate, then such other publication or rate as the Parties shall agree).

"Oil Companies" means, collectively, the signatories to this Agreement, other than the Government of Georgia, or in the case of each signatory any of their successors and permitted assignees, but only for so long as any such party owns an interest in the Operating Company, and shall in any event include SOCAR so long as it remains a Party to this Agreement. "Oil Company" shall mean any one of them.

"Operating Company" means the juridical entity created by some or all of the Oil Companies and appointed as their agent pursuant to Article 3 of the Pipeline Construction and Operating Agreement.

"Parties" means all of the parties to this Agreement and their successors or permitted assignees and "Party" means any one of them.

"Permanent Establishment" shall have the meaning as set out in the relevant Double Tax Treaty. If no such treaty exists then Permanent Establishment shall have the same meaning as in the 1992 Model Tax Convention on Income and Capital produced by the Organisation for Economic Co-operation and Development.

"Petroleum" has the meaning given to it in the Pipeline Construction and Operating Agreement.

"Pipeline Construction and Operating Agreement" means the agreement executed contemporaneously with this Agreement, an unexecuted copy of which is attached as the Appendix I hereto, as the same may be amended from time to time.

"Pipeline Operations" means the activities conducted in Georgia by the Operating Company, the Oil Companies, their Affiliates or their officers, employees, agents, representatives or Contractors that are related to (i) Construction Operations, (ii) the operation of the Facilities as contemplated by the Pipeline Construction and Operating Agreement, (iii) the performance or observance of the obligations of the Operating Company and the Oil Companies under this Agreement and the Pipeline Construction and Operating Agreement, (iv) the protection of the rights of the Operating Company and the Oil Companies under this Agreement and the Pipeline Construction and Operating Agreement or (v) other activities conducted pursuant to this Agreement and the Pipeline Construction and Operating Agreement.

"Pipeline Route" means the land on or under which the Facilities are located.

"SOCAR" means the State Oil Company of the Azerbaijan Republic, its Affiliates and any successor to substantially the whole of its oil production activities.

"State" means the sovereign state of Georgia.

"Tariff Amounts" has the meaning given to it in Clause 5.1 of the Pipeline Construction and Operating Agreement.

"Taxes" means all levies, duties, payments, fees, taxes or contributions payable to or imposed by the Government or ecclesiastical authorities within Georgia.

"VAT" means Georgian Value Added Tax.

"Year" means a year according to the Georgian calendar.

ARTICLE 2

EFFECTIVE DATE AND DURATION

2.1 Effective Date

This Agreement shall be effective on the date (the "Effective Date") which is the later of (i) the date on which this Agreement is ratified by all executive, legislative and other Governmental action necessary to give this Agreement and the Pipeline Construction and Operating Agreement the full force of parliamentary law in Georgia, or (ii) the date on which the Intergovernmental Agreement, having been executed, is ratified by all executive, legislative and other governmental action necessary to give it the full force of parliamentary law in Georgia and full force and effect in the Azerbaijan Republic, or (iii) the date on which the Government receives notification from the Oil Companies that the Operating Company has been formed or appointed as agent for the Oil Companies, as required under Article 3 of the Pipeline Construction and Operating Agreement. Notwithstanding the foregoing, the Parties shall use their Best Efforts to cause the Effective Date to occur as soon as practicable.

2.2 Term

This Agreement shall continue for so long as the Pipeline Construction and Operating Agreement is in full force and effect. Any rights or obligations arising or accruing in, or related to, the effective period prior to termination shall survive termination of this Agreement.

ARTICLE 3

GOVERNMENT GUARANTEES AND REPRESENTATIONS

3.1 Without limitation of any other provision of this Agreement the Government hereby guarantees and confirms to the Oil Companies:

- (a) the rights, benefits, interests and privileges granted (or purported to be granted) by the Georgian Party to the Oil Companies (to be enjoyed through the Operating Company) under the Pipeline Construction and Operating Agreement; and
- (b) the full and faithful performance of the covenants and obligations assumed by the Georgian Party under the Pipeline Construction and Operating Agreement.

3.2 The guarantees given by the Government in Clause 3.1:

- (a) shall be irrevocable and unconditional; and
- (b) shall have effect as independent covenants of the Government, separately enforceable from the obligations of the Georgian Party under the Pipeline Construction and Operating Agreement.

3.3 The Government represents, warrants and agrees that:

- (a) it has sole and exclusive jurisdiction over the Facilities; and
- (b) no existing rights granted to any party are in conflict with the rights granted to the Oil Companies under the Pipeline Construction and Operating Agreement.

ARTICLE 4

GOVERNMENT AGREEMENTS AND UNDERTAKINGS

4.1 The Government shall:

- (a) not interrupt, nor impede, the flow of Petroleum through the Facilities, nor shall it act directly or indirectly to (or fail to take any action the failure of which would serve to) limit such flow except in cases in which operation of the Facilities creates a threat to public health, safety, property or the environment which renders it reasonable to take (or, as the case may be, fail to take) such action and then only to the extent and for the time necessary to remove such threat;
- (b) maintain throughout the entire duration of the Pipeline Construction and Operating Agreement, sole and exclusive jurisdiction over the Facilities and, on enactment by the legislature of Georgia to give this Agreement the force of parliamentary law in Georgia, the Government hereby gives the Georgian Party full authority to grant the rights, interests and benefits as provided in the Pipeline Construction and Operating Agreement;
- (c) at no time during the entire duration of the Pipeline Construction and Operating Agreement enter into, or ratify, any treaties, intergovernmental agreements or any other arrangements which would, in any material manner, diminish, infringe upon, nullify or derogate from the rights, interests and benefits of the Oil Companies under the Pipeline Construction and Operating Agreement; and, in any treaties, intergovernmental agreements and any other arrangements which the Government might enter into which could in any way materially adversely affect the Oil Companies rights, interests and economic benefits under the Pipeline Construction and Operating Agreement shall, include an express recognition and reservation

of the rights, interests and economic benefits of the Oil Companies under the Pipeline Construction and Operating Agreement:

- (d) not expropriate, nationalise or otherwise take any of the rights, interests, benefits or property of any of the Oil Companies, their Affiliates, the Operating Company and any of their Contractors related to Pipeline Operations: if however, notwithstanding the provisions of this Agreement, any such expropriation, nationalisation or other taking of any of such rights, interests, benefits or property occurs, the Government shall provide full and prompt compensation in Dollars at the full market value of such rights, interests, benefits or property which full market value shall be determined if and to the extent appropriate on the basis of a going concern utilising the discounted cash flow method, assuming a willing buyer and a willing seller in a non-hostile environment and disregarding the unfavourable circumstances under which or following which the party in question has been deprived of its rights, interests, benefits or property; and in the event that any such rights, interests, benefits or property have been expropriated, nationalised or otherwise taken then the Government shall submit itself to the jurisdiction of the arbitration panel as provided in Article 13 below and the arbitration panel shall select an investment bank of good international reputation for the purpose of appraising the full market value of said rights, interests and property on the principles stated herein; and for the avoidance of doubt any dispute as to whether any breach of any of the Government's guarantees and agreements hereunder constitutes such an expropriation, nationalisation or other taking shall be determined in accordance with Article 13:
- (e) not grant, nor permit to be granted, any rights to use the Facilities during the term of the Pipeline Construction and Operating Agreement and any extensions thereof, except as otherwise expressly provided in the Pipeline Construction and Operating Agreement:
- (f) ensure that, upon approval by the legislature of Georgia of this Agreement and the Pipeline Construction and Operating Agreement, this Agreement and the Pipeline Construction and Operating Agreement shall constitute a parliamentary law of Georgia and shall take precedence over any current law, decree, administrative order, legislative act or inter-governmental agreement (or part thereof) of Georgia, or the Government, which is inconsistent with or conflicts with any of the provisions of this Agreement and the Pipeline Construction and Operating Agreement; and always provided that nothing in this Agreement shall limit the rights of the Oil Companies, their Affiliates, the Operating Company and their Contractors pursuant to any other law of Georgia which rights shall apply in addition to any other rights they may have under this Agreement and the Pipeline Construction and Operating Agreement:

- (g) ensure that the rights, interest and benefits accruing to the Oil Companies, their Affiliates, the Operating Company and their Contractors under the Pipeline Construction and Operating Agreement and this Agreement shall not be amended, modified or reduced without the prior consent of the Oil Companies. It is the intention of the Parties that no future law, decree or administrative order of Georgia, or the Government, shall amend, repeal or take precedence over the whole or any part of this Agreement or the Pipeline Construction and Operating Agreement, unless it contains an express provision to that effect. If, notwithstanding the foregoing and Clause 4.1(c), any future law, decree, administrative order, legislative act, treaty, intergovernmental agreement or other arrangement conflicts with the provisions of the Pipeline Construction and Operating Agreement and/or this Agreement (whether expressly or impliedly) or materially adversely affects the rights, interests or benefits of the Oil Companies thereunder, (including but not limited to any changes in Tax legislation, regulations, administrative practice or jurisdictional changes) then the Government shall indemnify the Oil Companies for any disbenefit, deterioration in economic circumstances, loss or damages that ensue therefrom. The Government shall take appropriate measures to resolve promptly in accordance with the foregoing principles any conflict or anomaly between the Pipeline Construction and Operating Agreement and/or this Agreement and such law, decree, administrative order, treaty, intergovernmental agreement, or other arrangement:
- (h) if requested by the Oil Companies, and solely for the purposes of assisting the Oil Companies in any attempt to finance any part of their activities in Georgia or the territory of the Azerbaijan Republic dependent on Pipeline Operations, repeat any of the representations, warranties, guarantees, agreements or undertakings contained within this Agreement to any financial institution (including without limitation any multi-lateral lending agency or export credit agency).
- 4.2 The Government shall provide the Oil Companies, the Operating Company and their Contractors with the necessary rights, licenses, permits, approvals, permissions and authorisations required by them to enable them to carry out Pipeline Operations in a secure and efficient manner and to exercise their rights and fulfil their obligations in accordance with the provisions of the Pipeline Construction and Operating Agreement, including but without limitation:
- (a) rights to clear from the Pipeline Route and its immediate vicinity any buildings, trees and other impediments, if and to the extent necessary to ensure safe and secure Pipeline Operations (in accordance with good oil industry standards and practices) and to maintain the Pipeline Route and its immediate vicinity clear from such:
- (b) rights to enter and exit from the Pipeline Route:

Company shall reasonably deem necessary for Pipeline Operations, including but not limited to such matters as permits and undertakings with respect to storage or staging of Petroleum, materials, equipment and other supplies destined to or from Georgia, rights of passage for tankships sailing to or from Georgia, or the Black Sea, in connection with the export of Petroleum and exemptions from national, local and other taxes, duties, levies, imposts, transit fees, and other fees and charges in relation to Petroleum which is transported through the Facilities and then exported from Georgia:

4.5 The agreements and undertakings of the Government under Clauses 4.2, 4.3 and 4.4 are made subject to the following:

- (a) the matters to be procured are reasonably necessary or desirable to the conduct of Pipeline Operations and are beyond the reasonable control and power of the Operating Company;
- (b) the Operating Company has independently taken all reasonable and lawfully required steps to secure or obtain such matters, including compliance with all applicable laws and regulations;
- (c) the Government shall be obligated to grant or convey such matters only to the extent it is within the lawful power and control of the Government so to do; and
- (d) the term "best available terms" shall mean the prevailing rates for goods or services of a similar kind and quality, and rendered or provided under similar terms and conditions, between unrelated parties in the normal course of business.

ARTICLE 5

TAXES

5.1 Tax Exemptions

Each Exempt Party and owners of Petroleum shall be entitled to full and complete exemptions from all Taxes in respect of any Tariff Amounts, the Facilities, Pipeline Operations or Petroleum which is transported through and exported from the Facilities.

In particular, but without limitation, in such respect:

- (a) No Taxes shall be withheld or imposed on payments, related to Pipeline Operations or Petroleum which is transported through and exported from the Facilities, made by each Exempt Party or its Permanent Establishments to any Foreign Entity, including but not limited to the following payments:

- (i) any remittance of profit or deemed or actual distribution;
 - (ii) any interest, fees and charges in respect of any debt;
 - (iii) any royalties;
 - (iv) any lease payments;
 - (v) any management fees;
 - (vi) any technical service fees; and
 - (vii) any payments between Exempt Parties.
- (b) To the extent related to Pipeline Operations or Petroleum which is transported through and exported from the Facilities:
- (i) each Exempt Party shall be exempt with credit (0% rate) from VAT on all (1) goods, works, or services supplied to or by it, (2) its imports and exports of Petroleum, and (3) imports of goods, works or services acquired by it, and
 - (ii) every supplier of goods, works or services to the Exempt Parties shall treat those supplies for VAT purposes as being exempt with credit (0% rate).
- (c) The appropriate Tax Inspectorate or other appropriate Tax or customs authority shall provide each Exempt Party with certificates confirming the exemptions and/or VAT zero per cent (0%) rate as provided in this Agreement within thirty (30) days of the requesting of such a certificate.
- (d) Each Exempt Party will be subject to the provisions of any applicable Double Tax Treaty to give relief from Taxes, or any taxes generally.
- (e) Each Exempt Party entitled to exemption from Taxes in accordance with this Article 5 (and which would be subject to Taxes but for this Article 5) shall:
- (i) register with the Georgian Tax authorities;
 - (ii) submit to the Georgian Tax authorities a written report describing, in reasonable details, its principal activities in Georgia for each calendar Year, within four (4) months following the end of the calendar Year to which such report relates; and

- (iii) file any required Tax returns in the form generally applicable to such businesses in Georgia in respect of any activities which it conducts in Georgia other than Pipeline Operations.

5.2 Employee Taxes

- (a) All employees of the Exempt Parties and Foreign Contractors, who are not citizens of Georgia, and who are engaged in Pipeline Operations shall be exempt from payment of any form of Georgian personal income tax, on any of their income except for income derived from any activities in Georgia which are not related to Pipeline Operations. Such employees shall be obliged to register with the Tax authorities and shall file any required Tax returns in the forms generally applicable to persons employed in Georgia provided that such employees would be required to so register and file such returns but for the exemption from Georgian personal income tax given by this Clause 5.2.
- (b) Each Exempt Party and Foreign Contractors shall not be required to make contributions to any Governmental social insurance fund (or similar payments including but not limited to contributions to the pension fund, the employment fund, the social insurance fund and the medical insurance fund) with respect to employees who are not citizens of Georgia to the extent that such employees are engaged in Pipeline Operations.

5.3 Contractors

- (a) Foreign Contractors shall be entitled to full and complete exemptions from all Taxes in respect of Pipeline Operations.

In particular, but without limitation, in such respect:

- (i) to the extent related to Pipeline Operations each Foreign Contractor shall be exempt with credit (0% rate) from VAT on all (1) goods, works or services supplied to or by it, (2) imports of goods, works or services acquired by it, and (3) exports of goods, works or services by it. In addition every supplier of goods, works or services to the Foreign Contractors related to Pipeline Operations shall treat those supplies for VAT purposes as being exempt with credit (0% rate).
- (ii) No Taxes shall be imposed or withheld with respect to payments made to any Foreign Contractor which are related to Pipeline Operations.
- (b) Each Contractor shall be entitled to import and re-export fixed assets, machinery, equipment, goods, works, and services used in respect of Pipeline Operations.

- (c) No Exempt Party shall have liability or responsibility for any Taxes which its Contractors do not withhold or pay or for any other failure of such Contractors to comply with the Tax laws of Georgia.
- (d) The appropriate Tax Inspectorate or other appropriate Tax or customs authority shall provide each Contractor with certificates confirming the exemptions and/or VAT zero per cent (0%) rate as provided in this Agreement within thirty (30) days of the requesting of such a certificate.
- (e) Each Foreign Contractor entitled to exemption from Taxes in accordance with this Article 5 (and which would be subject to Taxes but for this Article 5) shall:
 - (i) register with the Georgian Tax authorities;
 - (ii) submit to the Georgian Tax authorities a written report describing, in reasonable details, its principal activities in Georgia for each calendar Year, within four (4) months following the end of the calendar Year to which such report relates; and
 - (iii) file any required Tax returns in the form generally applicable to such businesses in Georgia in respect of any activities which it conducts in Georgia other than Pipeline Operations.

ARTICLE 6

SECURITY

- 6.1 The Government shall in Georgia make Best Efforts to ensure the safety and security of the Facilities and personnel involved in Pipeline Operations and protect them from loss, injury and damage resulting from war (declared or undeclared), civil war, sabotage, blockade, revolution, riot, insurrection, civil disturbance, terrorism, commercial extortion or organised crime .
- 6.2 The Government shall consider in good faith any request of the Operating Company that the Government enforce any relevant provisions of Georgian Law in relation to specific instances of damage to the Facilities by Third Parties.
- 6.3 Availability of security forces

The Government agrees to dedicate a security force created from the Government's security forces to provide physical security for the Facilities as well as the personnel engaged in Pipeline Operations. The costs of such security force shall not be reimbursed by the Operating Company or the Oil Companies to the Government, which shall bear all such costs.

The Government shall cause such security force to co-ordinate its operations with the responsible employees of the Operating Company and meetings shall be held between these parties not less than once every three months for this purpose.

ARTICLE 7

ENVIRONMENT

- 7.1 The applicable environmental and safety standards and practices for Pipeline Operations shall be those set forth in, or determined under, the Pipeline Construction and Operating Agreement.
- 7.2 Without prejudice to the Operating Company's obligations under the Pipeline Construction and Operating Agreement, in the event of a spillage of Petroleum from the Facilities, or any other occurrence causing or likely to cause material environmental damage or risk to health and safety, then, at the request of the Operating Company, the Government shall assist the Operating Company in any remedial or repair effort by using its Best Efforts to make available any labour, materials and equipment in reasonable quantities requested by the Operating Company which are not otherwise readily available to the Operating Company. The Operating Company shall reimburse to the Government's order the cost of such labour, materials and equipment except where the Georgian Party is obliged to indemnify the Oil Companies in respect of such costs under the terms of the Pipeline Construction and Operating Agreement.

ARTICLE 8

FOREIGN CURRENCY

- 8.1 The Exempt Parties and their Foreign Contractors, are authorised for the purposes of conducting any reasonably necessary or desirable Pipeline Operations, as well as the throughput of Petroleum through the Facilities or the sale and export therefrom, to:
- (a) open, maintain and operate Foreign Currency bank accounts both inside and outside of Georgia and local currency bank accounts inside of Georgia;
 - (b) import into Georgia Foreign Currency;
 - (c) purchase local currency with Foreign Currency at the most favourable exchange rate legally available to them, and in any event at a rate of exchange no less favourable than that generally made available (in respect of similar sums of money) by the National Bank of Georgia (or any

successor organisation) to Foreign Entities doing business in Georgia, without deductions or fees other than usual and customary banking charges:

- (d) convert local currency into Foreign Currency at the most favourable exchange rate legally available to them, and in any event at a rate of exchange no less favourable than that generally made available (in respect of similar sums of money) by the National Bank of Georgia (or any successor organisation) to Foreign Entities doing business in Georgia in respect of similar sums of money), without deductions or fees other than usual and customary banking charges:
- (e) transfer, export, hold and retain Foreign Currency outside of Georgia :
- (f) be exempt from all mandatory conversions of Foreign Currency into local or other currency:
- (g) pay in Foreign Currency partly or wholly abroad the salaries, allowances and other benefits received by any of their employees who are engaged in Pipeline Operations:
- (h) pay directly abroad in Foreign Currency their Foreign Contractors for work related to Pipeline Operations: and
- (i) without prejudice to the provisions of the Pipeline Construction and Operating Agreement make any payments detailed therein in Foreign Currency.

- 8.2 Contractors (other than Foreign Contractors) are authorised to pay directly abroad in Foreign Currency any Foreign Contractors with whom they contract, and solely for this purpose to exercise any of the rights set out in Clause 8.1.

ARTICLE 9

IMPORT AND EXPORT

9.1 Import and Export Rights.

- (a) The Exempt Parties and their Contractors, shall have the right to import into, and re-export from Georgia free of any Taxes and restrictions in their own name all equipment, materials, machinery, tools, vehicles, spare parts, foodstuffs (subject to compliance with applicable regulations pertaining to the import of foodstuffs), goods and supplies necessary in the reasonable opinion of the Exempt Parties or their Contractors for the conduct of Pipeline Operations, provided however that with respect to the purchase thereof the Exempt Parties and their Contractors shall give preference to Georgian suppliers in those cases in which such Georgian suppliers are in all material respects competitive in price, quality and availability with those

available from other sources. For purposes of this Clause 9.1 Georgian suppliers shall mean production, economic and other entities, regardless of ownership, legally operating in Georgia.

- (b) Personnel who are engaged in Pipeline Operations as well as their family members, who are not citizens of Georgia, shall have the right to import into and re-export from Georgia, free of Taxes and restrictions and at any time, all foodstuff (subject to compliance with applicable regulations pertaining to the import of foodstuff), furniture, clothing, household appliances, vehicles, spare parts and all personal effects for reasonable personal consumption. Income received from sales by such personnel or family members of imported goods to any party will be taxable.

9.2 Petroleum Export.

The Exempt Parties, owners of Petroleum and their carriers shall have the right to freely import and export, free of all Taxes any Petroleum which is, or is to be, transported through and exported from the Facilities.

9.3 Customs Laws.

All imports and exports carried out under or in connection with Pipeline Operations shall be subject to the procedures and documentation required by applicable customs laws and regulations except for any Taxes exempted pursuant to Article 5, Clauses 8.1(f), 9.1 and 9.2.

9.4 Foreign Trade Regulations.

The Exempt Parties and their Contractors shall be exempt from the provisions of any Georgian foreign trade regulations concerning goods, works, services acquired in relation to Pipeline Operations and Petroleum, including without limitation, the prohibition, limitation or restriction of import and export and country of origin or destination.

- 9.5 The authorisations granted under Clauses 9.1 and 9.4 may be restricted by laws and regulations generally applicable for the protection of public health, safety, and public order.

ARTICLE 10

CHANGE IN NATURE OF GEORGIAN PARTY

The privatisation, insolvency, liquidation, reorganisation or any other change in the viability, ownership, structure or legal existence of the Georgian Party shall not affect the obligations of the Government hereunder. The Government shall, throughout the entire duration of the Pipeline Construction and Operating Agreement, ensure that the rights and obligations of the Georgian Party under the Pipeline Construction and

Operating Agreement are always vested in and undertaken by an entity authorised to perform and capable of performing such obligations, failing which the Government itself shall perform directly all such obligations of the Georgian Party under the Pipeline Construction and Operating Agreement.

ARTICLE 11

SEVERAL NATURE OF THE AGREEMENT

The guarantees, exemptions, undertakings and agreements given and made by the Government to the Oil Companies in this Agreement are given and made severally to each of the Oil Companies.

ARTICLE 12

SUCCESSORS AND ASSIGNEES

12.1 Rights Transferable

A uniform, undivided interest in the rights, exemptions, and benefits granted by the Government to the Oil Companies under this Agreement may be transferred to any successor or other transferee of an Oil Company if and to the extent a corresponding transfer of rights and obligations under the Pipeline Construction and Operating Agreement is made to the same successor or transferee.

12.2 No Taxes shall be payable upon any assignment or transfer permitted under Article 12.1.

ARTICLE 13

APPLICABLE LAW AND ARBITRATION

13.1 Applicable Law

This Agreement shall be governed and interpreted in accordance with principles of law common to the law of Georgia and English law, and to the extent that no common principles exist in relation to any matter then in accordance with the principles of the common law of Alberta, Canada (except for laws regarding conflicts of laws). This Agreement shall also be subject to the international legal principle of *pacta sunt servanda* (agreements must be observed).

13.2 Resolution of Disputes

In the event of a dispute arising between the Government and any or all of the Oil Companies, the disputing Parties shall meet in an attempt to resolve the dispute to their mutual satisfaction. If satisfactory mutual agreement is not achieved within thirty (30) days after the giving of notice of a dispute by one disputing party to the others, such dispute shall be settled in accordance with the arbitration provisions of Clause 13.3 and the applicable law provisions of Clause 13.1.

13.3 Arbitration

- (a) All disputes arising between the Government and any or all of the Oil Companies, including without limitation any dispute as to the validity, construction, enforceability or breach of this Agreement, which are not amicably resolved by the disputing parties in accordance with the provisions of Clause 13.2 above, shall be finally settled before a panel of three (3) arbitrators under the Arbitration Rules of The United Nations Commission on International Trade Law known as UNCITRAL (the "Rules"). In the event the Rules fail to make provision for any matter or situation the arbitration tribunal shall establish its own rules to govern such matter and procedure and any such rules so adopted shall be considered as a part of the Rules. For purposes of allowing such arbitration, and enforcement and execution of any arbitration decision, award, issuance of any attachment, provisional remedy or other pre-award remedy, each Party waives any and all claims to immunity, including, but not limited to, any claims to sovereign immunity.
- (b) The arbitration shall be held in Stockholm, Sweden. The language used during the procedure shall be the English language and the English language text of this Agreement will be utilised by the arbitrators. Simultaneous translation shall be provided into any of the Russian, Azerbaijani or Georgian languages if requested by either party.
- (c) After providing thirty (30) days prior written notice to the other Parties of intent to arbitrate, either the Government or the Oil Companies (or any of them) may initiate arbitration (the Party, or Parties, initiating the arbitration shall hereinafter be called the "Claimant") by submitting a request for arbitration to the Secretary General of the Permanent Court of Arbitration in the Hague, as provided in the Rules, and appointing an arbitrator who shall be identified in said request. Within thirty (30) days of receipt of a copy of the request the other Party (or, if more than one, Parties acting jointly) to the dispute ("Defendant") shall respond, identifying the arbitrator that it has selected. If the Defendant does not so appoint its arbitrator, the Secretary General of the Permanent Court of Arbitration in the Hague shall appoint a second arbitrator in accordance with the Rules. The two arbitrators shall, within thirty (30) days, select a third arbitrator failing which the third

arbitrator shall be appointed by the Secretary General of the Permanent Court of Arbitration in the Hague, in accordance with the Rules. Unless otherwise agreed in writing by the Claimant and Defendant, the third arbitrator to be appointed shall not be a citizen of a country in which either the Defendant or the Claimant (including any of the parties making up such, or their ultimate parents) is incorporated.

- (d) The Parties shall extend to the arbitration tribunal all facilities (including access to the Pipeline Operations and the Facilities) for obtaining any information required for the proper determination of the dispute. Any Party shall be allowed only one absence or default beyond its reasonable control which prevents or hinders the arbitration proceeding in any or all of its stages. Additional absences, or absences which are within a Party's reasonable control, shall not be allowed to prevent or hinder the arbitration proceeding.
- (e) The arbitration tribunal's award shall be final and binding on the Parties and shall be immediately enforceable. Judgement on the award rendered may be entered and execution had in any court having jurisdiction, or application may be made to such court for a judicial acceptance of the award and an order of enforcement and execution, as applicable.
- (f) The Claimant and Defendant shall each pay the costs of its own arbitrator. The costs of the third arbitrator, and any costs imposed by the Rules, shall be paid half by the Claimant and half by the Defendant. Notwithstanding the above, the arbitrators may, however, award costs (including reasonable legal fees) to the prevailing disputing Party from the losing disputing party. In the event that monetary damages are awarded, the award shall include interest from the date of the breach or other violation to the date when the award is paid in full. Interest shall be capitalised at the end of each 90 day period and the rate of interest to be applied during such period shall be LIBOR plus 4% per annum, using the LIBOR rate quoted on the first day of each period.

ARTICLE 14

NOTICES

All notices required to be given pursuant to this Agreement shall be in writing in English and either Georgian or Russian and may be given by fax or letter to the address set out below for each Party (or such other address as a Party may notify to the other Parties from time to time) and shall be copied to the Operating Company. The Oil Companies shall advise the Government of details of the name and address of the Operating Company (and of any changes thereto) as soon as practicable. A notice given by telex shall be deemed to be served on the first working day following the date of dispatch. A notice sent by letter shall not be deemed to be delivered until received.

The Government:

The Government of Georgia,
7. Ingorokva Street,
Tbilisi 380034
Georgia

Fax: 99532 996054
Attention: The Office of the President

AMOCO:

Amoco Caspian Sea Petroleum Limited

Azerbaijan Republic
370004 Baku

Gassan Aliev Street

Attention: Vice President/Resident Manager

and copied for information to :

Amoco Caspian Sea Petroleum Company
c/o Amoco Production Company
501 WestLake Park Boulevard
P. O. Box 3092
Houston, Texas USA 77253

Fax: 1 713 366 3910
Telex: 203-231 AMOCO UR/6868237 AMOCO HOU
Attention: The President

BP:

BP Exploration (Caspian Sea) Limited
Azerbaijan Republic
370004 Baku
Bejuk Gala kuchasi 42

Attention: BP Chief Representative

and copied for information to:

BP Exploration (Caspian Sea) Limited
Uxbridge One
1 Harefield Road
Uxbridge
Middlesex UB8 1PD
England

Fax: 44 1895 877276

Telex: London 888811 (BEE PEE)

Attention: President, BP Exploration (Caspian Sea) Limited

DELTA:

Delta Nimir Khazar Limited
30 Old Burlington Street
London W1X 1LB
England

Fax: 44 1895 877276

Attention: The President

EXXON:

Exxon Azerbaijan Limited,
Azerbaijan Republic
370005 Baku
Injasanat Street
Building 1, Apartment 10 12

Attention: Resident Manager

and copied for information to:

Exxon Azerbaijan Limited,
800 Gessner,
Houston, Texas
USA 77024

Fax: 1 713 973 5600
Telex: 774169
Attention: Vice President

LUKOIL:

Oil Company Lukoil
Russian Federation
113093 Moscow
2 bldg. 44h.. Lusinovskaya

Fax: 7095 916 0020
Telex: 612553 LUK SU
Attention: The President

McDERMOTT:

McDermott Azerbaijan, Inc.
P. O. Box N-7796
Norfolk House
Nassau, Bahamas

Fax: 1 809 326 5200
Telex: 29720531
Attention: The President

and copied for information to:

McDermott International, Inc.
1450 Poydras
Post Office Box 61961
New Orleans, Louisiana U.S.A 70161

Fax: 1 504 587 6153
Telex: 266079A JRMAC

Attention: Senior Vice President
General Counsel and Corporate Secretary

PENNZOIL:

Pennzoil Caspian Corporation
Azerbaijan Republic
370004 Baku
Nefchilar Prospekti
Old Intourist Hotel

Fax: 011 873 156 1647 (Sprint satellite)

Attention: The President

and copied for information to :

Pennzoil Caspian Corporation
c/o Pennzoil Exploration and Production Company
P. O. Box 2967, 700 Milam
Houston, Texas 77252-2967
USA

Fax: 1 713 546 8684

Telex: 762334/762170

Attention: Senior Vice President - International

RAMCO:

Ramco Hazar Energy Limited
4 Rubislaw Place
Aberdeen AB1 1XN
Scotland, United Kingdom

Fax: 44 1306 743504

Telex: 739842 RAMCO G

Attention: Chief Executive

SOCAR:

The State Oil Company of the Azerbaijan Republic
Azerbaijan Republic
370601 Baku
Nefchilar Prospekti 73

Fax: 99412 936492
Telex: Baku 142187 (CWET SU)
Attention: The President

STATOIL:

Den norske stats oljeselskap a.s
Azerbaijan Republic
370004 Baku
Bejuk Gala kuchasi 42

Attention: Statoil Chief Representative

and copied for information to :

Den norske stats oljeselskap a.s
Petroleumsveien 12
4001 Stavanger
Norway

Fax: 4751 806190
Telex: 73600 STAST N
Attention: Vice President E&P International

TPAO:

Turkiye Petrolleri A.O.
Mustafa Kemal Mahallesi
2 Cadde, No. 86. Esentepe
06520. Ankara, Turkey

Fax: 903 12285 4238
Telex: 42626 TPGM. TR
Attention: The President

UNOCAL:

UNOCAL KHAZAR, LTD.
 Azerbaijan Republic
 370148 Baku
 1 "a" Mekhti Hussein St.
 Hotel Anba

Attention: Vice President/Resident Manager

and copied for information to :

Unocal Corporation
 Unocal Khazar, Ltd.
 1201 W. 5th St.
 Los Angeles, CA 90017.
 USA

Fax: 1 713 287 5200
 Telex: 6505034871
 Attention: The President

ARTICLE 15

MISCELLANEOUS

- 15.1 This Agreement is executed in counterparts in the English, Georgian, Azerbaijani and Russian languages. In the event of any conflict in interpretation of any provisions as among the different language counterparts, the English version shall control.
- 15.2 No waiver of any right, benefit, interest or privilege under this Agreement shall be effective unless made expressly and in writing. Any such waiver shall be limited to the particular circumstances in respect of which it is made and shall not imply any future or further waiver.
- 15.3 The headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement.
- 15.4 Unless the context otherwise requires, references to Articles, Clauses and Appendices are references to Articles and Clauses of, and Appendices to, this Agreement.
- 15.5 Unless the context otherwise requires, references to the singular shall include a reference to the plural and vice-versa; and reference to any gender shall include a reference to all other genders.

15.6 Nothing in Clause 12.5 or Article 15 of the Pipeline Construction and Operating Agreement shall negate, limit or in any other way affect the express obligations of the Government under this Agreement.

15.7 Each Exempt Party shall keep copies of books of account, originals or copies of contracts and copies of other files and records reasonably necessary to record and document any material exercise or enjoyment by it or its employees of the rights, exemptions, benefits and privileges under Articles 5, 8 and 9. Such files and records shall be available for inspection and audit by representatives of the Government, unless otherwise mutually agreed, at such Exempt Party's principal office in Georgia (or if it does not have a principal office in Georgia then on thirty (30) days notice at the principal office of the Operating Company in Georgia), on an annual basis for a period of two (2) Years after the end of the calendar Year to which they relate. All such books of accounts and other records shall be maintained in Dollars, in English and in accordance with generally accepted international accounting practices.

Any books of accounts, originals or copies of contracts and copies of other files and records kept by each Exempt Party pursuant to this Clause 15.7 shall be deemed to have been approved by the Government:

- (a) at the end of the second calendar Year after the calendar Year to which they refer unless the Government has prior to this date notified that Exempt Party that it has an objection to such books, records or account, such notice to contain reasonable details for such objection; or
- (b) at the end of any inspection and audit, to the extent that they are modified to reflect any agreed discrepancies identified by such inspection and audit.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written by their duly authorised representatives.

For and on behalf of
THE GOVERNMENT OF GEORGIA

Eduard Schevarnadze
President
Georgia

For and on behalf of
STATE OIL COMPANY OF THE AZERBAIJAN REPUBLIC

Natik Aliyev
President
State Oil Company of the Azerbaijan Republic

Vitaly Begliarbekov
State Oil Company of the Azerbaijan Republic

In witness hereof
AZERBAIJAN INTERNATIONAL OPERATING COMPANY

T.D. Adams
President
Azerbaijan International Operating Company

E.R. McHaffie
Executive Vice President Commercial
Azerbaijan International Operating Company

For and on behalf of
AMOCO CASPIAN SEA PETROLEUM LIMITED

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()
Amoco Caspian Sea Petroleum Limited

For and on behalf of
BP EXPLORATION (CASPIAN SEA) LIMITED

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BP Exploration (Caspian Sea) Limited

For and on behalf of
DELTA NIMIR KHAZAR LIMITED

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()
Delta Nimir Khazar Limited

For and on behalf of
DEN NORSKE STATS OLJESELSKAP a.s

()
()
Den Norske Stats Oljeselskap a.s.

For and on behalf of
EXXON AZERBAIJAN LIMITED

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()
Exxon Azerbaijan Limited

For and on behalf of
OIL COMPANY LUKOIL

(_____)
(_____)
Oil Company Lukoil

For and on behalf of
MCDERMOTT AZERBAIJAN, INC.

(_____)
(_____)
McDermott Azerbaijan, Inc.

For and on behalf of
PENNZOIL CASPIAN CORPORATION

(_____)
(_____)
Pennzoil Caspian Corporation

For and on behalf of
RAMCO HAZAR ENERGY LIMITED

(_____)
(_____)
Ramco Hazar Energy Limited

For and on behalf of
TÜRKİYE PETROLLERİ A.Ö.

(_____)
(_____)
Türkiye Petrolleri A.Ö.

For and on behalf of
UNOCAL KHAZAR, LTD.

()
()
Unocal Khazar, Ltd.

PIPELINE CONSTRUCTION AND OPERATING AGREEMENT

THIS AGREEMENT, made and entered into in Tbilisi, this 8 day of March 1996 by, and among:

GEORGIAN INTERNATIONAL OIL CORPORATION, a joint stock company created pursuant to Presidential decrees No.477 dated 11th November 1995 and No.178 dated 18th February 1996 and incorporated in Georgia ("GIOG");

AMOCO CASPIAN SEA PETROLEUM LIMITED ("AMOCO"), a company incorporated in the British Virgin Islands;

BP EXPLORATION (CASPIAN SEA) LIMITED ("BP"), a company incorporated in England;

DELTA NIMIR KHAZAR LIMITED ("DELTA"), a company incorporated in Bermuda;

DEN NORSKE STATS OLJESELSKAP a.s ("STATOIL"), a company incorporated in Norway;

EXXON AZERBAIJAN LIMITED ("EXXON"), a company incorporated in the Bahamas;

OIL COMPANY LUKOIL ("LUKOIL"), a joint stock company incorporated in the Russian Federation;

MCDERMOTT AZERBAIJAN, INC. ("MCDERMOTT"), a company incorporated in the Republic of Panama;

PENNZOIL CASPIAN CORPORATION ("PENNZOIL"), a company incorporated in the British Virgin Islands;

RAMCO HAZAR ENERGY LIMITED ("RAMCO"), a company incorporated in Scotland;

THE STATE OIL COMPANY OF THE AZERBAIJAN REPUBLIC;

TURKIYE PETROLLERI A.O. ("TPAO"), a company incorporated in Turkey; and

UNOCAL KHAZAR, LTD. ("UNOCAL"), a company incorporated in Bermuda;

all the Parties being legal persons in accordance with the legislation of the countries of their registration as confirmed by appropriate documentation thereof,

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UNOCAL KHAZAR, LTD. ("UNOCAL"), a company incorporated in Bermuda;

all the Parties being legal persons in accordance with the legislation of the countries of their registration as confirmed by appropriate documentation thereof,

WITNESSETH:

WHEREAS GIOC has the rights to the possession, use, management, operation and modification of certain State property, including the Existing Pipeline Facilities; and

WHEREAS the Oil Companies wish to develop a secure and efficient system for the transportation of Petroleum across the territory of Georgia to a new marine export terminal that the Oil Companies wish to develop on the Black Sea coast of Georgia; and

WHEREAS in developing such pipeline system and marine export terminal the Oil Companies wish to inspect, evaluate, refurbish and upgrade the Existing Pipeline Facilities and to construct the New Facilities all on the terms and conditions of this Agreement; and

WHEREAS the Oil Companies desire the right to transport and export Petroleum through and from the Facilities and GIOC is willing to grant such right on the terms and conditions of this Agreement; and

WHEREAS the Parties wish to make provision for operating the Facilities on the terms and conditions of this Agreement.

NOW THEREFORE, for and in consideration of the premises and mutual covenants hereinafter set forth, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

In this Agreement (including the Recitals) the following words and expressions shall have the following meanings unless the context otherwise requires:

"Affiliate" means, in relation to any Party, either

- (i) a company, corporation or other legal entity in which such Party holds directly or indirectly shares carrying more than fifty percent (50%) of the votes at a general meeting of such company, corporation or other legal entity; or
- (ii) a company, corporation or other legal entity holding directly or indirectly shares carrying more than fifty percent (50%) of the votes at a general meeting of such Party; or
- (iii) a company, corporation or other legal entity of which shares carrying more than fifty percent (50%) of the votes at a general meeting of such company, corporation or other legal entity are held directly or indirectly by a company, corporation or other legal entity which also holds directly or indirectly shares carrying more than fifty percent (50%) of the votes at a general meeting of such Party; or

(iv) any venture or enterprise in which, directly or indirectly, it has an interest and the right to control, manage or direct the action thereof; or

(v) any venture or enterprise which, directly or indirectly, has an interest in, or the right to control, manage or direct the action of it.

"Agreement" means this instrument including the Schedules 1, 2, 3 and 4 attached, together with any written extension, renewal, replacement or modification hereto or hereof which may be mutually agreed to and signed by the Parties.

"API" means the American Petroleum Institute.

"Applicable Environmental Laws" means any Governmental law, legislative act, rule, regulation, decree, or order of general applicability with respect to protection and restoration of the environment, as in effect from time to time, provided that the provisions thereof are not significantly more difficult or expensive to comply with than the common and prevailing international oil industry standards and practices.

"Applicable Safety Laws" means any Governmental law, legislative act, rule, regulation, decree or order of general applicability with respect to the safety and protection of human life, as in effect from time to time, provided that the provisions thereof are not significantly more difficult or expensive to comply with than the common and prevailing international oil industry standards and practices.

"ASTM" means the American Society for Testing and Materials

"Azerbaijan State Petroleum" means (a) Petroleum that is owned or beneficially owned (and that has been owned or beneficially owned at all times since it was produced) by the Government of the Azerbaijan Republic or SOCAR; and (b) Petroleum that is either (1) produced in Azerbaijan (including any areas of the seabed where the Government of Azerbaijan exercises sovereign rights), other than from the Contract Area, or (2) produced elsewhere and swapped, exchanged or traded for equal quantities or values of Petroleum produced in Azerbaijan (including any areas of the seabed where the Government of Azerbaijan exercises sovereign rights), other than from the Contract Area (which swapped, exchanged or traded quantities of Petroleum produced other than from the Contract Area shall then cease to be Azerbaijan State Petroleum).

"Barrel" means U.S. barrel, i.e. 42 U.S. gallons (158.987 litres) measured at STP.

"Best Efforts" means all lawful and reasonable efforts, diligently pursued in good faith, to perform a specified obligation or to satisfy a specified condition of this Agreement.

"Companies" means the Oil Companies and the Operating Company.

"Construction Commencement Date" shall mean the date on which construction of the New Facilities is commenced.

“Construction Completion Date” means the date on which the Facilities first constitute an integrated transportation and marine export system capable of transporting, on average, at least ten thousand (10,000) Barrels of Petroleum per day from a point on the border between Azerbaijan and Georgia to a point on the Georgian Black Sea coast and exporting the same using marine vessels.

“Construction Operations” shall have the meaning given to it in Clause 3.1(a).

“Contract Area” means the hydrocarbon accumulations commonly known as the Azeri and Chirag Fields, and the deep water portion of the hydrocarbon accumulation commonly known as the Gunashli Field, all located in the Azerbaijan sector of the Caspian Sea, together with any other hydrocarbon accumulations that the Oil Companies develop and manage (or which are developed and managed on behalf of the Oil Companies) in conjunction with the aforementioned Azeri, Chirag or Gunashli Fields.

“Contract Parties” means the Operating Company and GIOC, or either of them, and their successors and permitted assignees.

“Contractor” means any natural person or juridical entity supplying directly or indirectly, goods, work or services to the Oil Companies or the Operating Company (acting for itself or as agent for the Oil Companies) related to Pipeline Operations.

“Dollars” or **“\$”** means the currency of the United States of America.

“Effective Date” shall be the same date as the date on which the Host Government Agreement becomes effective, in accordance with the provisions of Clause 2.1 thereof.

“EIA” has the meaning given to it in Clause 9.3.

“Execution Date” means the date when this Agreement has been executed by the Parties.

“Existing Pipeline Facilities” means the pipeline and all ancillary facilities existing as at the date of execution of this Agreement as described in Part A of Schedule 1.

“Facilities” means the Existing Pipeline Facilities together with the New Facilities as existing from time to time.

“Force Majeure” shall have the meaning given to it in Article 15.

“Georgian Petroleum” means Petroleum produced in Georgia.

“Government” means the Government of Georgia and any political or other subdivision thereof, including its ministries, any Republican, national, regional, municipal or local government or other representative agency, official body or authority, which has the authority to govern, legislate, regulate, levy and collect taxes.

fees or duties, grant licences and permits, approve or otherwise impact (whether financially or otherwise), directly or indirectly, any of GIOC's, the Oil Companies', their Affiliates', the Operating Company's and their Contractors' rights, obligations or activities under this Agreement and the Host Government Agreement; and **"Governmental"** shall be construed accordingly.

"Host Government Agreement" means that certain Host Government Agreement executed contemporaneously herewith and made between the Government of Georgia and the Oil Companies, as the same may be amended from time to time.

"LIBOR" means the three month Dollar London interbank offer rate quoted in the London Financial Times (or if the London Financial Times ceases to be published, or ceases to publish such a rate, then such other publication or rate as the Parties shall agree).

"Month" means a calendar month of any year according to the Gregorian calendar, and **"Monthly"** shall be construed accordingly.

"New Facilities" means the pipeline, marine export terminal and all ancillary facilities described in Part B of Schedule I.

"Oil Companies" means, collectively, the signatories to this Agreement, other than GIOC, or in the case of each signatory any of their successors and permitted assignees, but only for so long as any such party owns an interest in the Operating Company, and shall in any event include SOCAR so long as it remains a Party to this Agreement. **"Oil Company"** shall mean any one of them.

"Oil Company Petroleum" means Petroleum (a) that is owned or beneficially owned by the Government of the Azerbaijan Republic, the Oil Companies or their Affiliates and (b) that is either (1) produced from the Contract Area or (2) produced elsewhere and swapped, exchanged or traded for equal quantities or values of Petroleum produced from the Contract Area (which swapped, exchanged or traded quantities of Petroleum produced from the Contract Area shall cease to be "Oil Company Petroleum").

"Operating Company" means the juridical entity created by some or all of the Oil Companies and appointed as their agent pursuant to Article 3 of this Agreement.

"Other Petroleum" means any Petroleum, other than Azerbaijan State Petroleum, Georgian Petroleum and Oil Company Petroleum.

"Parties" means all of the parties to this Agreement and their successors and permitted assignees, and **"Party"** means any one of them.

"Petroleum" means (a) crude mineral oil, condensate, natural gas liquids and other liquid hydrocarbons regardless of gravity in their natural condition or obtained from natural gas (being hydrocarbons that are gaseous at STP) by condensation or extraction, (b) any liquid hydrocarbon product refined or produced from the foregoing and (c) any natural gas, asphalt, bitumen, ozocerite or impurities to the extent that

"STP" means the standard temperature of sixty degrees Fahrenheit or fifteen point five six degrees Centigrade (60 F/15.56 C) and the standard atmospheric pressure of 14.692 psia or 1.01325 bars.

"Tariff" has the meaning given to it in Article 4.

"Tariff Amount" has the meaning given to it in Clause 5.1

"Taxes" means all levies, duties, payments, fees, taxes or contributions payable to or imposed by the Government or ecclesiastical authorities within Georgia.

"Terminal" has the meaning as defined in Part B of Schedule 1 to this Agreement.

"Third Party" means a natural person or juridical entity, other than the Parties, Affiliates of the Parties, the Government and the Operating Company.

"Wilful Misconduct" means any unjustifiable act or omission which constitutes an intentional, deliberate and conscious disregard of good and prudent international oil pipeline and marine export terminal practices or the terms of this Agreement as determined by arbitration pursuant to Clause 18.4.

"Year" means a year according to the Gregorian calendar.

ARTICLE 2

EFFECTIVE DATE AND TERM

- 2.1 This Agreement shall come into effect on the Effective Date.
- 2.2 Notwithstanding the foregoing the Parties shall use their Best Efforts to cause the Effective Date to occur as soon as possible.
- 2.3 Unless the Parties agree otherwise, this Agreement shall remain in force for thirty (30) Years from the Effective Date, subject to termination in accordance with Article 19.

ARTICLE 3

RIGHTS OF POSSESSION AND USE

3.1 Grant of Rights

- (a) GIOC hereby grants to the Oil Companies the rights to design, plan, install, lay, fabricate and construct the New Facilities as well as to renew, repair, modify, refurbish, reconstruct, replace, maintain, improve, inspect, test, commission, protect and render usable the Facilities (all together "Construction Operations"), and hereby consents to such actions, for the sole purposes of receiving, transporting, storing, handling, treating, redelivering, loading and exporting Petroleum in, through and from Georgia during the term and subject to the provisions hereof. Such grant shall be sole and exclusive (subject to the rights expressly reserved unto GIOC hereunder) and GIOC shall not during the term hereof grant any rights conflicting with those detailed above.
- (b) GIOC hereby grants to the Oil Companies the possession and use of the Facilities along with the right to operate the Facilities (which grants shall be exclusive subject to the rights expressly reserved unto GIOC hereunder) for the sole purposes of receiving, transporting, storing, handling, treating, redelivering, loading and exporting Petroleum in, through and from Georgia during the term and subject to the provisions hereof. Such grant shall include the right to use all the capacity of the Facilities for such purpose and GIOC shall not during the term hereof exercise, or grant any conflicting rights of use, possession or operation with respect to the Facilities.
- (c) The Oil Companies accept possession of the Existing Pipeline Facilities "as is, where is, with all faults" (subject to the provisions of Clauses 6.10, 9.4 and 9.5). GIOC disclaims all representations and warranties about the Existing Pipeline Facilities, including but not limited to, warranties of merchantability, fitness for a particular purpose, conformance with drawings or design, quality and operational performance.

3.2 The Operating Company

- (a) The Oil Companies shall hold, enjoy and exercise all rights, privileges, and benefits granted under this Agreement solely through the Operating Company, which shall be a juridical entity which may be incorporated outside of Georgia providing that it is registered to do business in Georgia. The Operating Company shall be responsible, jointly and severally with the Oil Companies, for the performance and observance of all covenants, indemnities, liabilities, and obligations assumed by it or the Oil Companies hereunder. The Oil Companies irrevocably appoint the Operating Company as their exclusive agent for all purposes hereunder, and GIOC may rely on all actions taken or omissions made by the Operating Company, the same as if such actions or omissions had been made by each Oil Company. For the avoidance of doubt, GIOC shall not be directly responsible or answerable to

- the Oil Companies (severally or jointly and severally) for the performance, satisfaction, or enforcement of any covenant, indemnity, liability, or obligation assumed by it hereunder, but with respect to all such matters GIOC shall be responsible or answerable solely to the Operating Company.
- (b) The Operating Company shall own no assets or equipment (though it may have the right to freely use assets or equipment owned or leased by the Oil Companies); shall act on behalf of the Oil Companies upon receipt of their instructions and directions; shall not be entitled to any Petroleum; and shall operate exclusively as a non-profit cost company which can neither make a profit nor incur a loss. The books and accounts of the Operating Company will be maintained as a single unified set but will record all financial flows or other transactions as passing through to and being incurred by the Oil Companies as though the Operating Company did not exist. For the avoidance of doubt this Clause 3.2(b) is included for information only and shall create no additional obligations of GIOC.
 - (c) Notwithstanding that the Oil Companies shall be responsible jointly and severally with the Operating Company as aforesaid, GIOC:
 - (i) shall have the right to seek enforcement of its rights and remedies under this Agreement (including the timely and proper payment of Tariff amounts and, subject to Clauses 19.1 and 19.2 its rights to suspend or terminate this Agreement upon failure of such payment) against the Operating Company, and all the Oil Companies shall be bound by the outcome of such enforcement action lawfully taken in accordance with the terms hereof;
 - (ii) shall not make any claim or demand directly against the Oil Companies (or any of them) but shall make the same against the Operating Company alone; and
 - (iii) shall not commence any action, lawsuit, arbitration, administrative or other proceeding against the Oil Companies (or any of them) singly, but shall commence the same against the Operating Company, either singly or jointly with the Oil Companies.
 - (d) Any claim or demand that is sustained or liquidated, in whole or in part, by a properly convened and adjudicated arbitral proceeding or other proceeding may be enforced by GIOC jointly and severally against the Oil Companies and the Operating Company.
 - (e) The Operating Company shall have the right to enforce on behalf of the Oil Companies (and each of them), as well as for itself, all covenants, indemnities, liabilities and obligations assumed by GIOC hereunder.

3.3 Reservations

- (a) GIOC reserves unto itself a preferential right to transport, handle, and deliver Georgian Petroleum through the Facilities, if and to the extent that excess capacity may be available from time to time, on the terms and conditions of this Clause 3.3(a). If at any time GIOC desires to exercise such preferential right, it shall notify the Operating Company accordingly. On receipt of such notice, if the Operating Company reasonably determines that excess capacity will, or reasonably may, be available, the Operating Company shall notify GIOC of the relevant date or dates and the estimated available excess capacity. GIOC shall promptly notify the Operating Company by date and volumes of the available excess capacity, if any, that GIOC wishes to use. The Parties shall, subject to the terms of Clause 3.3(c) below, then negotiate in good faith to establish reasonable commercial and operating terms and conditions under which the Operating Company will receive, transport, handle, and deliver Georgian Petroleum through the Facilities. GIOC's transportation rights under this Clause 3.3(a) shall be interruptible and subject to cancellation by the Operating Company in any instance on reasonable advance notice if and to the extent that the excess capacity ceases to be available, but without prejudice to GIOC's right to exercise such transportation rights in the future, if and when excess capacity again becomes available.
- (b) Notwithstanding the above, if GIOC wishes to transport Georgian Petroleum through the Facilities on an uninterruptible basis then GIOC shall so notify the Operating Company. Following receipt of such notice the Parties shall discuss in good faith terms and conditions upon which the capacity of the Facilities may be expanded, at GIOC's expense, to accommodate the quantities of Georgian Petroleum that GIOC wishes to transport, handle and deliver; provided however, the Parties acknowledge that (1) such expansion shall in no way interrupt or interfere with Pipeline Operations or restrict the future ability of the Companies to expand the capacity of the Facilities unless otherwise agreed by the Parties and (2) only that Georgian Petroleum transported utilising such expanded capacity shall be on an uninterruptible basis, subject to routine maintenance operations.
- (c) Should GIOC elect to transport, handle and deliver Georgian Petroleum through the Facilities under Clause 3.3(a) or (b) above, then GIOC shall be responsible for all transportation necessary to deliver such Georgian Petroleum to the point of interconnection with the Facilities, for meeting reasonable quality standards for the Georgian Petroleum and for the costs of installing and constructing any additional facilities to receive the Georgian Petroleum into the Facilities and export it therefrom. Accordingly, any agreements for transportation under either Clause 3.3(a) or 3.3(b) shall include inter alia terms and conditions for the tariff payable by GIOC to the Oil Companies as well as provisions for compensating existing shippers in the line, or as appropriate GIOC, for differences in quality between Georgian Petroleum and the quality of any other Petroleum transported

through the Facilities; and terms for the payment of capital costs and the reimbursement of operating costs.

- (d) If the Parties are unable to agree upon the terms and conditions referred to in Clauses 3.3(a), (b) or (c), then either Party may refer the matter to arbitration pursuant to Clause 18.3 hereof.

3.4 Other Reservations

Without implied limitation of any other right, power, or privilege of GIOC under this Agreement, GIOC reserves for itself, the Government, the people of Georgia, and other interested Third Parties, the following rights, powers, and privileges:

- (a) Except for surface Facilities to the extent the Operating Company secures them by fences or posts them against trespass, GIOC, the Government, the people of Georgia, and other Third Parties otherwise possessed of a legal right to do so may freely traverse the surface of lands under which the Pipeline is buried.
- (b) The Companies' rights, powers, and privileges under this Agreement are subject to, and the Companies shall respect and reasonably accommodate, all existing roads, railways, utilities, power lines, pipelines not included in the Existing Pipeline Facilities, and other public and private buildings on or adjacent to the Pipeline Route or the site of the Terminal, save that any future changes in the design, construction, use or operation of such roads, railways, utilities, power lines, pipelines not included in the Existing Pipeline Facilities, and other such public and private buildings shall always be consistent with safe and secure Pipeline Operations and that the Operating Company shall be compensated by the owner of the road, railway, utility, power line, pipeline not included in the Existing Pipeline Facilities or other public or private building for any costs the Operating Company reasonably incurs in modifying the Facilities to ensure the same.
- (c) GIOC, the Government, or their Affiliates may grant any reasonable rights of use, concessions and other similar rights for roads, railways, power lines, utilities, pipelines, and other public and private projects, either to cross or to run parallel with the Pipeline, subject to the obligation of the recipients of the rights of use, concessions and other similar rights to respect and reasonably accommodate the Companies' rights, powers, and privileges under this Agreement, save that any grants of rights of use, concessions or other similar rights shall always be consistent with safe and secure Pipeline Operations and shall contain an express provision requiring the recipient of such rights of use, concessions or other similar rights to compensate the Operating Company for any costs it reasonably incurs in modifying the Facilities to ensure the same.
- (d) GIOC, the Government, or their Affiliates shall have the right, at their sole risk and expense, to inspect the Facilities and monitor and observe Pipeline

Operations at all reasonable times and on reasonable advance notice. The Companies shall fully co-operate with such inspections and monitoring, however all personnel employed in such inspection, monitoring and observation activities shall obey all workplace safety rules imposed by the Operating Company.

The Operating Company shall be given reasonable advance notice (and in reasonable detail) of (i) the intention to change the design, construction, use or operation of such roads, railways, utilities, power lines, pipelines not included in the Existing Pipeline Facilities, and other such public and private buildings as are contemplated under Clause 3.4 (b); and (ii) any proposed grants of rights of use, concessions or other similar rights as contemplated under Clause 3.4(c). The parties responsible for such activities shall consult with, co-operate with and accommodate any reasonable request made by the Operating Company with the aim of ensuring safe and secure Pipeline Operations.

ARTICLE 4

TARIFF

- 4.1 The Operating Company shall (on behalf of the Oil Companies) pay to GIOC a tariff (the "Tariff") in respect of each Barrel of Petroleum transported through the Facilities and received, measured and sampled in accordance with Article 7 and as adjusted and corrected in accordance with Clause 7.3(a) (including, without limitation, Petroleum transported pursuant to Clause 3.3 or Clause 6.4(b)).
- 4.2 The Tariff applicable to Oil Company Petroleum, Azerbaijan State Petroleum and Georgian Petroleum shall be:
- (a) in each Month of the calendar Quarter in which the Effective Date falls zero decimal point one seven Dollars (\$0.17) (the "Base Tariff"); and
 - (b) in each subsequent Month an amount equal to the Base Tariff multiplied by the Inflation Adjustment, where:
- "Inflation Adjustment" equals the Current GDP Deflator Index divided by the Base GDP Deflator Index;
- "Current GDP Deflator Index" is the GDP Deflator Index applicable to the calendar Quarter immediately preceding the calendar Quarter which immediately precedes the calendar Quarter in which the Month in question falls;
- "Base GDP Deflator Index" is the GDP Deflator Index applicable to the calendar Quarter immediately preceding the calendar Quarter which immediately precedes the calendar Quarter in which the Effective Date falls;

“GDP Deflator Index” means the Implicit Price Deflator index for U.S. Gross domestic product as reported in the “Survey of Current Business” by the Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce, in the publication dated in the third Month of the calendar Quarter following the calendar Quarter to which such index relates.

- 4.3 If the GDP Deflator Index ceases to be reported as aforesaid, it shall be determined instead as the Implicit Price Deflator Index for U.S. Gross domestic product as reported in the “International Financial Statistics” published by the International Monetary Fund, and if ceases to be so reported, it shall be determined by reference to such other publication or index as the Contract Parties shall agree. If the Contract Parties fail to agree on such other publication or index within three (3) months after one Party gives notice to the other requiring such agreement, then the matter shall be determined in accordance with Clause 18.3.
- 4.4 If any index being used for the purposes of this Article 4 is rebased then:
 - (a) for as long as the index using the earlier base continues to be published, such index shall be used; and
 - (b) from the time the index using the earlier base ceases to be published, the index on the new base shall be used, except that the value of the Base GDP Deflator Index shall be revised at the same time by multiplying it by a conversion factor, which shall be calculated by dividing (i) the arithmetic total of the indices on the new base by (ii) the arithmetic total of the indices on the earlier base, in each case for those calendar Quarters for which indices are published on the earlier base and the new base.
- 4.5 GIOC may make capital reimbursements towards the costs of Construction Operations incurred by the Companies as follows:
 - (a) GIOC shall have the right, once in every calendar Year, to serve a notice on the Operating Company stating that GIOC wishes to make a payment to the Oil Companies in reimbursement of all or part of the costs of Construction Operations incurred (or, subject to Clause 4.5(b)(ii), to be incurred) by the Companies. The notice shall state in Dollars the aggregate amount of the proposed capital reimbursement. Following the receipt by the Operating Company of such notice, the Contract Parties shall meet to discuss, and endeavour in good faith to agree, the appropriate increase that should be made to the Tariff payable in respect of Azerbaijan State Petroleum, Georgian Petroleum and Oil Company Petroleum, in recognition of the amount of capital reimbursement proposed to be made to the Oil Companies by GIOC, and in order to preserve the same overall economic benefit that the Oil Companies would enjoy in respect of the integrated project for the development of the Facilities and the Azeri, Chirag, and deepwater Gunashli Fields, if the proposed capital reimbursement were not made and the Tariff were not increased.

(b) If the Contract Parties agree a change to the Tariff, then:

- (i) GIOC shall, no later than the fifteenth (15th) day of the Month following the Month in which such agreement is made, pay to the Operating Company, in Dollars into a bank account designated by the Operating Company, the full amount of the capital reimbursement set forth in the notice;
 - (ii) to the extent that GIOC wishes to make a capital reimbursement which exceeds Operating Company's capital expenditures to date, GIOC shall place such excess amount in an agreed escrow account and shall pay funds to the Operating Company only after the Operating Company has incurred such costs of Construction Operations;
 - (iii) the adjusted Tariff shall be applicable in respect of all Azerbaijan State Petroleum, Georgian Petroleum and Oil Company Petroleum with effect on and from the first (1st) day of the Month following the Month in which such agreement is made, and thereafter shall be escalated in accordance with this Article 4; and
 - (iv) GIOC shall have no further right to serve notice under this Clause 4.5 for the duration of this Agreement.
- (c) If the Contract Parties fail to agree an increase to the Tariff within three (3) Months of GIOC serving the notice referred to above, then the Contract Parties shall submit to non-binding conciliation or mediation in furtherance of their good faith endeavours to agree.
- (d) If, notwithstanding the foregoing provisions, the Contract Parties are still unable to agree an increase to the Tariff, then GIOC shall not be obligated to make the capital reimbursement set forth in the notice referred to above, the existing Tariff shall continue in effect, and GIOC shall not be entitled to serve a further notice under this Clause during the period of one (1) Year following the service of the previous notice.
- (e) Apart from the adjusted Tariff, all other terms and conditions shall continue in full force unamended.
- (f) Failure to agree the value to the Oil Companies of the reimbursement payment made pursuant to 4.5(a) above, or the adjusted Tariff, shall not be grounds for arbitration pursuant to Article 18.

4.6 Tariffs on Other Petroleum

- (a) No Other Petroleum may be transported through the Facilities, except in accordance with the procedure in this Clause 4.6.

- (b) If the Oil Companies wish from time to time to transport Other Petroleum through the Facilities, then the Operating Company shall, by prior written notice, advise GIOC of the proposed volume of Other Petroleum the Oil Companies wish to transport and the proposed Tariff for that volume of Other Petroleum.
 - (c) After GIOC receives such notice, the Contract Parties and SOCAR shall meet to discuss, and to endeavour to agree upon, the volume of Other Petroleum that may be transported and Tariff for that volume of Other Petroleum which in no event shall be less than the Tariff then payable for Oil Company Petroleum, Georgian Petroleum and Azerbaijan State Petroleum.
 - (d) If the Contract Parties and SOCAR agree on such matters, then the Oil Companies may transport the agreed volume of Other Petroleum through the Facilities, subject to payment of the agreed Tariff and compliance with the other terms of this Agreement which shall be deemed to apply to Other Petroleum.
 - (e) If the Contract Parties and SOCAR can not agree on such matters, then the Oil Companies may not transport the proposed volume of Other Petroleum through the Facilities, but without prejudice to the right of the Oil Companies later to propose transportation of Other Petroleum through the Facilities under this Clause 4.6.
 - (f) Failure to agree on the Tariff for Other Petroleum shall not be grounds for arbitration under Article 18.
- 4.7 Save as otherwise expressly provided in this Agreement and the Host Government Agreement, the Tariff shall be the sole compensation payable to GIOC, its Affiliates or the Government for the use of the Facilities and the grant of rights by GIOC under Article 3 and Clause 8.4.

ARTICLE 5

INVOICING AND PAYMENT

5.1 Statements

On or before the tenth (10th) day after the end of each Month, the Operating Company shall prepare and deliver to GIOC a statement showing:

- (a) the aggregate quantity of Petroleum, expressed in Barrels, transported through the Facilities in that Month and as measured, sampled, adjusted and corrected in accordance with Clause 7.3(a), allocated where applicable to the following categories:

- (i) Azerbaijan State Petroleum and Oil Company Petroleum;
 - (ii) Georgian Petroleum; and
 - (iii) Other Petroleum, with the Other Petroleum being further allocated to different categories for each different Tariff that may apply to each different quantity of Other Petroleum;
- (b) the Tariff in effect for that Month for each category of Petroleum (it being understood that the same Tariff shall apply to Azerbaijan State Petroleum, Oil Company Petroleum and Georgian Petroleum), expressed in Dollars per Barrel;
- (c) the total amount payable to GIOC (the "Tariff Amount"), determined by multiplying each quantity of Petroleum reported under Clause 5.1(a) by the relevant Tariff reported under Clause 5.1(b); and
- (d) any adjustments relating to the previous Month's statement.

If during any Month the Operating Company cannot determine within the prescribed time any of those values referred to in Clause 5.1(a) and (b) then the statement, and the Tariff Amount, shall be based upon the Operating Companies best good faith estimate of such values. As soon as the Operating Company is able to precisely determine any such value then it shall recalculate the Tariff Amount and make the relevant correction to the following Month's statement.

5.2 Payments

On or before the tenth (10th) day after the end of each Month the Operating Company shall pay GIOC on behalf of the Oil Companies the Tariff Amount determined under Clause 5.1 by wire transfer to an account designated by GIOC.

5.3 Offset

The Operating Company may offset against and deduct from payments under Clause 5.2 any amounts awarded to the Companies pursuant to the award of any properly convened and adjudicated arbitral proceeding or judicial proceeding. No other offset, deduction, charge or reduction whatsoever shall be made against payments made under Clause 5.2.

5.4 Books and Records

In addition to the Operating Company's other record keeping obligations under this Agreement, expressed or implied, the Operating Company for at least two (2) Years after the end of the calendar Year to which they relate shall have the obligation on receipt of thirty (30) days prior notice to make available in Tbilisi or some other convenient location in Georgia true and complete books, records, and accounts of all information reasonably necessary or useful:

- (a) to determine the aggregate quantity of Petroleum transported through the Facilities each Month;
- (b) to verify the character of all Petroleum transported through the Facilities as Azerbaijan State Petroleum, Oil Company Petroleum, Georgian Petroleum and Other Petroleum and to determine the quantity of each such category of Petroleum it being agreed that in the case of Oil Company Petroleum and Azerbaijan State Petroleum, absent evidence to the contrary, the relevant production records kept by each Oil Company shall be sufficient evidence of quantity and category;
- (c) to determine the quantity of any Other Petroleum transported through the Facilities each Month;
- (d) where the quantity of Other Petroleum transported through the Facilities is subject to more than one Tariff, to determine the pertinent Tariffs and related quantities; and
- (e) to check the accuracy of the determinations described above, including, but not limited to, meter charts, records of sampling operations, gauge reports, records prepared from those charts and reports, invoices and bills of lading for the shipment of the Petroleum (it being understood that GIOC shall have the right to compare the quantities reported by the Operating Company for purposes of determining the Tariff Amounts with the records maintained by or on behalf of the Operating Company for deliveries of the corresponding quantities of Petroleum onboard marine vessels at the Terminal, and that evidence that the quantities loaded onboard marine vessels (when aggregated for periods of not less than twelve (12) months) materially exceed the aggregate quantities reported for purposes of determining the Tariff Amount shall constitute rebuttable evidence that the quantities reported for purposes of determining the Tariff Amount were erroneous).

5.5 Audit Rights

On reasonable advance notice, during normal business hours GIOC may audit the books, records, and accounts maintained in accordance with Clause 5.4 and all other relevant books, records, and accounts maintained by or for the Operating Company, including those maintained outside Georgia.

The cost of any such audit shall be borne by GIOC unless the audit discovers an underpayment by the Operating Company of greater than ten thousand Dollars (\$10,000) (such amount to be escalated in the same ratio as any escalation in the Tariff calculated in accordance with Article 4) when the reasonable costs of such audit shall be borne by the Operating Company.

If the Parties can not agree on any amount payable after such an audit then the matter shall be referred to arbitration in accordance with Clause 18.4.

Any books, records and accounts maintained by the Operating Company shall be deemed to have been approved by GIOC;

- (a) at the end of the second calendar Year after the calendar Year to which they refer unless and to the extent that an audit is then in progress or GIOC has prior to this date notified the Operating Company that it has an objection to such books, records or account, such notice to contain reasonable details for such objection; or
- (b) at the end of any audit, to the extent that they are modified to reflect any agreed discrepancies identified by such audit.

5.6 Interest

- (a) All Tariff Amounts and all other agreed amounts payable to GIOC as a result of an audit under Clause 5.5 shall bear interest from the date payment was due to the date payment is made. Interest shall be capitalised at the end of each ninety (90) day period and the rate of interest to be applied during each such period shall be LIBOR plus four per cent (4%) per annum, using the LIBOR rate quoted on the first day of such period.
- (b) All agreed amounts payable to the Operating Company as a result of an audit under Clause 5.5 shall bear interest from the date any overpayment was made to the date of repayment in accordance with the principle outlined above but at a rate of interest of LIBOR.

ARTICLE 6

PIPELINE OPERATIONS

6.1 GIOC's Obligations

Save as expressly provided in this Agreement, GIOC shall have no right or obligation to perform any Pipeline Operations.

6.2 The Operating Company

Promptly after the formation or appointment of the Operating Company pursuant to Article 3, the Oil Companies shall provide GIOC in writing with the name, address, telephone number, and fax number of all the Operating Company officers and employees with the authority to act for and bind the Operating Company.

6.3 Responsibilities of the Operating Company

The Operating Company shall be authorised to delegate, contract or subcontract any work required to conduct the whole or any part of Pipeline Operations, but the Operating Company shall remain responsible to GIOC for the Pipeline

6.7 Procurement

With respect to the purchase of equipment, materials, machinery and tools, vehicles, spare parts, foodstuffs (subject to compliance with applicable regulations pertaining to the import of foodstuffs), goods and supplies necessary in the Operating Company's reasonable opinion for the proper conduct and achievement of the Pipeline Operations, Operating Company shall give preference to Georgian suppliers in those cases in which such Georgian suppliers are in all material respects competitive in price, quality and availability with other available sources. For the purposes of this Clause 6.7, Georgian suppliers shall mean production, economic, and other entities, owned or controlled by Georgian citizens and employing citizens of Georgia.

6.8 Costs

The costs of Pipeline Operations shall be borne solely by the Oil Companies.

6.9 Damages to Property

- (a) The Companies shall not be obligated to compensate the Government, GIOC, or their Affiliates for land used to construct New Facilities and to conduct Pipeline Operations, it being understood that they shall be compensated for the use of such land by the Tariff.
- (b) The Operating Company shall promptly following receipt of a written claim compensate the owners of any Property damaged or destroyed by Pipeline Operations or (at the Operating Company's option) repair or replace the same as appropriate save to the extent that such damage or destruction is caused by the negligence, recklessness or deliberate wrongful act of the owners of such property (or other persons using such Property with the consent of the owners).

6.10 Return of Facilities

- (a) Subject to Clauses 6.10(c) and (d), upon termination of this Agreement the Companies shall return the Facilities to the possession and control of GIOC in good working order, save only for normal deterioration associated with the use of the Facilities over the duration hereof consistent with the standards of operations specified in this Article 6. The Operating Company and GIOC shall co-operate in the orderly transfer of possession and control of the Facilities, other than Removable Facilities, and both parties shall co-operate in maintaining the integrity of the Facilities in such transition. Such obligation to co-operate shall survive the termination of this Agreement for a reasonable period.
- (b) Subject to Clause 6.10(c) and (d), the Companies shall have the right, at any time prior to the termination of this Agreement to return any part of the Facilities to the possession and control of GIOC in the condition described

in Clause 6.10(a) and thereafter the Companies shall have no further rights, obligations or liabilities with respect to that part of the Facilities returned except obligations and liabilities that accrued before the transfer.

- (c) If the Companies return the Facilities (or any part thereof) to the possession and control of GIOC prior to the Construction Completion Date, then the Companies shall have no:
 - (i) further rights, obligations or liabilities with respect to that part of the Facilities returned; and
 - (ii) liability or obligation in respect of the condition or completeness of that part of the Facilities returned and, in particular shall not be subject to any of the obligations specified in Clause 6.10(a); provided always that the Companies and their Contractors shall take no direct action to dispose of or damage the part of the Facilities returned. Subject to the foregoing GIOC will accept possession and control of the Facilities (or any part thereof) "as is, where is, with all faults".
- (d) Subject to Clause 10.2 the Companies shall have the right to remove, export or otherwise dispose of any Removable Facilities during the duration of, or after the termination of, this Agreement.

ARTICLE 7

MEASUREMENT

7.1 Measuring Equipment and Obligation to Measure

The Operating Company shall:

- (a) install and maintain at the Terminal at its own expense, in accordance with applicable API codes and ASTM standards, metering and calibration equipment capable of continuous measurement of the liquid flow of Petroleum and devices for sampling to determine the basic sediment and water content of the Petroleum, which equipment shall be tested and calibrated to operating conditions by the Operating Company one time each Month for the first two (2) full calendar Years after the Construction Completion Date and after such time in accordance with generally accepted practices and standards and the procedures laid down by the vendors of such equipment (or more often if necessary to insure continuing accuracy);
- (b) continuously measure and periodically sample all Petroleum transported through the Facilities; and
- (c) maintain a true and complete monthly record of the liquid volumes from meter readings, meter correction factors, temperature, pressure, gravity, and basic sediment and water content of the flow stream.

For the avoidance of doubt the Operating Company shall not be required to measure Petroleum at the border between Azerbaijan and Georgia.

7.2 Standard of Measurement

Unless the Parties agree otherwise, API standards and procedures will be used to measure Petroleum flowing through the custody transfer meters at the Terminal. The API standards and procedures will be taken from or provided by the API's Standard Method of Sampling and Manual of Petroleum Measurement Standards. A copy of the standards and procedures (and updates and reviews thereof) will be provided by the Operating Company to GIOC.

7.3 Monthly Statements

- (a) In respect of each Month the Operating Company shall give notice to GIOC of the aggregate quantity of Petroleum transported through the Facilities in such Month and received, measured and sampled in accordance with this Article 7. The statement shall show the gross quantity in Barrels of all substances transported through the Facilities during the relevant Month, all adjustments and corrections for basic sediment and water and other relevant API factors, and the resulting quantity of Petroleum subject to the Tariff.

Where in any Month any quantity of Other Petroleum is transported through the Facilities then the statement for such Month shall detail such quantity of Other Petroleum and where such quantity of Other Petroleum includes quantities on which different Tariffs are payable (as agreed pursuant to Clause 4.6) the various Tariffs and related quantities shall be listed.

For purposes of measurement under this Agreement, Petroleum shall be deemed to have been "transported through the Facilities" when it is passes through, or past, the metering and sampling equipment at the custody transfer meters at the Terminal, regardless of whether the equipment is functioning properly and regardless of whether the Petroleum is loaded onboard marine vessels during that same Month:

- (b) Should such information not be available on or before the tenth (10th) day after the end of each Month, then the Operating Company shall give notice to GIOC of its best good-faith estimate of the quantity of Petroleum transported through the Facilities in such Month, subject to prompt correction if and when better information is available or if and when the measurement correction principles in this Article 7 are applied.
- (c) Notwithstanding any other provision of this Agreement to the contrary, if a valuable substance not included in the definition of "Petroleum" is transported through the Facilities in any Month and received, measured and sampled in accordance with Article 7, it shall be deemed, solely for purposes of the statement referred to in this Clause 7.3 and for

determination of the Tariff Amount under Articles 4 and 5 to constitute "Petroleum," it being the intent of the Parties that the Tariff shall apply both to all "Petroleum" and to all other valuable substances, if any, transported through the Facilities, but without prejudice to GIOC's rights to complain about the transport of substances not included in the definition of "Petroleum."

7.4 Rights of Access

- (a) No later than the first day of each Month the Operating Company shall notify GIOC of its proposed operational program for the installation, repair, proving or calibration of the metering and sampling equipment at the Terminal for the forty (40) day period commencing on the first day of such Month. The Operating Company shall give GIOC as much notice of material changes to this program as is reasonably practicable.
- (b) The authorised representatives of GIOC shall have the right, at their sole risk and expense, from time to time, subject to making prior arrangements with the Operating Company, to:
 - (i) witness all operations to install, repair, prove, or calibrate the metering and sampling equipment at the Terminal;
 - (ii) inspect all records, drawings, specifications, procedures and facilities related to Clause 7.4(b)(i); and
 - (iii) conduct the audit contemplated by Clause 5.5.
- The authorised representatives of GIOC involved in such activities shall obey all workplace safety rules imposed by the Operating Company.
- (c) For the purposes of exercising its rights under Clauses 7.4(b)(i) and 7.4(b)(ii), GIOC shall give the Operating Company at least forty-eight (48) hours' prior notice, and for the purpose of full audits, or for any other purpose, GIOC shall give at least seven (7) days' prior notice to the Operating Company.
- (d) For purposes of this Clause 7.4, the term "authorised representative" shall mean either employees, agents, or contractors of GIOC or independent experts appointed by GIOC.

7.5 Measurement Errors

Where an error in measurement of Petroleum (a "Mismeasurement") occurs, the following will be applied, as available, to correct the Mismeasurement and in the following order:

- (a) data from back-up, verification or substitute devices or procedures; failing which,

- (b) where applicable, data from calibration tests; failing which,
- (c) estimates based on periods when similar conditions applied; failing which,
- (d) estimates based on best available technical and scientific evidence.

When the exact date of the start of the Mismeasurement is known, the full correction shall be applied from that date to the date on which the Mismeasurement ceased.

When the exact date of the start of the Mismeasurement cannot be determined with certainty, the most recent date on which there is an auditable trail demonstrating that the appropriate parameter was correct shall be ascertained. The period from that date to the date that the Mismeasurement ceased shall be halved. No correction shall be applied for the first half of the period. The appropriate correction shall be made in full for the second half of the period.

ARTICLE 8

OBLIGATIONS OF CONTRACT PARTIES

8.1 General Assistance

Each Contract Party shall perform its obligations under this Agreement in a manner consistent with the efficient and effective implementation of the Host Government Agreement, and shall take all actions reasonably requested by the other Contract Party, if any, to secure the rights, benefits, privileges and benefits granted, and to accomplish the objectives contemplated, in this Agreement and the Host Government Agreement.

8.2 Contact

GIOC shall appoint, and notify the Operating Company of such appointment, an individual (or individuals) who shall be responsible for assisting the Operating Company in liaising with the Government and other Government controlled suppliers of goods, works and services on all matters related to Pipeline Operations for a period of five (5) Years after the Effective Date. The costs of such individual (or individuals) shall be borne by GIOG.

8.3 Expenditures for Assistance

The obligation to render assistance under Clauses 8.1 and 8.2 shall not require a Contract Party to incur any extraordinary expense. To the extent any such requested assistance requires significant expenditures, the requested Contract Party shall be obligated to render such assistance only to the extent reasonable provisions for the discharge or prompt reimbursement of such expenditures have been provided by the requesting Contract Party in advance.

express understanding that any forecast or planned operations are subject to change.

The Operating Company disclaims all representations and warranties about the accuracy or completeness of any such information which is not prepared by the Companies.

ARTICLE 9

ENVIRONMENTAL PROTECTION AND SAFETY

9.1 Conduct of Operations

In conducting Pipeline Operations the Operating Company shall use Best Efforts to minimise potential disturbances to the environment, including the surface, subsurface, sea, air, lakes, flora, fauna, other natural resources and property. The order of priority for actions shall be protection of life, environment, and property.

9.2 Emergencies

The Operating Company shall immediately notify GIOC of all emergencies and other events (including explosions, leaks, and spills), occurring in relation to Pipeline Operations that have resulted in or that threaten loss of life or significant damage to the environment or property. Such notice shall include a summary description of the circumstances, and steps taken and planned by the Operating Company to control and remedy the situation. The Operating Company shall provide such additional reports to GIOC as are necessary to keep it fully appraised of the effects of such events and the course of all actions taken to prevent further loss and to mitigate all deleterious effects.

9.3 Environmental Strategy

- (a) As soon as reasonably practicable after the Effective Date and in relation to Pipeline Operations, the Operating Company shall implement an environmental strategy prepared by a recognised international environmental consulting firm selected by the Operating Company and acceptable to GIOC (such acceptance not to be unreasonably withheld). The environmental strategy shall include a baseline study, an environmental impact assessment (an "EIA") (which will include data gathering and analysis, recommendations for remediation of existing conditions where relevant, provisions for mitigation of environmental effects during construction and operation of the Facilities), oil spill contingency planning and specifications for on-going monitoring, all as further generally indicated in Part A of Schedule 2 and which will both be submitted to GIOC. The consulting firm and representatives of the Operating Company shall, at the request of GIOC, consult with the technical representatives of GIOC, at reasonable times and places, during the preparation of the baseline

study and the EIA. The EIA and the baseline study shall be deemed to have been approved by GIOC if within thirty (30) days of their being submitted to GIOC the Operating Company has received no written objection. If the Operating Company believes that GIOC has unreasonably withheld its acceptance of all or any part of the EIA or the baseline study, then such dispute shall be settled in accordance with the provisions of Clause 18.3.

- (b) The costs of the environmental strategy shall be borne by the Operating Company (acting for and on behalf of the Oil Companies), except that GIOC shall be liable for all costs associated with its technical representatives.
- (c) The Operating Company shall implement the mitigation and monitoring activities specified in the EIA. Any recommendations for remediation of existing conditions contained in the EIA shall be conducted, if at all, pursuant to a separate agreement between GIOC and the Operating Company (containing inter alia reasonable provisions for the discharge or prompt reimbursement of the cost of such remediation work), and nothing herein shall be construed to make the Companies responsible for any such undertaking.

9.4 Environmental Liability

Without limiting the generality of Article 12 but subject to Clause 9.5 below, the Operating Company shall be liable for all losses and damages suffered by the Government or any Third Party arising directly out of the failure of the Operating Company to comply with (a) the mitigation or monitoring provisions of the approved EIA, (b) the technical standards specified in Clause 2 of Part B of Schedule 2, or (c) the Applicable Environmental Laws. The Companies shall not be liable for any environmental pollution, damage, or conditions in existence on the Effective Date. The baseline study shall be rebuttable evidence as to the existence of any such pollution, damage, or condition existing on the Effective Date.

9.5 Existing Pipeline Facilities

The Operating Company and GIOC shall agree on a timetable for bringing the Existing Pipeline Facilities into a condition that complies with the Applicable Environmental Laws and the Applicable Safety Laws and that reasonably allows operation in compliance with Clause 6.4(a). Provided the Operating Company complies with such timetable, the Companies shall not be liable for any losses or damages suffered by the Government or any Third Party simply by reason of the non-compliance of any Existing Pipeline Facilities with the Applicable Environmental Laws and the Applicable Safety Laws or their operation in non-compliance with Clause 6.4(a) (where such non-compliance arises out of the original condition of the Existing Pipeline Facilities).

ARTICLE 10

OWNERSHIP AND USE OF FACILITIES AND PETROLEUM

10.1 Ownership of Facilities

Nothing herein shall be construed to vest any title or ownership interest in the Facilities in the Companies, except for Removable Facilities (title and ownership of which shall remain vested in the Companies, their Affiliates or their Contractors). The Existing Pipeline Facilities shall at all times and for all purposes remain State property. Upon their installation as part of or incorporation into the Facilities all New Facilities, except Removable Facilities, shall automatically become, and thereafter at all times and for all purposes remain, State property.

10.2 Removal of Facilities

The Operating Company may not remove, decommission or dispose of any part of the Facilities except:

- (a) any surplus equipment or components in the ordinary course of Pipeline Operations; or
- (b) any part of the Facilities that has been or is to be replaced, or that is surplus to the Operating Company's requirements; or
- (c) upon termination or expiry of this Agreement the Removable Facilities; or
- (d) during the term of this Agreement, subject to the standards of conduct in Clause 6.4(a) and the other terms of this Agreement, the Removable Facilities; and in any other event
- (e) with the prior written consent of GIOC, any part of the Facilities.

Any part of the Facilities permanently removed under Clauses 10.2(a), (b) or (e) shall be first offered to GIOC at no cost. GIOC shall have the right to accept such offer in respect of all (but not part) of such Facilities by removing such Facilities from the vicinity of the remaining Facilities. If GIOC has not removed such Facilities within sixty (60) days following such offer then the Operating Company shall be free to dispose of same.

10.3 Ownership of Petroleum

Nothing herein shall be construed:

- (a) to vest in GIOC, the Government or Georgia any right, title, or interest in the Petroleum transported through and exported from the Facilities; or

- (b) to vest in the Companies or their Affiliates any right, title or interest in Georgian Petroleum.

ARTICLE 11

APPROVALS OF GIOC

11.1 Approvals required

Before commencing Pipeline Operations related to or dependent upon the following matters, and at such times as the Companies propose to make any significant change with respect to the following matters, the Operating Company shall submit to GIOC for its approval the proposed specifications (accompanied by reasonable explanatory details) for the following:

- (a) the Pipeline Route and the general design and configuration of the Pipeline;
- (b) the location and configuration of the Terminal; and
- (c) emergency response procedures.

11.2 GIOC shall not unreasonably withhold its approval of any proposed specifications given under Clause 11.1 above, and if the Operating Company has not received a notice objecting to any proposed specification referred to above within thirty (30) days then such proposal shall be deemed to have been approved.

If GIOC exercises its rights to object to any proposal made under Clause 11.1, then the Operating Company and GIOC shall endeavour, in good faith, to agree on how to proceed. They may agree, without limitation, that GIOC will modify or withdraw its objection, or on compensation (or a method of compensation) for the Oil Companies. If, despite such endeavours, the Operating Company and GIOC do not reach agreement on how to proceed, then the Companies shall adopt new or amended specifications that meet with GIOC's approval. If, in so doing, the Companies adopt specifications as required under Clause 11.1(a) and (b) that differ significantly from the proposal outlined in Schedule 3 (which outline proposal has been approved by GIOC) then GIOC shall indemnify the Oil Companies against any incremental costs that the Companies incur.

ARTICLE 12

LIABILITIES AND INDEMNITIES

12.1 Indemnities by the Companies

The Companies shall indemnify, defend and protect the GIOC Group, hold the

GIOC Group harmless, and release the GIOC Group from and against all Claims arising from or related to:

- (a) the illness, bodily injury, or death of, or the loss, damage, or destruction of the Property of, any director, officer, or employee of any Oil Company, its Affiliates or the Operating Company, arising from or related to Pipeline Operations;
- (b) the loss, damage, or destruction of the Property of any Oil Company, or its Affiliates, arising from or related to Pipeline Operations;
- (c) the illness, bodily injury, or death of any Third Party, or the loss, damage, or destruction of the Property of any Third Party arising from or related to Pipeline Operations, save to the extent that such illness, bodily injury, death, loss, damage, or destruction arises from or is related to (i) the default, negligence, or other breach of duty of any member of the GIOC Group, or (ii) any defect or condition of the Existing Pipeline Facilities existing prior to the Effective Date.

12.2 Indemnities by GIOC

GIOC shall indemnify, defend and protect the Oil Company Group, hold the Oil Company Group harmless and release the Oil Company Group from and against all Claims arising from or related to:

- (a) the illness, bodily injury, or death of, or the loss, damage, or destruction of the Property of, any director, officer, or employee of GIOC or its Affiliates, arising from or related to Pipeline Operations;
- (b) the loss, damage, or destruction of the Property of GIOC or its Affiliates, arising from or related to Pipeline Operations;
- (c) the illness, bodily injury, or death of any Third Party, or the loss, damage, or destruction of the Property of any Third Party arising from or related to the existence or operation of the Existing Pipeline Facilities prior to the Effective Date; or
- (d) the loss, damage, or destruction of the Facilities arising from the Wilful Misconduct, after the Effective Date, of any of GIOC or its Affiliates.

12.3 Definitions

In this Article 12, the following terms have the following meanings:

- (a) "Claims" means all losses, damages, liabilities, obligations, costs, expenses (including reasonable attorneys' fees and costs of defending a claim or enforcing rights under this Article 12), and fines, asserted in any demand, claim, action, lawsuit, arbitration, administrative proceeding, or other forum, and based on any Legal Theory including, but not limited to, the

negligence or fault of a member of the GIOC Group in relation to Clause 12.1, or a member of the Oil Company Group in relation to Clause 12.2.

- (b) "GIOC Group" means GIOC; its Affiliates; the officers, directors, agents, employees, contractors, and subcontractors of GIOC and of its Affiliates; and the respective heirs, successors, assigns, and legal representatives of all of them.
- (c) "Legal Theory" means any legal theory including, without limitation, products liability, strict liability, occupier's or premises liability, violation of a law or regulation, contract liability, breach of this Agreement, or the negligence (whether sole, joint, concurrent, comparative, contributory or otherwise), or other breach of duty or fault of any natural person or juridical entity.
- (d) "Oil Company Group" means the Oil Companies; the Operating Company; the Affiliates and Contractors of the Oil Companies and of the Operating Company; the officers, directors, agents, employees, contractors, and subcontractors of the Oil Companies, of the Operating Company, of the Contractors, and of their respective Affiliates; and the respective heirs, successors, assigns, and legal representatives of all of them.

12.4 Joint and Several Liability

Except for liabilities arising under Clauses 13.2 and 16.1 the Companies shall be jointly and severally liable under this Agreement.

12.5 Consequential Losses

Notwithstanding any other provision of this Agreement to the contrary (except for the proviso to this Clause 12.5), none of the Oil Companies, their Affiliates, the Operating Company, GIOC, and its Affiliates shall be liable in any circumstances or under any legal theory whatsoever for any indirect, incidental or consequential loss or damage arising out of or in connection with this Agreement or any activities hereunder, including but not limited to:

- (a) inability to use the Facilities;
- (b) loss or delay in Tariff income (except where resulting solely from the Operating Company's failure to pay); and
- (c) loss or delay in profits.

Provided that nothing in this Clause 12.5 is intended to negate, limit or otherwise affect the express obligations of the Government under the Host Government Agreement.

12.6 Agency

For the purposes of conferring the benefit of each indemnity, defence, protection, hold harmless, and release contained in this Article 12 on the parties expressed to be entitled to such benefit:

- (a) the Oil Companies enter into this Agreement for themselves and as agents for and on behalf of the other members of the Oil Company Group, and
- (b) GIOC enters into this Agreement for itself and as agent for and on behalf of the other members of the GIOC Group.

ARTICLE 13

WARRANTIES

13.1 Warranties of GIOC

GIOC represents, warrants and agrees that:

- (a) it is duly organised and validly existing in accordance with the terms of its Charter; and
- (b) it shall have as of the Effective Date full authority under the laws of Georgia to execute and perform this Agreement, to grant the rights and interests to the Oil Companies as provided under this Agreement and to fulfil its obligations under this Agreement.

13.2 Warranties of the Oil Companies

Each Oil Company represents, warrants and agrees that:

- (a) it is duly organised and validly existing in accordance with the terms of its foundation documents;
- (b) the Operating Company, when formed or appointed, will be duly organised and validly existing in accordance with the terms of its foundation documents; and
- (c) as of the Effective Date the Operating Company shall have full authority to perform this Agreement as agent on behalf of the Oil Companies and to fulfil the obligations of the Oil Companies under this Agreement on behalf of the Oil Companies.

ARTICLE 14

VALIDITY AND ASSIGNMENT

14.1 Validity

- (a) Subject to Clause 14.1(e), this Agreement shall constitute a valid and binding legal obligation enforceable in accordance with its terms among the Parties and their respective successors and permitted assignees, effective as of the Effective Date.
- (b) GIOC guarantees and agrees that at the Execution Date no existing rights of any party are in conflict with any of the rights which are the subject of this Agreement.
- (c) GIOC guarantees and agrees that between the Execution Date and the Effective Date it shall not enter into any negotiations or arrangements with any Third Party for the granting of such rights.
- (d) From and after the Execution Date this Agreement shall not be cancelled, amended or modified except in accordance with its terms or by written agreement among the Parties.
- (e) In recognition by the Parties that certain obligations have to be performed on or before the Effective Date, it is agreed that GIOC's guarantees and agrees under Clauses 14.1(b), (c) and (d) shall come into force on the Execution Date.

14.2 Assignment

(a) Restriction

No assignment, mortgage, pledge or other encumbrance shall be made by a Party of its rights and obligations arising under this Agreement other than in accordance with this Clause 14.2. Any purported assignment, mortgage, pledge or other encumbrance made in breach of the provisions of this Clause 14.2 shall be null and void.

(b) By an Oil Company

(i) Assignments to Third Parties

Subject to the provisions of this Clause 14.2(b) an Oil Company shall be entitled to assign all or part of its rights and obligations arising under this Agreement to any Third Party which:

- (A) has the technical and financial ability commensurate with the responsibilities and obligations which would be imposed on it under this Agreement;

(B) as to the interest assigned, accepts and assumes all of the terms and conditions of this Agreement;

(C) is an entity with which GIOC can legally do business; and

(D) is immediately following such assignment, the owner of an interest in the Operating Company of a like kind and character to the ownership interest in the Operating Company held by the other Oil Companies.

(ii) Encumbrance by an Oil Company

Without prejudice to its obligations hereunder, each Oil Company shall have the right to freely mortgage, pledge or otherwise encumber its rights and benefits in this Agreement and interests in the Removable Facilities, provided that any such mortgage, pledge or other encumbrance shall be made expressly subject to the terms of this Agreement. Nothing herein shall be construed to authorise any mortgage, pledge or other encumbrance on the Government's and/or the State's title to and ownership of the Facilities or GIOC's rights and benefits under this Agreement including, but not limited to, the right to receive possession of the Facilities on termination or expiration of this Agreement, free and clear of all mortgages, pledges and encumbrances imposed by the Companies.

(iii) Approval of GIOC

Any proposed assignment, mortgage, pledge or other encumbrance by an Oil Company to a Third Party shall require the prior approval of GIOC which approval shall not be unreasonably withheld. If within ninety (90) days following notification to GIOC of a proposed assignment, mortgage, pledge or other encumbrance accompanied by the relevant information and the draft deed of assignment, mortgage, pledge or other encumbrance, GIOC has not given its decision, such assignment, mortgage, pledge or other encumbrance shall be deemed to have been approved by GIOC.

(iv) Obligations of Assignee

In the event an Oil Company assigns all or a portion of its rights and obligations arising under this Agreement, and if the assignment has been approved or deemed to have been approved by GIOC, the assignor shall, to the extent of the interest assigned, be released from all further obligations and liabilities arising under this Agreement on and after the effective date of such assignment. The assignee shall thereupon be deemed to be one of the Oil Companies and, together with the other Oil Companies shall thereafter be jointly and severally

liable for the obligations arising from this Agreement, except to the extent otherwise provided under Clause 12.4.

(v) Assignments to Affiliates and Oil Companies

An Oil Company shall be entitled at any time to assign all or part of its rights and obligations arising from this Agreement to one or more of its Affiliates or to any of the other Oil Companies without the approval of (but with prior written notice to) GIOC; provided, however, that any such Affiliate satisfies the requirements of Clause 14.2(b)(i) above and further provided that the assigning party shall remain liable for obligations under this Agreement in the same manner as though no assignment has been made unless and until said assignment is approved or deemed to have been approved by GIOC, in the manner provided under Clause 14.2(b)(iii).

(c) Assignments by GIOC

(i) Assignments to Third Parties

Subject to the provisions of this Clause 14.2(c) GIOC shall be entitled to assign all or part of its rights and obligations arising under this Agreement to any Third Party which:

- (A) has full authority under the laws of Georgia to perform the responsibilities and obligations which would be imposed on it hereunder;
- (B) as to the rights and obligations assigned, accepts and assumes all of the terms and conditions of this Agreement; and
- (C) is an entity with which each of the Oil Companies can legally do business.

(ii) Encumbrance by GIOC

Without prejudice to its obligations hereunder, GIOC shall have the right to freely mortgage, pledge or otherwise encumber its rights and benefits in the Agreement and interests in the Facilities, provided that any such mortgage, pledge or other encumbrance shall be made expressly subject to the terms of this Agreement.

(iii) Approval of Oil Companies

Any proposed assignment, mortgage, pledge or other encumbrance by GIOC to a Third Party shall require the prior approval of the Oil Companies which approval shall not be unreasonably withheld. If within ninety (90) days following notification to the Operating Company of a proposed assignment accompanied by the relevant

information and the draft deed of assignment, mortgage, pledge or other encumbrance, the Operating Company has not given its decision, such assignment, mortgage, pledge or other encumbrance shall be deemed to have been approved by the Operating Company on behalf of the Oil Companies.

(iv) Obligations of Assignee

In the event GIOC assigns all or part of its rights and obligations arising under this Agreement and the assignment has been approved or deemed to have been approved by the Oil Companies, GIOC shall, to the extent of such assignment, be released from all further obligations and liabilities arising under this Agreement after the effective date of such assignment. The assignee shall thereafter be liable for the obligations arising from this Agreement, except to the extent otherwise provided under this Agreement.

(v) Assignments to Affiliates

GIOC shall be entitled at any time to assign all or part of its rights and obligations under this Agreement to one or more of its Affiliates without the approval of (but with prior written notice to) the Oil Companies; provided, however, that any such Affiliate satisfies the requirements of Clause 14.2(c)(i) above and further provided that GIOC shall remain liable for obligations under this Agreement in the same manner as though no assignment has been made unless and until said assignment is approved or deemed to have been approved by the Oil Companies, in the manner provided under Clause 14.2(b)(iii).

ARTICLE 15

FORCE MAJEURE

15.1 Non-performance

Non-performance or material delays in the performance by a Party of its obligations (or any part thereof) under this Agreement, other than the obligation to pay money, shall be temporarily excused if, to the extent, and for so long as, the non-performance or delay is occasioned or caused by Force Majeure.

15.2 Meaning of Force Majeure

“Force Majeure” means any event that prevents, materially hinders or materially impedes the performance by a Party of its obligations under this Agreement and is beyond the ability of the affected Party to control using Best Efforts, including without limitation, the following events, to the extent they otherwise fit the definition:

- (a) natural disasters (for example, lightning and earthquakes),
- (b) wars (declared or undeclared) or other military activity,
- (c) criminal acts,
- (d) the loss of the sovereignty of Georgia, by secession or otherwise, over an area where Facilities are located,
- (e) fire,
- (f) labour disputes, insurrections, rebellions, acts of terrorism, riots, or civil commotion,
- (g) international embargoes,
- (h) non-availability or shortage of equipment, materials, power, fuel or other supplies or other services, and
- (i) acts of any governmental authority (inside or outside Georgia), other than the acts of the Government or GIOC required or permitted by this Agreement, provided that GIOC may not invoke Force Majeure under this Article 15 for its own acts or the acts of the Government.

15.3 Occurrence of Force Majeure

Upon occurrence of any Force Majeure event, there shall be conditions to a Party's right to invoke the benefits of this Article 15:

- (a) that it gives prompt notice to the other Parties in accordance with the procedure set forth in Article 17, describing the event of Force Majeure (and providing evidence thereof), and
- (b) that it uses its Best Efforts (or in the case of GIOC, it and the Government use their Best Efforts) to end the Force Majeure event (if it is continuing) and to remove, cure, overcome, or mitigate the effect of the Force Majeure event; provided that no Party shall be compelled to settle a labour dispute except on terms acceptable to that Party, or to start, engage in, settle or otherwise deal with a war (declared or undeclared), military activity, loss of sovereignty, insurrections, rebellions, acts of terrorism, riots or civil commotion.

15.4 Nothing in this Article 15 is intended to negate, limit or in any other way affect the express obligations of the Government under the Host Government Agreement.

ARTICLE 16

CONFIDENTIALITY

16.1 Confidentiality

(a) All information and data of a technically or commercially sensitive nature and so specifically denominated in writing by the Party claiming the benefit of this Article 16 when such information is provided to other Parties in the performance of this Agreement and which is not in the public domain or otherwise legally in the possession of such Party without restriction on disclosure shall be considered confidential and shall be kept confidential and shall not be disclosed to any person or entity not a Party to this Agreement, except:

- (i) to an Affiliate, provided such Affiliate maintains confidentiality as provided in this Agreement;
- (ii) to the extent such data and information are required to be furnished in compliance with any Regulatory Laws or other applicable laws or regulations, or pursuant to any legal proceedings or because of any order of any court, arbitral body, or regulatory agency binding upon a Party;
- (iii) subject to Clause 16.1(c), to potential Contractors, consultants and attorneys employed by any Oil Company, the Operating Company, GIOC, or their respective Affiliates where disclosure of such data or information is of use or essential to such Contractor's, consultant's or attorney's work;
- (iv) subject to Clause 16.1(c), to a bona fide prospective transferee of a Party's interest in this Agreement (including an entity with whom a Party is conducting bona fide negotiations directed toward a merger, consolidation or the sale of a majority of its or an Affiliate's shares);
- (v) subject to Clause 16.1(c), to a bank or other financial institution in connection with a bona fide application to borrow money on the security of that Party's rights under this Agreement;
- (vi) to the extent such data and information must be disclosed pursuant to any rules or requirements of any government or stock exchange having jurisdiction over such Party or its Affiliates or the Operating Company;
- (vii) where any data or information which, through no fault of an Oil Company or GIOC, becomes a part of the public domain; and
- (viii) to the arbitrators in accordance with Clause 18.3 or Clause 18.4.

- (b) Each Party shall take reasonable and customary precautions to ensure such data and information on Pipeline Operations is kept confidential by its respective employees.
- (c) Disclosure pursuant to Clause 16.1(a) (iii), (iv) or (v) shall not be made unless prior to each such disclosure the disclosing Party has obtained a written undertaking from the recipient to keep the data and information strictly confidential from Third Parties (except for data which is or becomes in the public domain) and not to use or disclose the data and information except for the express purpose for which disclosure is to be made without the prior written permission of the other Parties.
- (d) Any Party ceasing to be a Party to this Agreement prior to its termination shall nonetheless remain bound by the obligations of confidentiality set forth above and any disputes shall be resolved in accordance with the arbitration provisions of this Agreement, and the confidentiality obligations of the Oil Companies as set forth herein shall survive a period of two (2) Years from the termination of this Agreement.

16.2 Corporate Disclosure

Each Oil Company, notwithstanding any other provisions in this Article 16, may make disclosures in annual reports, press releases, employee and stockholder newsletters, magazines and like summaries of a general nature relating to Pipeline Operations, which are customarily or routinely described in such publications.

16.3 Governmental Disclosure

Notwithstanding any other provision of this Article 16 to the contrary, GIOC may freely disclose any information and data to agencies and officials of the Government. In addition, GIOC may freely disclose to any person information about the terms of this Agreement and the Host Government Agreement, the Pipeline Route, the quantities of Petroleum transported through (or estimated to be transported through) the Facilities, the estimated and actual Tariff and Tariff Amounts, and other similar information of legitimate public interest to the Government and the citizens of Georgia.

ARTICLE 17

NOTICES

All notices required to be given pursuant to this Agreement shall be in writing in English and either Georgian or Russian and may be given by fax or letter, in the case of notices given by GIOC pursuant to Clause 19.1 and 19.2 to each Oil Company and copied to the Operating Company (by hand), and in any other case to GIOC or the Operating Company (for itself and as agent for the Oil Companies) as appropriate.

The address of each Party for the purposes of notices shall be as set out below (or such other address as a Party may notify from time to time, in the case of GIOC to the Operating Company, and in any other case to all the other Parties) and shall be copied to the Operating Company. The Oil Companies shall advise GIOC of details of the name and address of the Operating Company (and of any changes thereto) as soon as practicable. A notice given by telex shall be deemed to be served on the first working day following the date of dispatch. A notice sent by letter shall not be deemed to be delivered until received.

GIOC:
Georgian International Oil Corporation,
Rustaveli Avenue 42,
Tbilisi,
Georgia

Attention: President
Fax: 99532 931088

AMOCO:
Amoco Caspian Sea Petroleum Limited,
Azerbaijan Republic
370004 Baku
Gassan Aliev Street, 11

Attention: Vice President/Resident Manager

and copied for information to :

Amoco Caspian Sea Petroleum Company
c/o Amoco Production Company
501 WestLake Park Boulevard
P. O. Box 3092
Houston, Texas USA 77253

Fax: 1 713 366 3910
Telex: 203-231 AMOCO UR 6868237 AMOCO HOU
Attention: The President

BP:
BP Exploration (Caspian Sea) Limited
Azerbaijan Republic
370004 Baku
Bejuk Gala kuchasi 42

Attention: BP Chief Representative

and copied for information to:

BP Exploration (Caspian Sea) Limited
Uxbridge One
1 Harefield Road
Uxbridge
Middlesex UB8 1PD
England

Fax: 44 1895 877276
Telex: London 888811 (BEE PEE)
Attention: President, BP Exploration (Caspian Sea) Limited

DELTA:

Delta Nimir Khazar Limited
30 Old Burlington Street
London W1X 1LB
England

Fax: 44 171 287 2319
Attention: The President

EXXON:

Exxon Azerbaijan Limited,
Azerbaijan Republic
370005 Baku
Injasanat Street
Building 1, Apartment 10 12,

Attention: Resident Manager

and copied for information to:

Exxon Azerbaijan Limited,
800 Gessner,
Houston, Texas
USA 77024

Fax: 1 713 973 5600
Telex: 774169
Attention: Vice President

LUKOIL:

Oil Company Lukoil
Russian Federation
113093 Moscow
2 bldg. 44h.. Lusinovskaya

Fax: 7095 916 0020
Telex: 612553 LUK SU
Attention: The President

McDERMOTT:

McDermott Azerbaijan, Inc.
P. O. Box N-7796
Norfolk House
Nassau, Bahamas

Fax: 1 809 326 5200
Telex: 29720531
Attention: The President

and copied for information to :

McDermott International, Inc.
1450 Poydras
Post Office Box 61961
New Orleans, Louisiana USA 70161

Fax: 1 504 587 6153
Telex: 266079A JRMAC
Attention: Senior Vice President
General Counsel and Corporate Secretary

PENNZOIL:

Pennzoil Caspian Corporation
Azerbaijan Republic
370004 Baku
Old Intourist Hotel

Fax: 011 873 156 1647 (Sprint Satellite)
Attention: The President

and copied for information to :

Pennzoil Caspian Corporation
c/o Pennzoil Exploration and Production Company
P. O. Box 2967, 700 Milam
Houston, Texas 77252-2967

Fax: 1 713 546 8684
Telex: 762334/762170
Attention: Senior Vice President - International

RAMCO:

Ramco Hazar Energy Limited
4 Rubislaw Place
Aberdeen AB1 1XN
Scotland, United Kingdom

Fax: 44 1306 743504
Telex: 739842 RAMCO G
Attention: Chief Executive

SOCAR:

The State Oil Company of the Azerbaijan Republic
Azerbaijan Republic
370601 Baku
Prospect Neftyanikov 73

Fax: 99412 936492
Telex: Baku 142187 (CWET SU)
Attention: The President

STATOIL:

Den norske stats oljeselskap a.s
Azerbaijan Republic
370004 Baku
Bejuk Gala kuchasi 42

Attention: Statoil Chief Representative

and copied for information to :

Den norske stats oljeselskap a.s
Petroleumsveien 12
4001 Stavanger
Norway

Fax: 4751 806190
Telex: 73600 STAST N
Attention: Vice President E&P International

TPAO:

Turkiye Petrolleri A.O.
Mustafa Kemal Mahallesi
2 Cadde, No. 86, Esentepe
06520, Ankara Turkey

Fax: 903 12285 4238
Telex: 42626 TPGM.TR
Attention: The President

UNOCAL:

UNOCAL KHAZAR, LTD.
Azerbaijan Republic
370148 Baku
1 "a" Mekhti Hussein St.
Hotel Anba

Attention: Vice President Resident Manager

and copied for information to :

Unocal Corporation
Unocal Khazar, Ltd.
1201 W. 5th St.
Los Angeles, CA 90017.
USA

Fax: 1 713 287 5200
Telex: 6505034871
Attention: The President

ARTICLE 18

APPLICABLE LAW AND ARBITRATION

18.1 Applicable Law

This Agreement shall be governed and interpreted in accordance with principles of law common to the law of Georgia and English law, and to the extent that no common principles exist in relation to any matter then in accordance with the principles of the common law of Alberta, Canada (except for laws regarding conflicts of laws). This Agreement shall also be subject to the international legal principle of *pacta sunt servanda* (agreements must be observed).

18.2 Resolution of Disputes

In the event of a dispute arising between GIOC and any or all of the Companies, the disputing parties shall meet in an attempt to resolve the dispute to their mutual satisfaction. If satisfactory mutual agreement is not achieved within thirty (30) days after receipt by a Party of notice of such dispute, such dispute shall be settled in accordance with the arbitration provisions of Clause 18.3, or Clause 18.4 as applicable, and the applicable law provisions of Clause 18.1.

18.3 Technical Disputes

- (a) Any dispute between the Contract Parties concerning (i) the character of "good international oil industry standards and practices", (ii) the character of "good working order [of the Facilities]", (iii) the character of "common and prevailing international oil industry standards and practices", (iv) the character of the conduct of a "reasonably prudent operator" for the purposes of Clause 6.4(a)(iii), (v) whether GIOC has unreasonably withheld its acceptance of the EIA or baseline study prepared in accordance with Clause 9.3(a), or (vi) the terms of any Tariff modification pursuant to Clause 20.6 shall be settled in accordance with the provisions of this Clause 18.3.
- (b) The Contract Parties shall agree upon a single expert to act as arbitrator with respect to such dispute. If the Contract Parties cannot agree on such appointment within thirty (30) days after either Contract Party has given notice to the other of its intent to arbitrate, then either (or both) of the Contract Parties may request the Chairman of the Energy Section of the International Bar Association to appoint a single arbitrator with requisite experience and expertise to decide the issue.
- (c) The arbitration proceeding shall be conducted at the location of the permanent residence of the arbitrator and shall be conducted pursuant to the rules determined by the arbitrator. The arbitration shall be conducted in the English language but simultaneous translation shall be provided into any of the Russian, Azerbaijani, or Georgian languages if requested by any Party. The arbitrator's determination in respect of the dispute shall be final and binding on the Parties under this Agreement save for fraud or manifest error.

18.4 Other Disputes

- (a) All disputes (other than those identified in Clause 18.3) arising under this Agreement, including without limitation any dispute as to the validity, construction, enforceability or breach of this Agreement, which are not amicably resolved by the disputing Parties in accordance with the provisions of Clause 18.2 above, shall be finally settled before a panel of three (3) arbitrators under the Arbitration Rules of The United Nations Commission on International Trade Law known as UNCITRAL (the "Rules"). If the Rules fail to make provision for any matter or situation, the arbitration tribunal shall establish its own rules to govern such matter and

procedure, and all rules so adopted shall be considered as a part of the Rules. For purposes of allowing such arbitration, and enforcement and execution of any arbitration decision, award, issuance or of any attachment, provisional remedy or other pre-award remedy, each Party waives any and all claims to immunity, including, but not limited to, any claims to sovereign immunity.

- (b) The arbitration shall be held in Stockholm, Sweden. The language used during the procedure shall be the English language and the English language text of this Agreement will be utilised by the arbitrators. Simultaneous translation shall be provided into any of the Russian, Azerbaijani, Georgian languages if requested by either party.
- (c) After providing thirty (30) days' prior written notice to the other Parties of intent to arbitrate, a Party may initiate arbitration (the Party initiating the arbitration shall hereinafter be called the "Claimant") submitting a request for arbitration to the Secretary General of the Permanent Court of Arbitration in the Hague, as provided in the Rules, and appointing an arbitrator who shall be identified in said request. Within thirty (30) days of receipt of a copy of the request the other Party (or, if more than one, Parties acting jointly) to the dispute (the "Defendant") shall respond, identifying the arbitrator that it has selected. If the Defendant does not so appoint its arbitrator, the Secretary General of the Permanent Court of Arbitration in the Hague shall appoint a second arbitrator in accordance with the Rules. The two arbitrators shall, within thirty (30) days, select a third arbitrator failing which the third arbitrator shall be appointed by the Secretary General of the Permanent Court of Arbitration in the Hague, in accordance with the Rules. Unless otherwise agreed in writing by the Claimant and Defendant, the third arbitrator to be appointed shall not be a citizen of a country in which either the Defendant or the Claimant (including any of the parties making up such, or their ultimate parents) is incorporated.
- (d) The Parties shall extend to the arbitration tribunal all facilities (including access to Pipeline Operations and the Facilities) for obtaining any information required for the proper determination of the dispute. Any Party shall be allowed only one absence or default beyond its reasonable control which prevents or hinders the arbitration proceeding in any or all of its stages. Additional absences, or absences which are within a Party's reasonable control, shall not be allowed to prevent or hinder the arbitration proceeding.
- (e) The arbitration tribunal's award shall be final and binding on the Parties and shall be immediately enforceable. Judgement on the award rendered may be entered and execution had in any court having jurisdiction or application may be made to such court for a judicial acceptance of the award and an order of enforcement and execution, as applicable.
- (f) The Claimant and Defendant shall each pay the costs of its own arbitrator. The costs of the third arbitrator, and any costs imposed by the Rules shall

be paid half by the Claimant and half by the Defendant. Notwithstanding the above, the arbitrators may, however, award costs (including reasonable legal fees) to the prevailing disputing Party from the losing disputing Party. If monetary damages are awarded, the award shall include interest from the date of the breach or other violation to the date when the award is paid in full. The rate of interest shall be LIBOR plus four per cent (4%) over the period from the date of the breach or other violation to the date the award is paid in full. Each Party waives any and all requirements of any national law relating to notice of a demand for interest or damage for the loss of the use of funds.

ARTICLE 19

TERMINATION AND OTHER REMEDIES

19.1 Termination by GIOC

Subject to the other provisions of this Article 19, GIOC may terminate this Agreement by notice to the Oil Companies (and copied to the Operating Company) specifying the grounds of such termination, if:

- (a) the Effective Date has not occurred within 30 days after the Execution Date;
- (b) the Construction Commencement Date has not occurred within 365 days after the Execution Date; provided that such date shall be postponed by the duration of any delays in satisfying the criteria defining the Construction Commencement Date which are excused, partly or wholly, by Force Majeure;
- (c) the Construction Completion Date has not occurred within three (3) calendar Years of the Effective Date (provided that such period shall be postponed by the duration of any delays that occur, partly or wholly, on account of Force Majeure); provided however, if the Operating Company determines that, despite Best Efforts on its part, it is unlikely that the Construction Completion Date will occur within such period, the Operating Company shall promptly so notify GIOC. Following GIOC's receipt of such notice, the Parties shall promptly meet to agree upon any additional period necessary to achieve the Construction Completion Date. If the Parties are unable to agree, the matter shall be submitted to arbitration under Clause 18.3, provided that the burden shall be upon the Operating Company to prove that it was unable, despite its Best Efforts, to cause the Construction Completion Date to occur within such three (3) year period;
- (d) subject to the notices and cure periods provided in Clause 19.2, Tariff Amounts of one hundred thousand Dollars (\$100,000) (such amount to be escalated in the same ratio as any escalation in the Tariff calculated in accordance with Article 4) or more remain unpaid and owing for more than 15 consecutive days, providing that such amounts do not remain unpaid and

owing as a result of the failure of GIOC to maintain, or to notify the Operating Company of, a Dollar bank account at a bank in the city of New York in the United States of America capable of receiving payment as envisaged under this Agreement (a "Material Payment Default"); or

- (e) subject to the notices and cure periods provided in Clause 19.2, the Oil Companies or the Operating Company commit any other material breach of this Agreement (a "Material Performance Default").

19.2 Notice and Cure

- (a) If a Material Payment Default or a Material Performance Default occurs, GIOC shall, as a condition to exercising any remedies under Clauses 19.1 and 19.2, first give notice of the default to the Oil Companies, and copied to the Operating Company.
- (b) If the Material Payment Default remains uncured for ten (10) days after the notice, or if the Material Performance Default remains uncured for thirty (30) days after the notice, GIOC may order by notice to the Operating Company that the transporting of Petroleum through the Facilities be stopped. The Operating Company shall then immediately stop the flow of Petroleum through the Facilities, except that any marine vessel then being loaded at the Terminal may be loaded out.
- (c) The only cure for a Material Payment Default is payment in full of the overdue amount, plus interest, but without prejudice to the right of the Operating Company, on behalf of the Oil Companies, to seek recovery of the disputed amount, if any, through arbitration.
- (d) If the Material Performance Default is one that cannot be entirely cured within the thirty (30) day period, the Operating Company may commence efforts to cure the default within that period and thereafter diligently pursue efforts to effect the cure. If the cure is effected in this manner, it shall be deemed to have occurred within the required thirty (30) day period.
- (e) If the Operating Company disagrees that a Material Performance Default exists, the Operating Company may, in lieu of curing the alleged default, refer the issue to arbitration during the thirty (30) day cure period. If the arbitration is unfavourable to the Operating Company, the thirty (30) day cure period shall commence again on the day that the arbitrators render their decision.
- (f) If the Material Payment Default or the Material Performance Default remains uncured for thirty (30) days after GIOC orders that the transporting of Petroleum through the Facilities be stopped, then (and only then) GIOC may terminate this Agreement under Clause 19.1(d) or 19.1(e), whichever applies.

19.3 Termination by the Oil Companies

The Oil Companies may terminate this Agreement at any time by giving not less than ninety (90) days' written notice to GIOC. The notice shall not be valid unless it is given by all Oil Companies then having an interest under this Agreement (or the Operating Company on behalf of all of the Oil Companies).

19.4 Cumulative Remedies

Termination of this Agreement by GIOC or the Oil Companies shall be without prejudice to the terminating Party's, or Parties', rights to sue for damages or seek any other remedy that may be available under this Agreement for acts or omissions of the other Party, or Parties, before termination.

ARTICLE 20

MISCELLANEOUS

- 20.1 This Agreement is executed in counterparts in the English, Georgian, Azerbaijani and Russian languages. In the event of any conflict in the interpretation of any provisions as among the different language counterparts, the English version shall control.
- 20.2 The headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement.
- 20.3 Unless the context otherwise requires, references to Articles, Clauses and Schedules are references to Articles and Clauses of, and Schedules to, this Agreement.
- 20.4 Unless the context otherwise requires, references to the singular shall include a reference to the plural and vice-versa; and reference to any gender shall include a reference to all other genders. In construing this Agreement, no consideration shall be given to the fact or presumption that one Party had a greater or lesser hand in drafting this Agreement.
- 20.5 The Schedules 1, 2, 3 and 4 to this Agreement form part of this Agreement. In the event of any conflict between the provisions of the main body of this Agreement and the Schedules, then the provisions of the main body shall prevail.
- 20.6 On or after each of the dates falling eight (8) calendar Years and six (6) calendar Months, seventeen (17) calendar Years, and twenty five (25) calendar Years and six (6) calendar Months after the date of bill of lading for the first marine vessel exporting Petroleum from the Terminal, each of the Operating Company or GIOC may, based upon circumstances which materially adversely affect the economic benefit of this Agreement to the Oil Companies or GIOC, serve one notice (*i.e.* a maximum of three (3) Tariff Modification Notices for

each of the Operating Company and GIOC over the term of this Agreement) requesting a modification to the Tariff payable under this Agreement in respect of future quantities of Oil Company Petroleum, Georgian Petroleum and Azerbaijan State Petroleum. Such notice (a "Tariff Modification Notice") shall specify such material circumstances and adverse economic benefit that has occurred as well as the proposed modified Tariff. Promptly after receipt of any such notice by as appropriate the Operating Company, or GIOC, the Parties shall meet in a spirit of good faith and co-operation and endeavour to agree upon the amount by which the Tariff shall be modified, if at all.

If by the date falling thirty (30) days after receipt by a Party of such a notice, the parties have been unable to agree on whether the Tariff should be so modified, and if so by what amount, then the dispute shall be settled in accordance with the provisions of Clause 18.3, provided that:

- (a) the arbitrator shall be required to make his award so as to impose a fair and reasonable tariff under the circumstances, considering all relevant factors (including, without limitation, the value of the Existing Pipeline Facilities made available to the Companies and the costs incurred by the Companies in Pipeline Operations); and
- (b) each of GIOC and the Companies shall bear its own costs of the arbitration, and the Parties shall bear equally the costs of the arbitrator.

At all times on and after the service of any Tariff Modification Notice (including for the avoidance of doubt during the process of any resulting negotiations or arbitration) neither Party shall take any action to disrupt Pipeline Operations or impede or interrupt the flow of Petroleum through the Facilities.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written by their duly authorised representatives.

For and on behalf of
GEORGIAN INTERNATIONAL OIL CORPORATION

Giorgi Chanturia
President
Georgian International Oil Corporation

Grigol Gvaladze
Georgian International Oil Corporation

For and on behalf of
THE STATE OIL COMPANY OF THE AZERBAIJAN REPUBLIC

Natiq Aliyev
President
The State Oil Company of the Azerbaijan Republic

Vitaly Begliarbekov
The State Oil Company of the Azerbaijan Republic

In witness hereof
AZERBAIJAN INTERNATIONAL OPERATING COMPANY

T.D. Adams
President
Azerbaijan International Operating Company

E.R. McHaffie
Executive Vice President Commercial
Azerbaijan International Operating Company

For and on behalf of
AMOCO CASPIAN SEA PETROLEUM LIMITED

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Amoco Caspian Sea Petroleum Limited

For and on behalf of
BP EXPLORATION (CASPIAN SEA) LIMITED

[
[
BP Exploration (Caspian Sea) Limited

For and on behalf of
DELTA NIMIR KHAZAR LIMITED

[
[
Delta Nimir Khazar Limited

For and on behalf of
DEN NORSKE STATS OLJESELSKAP a.s

[
[
Den norske stats oljeselskap a.s

For and on behalf of
EXXON AZERBAIJAN LIMITED

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[
Exxon Azerbaijan Limited

**For and on behalf of
OIL COMPANY LUKOIL**

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[
Oil Company Lukoil

**For and on behalf of
MCDERMOTT AZERBAIJAN, INC.**

[
[
McDermott Azerbaijan, Inc.

**For and on behalf of
PENNZOIL CASPIAN CORPORATION**

[
[
Pennzoil Caspian Corporation

**For and on behalf of
RAMCO HAZAR ENERGY LIMITED**

[
[
Ramco Hazar Energy Limited

**For and on behalf of
TURKIYE PETROLLERI A.O.**

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[
Turkiye Petrolleri A.O.

For and on behalf of
UNOCAL KHAZAR, LTD.

[
[
Unocal Khazar, Ltd.

SCHEDULE 1

THE FACILITIES

Part A - the Existing Pipeline Facilities

Subject to the limitations in Part C of this Schedule, the "Existing Pipeline Facilities" shall be those facilities which are located on the territory of Georgia, and are:

- (i) the Petroleum pipeline linking Samgori to Batumi (both being places in Georgia) and having an outside diameter of approximately 530 mm;
- (ii) all the reception, storage, measurement, sampling, communications, control, pumping, pressure reduction, pig launching, pig reception and all other facilities and equipment associated with the pipelines and facilities described in Part A (i) above.

Part B - the New Facilities

Subject to the limitations in Part C of this Schedule and Article 11 of this Agreement, the "New Facilities" shall be those Facilities, located on the territory of Georgia, constructed, refurbished, repaired, reconstructed or modified by or on behalf of the Companies after the Effective Date, and necessary or desirable in the Companies' sole discretion to implement the intention of this Agreement, and which may include all or some of the following:

- (i) the proposed new Petroleum pipeline linking Akstafa or Kazakh (being places in the Azerbaijan Republic) to the Existing Pipeline Facilities, insofar as the proposed new Petroleum pipeline will be located on the territory of Georgia, and including any associated reception, storage, measurement, sampling, communications, control, pumping, pressure reduction, pig launching and pig reception facilities;
- (ii) the proposed new marine export terminal on the Georgian Black Sea coast, including any associated onshore and offshore moorings, as well as any reception, deballasting, onshore storage, measurement, sampling, communications, control, pumping, pressure reduction, pig launching and pig reception facilities, as well as onshore and offshore flow lines (collectively, the "Terminal");
- (iii) the proposed new Petroleum pipeline connecting the facility described in Part B (ii) above to the Existing Pipeline Facilities, including any associated reception, storage, measurement, sampling, communications, control, pumping, pressure reduction, pig launching and pig reception facilities;
- (iv) any other new reception, storage, measurement, sampling, communications, control, pumping, pressure reduction, pig launching and pig reception

facilities reasonably deemed by the Operating Company to be required to improve the Existing Pipeline Facilities;

- (v) any part of the Existing Pipeline Facilities refurbished, repaired, reconstructed or modified by the Operating Company; and
- (vi) any Floating Storage Offtake unit and associated facilities for the receipt, storage and loading of Petroleum as well as the mooring of marine tankers.

Part C - Certain Limitations

Notwithstanding anything to the contrary in Part A or Part B, the Facilities will be limited as follows, unless specifically agreed to the contrary by the Parties:

- (i) the Facilities will include one (and only one) pipeline, designed and used solely to transport Petroleum (and no other substances) from the border of Georgia and Azerbaijan to the Terminal;
- (ii) the Facilities will include no laterals, branches, or extensions (except as specifically provided for in Part B) to or from the pipeline described in Part C (i) and no delivery points other than the Terminal; and
- (iii) no material length of the pipeline currently described as Existing Pipeline Facilities may be replaced with pipeline having a materially larger diameter than that currently existing.

SCHEDULE 2

ENVIRONMENTAL WORKPROGRAM, ENVIRONMENTAL AND TECHNICAL STANDARDS AND PRACTICES

Part A Environmental Work Program

The Operating Company will implement the following work programme:

1. Environmental Committee

- (a) An environmental committee (the "Environmental Committee") shall be formed, the organisation of which shall be set forth in a proposal of the Operating Company which will be submitted to GIOC for approval (the approval for which shall not be unreasonably withheld and shall be deemed to have been given if no written objection has been received within 60 days of the submission of such a proposal). Once approved by GIOC, the Environmental Committee shall be formed in accordance with the approved proposal and shall be composed of an equal number of representatives from the Operating Company and GIOC (including if GIOC so elects any representatives from research institutes or any other relevant Government agencies).
- (b) The Environmental Committee shall in relation to Pipeline Operations:
 - (i) assist in the design and implementation of an Annual Monitoring Program for selected environmental parameters; and
 - (ii) review the results of the Annual Monitoring Program and publish annual reports.

2. Environmental Baseline Study

In accordance with Clause 9.3 and in relation to Pipeline Operations, the Operating Company shall cause to be conducted an environmental baseline study, to assess the state of the environment in the areas relevant to Pipeline Operations as at the Effective Date (although nothing herein shall be construed as to give the Operating Company an obligation to complete such baseline study prior to the Effective Date). This study shall include the following elements:

- (a) a desk study review of the available information;
- (b) an audit of relevant existing operations and practices; and
- (c) a collection of relevant environmental data from the areas surrounding the location of the Facilities, including but not limited to information on:
 - (i) surface and subsurface geology,
 - (ii) geomorphology,
 - (iii) rock permeability and the presence of aquifers,
 - (iv) quality of surface and subsurface waters,
 - (v) the effect of any existing contamination on flora and fauna, and

- (vi) an assessment of the nature and lateral and vertical extent, as well as the quantity, of any pollution, environmental damage and contaminated material at each identified site.

3. Environmental Impact Assessment

In accordance with Clause 9.3 and in relation to Pipeline Operations the Operating Company shall cause an environmental impact assessment of Pipeline Operations to be conducted. This will include:

- (a) a project description;
- (b) a review of relevant good international oil industry standards and practices;
- (c) an environmental and socio-economic description of the relevant areas;
- (d) an evaluation of the impact of the proposed construction and operation of the Facilities, including an estimate of the associated hydrocarbon emissions, aqueous discharges and solid waste produced;
- (e) an assessment of the environmental risks associated with Pipeline Operations;
- (f) a statement of the options for mitigating identified risks, including the preferred option for each risk;
- (g) the identification of any practicable mitigation measures; and
- (h) the formulation of a monitoring program.

4. Oil Spill Response Plan

In relation to Pipeline Operations an oil spill response plan will be produced by the Operating Company which will include:

- (a) a sensitivity mapping of the entire Pipeline Route;
- (b) an environmental risk assessment;
- (c) plans for the provision of relevant equipment and materials;
- (d) details of the organisation required to handle oil spill response; and
- (e) plans for the treatment and disposal of contaminated materials.

Part B Environmental and Technical Standards

1. Environmental Standards

In conducting Pipeline Operations EC Directive 85/337/EC which stipulates the principles of environmental assessment, will be followed. In addition, the following general environmental principles will be followed:

- (a) there should be no discharge of oil;
- (b) waste oils, sludge, pigging wastes, polluted ballast waters and other wastes will either be recycled, burned or buried employing the best practicable environmental option;
- (c) an inventory of the emissions directly associated with Pipeline Operations and the Facilities will be undertaken;

- (d) all waste streams will be disposed of in an acceptable manner and concentration as determined during the course of the work program outlined in Part A above; and
- (e) emission monitoring programs will be developed to ensure compliance with international oil industry standards and practices and with this Schedule.

2. Technical Standards

Pipeline Operations shall be conducted in accordance with good international oil industry standards and practices.

In order to minimise the possibility of pipeline failure and consequential environmental damage, the New Facilities will be designed to the appropriate Internationally Accepted Standards (as defined below). Existing Pipeline Facilities, where designed to the standards appropriate at the time of their construction, will not be modified to comply with these standards, except where it is determined to be necessary by the Operating Company for the safe operation of the New Facilities.

“Internationally Accepted Standards” shall include:

API	-	American Petroleum Institute
ANSI	-	American National Standards Institute
ASME	-	American Society of Mechanical Engineers
ASTM	-	American Society for Testing and Materials
BSI	-	British Standards Institution
IEC	-	International Electrotechnical Commission
IEEE	-	Institute of Electrical and Electronics Engineers (USA)
IP	-	Institute of Petroleum (UK)
ISA	-	Instrument Society of America
NACE	-	National Association of Corrosion Engineers (USA)
NEMA	-	National Electrical Manufacturers Association (USA)
NFPA	-	National Fire Prevention Association (USA)
UBC	-	Universal Building Code

and any other relevant international standards as determined by the Operating Company.

SCHEDULE 3

OUTLINE DESCRIPTION OF PROPOSED NEW FACILITIES

Solely for the purposes of Article 11, and without obligation to the Companies, an outline of the Oil Companies current proposed plans for New Facilities is detailed below:

- (a) A new 130 kilometre section of pipeline (with a diameter of approximately 20 inches), and including an appropriate number of block valves, will be laid from Akstafa, or Kazakh, in the Azerbaijan Republic in the corridor marked on the map in Schedule 4, to tie into the existing Samgori-Batumi pipeline north of Tbilisi.
- (b) Three new pump stations to be constructed in Georgia. Each pump station will be diesel powered.
- (c) Two new pressure reducing stations will be constructed on the site of the two existing pressure reducing stations on the Samgori-Batumi pipeline.
- (d) A new section of pipeline (with a diameter of approximately 20 inches) will be constructed from a tie in to the existing Samgori-Batumi pipeline, located north of Supsa, and leading to a new marine export terminal with onshore storage located on the Georgian Black Sea coast, south of but adjacent to the mouth of the Supsa river. This marine export terminal will consist of offshore pipelines, a PLEM, riser hoses, an offshore loading mechanism (such as a CALM buoy), onshore tankage, a pumpstation and other associated facilities.
- (e) The existing pipeline from Samgori to Batumi, between the tie in points described in (a) above and (d) above will be renovated.

English translation of 2/8/96 Signed Treaty

AGREEMENT

between

**THE GOVERNMENT OF THE REPUBLIC OF CHAD
and
THE GOVERNMENT OF THE REPUBLIC OF CAMEROON**

**Relating to the Construction and Operation
of a Transportation System of Hydrocarbons by Pipeline**

**THE GOVERNMENT OF THE REPUBLIC OF CHAD
AND
THE GOVERNMENT OF THE REPUBLIC OF CAMEROON**

- | | |
|----------------------------|---|
| Considering | their common desire to consolidate the good neighborly relations existing between the two States and to strengthen the economic ties between them for their mutual benefit; |
| Willing | to extend their cooperation with respect to the transportation of hydrocarbons by pipeline, in a spirit of mutual understanding and reciprocal trust; |
| Recalling | the relevant provisions of the General Agreement on Tariffs and Trade of October 30, 1947, and the General Agreement on Tariffs and Trade annexed to the Agreement dated April 15, 1994 establishing the World Trade Organization; |
| Mindful of | the provisions of the New York Convention of July 8, 1965 relating to the transit trade of land-locked States; |
| Also recalling | the relevant provisions of the United Nations Convention on the Law of the Sea of December 10, 1982, in particular part X governing, on the one hand, the right of access to and from the sea in favor of the land-locked States and free transit; and on the other hand the right of the transit States in the exercise of their full sovereignty, to safeguard their legitimate interests; |
| Considering | the common decision of the REPUBLIC OF CHAD and the REPUBLIC OF CAMEROON to integrate the pipeline as a transportation means within the meaning of the above-mentioned Convention and to cooperate for the design, construction and operation of a Transportation System for the shipping of hydrocarbons from the REPUBLIC OF CHAD through the territory of the REPUBLIC OF CAMEROON down to its Atlantic coast; |
| Taking into account | the principles of the Treaties governing the Customs and Economic Union of Central Africa, and in particular Act No. 12/74-UDEAC-180 of December 7, 1974 amending the Treaty creating a Customs and Economic Union of Central Africa and subsequent texts; |

HAVE AGREED AS FOLLOWS:

CHAPTER 1—Use of Terms and Expressions

Article 1

Within the meaning of this Agreement:

1. The terms set forth hereunder shall have the following meaning:
 - a) **"Consortium"**: shall mean ESSO EXPLORATION AND PRODUCTION CHAD INC., SOCIETE SHELL TCHADIENNE DE RECHERCHE ET D'EXPLOITATION and ELF HYDROCARBURES TCHAD, and their respective successors and assigns, who are collectively engaged in oil operations in the REPUBLIC OF CHAD in the sedimentary basins of the Permit H Zone;
 - b) **"Shipper"**: shall mean any entity shipping hydrocarbons through all or part of the Cameroonian and/or Chadian Pipeline Transportation System;
 - c) **"Transporter"**: shall mean the Cameroonian Transporter or the Chadian Transporter.
"Transporters": shall mean the Cameroonian Transporter and the Chadian Transporter.
2. The expressions set forth hereunder shall have the following meaning:
 - a) **"Cooperation Agreement"**: shall mean the agreement to be concluded between the Cameroonian Transporter and the Chadian Transporter with respect to the design, the construction and the operation of the Chadian Transportation System and the Cameroonian Transportation System as an integrated system of transportation by pipeline;
 - b) **"Contracting States"**: shall mean the REPUBLIC OF CHAD and the REPUBLIC OF CAMEROON;
 - c) **"Sub-Contractor"**: shall mean any entity other than the Cameroonian Transporter and the Chadian Transporter providing, either directly or indirectly, services or goods to the Cameroonian Transporter and/or to the Chadian Transporter for the construction or operation of the Transportation System;
 - d) **"Transportation System by Pipeline" or "Transportation System"**: shall mean the pipeline for the transportation of hydrocarbons originating from the sedimentary basins of the Permit H Zone, passing through the territories of the Contracting States together with pump stations, telecommunications systems, onshore and offshore facilities for storing and loading hydrocarbons and all facilities ancillary thereto. The expression "Transportation System" shall also mean any future expansion or modification of these transportation facilities and any future addition thereto;

- e) **"Cameroon Transportation System"**: shall mean that portion of the Transportation System located in the REPUBLIC OF CAMEROON;
- f) **"Chad Transportation System"**: shall mean that portion of the Transportation System located in the REPUBLIC OF CHAD;
- g) **"Cameroonian Transporter"**: shall mean the company incorporated in Cameroon to construct, own and operate the Cameroon Transportation System or any other entity owning and/or operating the Cameroon Transportation System and their successors and assignees;
- h) **"Chadian Transporter"**: shall mean the company incorporated in Chad to construct, own and operate the Chad Transportation System or any other entity owning and/or operating the Chad Transportation System and their successors and assigns;
- i) **"Permit H Zone"**: shall mean the geographic zone of the Chadian territory, as defined in Appendix 1 of this Agreement;
- j) **"Force majeure"**: any event which is not preventable and is unforeseeable, beyond the control of and independent from the Contracting State that invokes it;

CHAPTER 2--Purpose

Article 2

The purpose of this Agreement is:

- to facilitate the construction and operation of the Transportation System for the purpose of shipping through the REPUBLIC OF CAMEROON down to offshore its Atlantic Coast the hydrocarbons from the REPUBLIC OF CHAD and all activities related thereto;
- to take all measures capable of insuring the construction and operation of such System.

CHAPTER 3--Right of Access to the Sea and Free Transit

Article 3

1. The REPUBLIC OF CAMEROON acknowledges and grants to the REPUBLIC OF CHAD, a land-locked State, a right of access to the sea and free transit for the export by pipeline of hydrocarbons extracted in its territory, in accordance with the relevant provisions of the United Nations Convention on the Law of the Sea of December 10, 1982.
2. The Shippers of hydrocarbons extracted in the REPUBLIC OF CHAD shall also benefit from the right of access to the sea granted to the REPUBLIC OF CHAD in the above subparagraph 1.

Article 4

The REPUBLIC OF CAMEROON, to exercise the right of access to the sea and of free transit, acknowledged and granted to the REPUBLIC OF CHAD in the above Article 3, agrees to take the relevant measures coming under its jurisdiction to avoid delays and difficulties, especially technical or administrative delays, in the design, construction, operation and maintenance of the Transportation System and the moving of goods in transit. The Contracting States shall cooperate if necessary in order to rapidly eliminate the causes of all delays and difficulties.

Article 5

In the exercise of its full sovereignty in its territory, the REPUBLIC OF CAMEROON may, in accordance with international treaties and principles of international law, take all measures to protect its legitimate interests in accordance with the relevant provisions of the United Nations Convention on the Law of the Sea of December 10, 1982. The application of strictly necessary measures shall result only, in any case, in restricting or suspending the transit of hydrocarbons by pipeline until the elimination of the causes of the restriction or suspension.

CHAPTER 4--Construction and Operation of the Transportation System**Article 6**

1. The Contracting States agree to insure that the Cameroonian Transporter and the Chadian Transporter shall enter into a Cooperation Agreement fixing among other things the conditions in which the coordination of their Transportation Systems as an integrated system of transportation by pipeline shall be carried out as well as the allocation of costs (including the insurance coverage of risk), the ownership of fixed assets and the liability regime.

Each State agrees to approve as soon as possible the terms of this Agreement, and prior to the signature thereof, the terms of said Cooperation Agreement. This Agreement shall be deemed approved if, upon the expiration of a forty-five (45) day period beginning on the date of submission to the Contracting States, neither one of the Contracting States has given notice to the Cameroonian Transporter or the Chadian Transporter, of its objection to said Cooperation Agreement.

2. The Cooperation Agreement may be amended.

Any proposed amendment to this Cooperation Agreement shall be subject to the approval of the Contracting States. It shall be deemed approved if, upon the expiration of a forty-five (45) day period beginning on the date of submission to the Contracting States, neither one of the Contracting States has given notice to the Cameroonian Transporter or the Chadian Transporter, of its objection to the proposed amendment.

Article 7

1. Each Contracting State agrees to grant, for the design, construction and operation of the Transportation System, the legal, tax, customs and administrative regimes that apply to the relevant Transporter, in accordance with its laws and the principles of this Agreement.
2. To this effect, each of the Contracting States agrees to deliver to the relevant Transporter and its Sub-Contractors and to renew, if necessary, all permits and authorizations, including all authorizations for the transportation of hydrocarbons by pipeline, which may be required to facilitate the design, construction, financing, operation and maintenance of the Transportation System as well as for the operation and maintenance of the related telecommunication systems.
3. The Contracting States shall agree on the location where the pipeline shall cross the common border.

Article 8

The Contracting States shall exchange information related to the construction and operation of the Transportation System. This information shall be confidential unless previously agreed otherwise by the State supplying the information.

CHAPTER 5--Use of the Transportation System**Article 9**

1. The Contracting States agree that the Transportation System shall be reserved primarily for the transportation of hydrocarbons extracted in the REPUBLIC OF CHAD from the Permit H Zone.
2. However, and without prejudice to the preferential treatment set forth in Article 9.1 above, the Contracting States agree that the Transportation System may be opened, in the following order of priority, for shipping other hydrocarbons coming from the REPUBLIC OF CHAD, then from the REPUBLIC OF CAMEROON and, subject to the conclusion of the necessary treaties, from third countries.

Article 10

1. The REPUBLIC OF CAMEROON agrees, subject to the application of an international obligation to the contrary, on the one hand not to limit the quantity of hydrocarbons extracted in the REPUBLIC OF CHAD to be shipped through the Cameroonian Transportation System and, on the other hand, not to take any action which would result, directly or indirectly, in restricting the use of the Cameroonian Transportation System for the transportation of such hydrocarbons.
2. The REPUBLIC OF CHAD agrees, subject to the application of an international obligation to the contrary, on the one hand, not to limit the quantity of hydrocarbons extracted in the REPUBLIC OF CHAD which are intended for shipment through the Chadian

Transportation System for their transportation by the Cameroonian Transportation System and, on the other hand, not to take any action which would result, directly or indirectly, in restricting the use of the Chadian and/or Cameroonian Transportation System for the transportation of such hydrocarbons.

3. The REPUBLIC OF CHAD agrees, subject to the order of priority set forth by the provisions of Article 9 sub-paragraph 1 and 2 and those of sub-paragraphs 1 and 2 of this article, not to take any measure which may result directly or indirectly in limiting the use of the Cameroonian Transportation System for the transportation of hydrocarbons extracted from the REPUBLIC OF CAMEROON.

Article 11

Subject to the provisions of the above-mentioned Articles 9 and 10, the Contracting States agree on the possibility of connecting the existing Transportation System with new transportation systems in accordance with the applicable law of the concerned Contracting State and any applicable authorizations provided thereunder.

CHAPTER 6--Hydrocarbons Measurements

Article 12

The Contracting States recognize that the amount of revenue derived from the operation of the Transportation System depends on the volume of hydrocarbons shipped through the Transportation System.

Article 13

The Contracting States cooperate in approving the measurement system of hydrocarbons shipped through the Transportation System. This measurement system, which shall be installed at the point of exportation, shall be proposed to the Contracting States by the Chadian Transporter, the Cameroonian Transporter and the Consortium. It shall be compatible with the international standards of the petroleum industry.

Article 14

The measurement system at the point of exportation of the Transportation System in the REPUBLIC OF CAMEROON shall allow for the determination of the volume of hydrocarbons transported.

The REPUBLIC OF CAMEROON acknowledges the right of the REPUBLIC OF CHAD to be informed of the conditions under which the calibrating procedures and the verification of the measurement system are carried out. It shall, to this effect, be allowed to have observers present at all stages of the aforementioned operations or appoint third party experts to represent it.

CHAPTER 7--Security

Article 15

The Contracting States shall take all necessary measures in their respective territories to ensure the protection of the Transportation System. They shall determine, within their territories, in particular the obligations of the Transporters and their Sub-Contractors concerning safety matters and environmental protection.

The Contracting States shall agree to implement the regulations applicable to the Transportation System, in accordance with the generally accepted rules of the international petroleum industry with the purpose of preventing, mitigating and controlling environmental pollution.

Article 16

The Contracting States shall take all necessary measures to allow the Transporters and their employees and Sub-Contractors to have free access to all sites and installations of the Transportation System under satisfactory safety conditions.

CHAPTER 8--Insurance

Article 17

The risks relating to the Transportation System, its construction and operation must be insured against according to the usual standards of the international petroleum industry.

The Contracting States shall agree to do everything in their power and, in accordance with their respective laws, to allow the Transporters and their Sub-Contractors to obtain the best insurance coverage against the risks of construction and operation of the Transportation System.

CHAPTER 9--Taxation

Article 18

The Contracting States agree to cooperate in order to avoid the double taxation of all individuals involved in the activities relating to the construction, operation, use and maintenance of the Transportation System, taking into account the principles governing this Agreement and the principles of allocation of costs between the Cameroonian Transporter and the Chadian Transporter as provided by the Cooperation Agreement.

Article 19

Pursuant to the provisions of Article 37.2 of the Act No. 5/66-UDEAC-49 of December 13, 1966, relating to the avoidance of double taxation in specific cases, the Contracting States agree as follows:

1. Profits realized by the Cameroonian Transporter from its activities shall be subject to tax only in the REPUBLIC OF CAMEROON.

Profits realized by the Chadian Transporter from its activities shall be subject to tax only in the REPUBLIC OF CHAD.
2. The Shippers of hydrocarbons extracted in the REPUBLIC OF CHAD shall not be considered importers or exporters of such hydrocarbons in or from the REPUBLIC OF CAMEROON. No duties, taxes, fees, royalties or other costs relating to the import or export of these hydrocarbons shall be due by said Shippers in the REPUBLIC OF CAMEROON as a result of these operations, or applicable to these hydrocarbons.
3. When a Sub-Contractor supplies goods and services both to the Cameroonian Transporter and to the Chadian Transporter, the amounts received and the expenses incurred shall be allocated pro rata, for the purpose of determining the taxable income in each of the Contracting States, based on the allocation of costs between the Cameroonian Transporter and the Chadian Transporter as provided in the Cooperation Agreement.
4. The taxable income of the employees of the Cameroonian and Chadian Transporters shall be based on the compensations paid by each Transporter and calculated in accordance with the tax laws of each Contracting State. A same natural person may be bound to each Transporter by a distinct labor contract.

Article 20

The Tax Administration of one Contracting State may request from its counterpart in the other Contracting State information necessary to determine the basis upon which to tax a taxpayer working in both States during the same period of time in relation to the activities of construction, operation and maintenance of the Transportation System.

The Tax Administration may also request assistance from its counterpart in the other Contracting State for the collection of taxes within its jurisdiction due by a taxpayer residing in the other Contracting State.

The Tax Administration of this other Contracting State shall provide its cooperation.

CHAPTER 10--The Commission

Article 21

A commission (hereunder referred to as "*the Commission*") consisting of five (5) representatives of each of the Contracting States shall be responsible for supervising the implementation of this Agreement.

Article 22

The Commission shall meet at least once a year at the request of either one of the Contracting States. The Cameroonian Transporter and the Chadian Transporter shall have representatives present at each meeting of the Commission and shall be invited to present the Commission with a status report on the operation of the Transportation System.

Article 23

1. The Commission shall provide a justifiable opinion on the questions submitted to its attention by the Contracting States; such opinion shall be communicated to each of the Contracting States.
2. The internal regulations of the Commission, developed by its members, shall be approved by the Contracting States.

CHAPTER 11--Settlement of Disputes

Article 24

1. Any controversy or dispute concerning the interpretation or the application of this Agreement, which cannot be settled during the course of the Commission sessions provided in the above Chapter 10, shall be settled, if possible, through diplomatic channels.
2. Any dispute shall be subject to a notice in writing addressed to one party from the other and shall expressly relate to article 24 of this Agreement.
3. Within six (6) months from the notification and if the dispute is not resolved, the dispute shall be referred to arbitration. The States may agree to extend the time period by six (6) months.

Article 25

1. In the event of arbitration, each Contracting State shall appoint one arbitrator and the third arbitrator shall be appointed by the two arbitrators already appointed. The latter shall preside the tribunal. If one of the Contracting States has not, within three (3) months of the request for arbitration, appointed its arbitrator, or if the third arbitrator has not been appointed within a month of the first two arbitrators, either one of the Contracting States may request the Secretary-General of the Permanent International Court of Arbitration to appoint the third arbitrator within a period of thirty (30) days from receipt of said request. If the Secretary-General cannot make such appointment, the first secretary of the Court shall proceed to do so. If in turn, he is unable to fulfill such duty, the senior judge of the Court shall make the appointments. No arbitrator shall have the nationality of either one of the Contracting States.
2. Unless the Contracting States disagree, the arbitration rule of the United Nations Commission on International Trade Law (UNCITRAL) is applicable. All decisions of the tribunal shall be taken by a majority vote with each of the three (3) arbitrators having one vote. The decision of the arbitral tribunal shall be binding on the Contracting States and is not subject to any appeal.
3. The arbitral tribunal shall settle the dispute in accordance with this Agreement and with the rules and principles of international law.
4. The tribunal shall be domiciled in Paris and the procedure shall be conducted in the French language.

Article 26

Notwithstanding any recourse to arbitration as provided in Article 25 above, the rights and obligations of the Contracting States resulting from this Agreement shall remain in full force during the procedure of arbitration.

CHAPTER 12--Amendments and Modifications**Article 27**

1. This Agreement may be amended or modified upon agreement between the two Contracting States. The amendment or modification shall be approved pursuant to the internal constitutional procedures of each Contracting State.
2. The modification or amendment thus approved shall enter into force within thirty (30) days following the last notification of approval.

CHAPTER 13—Entry into Force and Duration

Article 28

This Agreement shall be subject to ratification by each of the Contracting States according to the internal constitutional procedures provided for this purpose. This Agreement shall enter into force on the date on which the instruments of ratification are exchanged.

Article 29

This Agreement shall remain in force, for the whole duration of life of the Transportation System. Under no circumstances shall the suspension of the activities of the Transportation System jeopardize the rights of the Contracting States, as set forth in Chapter 3 of this Agreement.

Article 30

If a Contracting State cannot carry out the obligations imposed by this Agreement, the non-performance or delayed performance shall not be considered a breach of this Agreement if resulting from an event of Force Majeure, provided however there is a cause and effect link between the failure and the event of Force Majeure invoked.

Done in Yaoundé in duplicate originals in the French language.

On the 8th of February 1996.

FOR THE REPUBLIC OF CHAD,

[signature]

IDRISS DEBY
President of the Republic

FOR THE REPUBLIC OF CAMEROON,

[signature]

PAUL BIYA
President of the Republic

APPENDIX 1 -- Permit H Zone

The geographic coordinates of the Permit H Zone are specified in the attached table and map. The map is only illustrative; the table identifies the coordinates of the Permit H Zone.

The sedimentary basins covered by the Permit H Zone are indicated on the map and are composed of the following:

- The Lake Chad Basin
- The Bongor Basin
- The Doba Basin
- The Doseo Basin
- The Salamat Basin

Perimeters and Coordinates of the Permit H Zone

The geographic coordinates of the Permit H Zone (104,223.5 km² total surface area) are as follows:

1. LAKE CHAD (24,226.5 km² - Lake Chad Basin)

POINT	LONGITUDE	LATITUDE
1	Border with Niger,	15°30'00"N
2	14°30'00"E	15°30'00"N
3	14°30'00"E	15°15'00"N
4	14°35'00"E	15°15'00"N
5	14°35'00"E	14°52'30"N
6	14°37'30"E	14°52'30"N
7	14°37'30"E	14°30'00"N
8	14°45'00"E	14°30'00"N
9	14°45'00"E	13°45'00"N
10	14°37'30"E	13°45'00"N
11	14°37'30"E	13°30'00"N
12	14°22'30"E	13°30'00"N
13	14°22'30"E	13°22'30"N
14	14°15'00"E	13°22'30"N
15	14°15'00"E	Border with Cameroon
16	Common border between Chad, Nigeria and Cameroon	
17	Along the border between Chad and Nigeria up to the common border points between Chad, Niger and Nigeria	
	Along the border between Chad and Niger up to Point No. 1	

2. NORTH CHARI (18,485 km² surface area - Bongor Basin)

POINT	LONGITUDE	LATITUDE
1	Border Chad/Cameroon	11°00'00"N
2	15°20'00"E	11°00'00"N
3	15°20'00"E	10°52'30"N
4	15°30'00"E	10°52'30"N
5	15°30'00"E	10°45'00"N
6	15°52'30"E	10°45'00"N
7	15°52'30"E	10°37'30"N
8	16°22'30"E	10°37'30"N
9	16°22'30"E	10°30'00"N
10	16°45'00"E	10°30'00"N
11	16°45'00"E	10°22'30"N
12	17°07'30"E	10°22'30"N

13	17°07'30"E	10°15'00"N
14	17°22'30"E	10°15'00"N
15	17°22'30"E	10°07'30"N
16	17°30'00"E	10°07'30"N
17	17°30'00"E	10°00'00"N
18	17°37'30"E	10°00'00"N
19	17°37'30"E	09°45'00"N
20	17°17'30"E	09°45'00"N
21	17°17'30"E	09°50'00"N
22	16°00'00"E	09°50'00"N
23	16°00'00"E	09°55'00"N
24	15°45'00"E	09°55'00"N
25	15°45'00"E	10°07'30"N
26	Border Chad/Cameroon	10°07'30"N

Along the border between Chad/Cameroon up to Point No. 1

3. NORTH CHARI (61,522 km² surface area - Doba, Dosco and Salamat Basins)

POINT	LONGITUDE	LATITUDE
1	15°07'30"E	09°15'00"N
2	16°45'00"E	09°15'00"N
3	16°45'00"E	09°07'30"N
4	17°00'00"E	09°07'30"N
5	17°00'00"E	09°00'00"N
6	17°37'30"E	09°00'00"N
7	17°37'30"E	09°10'00"N
8	17°55'00"E	09°10'00"N
9	17°55'00"E	09°15'00"N
10	18°22'30"E	09°15'00"N
11	18°22'30"E	09°22'30"N
12	18°37'30"E	09°22'30"N
13	18°37'30"E	09°30'00"N
14	19°00'00"E	09°30'00"N
15	19°00'00"E	09°37'30"N
16	19°45'00"E	09°37'30"N
17	19°45'00"E	09°45'00"N
18	20°00'00"E	09°45'00"N
19	20°00'00"E	09°52'30"N
20	20°15'00"E	09°52'30"N
21	20°15'00"E	10°07'30"N
22	20°45'00"E	10°07'30"N
23	20°45'00"E	10°15'00"N
24	20°52'30"E	10°15'00"N
25	20°52'30"E	10°22'30"N
26	21°15'00"E	10°22'30"N

27	21°15'00"E	10°30'00"N
28	21°40'00"E	10°30'00"N
29	21°40'00"E	Border of Central African Republic
	Along the border between Chad/Central African Republic up to:	
30	19°00'00"E	Border of Central African Republic
31	19°00'00"E	08°42'30"N
32	18°37'30"E	08°42'30"N
33	18°37'30"E	08°37'30"N
34	18°30'00"E	08°37'30"N
35	18°30'00"E	08°30'00"N
36	18°07'30"E	08°30'00"N
37	18°07'30"E	08°22'30"N
38	17°37'30"E	08°22'30"N
39	17°37'30"E	08°15'00"N
40	17°30'00"E	08°15'00"N
41	17°30'00"E	08°07'30"N
42	16°12'30"E	08°07'30"N
43	16°12'30"E	08°15'00"N
44	16°00'00"E	08°15'00"N
45	16°00'00"E	08°22'30"N
46	15°45'00"E	08°22'30"N
47	15°45'00"E	08°30'00"N
48	15°35'00"E	08°30'00"N
49	15°35'00"E	08°40'00"N
50	15°20'00"E	08°40'00"N
51	15°20'00"E	08°45'00"N
52	15°10'00"E	08°45'00"N
53	15°10'00"E	08°50'00"N
54	15°00'00"E	08°50'00"N
55	15°00'00"E	09°07'30"N
56	15°07'30"E	09°07'30"N

Agreement between the Government of the State of Qatar and the Government of the United Arab Emirates Relating to the Transmission of Gas by Pipeline Between the State of Qatar and the United Arab Emirates.

The Government of the State of Qatar
and
The Government of the United Arab Emirates
Relating to the Transmission of Gas by Pipeline between
the State of Qatar and the United Arab Emirates

Agreement between the Government of the State of Qatar and the Government of the United Arab Emirates Relating to the Transmission of Gas by Pipeline Between the State of Qatar and the United Arab Emirates.

The Governments of the State of Qatar and the United Arab Emirates (each a "Government" or "State", and together, the "Governments" or "States");

CONSIDERING their common desire to consolidate good neighborly relations between them and to strengthen the economic ties for their mutual benefit;

DESIRING to extend their cooperation with respect to the transportation of Gas via the Pipeline;

RECOGNISING the desirability of transporting to the United Arab Emirates as economically as possible, and with due regard to technical compatibility, Gas produced from the North Field of the State of Qatar;

DESIRING to facilitate the construction and operation of the Pipeline between the State at Qatar and the United Arab Emirates for the transmission of Gas;

RECALLING the Agreement on Settlement of Maritime Boundary lines and Sovereign Rights over Islands between the States of Qatar and Abu Dhabi, signed on March 20, 1969, concerning the delimitation of areas of the continental shelf between the two States;

RECALLING the Export Pipeline Agreement between the Government of the State of Qatar and Dolphin Energy Limited, entered into on December 23, 2001;

RECALLING Emiri Decree No. 13 of the Year 2002 Issued by H.H. Sheikh Hamad Bin Khalita Al-Thani, Emir of the State of Qatar, dated April 4, 2002, relating to the approval of the Export Pipeline Agreement between the Government of the State of Qatar and Dolphin Energy limited;

RECALLING Emiri Decree No.8 of the Year 2002 issued by H.H. Sheikh KhaJifa Bin Zayed Al-Nahyan, Deputy Ruler of Abu Dhabi, dated May 26, 2002, relating to the incorporation of Dolphin Energy Limited; and

RECALLING the letter, dated December 19, 2001 from H.H. Sheikh Hamdan Bin Zayed Al- Nahyan, Minister of State for Foreign Affairs of the United Arab Emirates, to H.E. Abdulla Bin Hamad Al-Attiyah, Second Deputy Premier, Minister of Energy and Industry, of the State of Qatar, confirming that all rights of way and landing rights for Abu Dhabi have been granted, or will be granted to Dolphin Energy Limited, as well as the Government of the United Arab Emirates' commitment to agreeing with the Government of the State of Qatar on the appropriate intergovernmental arrangements with respect to the Pipeline consistent with the Export Pipeline Agreement;
HEREBY AGREE AS FOLLOWS:

Article (I)

Definitions

In this Agreement, each of the following terms shall have the meaning set out below:

"Agreement" means this Agreement between the Government of the State of Qatar and the Government of the United Arab Emirates Relating to the Transmission of Natural Gas by Pipeline between the State of Qatar and the United Arab Emirates.

"Authorisation" means any consent, licence, permit, authorisation, easement, right of way, or any similar right, as the case may be.

"Commission" means the Joint Qatar-UAE Pipeline Commission established under Article (X).

"Dolphin Energy Limited" means Dolphin Energy Limited, a limited liability company organised under the laws of the United Arab Emirates.

"Gas" means any hydrocarbon (or mixture of hydrocarbons and other gases) which is predominantly in the gaseous state at ambient temperature and atmosph pressure together with any other substances which are from time to time produced and processed therewith at gas treatment facilities and shall (without prejudice to the generality of the foregoing) include gas from gas wells produced with crude oil.

"Pipeline" means the gas transmission pipeline, including compression facilities, extending from the State of Qatar to the United Arab Emirates.

Article (II)

Purpose

The Governments have reached this Agreement for the following purposes:

2.01. To facilitate the construction and operation of the Pipeline between the State of Qatar and the United Arab Emirates for the transmission of Gas.

2.02. To facilitate the optimal utilization of the Pipeline for the mutual benefit of the State of Qatar and the United Arab Emirates.

2.03. To provide for a mechanism by which the Governments can address issues arising from the construction, operation and utilization of the Pipeline not otherwise provided for in any agreement relating thereto between either of the Governments and owner and/or operator of the Pipeline.

Article (III)

Pipeline Authorizations

3.01. Subject to paragraphs 3.02 and 3.03, neither Government shall object to the construction and operation of the Pipeline by the owner and/or operator of the Pipeline along the route illustrated on the map at Annex 1 and more particularly identified by the coordinates set out in Annex 2 hereto.

3.02. Each part of the Pipeline shall be constructed in accordance with the legal requirements of the jurisdiction in which that part of the Pipeline is laid.

3.03. Each Government shall, as soon as practicable and in accordance with and subject to this laws, issue any necessary Authorisation with respect to the construction and operation of the Pipeline. A copy of any such Authorisation shall be given by the Government issuing it to the other Government.

3.04. No Authorisation referred to in this Article III shall be revoked, altered, modified or reissued by one Government without prior consultation with the other.

3.05. Each Government shall pass such laws as may be reasonably necessary to facilitate the construction and operation of the Pipeline in accordance with the principles set out herein.

Article (IV)

Owner and Operator of the Pipeline

4.01. At the time of signature of this Agreement, the owner and operator of the Pipeline is Dolphin Energy Limited.

4.02. Any change of owner and/or operator of the Pipeline or any part thereof shall be subject to the terms of the Export Pipeline Agreement referred to in the preamble hereto, and any legislative, or regulatory regime in existence at the time of such change of owner and/or operator in accordance with the jurisdiction in which the Pipeline lies.

4.03. The owner and operator of the Pipeline shall be subject to the legislative requirements of each of the State of Qatar and the United Arab Emirates in respect of that part of the Pipeline which is under the jurisdiction of such State.

Article (V)

Safety; Environmental Protection

5.01. Each Government shall have the right to determine, in accordance with its own laws, the safety measures and environmental standards which are to govern the construction, operation and abandonment of that part of the Pipeline which is under its jurisdiction,

5.02. Without prejudice to paragraph 5.01, each Government undertakes, in accordance with and subject to its laws, to ensure so far as practicable that the construction, operation and abandonment of the Pipeline shall not cause pollution to the marine, coastal or land environment, or damage to the facilities onshore or offshore, vessels or fishing gear. Where pollution does occur, each Government shall co-operate in taking action to mitigate and eliminate such pollution.

5.03. Without prejudice to paragraph 5.01, the competent authorities of the two Governments shall consult one another with a view to ensuring that there are appropriate safety measures for the Pipeline is subject to uniform safety measures, construction and environmental standards.

5.04. The competent authorities of both Governments shall consult one another on the manner in which the provisions of this Article are to be implemented including the manner of implementation to apply in an emergency, and shall keep the Commission informed of such consultations and of their outcome.

5.05. In the event there arises any discrepancy, conflict or inconsistency between each Government's safety measures, construction standards or environmental standards, representatives from each Government shall consult one another to discuss and agree on a mutually acceptable arrangement to address such discrepancy, conflict or inconsistency, as soon as practicable.

Article (VI)

Inspections

6.01. Each Government shall take steps to ensure that safety or pollution inspectors appointed by the other Government have access, in accordance with the procedure and for the purposes specified in paragraph 6.03, to (I) the part of the Pipeline within its jurisdiction, during the time of fabrication and laying of the Pipeline as well as subsequently, and (II) all reports of inspection in respect of the part of the Pipeline within its jurisdiction.

6.02. Each Government affirms that it has responsibility for all inspections of the part of the Pipeline within its jurisdiction and of the operations carried out within its jurisdiction in relation to such part, and it is responsible for its own inspectors.

6.03. Following a request by an inspector of one Government (the "visiting inspector") to the competent authorities of the other Government (the "host Government") to visit part of the Pipeline under the jurisdiction of the host Government, the owner and/or operator of the Pipeline shall be required to give access to the visiting inspector and his equipment provided that he is accompanied by an inspector appointed by the host Government. The owner and/or operator of the Pipeline shall also be required to procure the production to the visiting inspector of such information as he may require to satisfy himself that the fundamental interest of his Government in respect to safety or pollution prevention are met. The host Government shall, in accordance with and subject to its laws, facilitate the task of the visiting inspector.

6.04. Each Government shall ensure that if it is informed or if it becomes apparent to it (whether by or through an inspector or otherwise) that the safe operation of the Pipeline may be in doubt or that there may be a risk of injury to persons or damage to property or of pollution arising from the Pipeline, this information will be communicated immediately to the operator of the Pipeline and immediately thereafter to the competent authority of the other Government.

6.05. The competent authorities of the two Governments shall consult one another and agree practical measures for the implementation of paragraph 6.04 including the manner of implementation to apply in an emergency and shall keep the Commission informed of such consultations and of their outcome.

Article (VII)

Security Arrangements

7.01. Each Government shall exchange information on likely threats to, or security incidents relating to the Pipeline.

7.02. The competent authorities of each Government for security shall consult one another with a view to concluding such mutual arrangements in relation to the physical protection of the Pipeline as shall from time to time be deemed appropriate by them.

Article (VIII)

Abandonment

8.01. Each Government shall ensure that the abandonment of the Pipeline, or any part thereof, shall be undertaken in compliance with the laws of the State in respect of that part of the Pipeline which is under the jurisdiction of such State.

8.02. Each Government shall, on receipt of any proposal for abandonment of the Pipeline, or any part thereof, consult the other Government with a view to ensuring that possibilities for potential further economic use of the Pipeline are identified and fully considered.

8.03. Subject to paragraph 8.01, if no potential further economic use is identified, the two Governments shall consult one another on the proposed arrangements for abandonment and, if these are not uniform over the whole length of the Pipeline, each Government shall seek to procure, so far as is reasonably practicable, that the arrangements for the abandonment of the part or parts of the Pipeline within its jurisdiction shall not interfere with alternative arrangements for the further use or abandonment of the part or parts of the Pipeline within the jurisdiction of the other Government.

Article (IX)

Exchange of information

9.01. Both Governments shall ensure a free flow of information between them about matters relating to the construction and operation of the Pipeline.

9.02. Any information supplied by one Government to the other under paragraph 9.01 shall not be further disclosed by the receiving Government without the prior consent of the supplying Government.

Article (X)

The Joint Qatar-UAE Pipeline Commission

10.01. A Commission, called the "Joint Qatar-UAE Pipeline Commission", shall be established for the purpose of overseeing and facilitating the implementation of this Agreement. The Commission shall consist of two joint chairpersons and two joint secretaries. One chairperson and one secretary shall be nominated by each Government with substitutes as necessary. Any other person which either Government or either chairperson considers should be present at any Commission meeting may attend such meeting.

10.02. The functions of the Commission, which shall include that of considering matters referred to it by either or both of the Governments, and its procedures, shall be subject to such further arrangements that may be agreed by the two Governments from time to time. Meetings of the Commission shall be convened by the two Governments acting jointly.

However, if either Government requested a meeting of the Commission, it shall be held as soon as reasonably practicable thereafter and not later than the 21st day after receipt of that request unless otherwise agreed by the two Governments.

Article (XI)

Settlement of Disputes

11.01. Any disputes about the interpretation or application of this Agreement shall be resolved through the Commission or, failing that, by negotiation between the two Governments.

Article (XII)

Law and Jurisdiction

12.01. Nothing in this Agreement shall be interpreted as affecting the jurisdiction which each State has under international law over the territorial waters, Continental shelf or exclusive economic zone that apper rains to it. In particular, any part of the Pipeline located within the territorial waters, continental shelf or exclusive economic zone appertaining to the State of Qatar shall be under the jurisdiction and law of the State of Qatar, and any part of the Pipeline located within the territorial waters, continental shelf or exctusive economic zone appertaining to the United Arab Emirates shall be under the jurisdiction and law of the United Arab Emirates.

12.02. Nothing in this Agreement shall be interpreted as prejudicing or restricting the application of the laws of either State, or the exercise of jurisdiction by their courts, in conformity with international law.

ARTICLE (XIII)

Amendments and Modifications

13.01 This Agreement may be amended or modified through mutual memoranda made between the two States.

ARTICLE (XIV)

Entry into Force

14.01. This Agreement shall enter into force on the day on which each Government shall have notified the other Government in writing that their respective requirements for entry into force of this Agreement have been complied with. Upon entry into force, this Agreement will be taken to have effect and all of its provisions will apply and be taken to have applied on and from the date of signature, and it shall continue in force until both Governments agree otherwise.

In witness whereof the undersigned, duly authorised thereto by their respective Governments, have signed this Agreement.

Done in two originals in the City of Abu Dhabi on 12 Sha'ban 1425, corresponding to 26 September 2004.

For the Government of
the State of Qatar

Abdulla Bin Hamad AL-Attiyah
Second Deputy Premier
Minister of Energy and Industry

For the Government of
the United Arab Emirates

Hamdan Bin Zayed Al Nahyan
Deputy Prime Minister
Minister of State for Foreign
Affairs

ANNEX 1

Pipeline Route Map

ANNEX 2

Pipeline Route Coordinates

LOCATION	EASTING	NORTHING	APPROX
----------	---------	----------	--------

			(KP)
RAS LAFFAN	251 535.060	2 871 950.250	0
IP – 1	254 090.000	2 876 553.290	5.08
IP – 2	270 857.010	2 876 109.470	21.66
IP – 3	280 346.800	2 872 136.790	31.91
IP – 4	285 908.620	2 865 375.720	40.55
IP – 5	302 945.400	2 863 101.800	57.64
IP – 6	372 598.700	2 836 966.200	132.02
IP – 7	402 078.300	2 807 957.500	173.28
IP – 8	426 206.000	2 806 360.700	197.37
IP – 9	445 961.000	2 812 419.000	217.89
IP – 10	484 050.700	2 788 948.700	262.49
IP – 11	560 787.590	2 746 625.680	350.12
TAWHEELAH	567 861.000	2 738 473.000	360.90

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Al Meezan - Qatary Legal Portal

T.C. Resmî Gazete

Kuruluş Tarihi : (7 Teşrinievvel 1336) - 7 Ekim 1920

Yönetim ve yazı işleri için
Başbakanlık Neşriyat ve Müdevvenat
Genel Müdürlüğüne
başvurulur

17 HAZİRAN 1975
SALI

Sayı : 15268

KARARNAMELER

Karar Sayısı : 7/9843

28/1/1975 tarih ve 1835 sayılı Kanunla onaylanması uygun bulunan «Türkiye - Irak Hampetrol Boru Hattı Anlaşması» ve buna ilişkin olarak Türkiye ile Irak arasında teati edilen 26 Aralık 1973 ve 20 Nisan 1974 tarihli mektupların, onay belgelerinin teati edilmesiyle yürürlüğe girmek üzere onaylanması; Dışişleri Bakanlığının 18/4/1975 tarihli ve ESİD : 116.316-4/75 - 414 sayılı yazısı üzerine, 31/5/1963 tarihli ve 244 sayılı Kanunun 3 üncü maddesine göre, Bakanlar Kurulunca 22/4/1975 tarihinde kararlaştırılmıştır.

CUMHURBAŞKANI
FAHRİ S. KORUTÜRK

Başbakan S. DEMİREL	Devlet Bakanı Başbakan Yardımcısı Prof. Dr. N. ERBAKAN	Devlet Bakanı Başbakan Yardımcısı Prof. Dr. T. FEYZİOĞLU
Devlet Bakanı Başbakan Yardımcısı A. TÜRKES	Devlet Bakanı S. ÖZTÜRK	Devlet Bakanı H. AKSAY

Türkiye Cumhuriyeti Hükümeti ile Irak Cumhuriyeti Hükümeti Arasında Hampetrol Boru Hattı Anlaşması

Türkiye Cumhuriyeti Hükümeti ile Irak Cumhuriyeti Hükümeti, aralarında mevcut iyi komşuluk ve dostluk ilişkilerini sağlamlaştırmayı ve iki ülke arasındaki ekonomik bağları kuvvelendirmeyi arzulayarak, ve,

Türkiye Cumhuriyeti Hükümetinin, Irak'tan gelecek her çeşit hampetrolün, kendi topraklarındaki boru hatları vasıtasıyla geçişi için transit ve aynı zamanda bu hampetrolerin terminallerinden yüklenme ve sevkiyatı haklarını verme ve tesis etmek hususundaki arzusunu uygulayarak; ve,

Irak Cumhuriyeti Hükümetinin, hampetrolerin hem Türkiye'nin tüketimi ve hem de ihracat için Türkiye üzerinden Akdeniz kıyısına petrol boru hattı vasıtasıyla nakli hususundaki arzusunu yerine getirecek,

Aşağıdaki şekilde anlaşmışlardır :

Madde : 1

İki taraftan her biri, hampetrolerin boru hatları vasıtasıyla Irak ve Türkiye topraklarından nakledilmesi ve bu petrolerin Akdeniz'de bir terminalden yüklenmesi için Projenin kendi topraklarında kalan kısımlarının montajı, inşaatı, işletmesi, bakımı, yönetimi ve ifnansmanı ile birlikte diğer bütün ihtiyaçları sağlamayı garanti eder.

Devlet Bakanı M. K. ERKOVAN	Devlet Bakanı G. KARACA	Adalet Bakanı İ. MUFTUOĞLU
Millî Savunma Bakanı F. MELEN	İçişleri Bakanı O. ASILTÜRK	Dışişleri Bakanı İ. S. ÇAĞLAYANGİL
Maliye Bakanı Doç. Dr. Y. ERGENEKON	Millî Eğitim Bakanı A. N. ERDEM	Bayındırlık Bakanı F. ADAK
Ticaret Bakanı H. BAŞOL	Sağ. ve Sos. Y. Bakanı Dr. K. DEMİR	Güm. ve Tekel Bakanı O. ÖZTRAK
Gıda - Tar. ve Hay. Bakanı Prof. K. ÖZAL	Ulaştırma Bakanı N. MENTEŞE	Çalışma Bakanı A. T. PAKSU
Sanayi ve Tek. Bakanı A. DOĞRU	En. ve Tab. Kay. Bakanı S. KILIÇ	Turizm ve Tan. Bakanı L. TOKOĞLU
İmar ve İskân Bakanı N. OK	Köy İşleri Bakanı V. POYRAZ	Orman Bakanı T. KAPANLI
Genç. ve Spor Bakanı A. Ş. EREK	Kültür Bakanı R. DANIŞMAN	Sosyal Güvenlik Bakanı A. M. ABLUM

Crude Oil Pipeline Agreement between The Government of the Turkish Republic and The Government of the Iraqi Republic

The Government of the Turkish Republic and the Government of the Iraqi Republic,

Desiring to consolidate the good neighbourly and friendly relations existing between them and to strengthen the economic ties between the two countries; and

Implementing the desire expressed by the Government of the Turkish Republic to grant and establish the right of transit for all kinds of crude oils coming from Iraq, through the pipelines within Turkish territory, as well as the right of shipping and loading of such crude oils from its terminals; and

Implementing the desire expressed by the Government of the Iraqi Republic to transit crude oils through pipelines to the Mediterranean shore across Turkey for both Turkish consumption and for export.

Have agreed as follows :

Article 1

Each of the two sides guarantees to erect, construct, operate, maintain, manage, finance and to provide all other requirements for the part of the Project situated within its territory to transport crude oils through the pipelines across Iraqi and Turkish territories and to load such crude oils from a terminal point on the Mediterranean shore.

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Madde : 2

1. İşbu anlaşmanın imzalanmasından sonra altı aydan geç olmaksızın her iki taraf projenin tekemmülü için gerekli teşebbüsleri yapacak ve tedbirleri alacaklar ve proje ile ilgili sözleşmeleri imzalayacaklardır. Her bir taraf, kendi sorumluluğunda olan ve proje ile ilgili veya projenin gerektirdiği incelemeler, çalışmalar, tesisat, inşaat v.s. nin ifası ile birlikte finansmanı temin edecektir. Taraflar aynı zamanda yukarıda zikredilen işlerin her birinin tamamlanması için gerekli zaman ve iş programlarını beraberce saptayacaklardır.

2. Irak Cumhuriyeti Hükümeti ile Türkiye Cumhuriyeti Hükümeti, projenin gerçekleştirilmesini teminen, yukarıda (1) paragrafta atıfta bulunulan teşebbüs ve tedbirleri ve işbu anlaşmanın daha sonraki (5) maddesinde atıfta bulunulan görevleri yerine getirecek olan temsilcilerini usulüne uygun olarak tayin edeceklerdir.

3. (1). paragrafta atıfta bulunulan teşebbüs ve tedbirler yine aynı paragrafta belirtilen altı aylık zaman süresi içinde temsilciler tarafından imzalanacak bir «Protokol» da belirlenecektir. Söz konusu «Protokol» imzası tarihinden itibaren bu anlaşmanın ayrılmaz bir parçası kabul edilecek ve bundan böyle «Protokol» olarak anılacaktır.

Madde : 3

Proje münhasıran Irak'tan gelen hampetrollerin nakli ve yüklenmesine tahsis edilecektir. Bununla beraber, belli bir süre boyunca projede önemli bir atıl kapasite olması halinde, iki taraf, Irak tarafının, Irak'tan gelen hampetrollerin nakli için projenin tam kapasite ile kullanılması hakkını hiç bir şekilde sınırlamamak ve projenin normal çalışmasını etkilememek üzere, Türkiye'de üretilen hampetrollerin nakli imkânlarını araştırmak için, toplanacaklardır.

Madde : 4

İki taraftan her biri, projenin kendi toprakları dahilinde bulunan kısımlarına ait işbu anlaşmadaki bütün yükümlülükleri yerine getirmek için gerekli fonları sağlamayı deruhte eder. Bu fonların temini, bütün işlemlerin «Protokol» da tespit edilen süreler içinde tekemmülünü sağlayacak şekilde yapılacaktır.

Madde : 5

İşbu anlaşmanın imzası tarihinden itibaren bir ay içinde her iki taraf temsilcileri, projenin çalışmaları, dizaynı, montajı, inşaatı, işletmesi, bakımı ve yönetimi de dahil olmak üzere diğer hususları da içine alan ve işbu anlaşma ile ilgili bütün işlerin koordinasyonu için bir Ortak Komite kuracaklardır. Komite, koordinasyonu sağlamak üzere projenin değişik safhalarında bir veya birden fazla altkomite kurabilecektir.

Madde : 6

Madde (2) de atıfta bulunulan «Protokol», boru hattının doldurulması için aşağıdaki gerekli petrol miktarlarının tahminlerini kapsayacaktır :

1. Boru hattının Türkiye toprakları içinde kalan kısmı,
2. Türkiye'deki terminalde bulunan depolama tank tabanları,
3. Irak'tan gelecek hampetrollerin nakliye ve yüklenmesine başlanmasını sağlamak üzere Türkiye topraklarında ihtiyaç duyulabilecek diğer gerekli miktar.

Madde : 7

1. Irak'tan gelen hampetrollerin Türkiye toprakları üzerinden nakliyesi ve bu petrollerin terminalde FOB tanklere yüklenmesine ilişkin taşıma ve yükleme ücreti, hampetrollerin beher varili başına toplam 0,35 Amerikan Doları olarak tespit edilmiştir.

2. Taşıma ve yükleme ücretinin Irak tarafından Türk tarafına ödenmesinde, Irak'tan gelen ve Türk tarafına teslim edilen de dahil olmak üzere, alıcılara verilen hampetrol miktarları esas alınacaktır.

Madde : 8

Bu Anlaşmanın (7). maddesinde söz konusu edilen taşıma ve yükleme ücretine, bütün geri ödemeler ve kârlar ve nakliye, işletme, bakım, tevsi, yenileştirme giderleri ve diğer bütün hizmetler (Tankerlere yapılan hizmetlerin doğrudan doğruya petrol teslimatı ile ilgili olmayanları hariç) ile birlikte, kazançlar, koruma masrafları, resimler, vergiler ve hampetrollerin nakliyat ve yüklenmesi ile ilgili diğer bütün ödenmesi gereken meblağ, dahil olacaktır.

Madde : 9

1. Irak tarafı, hampetrollerin taşıma ve yükleme ücretini telgraf havalesi ile Amerikan doları olarak Türk tarafının Temsilcisinin göstereceği bir bankaya havale suretiyle veya karşılığını tevazun ettirerek veya

Article 2

1. Not later than six months after the signing of this Agreement each of the two sides shall take the necessary steps and measures and sign the relevant contracts for the implementation of the Project. Each side shall ensure the execution of the studies, works, installations, constructions etc. as well as securing the financing which is required for its part of the Project or pertaining thereto. They shall also jointly fix the time schedule and periods required for the accomplishment of the above-mentioned works.

2. For the realization of the Project the Government of the Iraqi Republic and the Government of the Turkish Republic shall duly appoint their Nominees, for carrying out the necessary steps and measures referred to in paragraph (1) hereinabove and the duties referred to in Article (5) hereinafter.

3. The steps and measures referred to in paragraph (1), shall be specified in a Protocol to be signed by the Nominees within the six months period mentioned in paragraph (1) of this Article. The said Protocol shall be considered, as from the date of its signature, an integral part of this Agreement, and shall be called hereinafter «the Protocol».

Article 3

The project shall be exclusively assigned to transport and load the crude oils coming from Iraq. However, if for a certain period of time there will be a substantial idle capacity in the Project the two sides shall meet to investigate the possibility of transportation of crude oils produced in Turkey provided that it will not affect the proper operation of the Project and in no way limit the right of the Iraqi side for the utilization of the full capacity of the Project for the transportation of crude oils coming from Iraq.

Article 4

Each of the two sides undertake to provide the funds required for carrying out all of its obligations under this Agreement concerning the part of the Project situated within its territory. The provision of the funds shall be made in such a way as to ensure the implementation of all works within the periods fixed in «the Protocol».

Article 5

Within one month from the date of signature of this Agreement, the Nominees of the two sides shall establish a joint committee for the purpose of coordinating all matters pertaining to the Project including studies, design, erection, construction, operation, maintenance and management of the Project, as well as other matters related thereto. The committee may form one or more sub-committees for coordination during the various stages of the Project.

Article 6

«The Protocol» referred to in Article (2) hereof shall include estimates of the quantities of crude oil which are required for filling :

1. That part of the pipeline situated within the Turkish territory;
2. The storage tank bottoms situated within the terminal in Turkey;
3. Any other quantity deemed necessary within the Turkish territory to commence the transport and loading of crude oils coming from Iraq.

Article 7

1. Remuneration for the transport of crude oils coming from Iraq across Turkish territory and for the loading of such crude oils FOB tankers at the terminal is fixed at an aggregate sum of (0,35) US Dollars per barrel of crude oil.

2. Payment of the remuneration by the Iraqi side to the Turkish side shall be based on the quantities of crude oils coming from Iraq and delivered to purchasers, including the quantities delivered to the Turkish side.

Article 8

The remuneration mentioned in Article (7) of this Agreement shall include all returns and profits and costs of transportation, operation, maintenance, expansions, replacements and all kinds of services (excluding services to tankers which are not specifically related to crude oil deliveries), as well as benefits, protection charges, dues, taxes and any other sums pertaining to the transportation and loading of crude oils

Article 9

1. The Iraqi side shall settle the remuneration mentioned in Article (7) of this Agreement by telegraphic transfers in US Dollars to a

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her iki tarafın anlaşmaya vardığı diğer herhangi bir şekilde ve iki tarafca üzerinde mutabık kalınacak diğer herhangi bir yabancı para birimi ile ödeyecektir.

2. Ödenecek taşıma ve yükleme ücreti, bir takvim yılı içinde üçer aylık esaslarla ve herhangi bir çeyrek yıla ait ücret, bunu izleyen üç aylık devre içinde, birincisi ücretin ait olduğu devreyi izleyen ikinci ayın dokuzuncu gününe ikincisi ilgili devreyi izleyen ikinci ayın dokuzuncu gününe ve üçüncüsü ilgili devreyi takibeden üçüncü ayın dokuzuncu gününe isabet eden üç taksit halinde ödenecektir.

3. Herhangi bir takvim yılında tediye edilecek taşıma ve yükleme ücretinin kesin ödemesi, bu yılın nihayetinden bir ay sonra ifa edilecek ve eğer bir fark olduğu takdirde, bu fark yeni yılın Şubat ayının 9 uncu gününü geçmemek üzere tasviye edilecektir.

Madde : 10

1. Bu Anlaşmanın (7). maddesinde belirtilen taşıma ve yükleme ücretine esas alınan Amerikan dolarının altın paritesine olan resmi oranı 0,818513 gr. saf altındır. Her iki tarafında Amerikan dolarının paritesindeki bir değişiklikten mütevellit herhangi bir kayba uğramaması için, iki taraf böyle bir değişiklik vukubulduğu takdirde, altın değerinin değişikliği vukuundan önceki cari seviyesini muhafaza etmek amacıyla, karşılıklı ödenmemiş bakiyelerin ve bu Anlaşmanın (7) maddesinde belirtilen taşıma ve yükleme ücretinin otomatik olarak yeniden ayarlanması hususunda mutabık kalmışlardır.

2. Altın standardının terk edilmesi halinde, her iki Taraf, yukarıda (1) paragrafta öngörülen amacın gerçekleştirilmesini sağlayacak hükümler üzerinde, Uluslararası Para Fonunun kararlarını da dikkate alarak, anlaşmak için toplanacaklardır.

Madde : 11

1. Normal işletme ve yükleme şartlarında Irak tarafı, boru hattı sisteminin tam kapasite ile kullanılması için bütün gayretini gösterecektir; her halükârda Irak tarafı, bir takvim yılı içinde sisteme 15 milyon metrik tondan daha az petrol basmamayı tekeffül edecektir. Bu miktar işbu Anlaşmanın (14) maddesine uygun olarak Türk tarafına satılacak hampetrolü ihtiva etmektedir.

2. Mücbir sebep halleri hariç, Irak tarafınca Türk tarafına herhangi bir tam takvim yılı içinde ödenecek meblağ, işbu maddenin (1) paragrafında belirtilen asgari hampetrol miktarı için ödenecek toplam taşıma ve yükleme ücretinden daha az olmayacaktır.

Madde : 12

1. Projenin işletmeye açılması tarihinden başlayarak ve işbu Anlaşmanın yürürlük süresince, Türk tarafı, Irak'tan gelen ve Türk toprakları üzerinden geçen hampetrollerin devamlı akışını sağlamak ve Irak tarafının isteklerine uygun olarak bu hampetrollerin terminalden yüklenmelerini ve ihracatını temin etmek ve kolaylaştırmak için gerekli bütün tedbirleri almayı garanti eder.

2. Türk tarafı işbu Anlaşmanın yürürlük süresince gerek Irak tarafına, hampetrol alıcısına, taşıyıcısına, gerekse hampetrol yükleyecek tankerlere bu Anlaşmanın hükümlerini aşacak şekilde mali bir artırma veya külfet yüklememekle mükelleftir.

Madde : 13

İşbu Anlaşmanın hükümlerine tabi olarak, Irak tarafı, işletmeye başlama tarihinden itibaren ve Anlaşmanın yürürlük süresince Irak hampetrollerinin Irak - Türkiye hududundan devamlı akışı için gerekli bütün tedbirleri almayı ve bu Anlaşma uyarınca Türkiye tarafından satın alınacak hampetrollerin teslimine öncelik vermeyi garanti eder.

Madde : 14

1. Bu Anlaşma tahtında boru hattı vasıtasıyla Irak'tan gelen hampetrollerin aşağıda gösterilen miktarlarını Irak tarafı satmak, Türk tarafı da satın almakla mükelleftir.

2. Yukarıdaki mükellefiyetler, özel hampetrol satış sözleşmelerinde şartlar, özellikler, fiyatlar ve ödeme usulleri üzerinde anlaşmaya varılmasına bağlıdır.

bank designated by the Nominee of the Turkish side, or by way of offset, or by any other way and in any other currency agreed upon by both sides.

2. Remuneration due shall be settled on a quarterly basis in the calendar year, and remunerations payable in respect of any quarter shall be settled during the three months following that quarter in three instalments, the first of which shall fall due on the ninth day of the month following the end of the quarter concerned, the second on the ninth day of the second month following the end of that quarter, and the third on the ninth day of the third month following the end of that quarter.

3. Final settlement of the remuneration payable during any calendar year shall be made within one month from the end of that year, if a balance remains outstanding, such balance shall be paid within a period not exceeding the ninth day of the month February in the new year.

Article 10

1. The official gold parity of the US Dollar, on which the remuneration stated in Article 7 of this Agreement is based, being 0,818513 gr. of fine gold.

In order to avoid any loss which may be caused to either side as a result of a change in the US Dollar parity, the two sides agree that, whenever such a change occurs, the unpaid balances due to either side and the remunerations stipulated in Article 7 of this Agreement shall be automatically readjusted so as to maintain their gold equivalent at the level prevailing before the change has occurred.

2. In the event that the gold standard should be abandoned, the two sides shall meet to upon the rules ensuring the achievement of the objective set forth in paragraph (1) above, taking into account the decisions of International Monetary Fund.

Article 11

1. In normal operating and loading conditions the Iraqi side will use their best endeavour to utilize the full capacity of the pipeline system; in any case, the Iraqi side shall undertake to deliver to the system in any calendar year a quantity not less than fifteen million metric tons. This quantity includes the crude oil sold to the Turkish side in accordance with Article (14) of this Agreement.

2. Except in the cases of Force majeure the sum payable by the Iraqi side to the Turkish side for any full calendar year shall not be less than the total remuneration payable for the minimum quantity stipulated in paragraph (1) of this Article.

Article 12

1. Starting from the date of operation of the Project and for the whole duration of this Agreement, the Turkish side guarantees to take all measures required for the continuous flow of the crude oils coming from Iraq across the Turkish territory, the loading of such oils from the terminal and to ensure and facilitate exporting of such oils in accordance with the requirements of the Iraqi side.

2. The Turkish side is bound for the whole duration of this Agreement not to impose any financial increase or burden which exceeds the provisions of this Agreement, whether in relation to the Iraqi side, the purchasers of the crude oils, the off-takers or the tankers assigned to the crude oils.

Article 13

Subject to the provisions of this Agreement, the Iraqi side starting from the date of operation of the Project and for the whole duration of this Agreement guarantees to take all measures required for the continuous flow of Iraqi crude oils across the Iraq - Turkey border, and to give priority to the lifting of the crude oils purchased by Turkey in accordance with this Agreement.

Article 14

1. The Iraqi side is bound to sell and the Turkish side is bound to purchase the quantities mentioned below of the crude oils from Iraq through the pipeline under this Agreement.

2. The above obligations are subject to agreement in the specific crude oils Sales Contracts on the conditions, specifications, prices and payment procedures.

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3. Yukarıdaki (1) de âtîfta bulunulan hampetrol miktarları, özel hampetrol satış sözleşmelerinde başka şekilde anlaşmaya varılmadıkça;

İşletme yılı	Milyon metrik ton olarak Yıllık miktar
1977 - 1979	10 (On)
1980 - 1982	12 (Oniki)
1983 ve daha sonrası	14 (Ondört)

Olacaktır.

4. Bu maddede bahse konu olan hampetrol miktarları ve bunlardan elde edilecek ürünler sadece Türkiye'nin dahili talebi içindir.

5. Bu anlaşma uyarınca teslim edilecek yıllık hampetrollere ilişkin fiyatlar ve sözleşme ile ilgili diğer hususlar üzerinde anlaşmak için yapılacak görüşmeler, taallük ettiği yılın teslimatına başlanmadan en az 6 ay önce başlayacaktır. Taraflar müzakere mevzuu olan her hususta anlaşmaya varmak için her türlü çabayı sarfedeceklerdir. Bununla beraber, öngörülen 6 ay içerisinde anlaşmaya varılmadığı takdirde, bu maddede bahsedilen mükellefiyetler taallük ettiği süre için bağlayıcı olmaktan çıkacaktır.

Madde : 15

1. İşbu Anlaşmanın (14) maddesinde âtîfta bulunulan hampetrolerin fiyatları, Doğu Akdeniz limanlarındaki benzer Irak ve diğer mukayesesi mümkün hampetrollerin taallük ettiği süre içindeki cari serbest piyasa fiyatları olacaktır.

Bu fiyat, İşbu Anlaşmanın (14) maddesi hükümlerine uygun olarak üzerinde anlaşılmış fiyat olacaktır.

2. Bu Anlaşmanın (6) maddesinde âtîfta bulunulan hampetrol miktarları Türkiye tarafından satın alınacaktır. Söz konusu petrolün fiyatı, doldurma esnasında yukarıda (1) paragrafta tarif olunan fiyatlar esas alınmak suretiyle tespit edilecektir.

Türkiye tarafından Irak tarafına ödenmesi gereken meblağ 4 eşit yıllık taksitte tediye olunacak, bu taksitlerden ilki doldurma tarihinden bir yıl sonra ödenecektir.

Madde : 16

1. Türk tarafı, Irak tarafının terminalde bir büro kurmasını kabul etmiştir. Söz konusu büro ve işlemleri, görevleri ve bu işlem ve görevlere ilişkin dokümanlar ile büro tarafından kullanılan bütün malzeme her türlü vergi, resim ve diğer mali yükümlülükten muaf olacaktır. Türk tarafı, yukarıda belirtilen büronun işlemlerini idare edecek veya büroda çalışacak personelin giriş, ikamet ve çalışma müsaadelerinin istihsalını da kapsayan gerekli bütün kolaylıkları temin etmeyi deruhte eder.

2. Yukarıda (1) paragrafta bahsedilen büro personelinin adedi, görevleri ve faaliyetleri üzerinde «Protokol» da anlaşmaya varılacaktır.

Madde : 17

1. Türk tarafı, Irak tarafının tayin edeceği personelin iş maksatları için gereken teçhizat, alet ve nakil vasıtalarıyla Türkiye topraklarındaki proje için lüzumlu ziyaret ve geçiş haklarını garanti eder.

2. Türk tarafı, Irak tarafından tayin edilen tankerlerle ilgili olarak bütün liman ve gümrük formalitelerinin ve Türk makamlarının diğer isteklerinin, tankerlerin yükleme ve hareketini geciktirmeyecek şekilde mümkün olan en kısa zamanda ifa olunmasını garanti eder.

Madde : 18.

İki taraftan her biri mutabık kalınan süre içinde projenin tamamlanmasını garanti eder. İki taraftan biri işi durdurur veya projeyi sözü edilen süre içinde tamamlamazsa, bu taraf diğer tarafa âdil bir tazminat ödemekle mükellef olacaktır.

Madde : 19.

1. Mücbir sebep tabirinin manası, meydana gelmesi ilgili tarafın sorumluluğunda olmayan ve oluşu ve sonuçları bu tarafa önceden kestirilemeyen ve önlenemeyen veya sakınılması mümkün olmayan olaylara inhisar edecektir.

2. Mücbir sebep, ilgili tarafı İşbu Anlaşmada öngörülen yükümlükleri yerine getirmekten muaf tutmayacak, ancak geçici olarak tehir edecektir. Bu muafiyet mücbir sebebin tesir ettiği yükümlülüklerle ve mücbir sebebin başlangıcı ile bitimi arasındaki devreye inhisar edecektir.

3. The amounts of crude oils referred to in (1) above unless otherwise agreed upon in the specific crude oils Sales Contracts, shall be :

Year of operation	Annual quantity in million M. tons
1977 - 1979	10
1980 - 1982	12
1983 and after	14

4. It is understood that the quantities of crude oils mentioned in this Article and products derived therefrom are exclusively for Turkey's domestic requirements.

5. Discussions for agreement on prices and other contractual matters relating to the annual crude deliveries under this agreement are to be started at least six months prior to commencement of deliveries for the year concerned. Both sides will use their best endeavours to reach agreement on all matters that are subject to negotiation. However, in the case that agreement is not reached within the 6 months period provided for, the obligations mentioned in this Article shall not be binding for the period concerned.

Article 15

1. The prices of crude oils referred to in Article (14) of this Agreement shall be the free market prices prevailing during the period concerned for similar Iraqi and other comparable crudes in East Mediterranean Ports.

This price shall be as agreed upon in accordance with the provisions of Article (14) of this Agreement.

2. The quantity of crude oils referred to in Article (6) of this Agreement shall be purchased by the Turkish side. The price of the said oil shall be fixed, at the time of filling on the basis of prices as defined in paragraph (1) above. The sum due will be paid by the Turkish side to the Iraqi side in four equal yearly instalments, the first of which shall be payable one year from the date of filling.

Article 16

1. The Turkish side agrees that the Iraqi side will establish an office at the terminal. The said office and its operations, duties and all documents prepared and equipment used by this office in connection with its operations and duties shall be exempted from all taxes, dues, charges and any other financial burden. The Turkish side also undertake to provide all the necessary facilities including permits for entry, residence and work for the personnel who will manage the operations of the office or work in it.

2. Functions, duties and number of personnel of the Office mentioned in paragraph (1) above shall be agreed upon in «the Protocol».

Article 17

1. The Turkish side guarantees the rights for the necessary passage and visits to the Project within Turkish territory of personnel delegated by the Iraqi side with their equipment, apparatus and transportation means required for work purposes.

2. The Turkish side guarantees the execution of all port and custom formalities and any other requirement of the Turkish authorities relating to the tankers nominated by the Iraqi side within the shortest possible time avoiding delays to loading and departure of tankers.

Article 18

Each of the two sides guarantees the completion of the Project within the agreed period. Should any of the two sides stop the work or fail to complete the Project within the said period, that side will be liable to pay a fair compensation to the other side.

Article 19

1. The meaning of the term force majeure shall be limited to events for whose occurrence the side concerned was not responsible and whose occurrence and consequences can not be foreseen and prevented or avoided by the said side.

2. Force majeure shall not exempt the side concerned from fulfilling its obligations as provided for in this Agreement, but shall suspend them temporarily. Exemption shall be restricted to those obligation affected by force majeure and to the period between its occurrence and the cessation of its effect.

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Madde : 20.

İşbu Anlaşmaya uygun olarak yapılacak tebliğat yazılı olacak ve telex telgraf veya taahhütlü mektupla temsilcinin adresine gönderilmesi halinde uygun tebliğat addedilecektir.

Madde : 21.

İşbu Anlaşmanın yürürlükte olduğu süre içinde ve daha sonra, bu Anlaşma hükümlerinin yorum ve uygulaması hususunda çıkacak herhangi bir anlaşmazlık veya farklı görüş veya taraflardan birinin hak ve vebeleriyle ilgili anlaşmada belirtilmemiş başka bir husus taraflar arasında dostane bir şekilde sonuçlandırılmadığı takdirde, bunlar, her biri taraflarca tayin edilecek iki hakem ile bu hakemlerin tahkimden önce seçecekleri bir hakem heyetine götürülecektir.

Her iki taraf, diğer taraftan yazılı bir istegin gelmesi üzerine otuz gün içinde hakemini tayin edecek bu süre içinde bir taraf hakemini seçmeye muvaffak olmazsa, hakem Uluslararası Adalet Divanı Başkanı tarafından tayin olunacaktır. İki hakem, ikincinin tayininden otuz gün içinde üçüncü hakem'in seçimi için uyumazlarsa bu hakem Uluslararası Adalet Divanı Başkanınca tayin edilecektir. İki hakemin kararı veya aralarında uyumsuzluk olması halinde üçüncü hakemin kararı nihai olarak mütalâa edilecektir. İki taraf tahkimin yeri konusunda bir anlaşmaya varamazlarsa üçüncü hakemin bu husustaki kararı kesin olacaktır.

Madde : 22.

İşbu Anlaşma imzası tarihinden itibaren 20 yıl süre için muteber olacak, anlaşmanın bitimi tarihinden bir yıl önce taraflardan birince yazılı olarak feshi ihbarda bulunulmadığı takdirde beşer yıllık süreler için uzatılmış addolunacaktır.

Madde : 23.

İşbu Anlaşma Arapça, İngilizce ve Türkçe lisanslarda yapılmıştır. Her üç metnin yorumunda bir anlaşmazlık vukuunda İngilizce metin geçerli olacaktır.

Madde : 24.

İşbu Anlaşma tasdik belgelerinin teatisi tarihinde yürürlüğe girecektir. Anlaşma, imzası tarihinden itibaren dört ay içinde yürürlüğe girmeyeceği takdirde, taraflar, ne yapılması lâzım geldiğini kararlaştırmak amacıyla toplanacaklardır.

İşbu Anlaşma 27 Ağustos 1973 tarihinde iki orijinal nüsha olarak Ankara'da yapılmıştır.

Irak Cumhuriyeti Hükümeti
Adına
Murtadha Said Abdul BAQİ
Dışişleri Bakanı

Türkiye Cumhuriyeti Hükümeti
Adına
Ümit Haluk BAYÜLKEN
Dışişleri Bakanı
Bağdat, 26 Aralık 1973

Article 20

Any notification made in accordance with this Agreement must be in writing, and shall be considered as notification in proper form to the other side if it is made by telex, telegraph, or by registered letter to the address of the Nominee.

Article 21

If during the period of this Agreement or thereafter any dispute or difference arises between the two sides as to the interpretation and implementation of this Agreement or to any other aspect not specified in it and relating to the rights and obligations of one of the sides, and if the two sides are unable to agree upon an amicable settlement of the dispute or the difference, same shall be submitted to two arbitrators, one appointed by each side, and to an umpire elected by the arbitrators before proceeding to arbitration.

Each side shall appoint the arbitrator it selects within thirty days of a written request received from the other side, and if one side fails to appoint its arbitrator during this period the arbitrator shall be appointed by the President of the International Court of Justice. If the two arbitrators are unable to agree on the umpire within thirty days of the appointment of the last of the two arbitrators, the President of the International Court of Justice shall appoint the umpire. The decision of the two arbitrators, or the umpire in the event of a difference between the arbitrators shall be considered final.

In case the two sides do not reach agreement as to the place of arbitration the decision of the umpire in that respect shall be final.

Article 22

This Agreement shall be valid for twenty years as from the date of signing and shall be considered as tacitly extended for additional 5 year periods of time, unless a termination note is notified in writing by one of the two sides to the other with a one year notice.

Article 23

This Agreement has been drawn up in the Turkish, Arabic and English languages. In case of disagreement in the interpretation of the three texts the English text shall prevail.

Article 24

This Agreement shall enter into force on the date of the exchange of the instruments of ratification. If the Agreement does not enter into force within four months from the date of signature the two sides shall meet with a view to decide as to the steps to be taken.

Done in two original copies at Ankara on August 27, 1973.

For the Government
of the Republic of
Turkey
Ümit Haluk Bayülken
Minister of Foreign Affairs

For the Government
of the Republic of
Iraq
Murtadha Said Abdulbaqi
Minister of Foreign Affairs

Karar Sayısı 7/10000

Köy İşleri Bakanlığınca hazırlanmış ve Danıştayca incelenmiş bulunan ilişik «Toprak ve İskân İşleri Genel Müdürlüğü Teftiş Kurulu Tüzüğü'nün Bazı Maddelerinin Değiştirilmesine ve Bu Tüzüğe Bazı Maddeler Eklennesine Dair Tüzük»ün yürürlüğe konulması; Bakanlar Kurulunca 15/5/1975 tarihinde kararlaştırılmıştır.

CUMHURBAŞKANI
FAHRI S. KORUTÜRK

Başbakan
S. DEMİREL

Devlet Bakanı
Başbakan Yardımcısı
Prof. Dr. N. ERBAKAN

Devlet Bakanı
Başbakan Yardımcısı
Prof. Dr. T. FEYZİOĞLU

Devlet Bakanı
Başbakan Yardımcısı
A. TÜRKES

Devlet Bakanı
S. ÖZTÜRK

Devlet Bakanı
H. AKSAY

Devlet Bakanı
M. K. ERKOVAN

Devlet Bakanı
G. KARACA

Adalet Bakanı
İ. MÜFTÜOĞLU

Millî Savunma Bakanı
F. MELEN

İçişleri Bakanı
O. ASILTÜRK

Dışişleri Bakanı
İ. S. ÇAĞLAYANLI

Malîye Bakanı
Doç. Dr. Y. ERGENEKON

Millî Eğitim Bakanı
A. N. ERDEM

Bayındırlık Bakanı
F. ADAK

Ticaret Bakanı
H. BAŞOL

Sağ. ve Sos. Y. Bakanı
Dr. K. DEMİR

Güm. ve Tekel Bakanı
O. ÖZTRAK

Gıda - Tar. ve Hav. Bakanı
Prof. K. ÖZAL

Ulaştırma Bakanı
N. MENTEŞE

Çalışma Bakanı
A. T. PAKSU

Sanayi ve Tek. Bakanı
A. DOĞRU

En. ve Tab. Kay. Bakanı
S. KILIÇ

Turizm ve Tan. Bakanı
L. TOKOĞLU

İmar ve İskân Bakanı
N. OK

Köy İşleri Bakanı
V. POYRAZ

Orman Bakanı
T. KAPANLI

Genç. ve Spor Bakanı
A. Ş. EREK

Kültür Bakanı
R. DANIŞMAN

Sosyal Güvenlik Bakanı
A. M. ABLUM

Toprak ve İskân İşleri Genel Müdürlüğü Teftiş Kurulu
Tüzüğü'nün Bazı Maddelerinin Değiştirilmesine ve Bu
Tüzüğe Bazı Maddeler Eklennesine Dair Tüzük

MADDE 1 — 19/1/1954 günlü ve 4/2147 sayılı Bakanlar Kurulu kararıyla yürürlüğe konulan Toprak ve İskân İşleri Genel Müdürlüğü Teftiş Kurulu Tüzüğü'nün 1, 2, 3 ve 5 inci maddeleri ile 4 üncü maddesinin j bendi ve son fıkrası aşağıdaki şekilde değiştirilmiştir :

Madde 1 — Toprak ve İskân İşleri Genel Müdürlüğü Teftiş Kurulu, müfettiş sıfat ve yetkisini haliz bir başkan ile müşavir müfettiş, müfettiş ve müfettiş yardımcılardan oluşur.

T. C. Resmî Gazete

Kuruluş Tarihi : (7 Teşrinievvel 1336) — 7 Ekim 1920

Yönetim ve yazı işleri için Başbakanlık Mevzuatı Geliştirme ve Yayın Genel Müdürlüğüne başvurulur.	5 Mayıs 1986 PAZARTESİ	Sayı : 19098
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YÜRÜTME VE İDARE BÖLÜMÜ

Milletlerarası Andlaşma

Karar Sayısı : 86/10556

4 Mart 1986 tarihli ve 3265 sayılı Kanunla onaylanması uygun bulunan ekli "Türkiye Cumhuriyeti Hükümeti ile Irak Cumhuriyeti Hükümeti Arasında 27 Ağustos 1973 tarihli Ham Petrol Boru Hattı Anlaşmasına Ek Anlaşma"nın onaylanması; Dışişleri Bakanlığı'nın 31/3/1985 tarihli ve EİOA-I-360.130-3/86-1658 sayılı yazısı üzerine, 31/5/1963 tarihli ve 244 sayılı Kanunun 3 üncü ve 5 inci maddelerine göre, Bakanlar Kurulu'nca 11/4/1986 tarihinde kararlaştırılmıştır.

Kenan EVREN
Cumhurbaşkanı

İ K ERDEM Başbakan V			
İ K ERDEM Devlet Bak -Başbakan Yrd	A KARAEVLİ Devlet Bakanı V	A M YILMAZ Devlet Bakanı	M T TİTİZ Devlet Bakanı V
A TENEKECİ Devlet Bakanı	M. T. TİTİZ Devlet Bakanı	A. KARAEVLİ Devlet Bakanı	M N ELDEM Adalet Bakanı
Z YAVUZTURK Millî Savunma Bakanı	Y AKBULUT İçişleri Bakanı	A. M. YILMAZ Değişleri Bakanı V.	A K ALPTEMOÇİN Maliye ve Gümrük Bakanı
M EMİROĞLU Millî Eğitim Gençlik ve Spor Bakanı	İ S GIRAY Bayındırlık ve İskân Bakanı		M AYDIN Sağlık ve Sosyal Yardım Bakanı
İ S GIRAY Ulaştırma Bakanı V	H. H. DOĞAN Tarım Orman ve Köyşleri Bakanı		M. KALEMLİ Çalışma ve Sosyal Güvenlik Bakanı
H C ARAL Sanayi ve Ticaret Bakanı	S N TÜREL Enerji ve Tabii Kaynaklar Bakanı		M M TAŞÇIOĞLU Kültür ve Turizm Bakanı

Yürütme ve İdare Bölümü Sayfa : 1

Resmî Gazete Kodu : 050586

Resmî Gazete Fihristi 32. Sayfadadır.

Sayfa : 2

RESMİ GAZETE

5 Mayıs 1986 — Sayı : 19098

**Türkiye Cumhuriyeti Hükümeti ile Irak Cumhuriyeti Hükümeti Arasında
27 Ağustos 1973 Tarihli Ham Petrol Boru Hattı Anlaşmasına
Ek Anlaşma**

Türkiye Cumhuriyeti Hükümeti ile Irak Cumhuriyeti Hükümeti;

Aralarındaki mevcut iyi komşuluk ve dostluk ilişkilerini daha da sağlamlaştırmayı ve iki ülke arasındaki ekonomik bağları kuvvetlendirmeyi arzulayarak;

Irak - Türkiye Ham Petrol Boru Hattının her iki ülkenin ekonomilerine önemli katkısının bilincinde olarak;

Mevcut hatta paralel ikinci bir hat inşası suretiyle mevcut Ham Petrol Boru Hattı Sisteminin kapasitesini artırmayı arzulayarak;

27 Ağustos 1973 tarihli Anlaşma hükümlerine bağlılıklarını teyid ederek ve bu Anlaşmanın uygulama alanını Genişletilmiş Sistemin gereklerini göz önünde tutacak şekilde genişletmeyi arzulayarak ve 6 Ağustos 1984 tarihli Mutabakat Zaptı'nda yer alan prensipler uyarınca; aşağıdaki hususlarda anlaşmışlardır.

MADDE 1

Irak - Türkiye Ham Petrol Boru Hattı Sisteminin kapasitesi, ikinci bir ham petrol boru hattı ve diğer gerekli tesislerin (bundan sonra Genişletilmiş Sistem olarak anılacaktır.) inşası suretiyle fiziki olarak mevcut yıllık 46,5 milyon tondan yıllık 70,9 milyon tona artırılabilecektir.

MADDE 2

1. Normal işletme ve yükleme şartlarında, Irak Tarafı Genişletilmiş Sistemi tam kapasiteyle kullanmak için her türlü gayreti sarfedecektir. Her halükarda, Irak Tarafı bir takvim yılı içinde Genişletilmiş Sisteme otuz beş (35) milyon metrik tondan (bundan sonra garanti edilmiş asgari taşıma miktarı olarak anılacaktır.) daha az olmayacak bir miktarı basmayı taahhüt eder.

2. Söz konusu miktar, 27 Ağustos 1973 tarihli Anlaşmanın 14. maddesine uygun olarak Türkiye'ye satılan ham petrolü ihtiva edecektir. Ancak, Türk Tarafı mukavele gereği herhangi bir takvim yılında alması gereken petrol miktarını çekemez veya alamaz ise bu maddede belirtilen garanti edilmiş asgari taşıma miktarı, çekilmeyen veya alınmayan miktar kadar azaltılacaktır. Buna mukabil Irak Tarafı mukavele gereği herhangi bir takvim yılında Türk Tarafına vermesi gereken petrol miktarını sağlayamaz ise, söz konusu miktar bu maddede belirtilen garanti edilmiş asgari taşıma miktarından düşülmeyecektir.

3. Bu garanti edilmiş asgari taşıma miktarı, işbu Ek Anlaşmanın 5. maddesi uyarınca Genişletilmiş Sistemin doldurulmasının tamamlanması amacıyla Irak Tarafınca basılacak ham petrol miktarını ihtiva etmemektedir.

4. Bu garanti edilmiş asgari taşıma miktarı, Genişletilmiş Sistemin başarılı bir şekilde tecrübe edilmesi tarihinden itibaren geçerli olacak ve herhangi bir yıl içinde Türk Tarafınca Irak Tarafına sağlanacak gerçek kapasiteye orantılı bir şekilde ayarlanacaktır.

5. Her halükarda, garanti edilmiş asgari taşıma miktarı yıllık 35 MT'ni aşmayacaktır. Genişletilmiş Sistemin kapasitesi, sistemin kararlaştırılan dizaynlara ve uygulama metoduna uygun olarak yürütülmesine rağmen ve Türk Tarafının kontrolü dışında kalan nedenlerle yıllık 70,9 MT'dan düşük olduğu takdirde, garanti edilmiş asgari miktar yine de yıllık 35 MT olarak kalacaktır.

6. Bu miktar, Genişletilmiş Sistemin ilk çalışma yılı bakımından Genişletilmiş Sistemin çalışmaya başlama tarihinden ilk yılın sonuna kadar geçecek devreyi dikkate alan bir orantı ile hesap edilecektir.

7. Mücbir sebep halleri hariç, Irak Tarafınca Türk Tarafına bir takvim yılı içinde ödenecek meblağ işbu maddenin (1) paragrafında belirtilen garanti edilmiş asgari taşıma miktarı için ödenecek toplam ücretten az olmayacaktır.

MADDE 3

Geniştirilmesinden sonra sistemin kullanımından alınacak ücret şöyle olacaktır.

Herhangi bir Takvim Yılı için

A — 35 milyon m/ton'a kadar varil başına 75 ABD senti

B — 46,5 milyon m/ton'a kadar varil başına ortalama 60 ABD senti

C — 50 milyon m/ton'a kadar varil başına ortalama 56 ABD senti

D — 60 milyon m/ton'a kadar varil başına ortalama 50 ABD senti

E — 70.9 milyon m/ton'a kadar varil başına ortalama 43 ABD senti.

A,B,C,D ve E'de gösterilen miktarlar arasında kalan miktarlar için ortalama ücret ilgili miktarlar arasındaki doğrusal enterpolasyon esasına göre hesaplanacak ve ortalamalar E'deki miktarın ötesinde olduğu takdirde D ve E'den ekstrapolasyon yapılarak hesaplanacaktır.

Yukarıda bahsedilen ücretler, Geniştirilmiş Sistemin, mevcut sistemin azami kapasitesini (yıllık 46,5 milyon m/ton) aşan toplam miktarlar ile çalışmaya başladığı tarihten itibaren uygulanacaktır.

MADDE 4

Geniştirilmiş sistemin başarılı bir şekilde tecrübe edildiği takvim yılını izleyen takvim yılı sonunda ve bundan sonraki her takvim yılı sonunda, yukarıda 3. maddede belirtilen ücret Taraflar arasında aşağıda gösterilen şekilde bir gözden geçirme işlemine tabi kılınacaktır.

Gözden geçirilen yıl içinde ABD, Federal Alman Cumhuriyeti ve Japonya'daki enflasyon oranlarının ağırlıklı ortalaması yüzde 5'i (beş) aştığı takdirde, mevcut ücret çizelgesinde yüzde 5'in (beş) üzerindeki yüzde kadarlık bir ayarlama yapılacaktır. Bu ayarlama 1 Ocak gününden itibaren yürürlüğe girecektir. Bununla birlikte, yıllık ağırlıklı enflasyon ortalaması bir önceki yıla kıyasla yüzde 5'i (beş) aşmaz ise ücrette ayarlama yapılmayacaktır. Ağırlıklı ortalamaların tayininde ABD, Federal Alman Cumhuriyeti ve Japonya'daki enflasyon oranları, sırasıyla, yüzde 40, yüzde 30, yüzde 30 olarak dikkate alınacaktır. Bu üç ülkedeki enflasyon oranlarının belirlenmesinde IMF tarafından yayınlanan IFS'de yer alan toptan eşya fiyat endekslerinin yıllık ortalamaları esas alınacaktır.

MADDE 5

27 Ağustos 1973 Anlaşmasının 15. maddesinin 2. paragraf hükümlerine hâle getirmek-sizin, Irak Tarafı Geniştirilmiş Sistemin tank tabanları dahil doldurulmasının tamamlanması için gerekli ham petrolü sağlayacaktır. Bu ham petrol Irak Tarafı'nın mülkiyetinde kalacaktır. Türk Tarafı, işbu Ek Anlaşma hükümleriyle, uzatılan Anlaşma süresince geçerli olacak şekilde bu miktarın değerini garanti eder. Uzatılan Anlaşmanın bitiminde, Türk Tarafı yukarıda bahsedilen miktarı o tarihte geçerli fiyattan satın almayı veya Irak Tarafına gemi üzerinde teslim etmeyi taahhüt eder. Geniştirilmiş Sistemin doldurulmasının tamamlanması için temin edilen ham petrole ilişkin kayıplar, diğer kayıplara benzer şekilde Türk Tarafının sorumluluğunda olacaktır. Bu ham petrol miktarı halen (4.392) milyon varil olarak tahmin edilmektedir. Ancak, Geniştirilmiş Sistemin doldurulmasının tamamlanması için gerekli kesin ham petrol miktarı, Geniştirilmiş Sistemin hidrostatik test işlemlerinin hazırlığı sırasında taraflar arasında kararlaştırılacaktır.

MADDE 6

Türk Tarafı, 27 Ağustos 1973 Anlaşmasının 12. maddesi 2. paragrafı hükümlerine uygun olarak, ham petrol alıcıları, taşıyıcıları veya ham petrol yüklenecek tankerler üzerindeki mali yükün kaldırılması için en geç 1 Ocak 1986 tarihine kadar gerekli tedbirleri alacaktır.

MADDE 7

27 Ağustos 1973 Anlaşmasının süresi, Geniştirilmiş Sistemin başarılı bir şekilde tecrübe edilmesi tarihinden itibaren yirmi (20) yıl sonra hitame erecek şekilde uzatılacaktır. Başarılı tecrübe tarihi, Türkiye ve Irak'ın ilgili kuruluşları arasında düzenlenecek yazılı bir protokol ile tesbit edilecektir.

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MADDE 8

İşbu Ek Anlaşma'da aksi belirtilmedikçe, 27 Ağustos 1973 Anlaşması ile buna bağlı bütün anlaşma ve protokollerin hükümleri geçerli kalacak ve Genişletilmiş Sisteme uygulanacaktır.

MADDE 9

Bu Ek Anlaşma, İngilizce iki nüsha olarak düzenlenmiştir.

MADDE 10

Taraflar, kanuni vecibelerine uygun olarak işbu Ek Anlaşma'yı yürürlüğe koymak için gerekli tedbirleri alacaktır. Ek Anlaşma, kanuni işlemlerin yerine getirilmesini takiben, bu işlemlerin yerine getirildiğini bildiren Nota teatisi ile yürürlüğe girecektir. Ek Anlaşma imzalandıktan sonra üç ay içinde yürürlüğe girmediği takdirde Taraflar ne yapılması gerektiğini kararlaştırmak üzere toplanacaklardır.

30 Temmuz 1985 tarihinde Bağdat'ta yapılmıştır.

Türkiye Cumhuriyeti
Hükümeti Adına
A. Kurtcebe Alptemoçin
Maliye ve Gümrük Bakanı

Irak Cumhuriyeti
Hükümeti Adına
Qasım Ahmed Al-Oraibi
Petrol Bakanı

**ADDENDUM TO THE CRUDE OIL PIPELINE AGREEMENT OF
27 AUGUST 1973 BETWEEN THE GOVERNMENT OF
THE IRAQI REPUBLIC AND THE GOVERNMENT OF THE TURKISH REPUBLIC**

The Government of the Iraqi Republic and the Government of the Turkish Republic;
Desiring to further consolidate the good neighbourly and friendly relations existing between them and to strengthen the economic ties between the two countries;

Recognizing the important contribution of the Iraqi-Turkish Crude Oil Pipeline System to the economies of both countries;

Desiring to expand the capacity of the existing Crude Oil Pipeline system by laying a second line alongside the existing line;

Confirming their compliance with the provisions of the 27 August 1973 Agreement and desiring to broaden the scope of its implementation to take into account the requirements of the expanded system and pursuant to the principles contained in the Memorandum of Understanding of 6th August 1984; have agreed as follows:

Article 1.

The throughput capacity of Iraqi Turkish Crude Oil Pipeline System shall be physically increased from the existing capacity of 46,5 MTA to 70,9 MTA through the construction of a second crude oil pipeline and other necessary related facilities (hereinafter referred to as the "Expanded System").

Article 2.

1 .In normal operating and loading conditions, the Iraqi side will do its best effort to utilize the full capacity of the Expanded System. In any case, the Iraqi Side undertakes to deliver to the Expanded System in any calendar year a quantity not less than thirty five (35) million metric tons (hereinafter referred to as the guaranteed minimum throughput").

2 .The above mentioned quantity shall include the crude oil sold to Turkey in accordance with Article (14) of the Agreement of 27 August 1973. However, if the Turkish side fails to lift or receive the contracted quantity falling due to any calendar year, then the minimum guaranteed throughput mentioned in this Article shall be reduced by such unlifted or unreceived quantity. On the contrary, if the Iraqi side fails to make available to the Turkish side the contracted quantity falling due to any calendar year, then such quantity shall not be deducted from the guaranteed minimum throughput mentioned in this Article.

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Sayfa : 5

3 .This quaranteed minimum throughput excludes the amount of crude oil to be delivered by the Iraqi Side for the purpose of completion of the filling of the Expanded System under Article 5 of this Addendum.

4 .This quaranteed minimum throughput shall be effective as of the date of the successful test run of the Expanded System and shall be adjusted proportionally to actual capacity made available by the Turkish Side to the Iraqi Side in any year.

5 .In any case, this quaranteed minimum throughput shall not exceed 35 MTA. In the event that the capacity of the Expanded System, after its implementation in accordance with the agreed designs and method of implementation and for reasons beyond the control of the Turkish side falls short of 70.9, MTA, the quaranteed minimum throughput shall nevertheless remain 35 MTA.

6 .For the part of the first year of operation of the Expanded System, this quantity shall be calculated prorata to the actual remaining period from the date of operation of the Expanded System to the end of the first year.

7 ,Except in the cases of Force Majeure the sum payable by the Iraqi Side to the Turkish Side for any full calender year shall not be less than the total remuneration payable for the quaranteed minimum throughput stipulated in paragraph (1) of this Article.

Article 3.

The remuneration for the use of the system after expansion shall be as follows:

FOR ANY CALENDAR YEAR

- A — 75 US cents per barrel up to a quantity of 35 million metric tons.
- B — An average of 60 US cents per barrel up to a quantity of 46.5 million tons.
- C — An average of 56 US cents per barrel up to a quantity of 50 million metric tons.
- D — An average of 50 US cents per barrel up to a quantity of 60 million metric tons.
- E — An average of 43 US cents per barrel up to a quantity of 70.9 million metric tons.

The average remuneration for quantities falling in between the quantities shown in A, B, C, D and E shall be calculated on the basis of linear interpolation between relevant quantities and if averages are beyond the quantities mentioned in E then by extrapolation from D and E.

The above mentioned remuneration shall be applicable as of the date of the operation of the expanded system with total quantites exceeding the maximum capacity of the existing system (46.5 MTA).

Article 4.

At the end of the calender year following the calendar year in which the successful test run of the Expanded System is executed, and at the end of each subsequent calender year thereafter, the remuneration indicated in Article 3 above shall be subject to a review process between the two sides, as follows.

If within the calendar year reviewed the weighted average of the rates of inflation in the U.S., Federal Republic of Germany and Japan exceeds 5 (Five) percent, an adjustment will be made in the prevailing scale of remuneration with the percentage point over and above the 5 (Five) percent. This adjustment will be effective from the first of January of the calendar year succeeding the year reviewed. If however, the annual weighted inflation average does not exceed 5 (Five) percent over the previous year no adjustment will be made in the remuneration. In the determination of the weighted average, the inflation rates in U.S., F.R.G and Japan will be taken at the ratios of 40 percent, 30 percent and 30 percent respectively. In measuring the rates of inflation in these three countries, annual averages of the wholesale price indices reported in IFS issued by the IMF will be taken as the criteria.

Sayfa : 6

RESMÎ GAZETE

5 Mayıs 1986 — Sayı : 19396

Article 5

Without prejudice to the provisions of para 2 of Article 15 of the Agreement of 27 August 1973, the Iraqi Side shall provide the amount of crude oil for the completion of the filling of the Expanded System including tank bottoms. Such crude oil shall remain the property of the Iraqi Side and the Turkish Side by the provisions of this Addendum guarantees to cover the value of this quantity to be valid for the duration of the extended Agreement. At the expiration of the extended Agreement, the Turkish Side undertakes to purchase the above mentioned quantity at the prevailing price of that date or deliver it to the Iraqi Side on a vessel. The losses relating to crude oil portion supplied for the completion of filling of the Expanded System shall be the responsibility of the Turkish Side in a manner similar to other losses. This amount of crude oil is currently estimated at being (4.392 million barrels). However the exact amount of the crude oil for the completion of the filling of the Expanded System shall be agreed upon between the two sides during the preparation of the procedure for the hydrostatic test of the Expanded System.

Article 6.

The Turkish side shall, in accordance with the provisions of para 2 of Article 12 of the 27 August 1973 Agreement, take the necessary measures to eliminate the financial burden placed on the purchasers, offtakers of the tankers assigned to the lifting of the crude oil not later than the first of January 1986.

Article 7

The duration of the 27 August 1973 Agreement shall be extended so as to expire twenty (20) years from the date of the successful test run of the Expanded System. The date of the successful test run will be determined through a written protocol between the relevant organizations of Turkey and Iraq.

Article 8

Unless otherwise stated in this Addendum the provisions of the 27 August 1973 Agreement and all its related protocols and agreements shall remain valid and shall be applicable to the Expanded System.

Article 9

This Addendum has been drawn up in two originals in the English language

Article 10

The two Sides shall take the necessary measures for putting into effect this Addendum according to their legal requirements. Following the fulfillment of this legal procedure this Addendum shall enter into force on the date of the exchange of Notes notifying the fulfillment of legal procedure. If this Addendum does not enter into force within three months from the date of its signature, the two Sides shall meet with a view to decide on the steps to be taken.

Done in Baghdad on 30 th July 1985.

For the Government of the
Republic of Turkey

For the Government of the
Republic of Iraq

A. KURTCEBE ALPTEMOÇİN QASSIM AHMED AL—ORAIBI
Minister of Finance and Customs Minister of Oil

T.C.

Resmî Gazete

Kuruluş Tarihi : (7 Teşrinievvel 1336) - 7 Ekim 1920

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İLÂN BÖLÜMÜ

Yargı İlanları

Ayvalık İcra Memurluğundan :

GAYRİMENKUL (Daire) SATIŞ İLANI

Tasarrufları Koruma Fonu Ankara 3 No.lu Banker Tesfiye Kurulunca tasfiye işleri yürütülen Banker (Öneş Ticaret) Ahmet Öneş'e ait Ayvalık Ali Çetinkaya Mahallesi Şahin Sok. Ak Apt. No: 1 adresinde bulunan Ayvalık Tapusunun Sakarya Mahallesi Armutçuk mevkiinde kain 97 parşta, 854 ada, 46 parselinde kayıtlı 430 m² miktarındaki arsa üzerine inşaa edilmiş binanın 5 no.lu meskene tekabül eden 73/430 arsa paylı bağımsız bölümü 35 sayılı K.H.K.'nin 13. maddesi ile İ.İ.K.'nın hükümleri uyarınca açık artırma suretiyle dairemizce satılacaktır.

A - Gayrimenkulün Mahiyet ve Değeri :

Betonarme karkas tarzda 1982 yılında iyi malzeme ve işçilikle inşa edilmiş bu binanın temeli betonarme, beden ve bölme duvarları takviyeli harçlı blok tuğla duvar, iç ve dış takviyeli harçlı sıva, dış kaplaması sıva serpmeye olarak yapılmış çatısı ahşap oturtma çatı ve kiremitli, döşemeler betonarme, kaplamaları karo mozaik, iç ve dış doğramaları ahşap, merdiven ve balkon korkulukları ile cümle kapısı demirden mağmül ve yağlı boya kaplı, mutfak tezgah üstü ve alını ile banyo, WC duvarları fayansa kaplı, 95.000 m² brüt alanlı 3 oda, salon, mutfak, banyo, WC ve iki balkon ile bodrum eklentisi sığınak olan bu meskenin (Dairenin) muhammen değeri 6.000.000.— liradır. Çarşıya 2-3 m ve otobüs durağına 250 m mesafede Belediye ve İmar Planı içinde bahçeli nizamında 3 katlı inşaat müsaadeli iskan sahasında olup yol, su ve elektrik gibi Belediye hizmetleri mevcut bu bina iyi bir mevkidedir.

B - Satış Şartları :

1 — Satış Memurluğumuzca 20/5/1986 günü gayrimenkulün bulunduğu yerde saat 11.00 - 11.30 arasında yapılacaktır. Bu artırmada tahmin edilen kıymetin % 75'ine ulaşılmadığı takdirde, satış 30/5/1986 tarihinde aynı yer ve saatte tekrarlanacaktır. Şayet yukarıda yazılı miktar elde edilememiş ise gayrimenkul ençok arttıranan taahhüdü baki kalmak üzere arttırma ilanında gösterilen müddet sonunda ençok arttıranan ihale edilecektir. Ancak satışın yapılabilmesi için arttırma bedelinin malın tahmin edilen kıymetinin % 50'sini bulması şarttır.

2 — Satışın yapıldığı günü takip eden 7 gün içinde satış bedelinin % 15'inden aşağı olmamak üzere daha yüksek teklifte bulunulduğu takdirde, ilk alıcı ile sonradan teklifte bulunanlar arasında satıştan sonra 10'uncu günde bir defaya mahsus olmak üzere açık arttırma yapılarak satış ençok arttıranın üzerinde bırakılacaktır. Ancak satıştan sonra teklifte bulunanlar, teklif ettikleri meblağ karşılığının peşin olarak, nakit veya banka teminat mektubu yahut devlet tahvilı şeklinde yatırma-dıkça açık arttırma talepleri kabul edilmeyecektir.

3 — Satışa katılanların tahmin edilen kıymetin % 10'u oranındaki nakit veya banka teminat mektubu veya Devlet tahvilini dairemize vermeleri şarttır. Bakanlıklar, Kamu İktisadi Teşebbüsleri ve diğer kamu kurumları teminat aranmaksızın satışa katılabilir. Kurulla ilgili bütün işlemler vergi, resim ve harçtan muaftır. Diğer mükellefiyetler alıcıdan tahsil edilir.

4 — Satış peşin para ile yapılacaktır. Satış bedeli hemen veya verilen mühlet içinde ödenmezse İ.İ.K.'nın 133. maddesi gereğince ihale fesh edilecektir. İki ihale arasındaki farktan ve % 30 faizden alıcı ve kefilleri mesul tutulacak ve hiçbir hükme hacet kalmaksızın kendilerinden tahsil edilecektir.

5 — Satış şartnamesi ilan tarihinden itibaren Memurluğumuzda incelenebileceği gibi masrafi ödendiği takdirde alıcıya bir örneği gönderilecektir. Daha fazla bilgi almak isteyenlerin Ankara 3 No.lu Tasfiye Kurulu'na başvurmaları gerekir. Satışa katılanlar şartnameyi görmüş ve münderecatını kabul etmiş sayılırlar.

İlan olunur.

Sayfa : 8

RESMÎ GAZETE

5 Mayıs 1986 — Sayı : 19098

Eyüp 1. Ağır Ceza Mahkemesi Başkanlığından :

E. No :1984/80

K. No :1985/11

Müessir fiil, 6136 sayılı Kanuna muhalefet ve kavgada korkutmak maksadı ile silah çekmek suçlarından sanık olup halen Sivas Kangal Kazası Konak Nahiyesi H :5, C :6, S : 19 da nüfusa kayıtlı Çeliktepe tanker Sok. No : 2/20 4. Levent ve Karacaali Sok. No : 6 Beyoğlu'nda oturur Bozaelife oğlu, 1946 D.lu İrfan Doğan hakkında yapılan 20/2/1985 tarihli oturum sonunda :

Sanığa isnat edilen adam öldürmeye teşebbüs suçu TCK. nun 456/2, maddesine mümas müessir fiil mahiyetinde bulunmuş, gerek bu suç ve gerekse diğer suçlar işleniş tarihleri itibariyle TCK. nun 102/4, 104/2. maddelerinde yazılı Yedibuçuk senelik zaman aşımına tabi ve bu zaman aşımı tahakkuk etmiş olduğundan hakkındaki kamu davasının ortadan kaldırılmasına,

Emniyete kayıtlı boş kovanların TCK. nun 36 maddesi gereğince musaderesine, dair verilen 20/2/1985 tarih ve 1984/80-1985/11 karar sayılı gıyap kararı sanığı PTT ve Zabıta marifetiyle tebliğ edilmek istenmiş sade bildirilen adreslerde bulunamadığından gerekli tebliğat yapılamamıştır.

Bu nedenle 7201 sayılı tebligat Kanununun 28 ve müteakip maddeleri gereğince sanık İrfan Doğan hakkındaki kararın Resmî Gazete'de ilânen tebliğine, karar verilmiş, ilânın yapıldığı tarihten 15 gün içinde Kanun yollarına başvurulmadığı takdirde hükmün kesinleşeceği ilânen tebliğ olunur.

5491

Eyüp 1. Ağır Ceza Mahkemesi Başkanlığından :

E. No :1981/52

K. No :1985/20

Rızaen kaçırıp alıkoymak, ırza geçmek, mütecaviz sarhoşluk ve mesken masuniyetini ihlal suçlarından sanık, Sinop Gerze Sarıyer Köyü H : 59, C : 055/02, S : 8 de nüfusa kayıtlı, Altıntepsi Başrampaşa pazar Sok. No : 47 veya Şehremini hamam Sok. No : 21 de oturur Hüsni-Fatma oğlu, 1951 D.lu Bahattin Özcan hakkında yapılan 8/3/1985 tarihli oturum sonunda:

Sanığın ırza geçmek suçundan hareketine uyan TCK.nun 414/1, 418/2, 80, 59 maddeleri gereğince Altsene Onbiray Ongün ağır hapsine,

Kaçırıp alıkoymak suçundan hareketine uyan TCK. nun 430/2, 59 maddeleri gereğince Beş ay hapsine,

Mütecaviz sarhoşluk suçundan hareketine uyan TCK. nun 572/1, 59 maddeleri gereğince Bir Ay Yirmi Gün hafif hapsine ,

Sanığa tayin edilen hapis ve hafif hapis cezalarının para cezasına çevrilmesine mahal olmadığına,

Sanığın mesken masuniyetini ihlal suçundan Kanuni unsurları tekevven etmediğinden müsnet bu suçtan beratına, nezarette ve tutuklu kaldığı günlerin TCK. nun 40 maddesi gereğince cezasından sayılmasına dair verilen 8/3/1985 tarih ve 1981/52 esas 1985/20 karar sayılı gıyabi karar sanığa PTT ve zabıta marifetiyle tebliğ edilmek istenmişde bildirilen adreslerde bulunmadığından tebligat yapılamamıştır.

Bu nedenle 7201 sayılı tebligat Kanununun 28 ve müteakip maddelerine tevfi kan sanık Bahattin Özcan'ın hükümlülüğünün Resmî Gazete'de ilânen tebliğine karar verilmiş, ilânın yapıldığı tarihten 15 gün içinde Kanun yollarına başvurulmadığı takdirde hükmün kesinleşerek infaza verileceği ilânen tebliğ olunur.

5492

5 Mayıs 1986 — Sayı : 19098

RESMÎ GAZETE

Sayfa : 9

Adana 1 Sulh Ceza Hâkimliğinden :

Esas No : 1985/936

Karar No : 1985/2138

İstimal maksadı ile kaçakçılık suçundan sanık Mustafa ve Fatma'dan olma 1940 d.lu Adana Kocavezir Mah. Nüf. kayıtlı olup aynı mahalle 766 Sokak 85'te oturan Hanife Gönenc hakkında mahkememizin 8/11/1985 günü ve Esas 1985/936 Karar 1985/2138 Sayılı ilâmiyle TCK. 102/5, 104 maddeleri uyarınca Ortadan Kaldırılmasına Cezasıyla mahkumiyetine sanığın gıyabında hüküm verilmiş olup sanığın 7201 sayılı tebligat Yasasının 28 nci maddesindeki esaslar dairesinde ardesinde adresinin tesbit edilemediği ve meskeni meçhul kaldığından Yasasının 28, 29, 30 ve 31 nci maddeleri uyarınca hüküm Resmî Gazete'de ilânen tebliğine.

İlânın yapıldığı tarihten 15 gün sonra tebliğin yapılmış sayılmasına ve bir suretinin mahkeme divanhanesine asılmasına karar verilmiştir.

İlânen tebliğ olunur.

5602

Esas No : 1985/2256

Karar No : 1985/2437

Surtücü Belgesiz Vasıta Kullanmak suçundan sanık Rıfat ve Şerife'den olma 1936 d.lu Kayseri Talas ilçesi Kepez Köyü Nüf. kayıtlı olup Adana Yeşilyuva Mah. 786 Sokak 16'da oturan Durdu Türkmen hakkında mahkememizin 20/11/1985 günü ve Esas 1985/2256 Karar 1985/2437 Sayılı ilâmiyle 2918 S.Kanunun 36/3 647 S.K.nun 4/1, TCK. 72 maddeleri uyarınca 7250. — TL. Hafif Para Cezasıyla mahkumiyetine sanığın gıyabında hüküm verilmiş olup sanığın 7201 sayılı tebligat Yasasının 28 nci maddesindeki esaslar dairesinde adresinde adresinin tesbit edilemediği ve meskeni meçhul kaldığından Yasasının 28, 29, 30 ve 31 nci maddeleri uyarınca hüküm Resmî Gazete'de ilânen tebliğine.

İlânın yapıldığı tarihten 15 gün sonra tebliğin yapılmış sayılmasına ve bir suretinin mahkeme divanhanesine asılmasına karar verilmiştir.

İlânen tebliğ olunur.

5601

Mersin Birinci Asliye Ceza Hâkimliğinden :

Esas No : 1985/53

Karar No : 1985/444

Karar Tarihi : 24/10/1985

Davacı : K.H.

Müşteki : Feyyat Kuş, Hami oğlu 1954 D.lu, Mersin Yumuktepe Çamlığının içinde oturur.

Sanık : Mehmet Salih Altürk; Hacı oğlu Hazim'den olma 1966 D.lu, Hakkari İli Ulu-dere İlçesi Merkez Okul Mah. N.K.lı olup, Halen Mersin Alsancak Mahallesi 145 sokak nümara 8 de oturur. Bekar, Okur Yazar, sabıkasız, lastikçi.

Suç : Hırsızlık

Suç Tarihi : 4/1/1985

Yukarıda hüviyeti ve açık adresi bildirilen sanığın hırsızlık yapmaktan eylemine uyan T.C.K.nun 493/2, 522, 525 maddeleri gereğince bir yıl hapis, bir yıl genel güvenlik gözetimi altında bulundurulmasına dair mahkumiyet kararı, sanığın bildirdiği adresinde olmadığı, halin de bulunduğu yer ve adresi tespit edilememiş olup, adresi meçhul olduğundan; 7201 sayılı Tebligat Kanununun 28, 29, 30 ve 31 ci maddeleri gereğince tebligatın ilânen yapılmasına, ilânen tebliğin, son ilân tarihinden itibaren 7 gün sonra yapılmış sayılmasına karar verilmiştir.

İlânen tebliğ olunur.

5600

Sayfa : 10

RESMÎ GAZETE

5 Mayıs 1986 --- Sayı : 19098

Altınözü Sulh Ceza Hâkimliğinden :

E. No : 1982/46

K. No : 1986/37

Davacı : K. H.

Sanık : Ali Öfkeli, Bedi ve Yüksel'den olma 1960 doğumlu Hatay İli Turunçlu Köyü nüfusuna kayıtlı olup, Armutlu Mah. Turunçlu Cad. Öfkeli Apt. No: 4'te ikamet eder ANTAKYA

Suç : Pasaport Kanununa Muhalefet

Yukarda açık kimliği ve müsnet suçu yazılı sanık Ali Öfkeli hakkında Mahkememizde açılan kamu davasının yapılan yargılaması sonunda sanığın 5682 sayılı Yasanın 33/1. maddesi gereğince cezalandırılması için açılan kamu davasının sonucunda sorgusunun yapılamaması ve adresinin tesbit edilememesi nedeniyle TCK.nun 104/2 ve 102/5 maddesi gereğince bu suçtan dolayı açılan davanın ortadan kaldırılmasına aynı Yasanın 34/1. maddesi gereğince açılan kamu davasının muvakkaten tatil edilmesine karar verilmiştir.

İşbu ilan özetinin yayımı tarihinden itibaren 15 gün sonra sanık Ali Öfkeli'ye tebliğ edilmiş sayılacağına Tebligat Kanununun 28, 29, 30, 31. maddesi gereğince ilan tebliğ olunur.

5487

Gerede Asliye Ceza Hakimliğinden :

E. No : 1985/40

K. No : 1986/20

Karşılıksız çek vermek suretiyle dolandırıcılık suçundan sanık Gerede Yalacık Köyü nüfusuna kayıtlı, Şükrü ve Esme'den olma, 1953 D.lu Ali Aslan Yılın'nın hareketine uyan TCY 503/ilk, 522, 647 sayılı yasanın 4. maddesi TCY 72 ve 647 sayılı yasa 6. maddesince 15.75C TL. ağır para cezasıyla cezalandırılmasına ve verilen cezanın ertelenmesine dair mahkememizden verilen 28/1/1986 tarih ve 1985/40 esas 1986/20 karar sayılı hüküm bu güne kadar yapılan araştırmaya rağmen kendisine tebliğ edilmediği gibi adresinde tesbit edilmediğinden 7201 sayılı tebligat Kanunun 28, 29, ve 31. maddelerince iş bu hüküm fıkrasının Resmî Gazetede ilân edilmek suretiyle ilânen tebliğine ve ilân yapıldığı tarihten 15 gün sonra tebligat yapılmış sayılmasına, mahkeme masrafı ile ilân ücretinin sanıktan tahsili ilânen tebliğ olunur.

5406

Kocaeli 2. Ağır Ceza Mahkemesi Başkanlığından :

E. No : 1984/163

K. No : 1986/11

Kasten adam öldürmek ve 6136 S.K.M. suçlarından sanıklar hakkında neticeten sanık Turgut Dost hakkında TCK 46/1 maddesi gereğince bir ceza tertibine mahal olmadığına, sanık Hayriye Dost hakkında TCK 464/3, 51/1, 59, 647 S.K. 4/1 6 maddeleri gereğince neticeten 4 gün süre ile hapis, hapis cezasının 800 lira ağır para cezasına tahvil ve Teciline karar verilmiş, karar Mustafa oğlu 1330 doğumlu Gölcük İhsaniye çiftlik mahallesinde mukim Müdahil Muhammet Aslan'ın gıyabında verilecek bütün aramalara rağmen tebligat yapılamamıştır.

Bu itibarla, Tebligat Kanununun 28, 30, 31 maddelerine göre Hüküm özetinin Resmî Gazetede ilân olunacak ilân tarihinden itibaren bir hafta içerisinde Kanun yonuna başvurulmadığı takdirde Karar kesinleşmiş sayılacağı hususu ilân olunur.

5407

5 Mayıs 1986 — Sayı : 19098

RESMÎ GAZETE

Sayfa : 11

Denizli 1. Ağır Ceza Mahkemesi Başkanlığından :

E. No : 1985/121

K. No : 1985/164

Sanık : Mehmet Aydın, Kastamonu-Devrekani İlçesi Seydiler Mah. 95 hanede nüfusa kayıtlı, İsmail oğlu, Zeliha'dan olma, 1950 D.lu,

Tehdit suçundan sanık Mehmet Aydın hakkında mahkememizin 30/9/1985 tarih ve 1985/121-1985/164 Sayılı hükmü ile TCK.nun 191/1, 647 S.K. 4. maddesi gereğince 3.000 TL. Ağır para cezası ile mahkum edilmiştir.

7201 sayılı Kanunun 28, 29, 30 maddeleri gereğince Resmî Gazete'de ilânen tebliğine, ilân tarihinden itibaren 15 gün sonra gıyabi hükmün adı geçen'e tebliğ edilmiş sayılmasına karar verildi.

5490

Bakırköy Birinci Ağır Ceza Mahkemesi Başkanlığından :

E. No : 1982/125

K. No : 1986/99

14/4/1981 tarihinde kaçakçılık suçundan sanıklar Abid Ajas ve Ali Niyazi Kodak haklarında mahkememizde yapılan duruşmaları sonunda,

Sanıklar bunca aramalara rağmen bulunamadıklarından karar tebliğ edilememiştir, Hüküm fıkrasının Resmî Gazete ile ilânen tebliğine karar verilerek Hacı Ahmet oğlu 1955 D.lu, Pakistan uyruklu Abid Ajas ile Seyfullah oğlu Haticeden doğma 1951 D.lu Gaziantep nüfusuna kayıtlı Ali Niyazi Kodak haklarında 3217 sayılı Kanunun 4. mad. değişen 1918 sayılı Kanunun 27/2-3-33/son. 647 sayılı Kanunun 5/4 ve 1918 sayılı Kanun 56. maddeleri gereğince ve 27/2 maddesinde nazara alınarak neticeten : 1.681.700.06,— TL. ağır para cezası ile ayrı ayrı müteselsilen sorumlu olmak üzere tecziyelerine ve bu para cezalarını ödemedikleri takdirde beher günlüğü 300'er lira hesabıyla daha fazla caiz olamayacağından 3'er süreyle hapse çevrilmesine, 8.500 Lira maktû ve 70.134 TL. Nisbi ücreti vekalet ile 5.420 Lira Nisbi Harç 15.375 TL. Mahkeme masrafı ve, Otonunun Müsaderesine, karar verilmiştir.

Karar sanıklara tebliğ edilemediğinden 7201 sayılı tebligat Kanunun 29. maddesi gereğince hüküm fıkrasının ilânen tebliğine ve ilân tarihinden itibaren 15 gün sonra ilan edilmişsayılacağı hususu ilân olunur.

5489

Susuz Asliye Ceza Hakimliğinden :

Esas No : 1980/97

Karar No : 1985/33

Dernekler Kanununa muhalefet suçundan sanıklar Susuz Kaza Merkezinden Celal Yamen ve arkadaşları hakkında mahkememizde yapılan açık duruşma sonunda,

Susuz İlçesi Kayalık Köyünden Naim oğlu, 1957 doğumlu Yunus Uray'ın İki Bin Beşyüz Lira ağır para cezasıyla cezalandırılmasına karar verilmiş olup, bu karar bütün aramalara rağmen adı geçene tebliğ edilememiştir.

7201 sayılı Kanunun 28 ve 29. maddeleri gereğince ilân tarihinden itibaren 15 gün içinde muhataba tebliğ edilmiş sayılacağı tebliğ olunur.

5499

Sayfa: 12

RESMÎ GAZETE

5 Mayıs 1986 — Sayı : 19098

Kocaeli Asliye 3. Hukuk Hâkimliğinden :

1985/10

İzmit Harbiye Mah. Etyar Cad. No. 33/1 adresinde Hüseyin Albayrak ve Abdullah Acar hakkında davacı Türkiye Genel Sigorta A.Ş. tarafından 1.893.078 TL'nin tahsili için açtığı tazminat davası nedeniyle Hüseyin Albayrak'ın adresi bilinmediği ve zabıta tahkikatı ile tesbit edilmediğinden 18/6/1986 günü saat 10'da Mahkemede hazır bulunmasına, duruşma günü Mahkemede hazır bulunmadığınız veya vekille temsil edilmediğiniz takdirde yargılamaya yokluğunuzda devam edileceği ve hüküm verileceği ilânen tebliğ olunur. 5404

Çal Asliye Hukuk Hâkimliğinden :

1983/82

Çal'dan Sadık Kırca tarafından, davalı Ali Kırca, Eşe Sarılar ve İbrahim Kırca aleyhine açılan tapu iptali ve tescil davası hakkındaki davanın açık Mahkemesinde :

Davalı İbrahim Kırca'ya Çal İsmailler Mahallesine çıkartılan tebligatın bilâ tebliği iade edildiği ve ayrıca zabıta marifetiyle adresinin bulunamadığından ilânen davetiye tebliği yapılmasına karar verildiğinden davalı İbrahim Kırca'nın duruşmanın yapılacağı 21/10/1986 günü saat 10'da Çal Asliye Hukuk Mahkemesi duruşma salonunda hazır bulunması için dava dilekçesi ve yenileme dilekçesi tebliği yerine kaim olmak üzere ilânen tebliğ olunur. 5399

Artırma, Eksiltme ve İhale İlânları**Başbakanlık Hazine ve Dış Ticaret Müsteşarlığından :**

Hazine ve Dış Ticaret Müsteşarlığı'nca 7/5/1986 Çarşamba günü saat 12.00'ye kadar teklif verilmesi ve teminatın yatırılması kaydıyla, aynı gün saat 15.00'de Bankalara, Borsa Bankerlerine, Sigorta Şirketlerine, diğer tüzel kişilere ve asgari 50.0 milyon lira ile katılmak şartıyla hakiki şahıslara ihale suretiyle 15.0 milyar lira tutarında 6 ay vadeli 1986 Üçüncü Tertip Hazine Bonosu ve 5.0 milyar lira tutarında 1 yıl vadeli 1986 Devlet İç Borçlanma tahvili satılacaktır. Bu ihale ile ilgili açıklama ve teklif formu örneği T.C. Merkez Bankası Şubelerinden temin edilebilir.

Keyfiyet ilgililere duyurulur.

NOT : İhaleye katılacak olanlar teklif verdikleri vade için ihaleyi kazanamadıkları takdirde diğer bir vade için tekliflerinin geçerli sayılmasını, teklif mektup veya telekslerinde bunu belirtmek ve o vade için fiyat vermek suretiyle isteyebileceklerdir. 5852 / 1-1

PTT Genel Müdürlüğünden :

1 — Teşekkülümüz Posta hizmetleri ihtiyacı olan 70.000 mt.uçak torbası ile 40.000 mt. APS torbası yapımında kullanılmak üzere 2 ayrı kalemde toplam 110.000 Mt. torba kumaşı Depo teslim şartlı olarak kapalı yazılı teklif alınmak suretiyle yaptırılacaktır.

2 — Bu işe ait şartname Ankara'da Genel Müdürlük Malzeme Dairesi Başkanlığından, İstanbul'da PTT Bölge Başmüdürlüğü Malzeme Servisinden 600.— TL. bedel mukabilinde temin edilebilir.

3 — İhaleye iştirak edecek Firmaların 12/5/1986 günü saat 17.30'a kadar idari şartnamenin 3 ncü maddesinde kayıtlı belgelerle Genel Müdürlük Malzeme Dairesi Başkanlığına müracaatları ile uygun görüldüğü takdirde ihaleye iştirak edebilmeleri için verilecek yeterlik belgesini 20/5/1986 günü saat 17.30'a kadar Malzeme Dairesi Başkanlığından almaları gereklidir.

4 — Teklifler en geç 22/5/1986 günü saat 10.00'a kadar Genel Müdürlüğümüz Malzeme Dairesi Başkanlığına verilmiş olacaktır.

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5 Mayıs 1986 — Sayı : 19098

RESMÎ GAZETE

Sayfa: 19

**TEK. S.S. Kızılırmak Elektrik Dağıtım Müessesesi Müdürlüğünden :
SİVAS**

1 — Müessesemize bağlı İl İşletme Müdürlüklerinin Elektrik tesislerinde kullanılmak üzere aşağıda gruplar halinde sınırlandırılmış, iki kalem demir malzeme kapalı zarf usulü şartnameleri gereği, teklif almak sureti ile satın alınacaktır.

2 — Malzeme Cinsleri :

Grup No	Sıra No	Malzemenin Cinsi	Mlz.Mik. (Kg)	Tah.Keşif (TL.)	Geçici Teminatı (TL.)
1	1	NP 65 U Profil Demir	180.000	39.600.000	1.188.000
2	2	60 x 60 x 6 Köşebent Demir	195.000	39.000.000	1.170.000

3 — Yukarıdaki gruplarla ilgili malzeme listeleri şartname ve diğer bilgileri ihtiva eden teklif dosyası (TEK.S.S. Kızılırmak Elektrik Dağıtım Müessesesi Müdürlüğü Yeniçarşı Uluhan No: 82 Sivas Adresinden) 15.000,— TL. + KDV bedelle temin edilebilir.

4 — Teklifler engeç 15/5/1986 Perşembe günü 14.00'e kadar şartnamedeki esaslar dahilinde verilecektir. Postadaki gecikmeler ve Telgrafla başvurular dikkate alınmaz.

5 — Teklif mektupları aynı gün saat 15.00'de alenen, Satınalma ve İhale Komisyonu huzurunda açılacaktır.

6 — Firmalar fiyat teklifinde bulunduğu, teklif ettiği malzemelerin özelliklerini açık olarak belirttiği gibi, numunesini ihale ve Satınalma Komisyonuna sunacaklardır. Her kalem ayrı bir ihale konusu olduğundan her malzeme için verilen teklifler ayrı ayrı değerlendirilecektir.

7 — İhaleye ait geçici ve kat'i teminat ihale sonunda tüm malzemelerin şartname ve numunelerine uygun, tam ve sağlam olarak Müessesemize teslim edildikten sonra sözleşme gereğince ilgili firmaya iade edilecektir.

8 — Satın alınacak malzemelerin TSE garantisi istenecektir. TSE kapsamına alınmamış ise, Ticaret ve Sanayi Müdürlüklerinden kalite belgesi, eğer kalite belgeside yok ise, İhale ve Satın alma Komisyon Başkanlığının kuracağı kalite kontrol komisyonunun raporuna göre değerlendirme yapılacaktır.

9 — Müessesemiz 2886 sayılı Kanuna tabi olmayıp ihaleyi yapıp yapmamakta veya kısmen yapmakta tamamen serbesttir.

5693 / 2-2

Ankara Sular İdaresi Genel Müdürlüğünden :

1 — Kuruluşumuzun ihtiyacı olan 400 ton sanayi kireç teknik şartnamesi dahilinde fiyat ve teklif alma usulü ile satın alınacaktır.

2 — Geçici teminatı teklif edilen toplam bedelin % 3'üdür.

3 — İlgililer tekliflerini 12/5/1986 günü saat 14.00'e kadar Kuruluşumuz Yazı İşleri Şefliğine vereceklerdir.

4 — Bu işle ilgili idari ve teknik şartnameler Kuruluşumuz Makina ve İkmal Dairesi Başkanlığı, Ticaret Müdürlüğünden dilekçe mukabilinde ücretsiz olarak temin edilebilir.

5 — Geçici teminat vermeyenlerin teklifleri değerlendirilmeye alınmayacaktır.

6 — Her türlü gecikmeler ve telgrafla yapılacak teklifler değerlendirilmeyecektir.

7 — Kuruluşumuz 2886 sayılı Yasaya bağlı değildir.

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Sayfa : 14

RESMÎ GAZETE

5 Mayıs 1986 — Sayı : 19098

Türkiye Denizcilik İşletmeleri Genel Müdürlüğünden :

Teşekkülümüze ait "İzmir Körfez Hattı İşletmesi Bostanlı Yolcu ve Arabalı Vapur İskelesi ile Yardımcı Üniteleri Tatbikat Projelerinin Hazırlanması" işi kapalı zarfla teklif alınmak suretiyle ihaleye çıkarılmıştır.

İşin geçici teminatı : 500.000,— TL.dir.

Bu işe ait ihale dosyası İstanbul-Eminönü Denizcilik Bankası T.A.Ş. Binasının üst katında bulunan İnşaat Emlâk Dairesi Başkanlığı Yazı İşleri Servisi Şefliğinde ve İzmir Körfez Hattı İşletmesi Müdürlüğümüzde incelenebilir. Ancak ihaleye taklif vereceklerin (K.D.V. hariç) 5.000,— TL. bedel karşılığında dosya satın almaları şarttır.

İhaleye iştirak şartları dosya içindeki teklif alma şartnamesinin 4. maddesinde mevcuttur.

Kapalı teklif zarfları 15/5/1986 günü saat 12.00'ye kadar yukarıda yazılı adresteki İnşaat Emlâk Dairesi Başkanlığı Yazı İşleri Şefliğine makbuz mukabili teslim edilecektir.

Postada vaki olabilecek gecikmeler dikkate alınmaz.

Teşekkülümüz 2886 sayılı Kanuna tabi olmayıp ihaleyi yapıp yapmamakta veya dilediğine yapmakta tamamen serbesttir. 5855 / 1-1

Bitlis Vakıflar Bölge Müdürlüğünden :

İşin adı yeri ve nevi : Siirt Vakıf Orta Öğrenim Öğrenci Yurdu 1986 Yılı İnşaatı Yeni İnşaat, Birinci keşif bedeli : 305.000.000.— TL., Geçici teminat : 9.150.000.— TL. İhale tarihi ve saati : 20/5/1986 saat 10.30 da.

1 — Yukarıda adı ve 1. keşif bedeli yazılı olan işler, 2886 sayılı Devlet İhale Kanununun 35/a maddesi gereğince kapalı teklif usulüyle ihaleye çıkarılmıştır.

2 — Şartnameler ve ekleri hergün saat 9.00 ile 12.00 ile 17.00 saatleri arasında Bitlis Vakıflar Bölge Müdürlüğü ile Ankara Vakıflar Genel Müdürlüğü Abide ve Yapı İşleri Dairesi Başkanlığı'nda görülebilecektir.

3 — İhale, Bitlis Vakıflar Bölge Müdürlüğü İhale Komisyonunun huzurunda yapılacaktır.

4 — İhaleye iştirak belgesi almak için, isteklilerin Eksiltme şartnamesinin 4/F maddesinde belirtilen a) Yapım araçları bildirimi, b) Teknik personel bildirimi, c) Mali durum bildirimi, d) Taahhüt durumu bildirimi, e) B grubundan müteahhitlik karnesi, f).....TL.lık iş bitirme belgesi, g) Bitlis Vakıflar Bölge Müdürlüğü'nden alınacak yer gördü belgesi gibi belgeleri eksiltme şartnamesinin 4. maddesinde bildirilen esaslar dahilinde düzenleyip, bir dilekçe ekinde ve tebligat için bir adres te göstererek 9/5/1986 günü saat 17.00'ye kadar Vakıflar Genel Müdürlüğü Genel evrakına vereceklerdir.

5 — Teklifler, eksiltme şartnamesinin 4. maddesinde gösterilen evraklarda dahil edilecek, yukarıda belirtilen ihale saatinden bir saat önce Bitlis Vakıflar Bölge Müdürlüğü İhale Komisyonu Başkanlığına sunulmuş olacaktır.

6 — Postadaki vaki gecikmeler nazari itibare alınmayacaktır.

7 — Bu iş için daha önce yapılmış olanlarda dahil tüm ilan bedelleri ihale üzerinde kalan isteklinin ilk istihkakından kesilecektir.

İlan Olunur.

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Bursa Belediye Başkanlığından :

Belediyemiz encümeninde 13/5/1986 salı günü saat 15.00'de kapalı teklif usulüyle ihalesinin yapılacağı hakkında 29/4/1986 tarih, 19092 sayılı Resmî Gazete'nin 17 nci sayfasında yayınlanan 495.255.628,— TL. tahmini bedelli Değirmenlikızık toplu konut alanında yapılacak teknik alt yapı inşaatı işine ait ilanın e fıkрасındaki -B- grubu müteahhitlik karnesi -B- veya -G- grubu olarak düzeltilmiştir.

İlan olunur.

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5 Mayıs 1986 — Sayı : 19098

RESMÎ GAZETE

Sayfa : 15

Devlet Malzeme Ofisi Ankara Bölge Müdürlüğünden :**SATIŞ İLÂNI**

1 — Bölge Müdürlüğümüze ait ve faal durumda olan aşağıda cins, model, markası, adedi ve teminat miktarı belirtilen matbaa makinaları kapalı zarfla teklif alma usulüyle satılacaktır.

2 — İştirakçilerin listede gösterilen makinaların hizalarında belirtilen teminatları ihale günü saat 12.00'ye kadar Bölge Müdürlüğümüz veznesine yatırmaları gerekmektedir.

3 — Teklif mektupları en geç 12/5/1986 günü saat 14.00'e kadar Bölge Müdürlüğümüz Ticaret Şefliğine verilmesi gerekmekte olup, postadaki vaki gecikmeler dikkate alınmayacaktır.

4 — Makinalar, Rüzgârlı-Agâh Efendi Sokak No: 4'Ül - Ankara adresindeki binamızda iş günleri saat 9.00 ile 16.00 arası görülebilir.

5 — İstekliler, ihale konusu makinalara kısmen veya tamamı için teklifte bulunabilirler.

6 — Ofisimiz ihaleyi yapıp yapmamakta veya dilediği talibe vermekte serbesttir.

C İ N S İ	Model-Marka	Adedi	Teminat Miktarı TL.
1) — Rotatif baskı makinası ve ekipmanları	1953-M.A.N.	1	300.000
— Press	"	1	—
— Freze	"	2	—
— Testere	"	1	—
— Planya	"	1	—
— Pota	"	2	—
— Kalıp kurutma makinası	"	1	—
— Matris kesme makası	"	1	—
2) — Çapak eritme potası	"	1	3.000
3) — Prova tezgahı	Klimsch	1	8.400
4) — Klşe althğı (Demir)	"	1	5.400
5) — Metal testere	Funditör	1	5.400
6) — Planya	"	1	3.600
7) — Satır temizleme makinası	Caition	1	—
8) — Başlık makinası	Ludlov	1	75.000
9) — Başlık makinası	"	1	120.000
10) — Dizgi makinası	Linoteyp	1	30.000
11) — Dizgi makinası	"	1	30.000
12) — Dizgi makinası	"	1	20.000
13) — Planya	Klimsch	1	—
			600.800

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PTT Genel Müdürlüğünden :

İşletmemiz ihtiyacı için 20 adet sahte para ayırma makinası satın alınacaktır.

İsteklilerin bu alma ait şartnameyi Ankara'da PTT Genel Müdürlüğü Malzeme Dairesi Başkanlığından veya İstanbul'da Sirkeci Büyük Postahane'de üstünde bulunan PTT Bölge Başmüdürlüğü Malzeme Servisinden 10.000,— TL. bedelle (KDV hariç) temin edebilirler.

Teklifler en geç 12/6/1986 günü saat 10.00'a kadar PTT Genel Müdürlüğü Malzeme Dairesi Başkanlığına verilecek veya posta ile gönderilecektir.

Bu tarihten sonra gönderilecek teklifler dikkate alınmaz.

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Sayfa : 16

RESMÎ GAZETE

5 Mayıs 1986 — Sayı : 19098

Tarım Orman ve Köy İşleri Bakanlığı Köy Hizmetleri Genel Müdürlüğü Köy Hizmetleri VI. Bölge Müdürlüğü Köy Hizmetleri Malatya İl Müdürlüğünden :

Aşağıda yer, konusu, keşif bedeli, geçici teminatı ihale tarihi ve saati yazılı işler 2886 sayılı Kanunun 35-a maddesi gereğince kapalı teklif usulü ile Malatya Köy Hizmetleri İl Müdürlüğünün Kayseri asfaltı 3 km. deki idare binasında eksiltmeye çıkarılmıştır.

S. No	İ Ş Y E R İ	Konusu	Keşif Bedeli TL.	Geçici Teminatı TL.	Belge İçin		İ h a l e	
					Son Müracaat Tarihi	Tarihi	Saati	
1 —	Malatya Arguvan Güvercinlik	Sulama Tesisi	76.848.272	2.305.448	16/5/1986	21/5/1986	11.30	
2 —	Malatya Pötürge Ormanıcı	Sulama Tesisi	33.444.476	1.003.335	16/5/1986	22/5/1986	15.00	
3 —	Malatya Darende Sofular	Sulama Tesisi	30.195.012	905.851	16/5/1986	23/5/1986	9.30	
4 —	Malatya Pötürge Merkez	Sulama Tesisi	46.634.424	1.399.033	16/5/1986	28/5/1986	11.30	
5 —	Malatya Doğanşehir Erkenek	Sulama Tesisi	46.712.089	1.401.363	16/5/1986	29/5/1986	9.30	
6 —	Malatya Hekimhan Kurşunlu Gelengeç							
	Çelikli Çalhan	Sulama Tesisi	29.419.975	882.600	16/5/1986	29/5/1986	15.00	
7 —	Malatya Doğanşehir Reşadiye	Sulama Tesisi	44.308.714	1.329.262	16/5/1986	2/6/1986	15.00	
8 —	Malatya Hekimhan Kocaözü	Sulama Tesisi (1987 Yılına)						
		Sari.ih	42.590.430	1.277.713	16/5/1986	3/6/1986	11.30	
9 —	Malatya Hekimhan Merkez Karadere Çay Mah. Budak, Kandil	Sulama Tesisi (1987 Yılına)						
		Sari.ih	55.110.710	1.653.322	16/5/1986	3/6/1986	15.00	
10 —	Malatya Darende Yenice	Sulama Tesisi (1987 Yılına)						
		Sari.ih	71.704.923	2.151.148	16/5/1986	3/6/1986	17.00	
11 —	Malatya Darende Gökçeören Ilıca	Sulama Tesisi (1987 Yılına)						
		Sari.ih	62.682.097	1.880.463	16/5/1986	4/6/1986	9.30	
12 —	Malatya - Yazihan - Sol Sahil	Tesviye	82.000.060	2.460.002	16/5/1986	4/6/1986	11.30	
13 —	Malatya - Yazihan Sağ sahil I. Kısım	Tesviye	63.000.220	1.890.007	16/5/1986	4/6/1986	15.00	
14 —	Malatya - Yazihan Sağ Sahil II. Kısım	Tesviye	63.000.220	1.890.007	16/5/1986	4/6/1986	17.00	

Bu işlere ait ihale işlem dosyaları her gün mesai saatleri içinde bedelsiz olarak Malatya Köy Hizmetleri II Müdürlüğünde görülebilir. İsteklilerin işe müracaatın son günü olan 16/5/1986 Cuma günü saat 18.00'e kadar Köy Hizmetleri Malatya II Müdürlüğüne müracaatla her iş için ayrı ayrı verecekleri dilekçelerinde;

1 — Yukarıda belirtilen işlerden keşif bedeli 25.000.000,— TL. ye kadar olan işler için en az keşif bedeli kadar iş bitirme belgesinin aslı veya noter tasdikli suretini; keşif bedeli 25.000.000,— TL. sın geçen işler için (C) gurubu müteahhitlik karnesini.

2 — Yapı araçları bildirisi (Örnek : 1)

a) Miktar ve çeşitleri ihale işlem dosyalarında belirtilen işin adına alınmış yardımcı iş makinalarına ait noter tasdikli kira mukavelesi ile o makinaları kiraya veren şahsa ait olduğuna dair, kamyon ve traktörler için trafik ruhsatnamesi aslı, veya noterden tasdikli sureti. Diğer iş makinaları ile alet ve ekipmanlar için ise fatura aslı veya noterden tasdikli sureti ve beyan edilen makina ve ekipmanları halen bulundukları yerlerin adresleri açık ve kesin olarak bildiride gösterilecektir. (Praforma Fatura kabul edilemez),

b) Yukarıda belirtilen makina ve araçlardan 1986 yılında satın alınmış olanlara sahip olduklarını belirten faturalarla birlikte kaydedildiği yevmiye defteri ve defretü kebirin asılları veya noterden tasdikli suretlerini (Proforma fatura kabul edilemez) istekli bir şirket ise makinaların şirket adına kayıtlı olduğunu gösterir belgele.

3 — İşin adına ilân tarihinden sonraki tarihli ve en az keşif bedelinin % 5'i oranında nakit ve % 5'i oranında teminat mektubu kredisi tutarında bankalardan alınmış banka kredisi mektuplarının ekli olduğu mali durum bildirisi (Örnek : 2/a ve 2/b) istekli ortak girişim grubu ise her ortağın ayrı ayrı mali durumunun gösterilmesi ve banka kredi mektuplarının eklenmesi zorunludur.

4 — Müteahhitler bu işte çalıştıracağı ve işin adına düzenlenmiş teknik personele ait teknik persorel bildirisini (Örnek : 3).

5 — İsteklinin 1/1/1975 tarihinden itibaren kamu kurum ve kuruluşlarına geçirme cezası olarak bitirip, geçici kabulünü yaptıkları işler ihale tarihinden önce ihalesi kararlaştırılmış veya sözleşmesi yapılmış ve halen gecikme cezası olarak yürütmekte olupta keşif bedeline nazaran % 50'sini tamamlamış bulunduğu işlerden en büyüğünün son keşif bedelini kanıtlayıcı belgeleri açıklayan taahhüt bildirisinin ve eklerini (Örnek : 4) istekli ortak girişim ise bildirim her ortak için ayrı ayrı yapılacaktır.

6 — İsteklilerin işyerini görüp tetkik ettiklerine dair işin ait olduğu idareden alınmış tasdikli işyeri görme belgesini.

7 — 26/7/1984 tarih ve 84/8341 sayılı yazı ile 28/12/1984 tarih ve 84/8921 sayılı kararnamelere göre hiç bir idareden tasviye edilmiş işinin olmadığını ve 2931 sayılı Kanuna aykırı bir durumun olmadığını ilişkin beyannamelerinin.

8 — Kanuni ikametgah belgelerini ekleyerek her iş için ayrı ayrı yeterlik belgelerini almalrı şarttır. Uygun bedel tercihiinde kullanılacak kriterler ve puanlar işin şartnamesinde bildirilmiştir.

Yukarıda 2, 3, 4, 5 No.lu yazılı belgelerin bizzat müteahhit tarafından imzalanması ve yurtdışında olan yapı tesis ve onarım işleri ihalelerine katılma yönetmeliğine göre hazırlanması şarttır.

İhaleye gireceklerin yeterlik belgeleriyle birlikte usulüne uygun olarak alınmış geçici teminat makbuzunun veya mektubunun 1986 yılı tasdikli Ticaret ve Sanayi Odası belgesi veya noterden suretini, istekli bir ortaklık olduğu takdirde bu belgelere ilaveten şirketin imza sirkülerini ve ortaklığın ilk ilân tarihinden sonra alınmış hali faaliyet belgelerini usulüne uygun olarak 2886 sayılı Kanunun gereğince hazırlayacakları teklif mektuplarını en geç ihale saatinden bir saat önce ihale Komisyonu Başkanlığına vermeleri lazımdır.

İdare ihaleyi yapıp yapmamakta ve uygun bedel tesbitinde serbesttir.

Postadaki gecikmeler ve telgrafla müracaatlar kabul edilemez.

Duyurulur.

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Sayfa : 18

RESMÎ GAZETE

5 Mayıs 1986 — Sayı : 19098

Makina ve Kimya Endüstrisi Kurumu Genel Müdürlüğünden :**(MUHTELİF HURDA MALZEME SATILACAKTIR)**

Kurumumuza ait olan, aşağıda müfredatı kayıtlı 12 kalem muhtelif hurda malzeme kapalı zarfla teklif almak suretiyle satışa arzedilmiştir.

Şartnameleri Kurumun Genel Müdürlük Hurda Satış ve İstanbul Şubesi Müdürlüklerinden temin edilebilir.

Teklifler en geç 12 Mayıs 1986 Pazartesi günü saat 15.00'e kadar Genel Müdürlük Hurda Satış Şubesi Müdürlüğüne verilmiş olacaktır.

Kurumumuz 2886 sayılı Kanuna tabi değildir.

Malzemenin Cinsi	Miktarı	Bulunduğu Yer	Geç. Tem. TL.
86-28 "Topsat 2017" Alaşımli demir-çelik hurdası.	150 Ton	Kırıkkale Hurda Şantiyesi	1.000.000
86-91 "Topsat 2071" Muh. cins pik hurdası.	100 Ton	" " "	500.000
86-159 "Topsat 2096" Muh. cins dozer ve greyder bıçağı hurdası.	20 Ton	" " "	300.000
86-139 "Topsat 2106" Muh. cins ve güçte jeneratör grupla- rı hurdası.	36.500 Kg.	" " "	500.000
86-137 "Topsat 2108" Derin kuyu elektrik su motorları hurdası.	5.200 Kg.	" " "	200.000
86-130 "Topsat 2115" Muh. ebatta lastik kaplama kalıpları	9.200 Kg.	" " "	100.000
86-152 "Topsat 2122" Muh. cins binek oto ön dingili.	16.000 Kg.	" " "	350.000
86-150 "Topsat 2124" Muh. ebatlarda jantsız kamyon las- tiği hurdası.	160 Ton	" " "	2.000.000
86-148 "Topsat 2126" Muh. oto radyatörü.	20 Ton	" " "	650.000
86-77 "Topsat 2057" Muh. cins doğru akım elektrik a- torları	10 Ton	İzmit/Seymen Hurda Malzeme ve İkmal Şan.	200.000
85-176 "Topsat 1922" Muh. güç ve takatte transformotör	17.500 Kg.	" " "	300.000
86-125 Çinko curufu	30 Ton	Mak. San. Mtes. Md.	500.000

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Tarım Orman ve Köy İşleri Bakanlığı Köy Hizmetleri Genel Müdürlüğü Köy Hizmetleri 12. Bölge Müdürlüğü Amasya İl Müdürlüğünden :
Aşağıda yer, konusu, keşif bedeli, geçici teminatı, ihale tarihi ve saatı yazılı işler 2886 sayılı Kanunun 35-a maddesi gereğince kapalı teklif usulü ile Amasya Köy Hizmetleri İl Müdürlüğü idare binasında eksiltilmeye çıkarılmıştır.

Sıra No.	İ ş i n Y e r i	Konu	Keş.Bed. TL.	Geç.Tem. TL.	Belge İçin Son Mür. Tarihi	İ h a l e Tarihi	Saatı
1.	Merkez - Kayabaşı, Gözlek, Karasenir, Ovasaray.	Arazi tesviyesi	90.000.150	2.700.005	16/5/1986	22/5/1986	10.30
2.	Taşova - Yerkozlu.	Arazi tesviyesi	70.000.040	2.100.002	16/5/1986	22/5/1986	15.00

Bu işlere ait ihale işlem dosyaları her gün mesai saatleri içinde bedelsiz olarak Köy Hizmetleri Amasya İl Müdürlüğünde görülebilir. İsteklilerin; 1 — En az keşif bedelleri kadar (C) grubu müteahhütlik karnesi, 2 — Yapı araçları bildirisi.

Miktarları ve özellikleri eksiltme dosyalarında belirtilen yardımcı makina ve ekipmana (Lastik tekerlekli traktör + mekanik scraper) ait işin adına düzenlenmiş noter tasdikli kira mukavelesi ile makina ve ekipmanların kiraya verene ait olduğuna dair traktörler için trafik ruhsatnamesi aslı veya noterden tasdikli suretlerini, diğer makina ve ekipmanlar için fatura aslı veya noterden tasdikli suretlerini veya kanıtlayıcı belgelerini (Proforma fatura kabul edilmez), beyan edilen makina ve ekipmanların halen bulundukları yerlerin adreslerini açık ve kesin olarak bildirirde gösterilecektir.

3 — Bankalardan işin adına, ilân tarihinden sonraki tarihi ve en az keşif bedelinin % 5'i oranında nakit ve % 5'i oranında teminat mektubu tutarında alınmış banka kredisi mektuplarının ekli olduğu mali durum bildirisini (Örnek: 2/a, 2/b) istekli ortak girişim grubu ise her ortamın ayrı ayrı mali durumunun gösterilmesi ve banka kredi mektuplarının eklenmesi zorunludur.

4 — Eksiltme şartnamesinde belirtilen isteklinin bu işlerde çalıştıracağı teknik personele ait işin adına düzenlenmiş teknik personel bildirisini (Örnek: 3).

5 — İsteklinin 1/1/1975 tarihinden itibaren Kamu Kurum ve Kuruluşlarına gecikme cezasız olarak bitirip, geçici kabulünü yaptırdığı işleri ile ihale tarihinden önce ihalesi kararlaştırılmış ve sözleşmesi yapılmış ve halen gecikme cezasız olarak yürütmekte olup, keşif bedeline nazaran % 50'sini tamamlamış bulunduğu işlerden en büyüğünün son keşif bedellerine kanıtlayıcı belgeleri açıklayan taahhüt bildirisini ve eklerini (Örnek: 4) istekli ortak girişim ise bildirim her ortak için ayrı ayrı yapılacaktır.

6 — İsteklilerin iş yerini görüp tetkik ettiklerine dair İdareden alınacak örneğe göre düzenlenmiş işyeri görme belgesini.

7 — 26/7/1984 tarih ve 84/8341 sayılı ile 26/12/1984 tarihli ve 84/8921 sayılı Kararnamelere göre hiç bir idarece tasviye edilmiş işinin olmadığı ve 2531 sayılı Kanuna aykırı durumun olmadığına ilişkin beyannamelerini.

8 — Kanuni ikamegah belgelerini ve iki adet fotoğraflarını dilekçelerine ekleyerek her iş için ayrı ayrı yeterlik belgesi almaları şarttır.

9 — Uygun bedel tercihinde kullanılacak kriterler ve puanlar işin şartnamesinde belirtilmiştir.

Yukarıda 2, 3, 4, 5 ve 7 sıra No.daki yazılı belgelerin bizzat istekli tarafından imzalanması ve yürürlükte bulunan Yapı Tesis ve Onarım İhaleleri-ne Katılma Yönetmeliğine göre hazırlanması şarttır.

İhaleye gireceklerin yeterlik belgeleriyle birlikte usulüne uygun olarak alınmış geçici teminat mektubunu, 1986 yılı tasdikli Ticaret ve Sanayi Odası belgesi veya noterden tasdikli suretini, noter tasdikli imza sirkülerini, istekli bir ortaklık olduğu takdirde bu belgelere ilaveten şirketin imza sirkülerini ve ortaklığın ilk ilân tarihinden sonra alınmış hali faaliyet belgelerini, isteklilerin ortak girişim olarak ihaleye katılmaları halinde ayrıca ortaklık sözleşmelerini önceden düzenleyerek ortak girişim beyannameleri ile birlikte başyuru evrakına eklemeleri ve 2886 sayılı Kanun gereğince şartname ve usulüne uygun olarak hazırlayacakları teklif mektuplarını en geç ihale saatinden bir saat önce ihale ihalelerine vermeleri lazımdır.

İdare ihaleyi yapıp yapmamakta serbesttir.

Postadaki gecikmeler ve telgrafla müracaatlar kabul edilmez. Duyurulur.

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Sayfa : 20

RESMÎ GAZETE

5 Mayıs 1986 — Sayı : 19098

Anamur Devlet Orman İşletmesi Müdürlüğünden :

Deposu	Yol Durumu	Emvalin Cinsi ve Nevi	Parti Adedi	Miktarı Adet	M ³ .Dm ³ .	Muh. Bed. (TL.)	% 3 Teminat (TL.)
Malaklar	Asfalt	2.S.N.B.Çz. Tom	1	101	33.138	51.000	50.000
Malatlar Y.							
Duvar, Aksaz	Asfalt	3.S.N.B.Çz. Tom.	75	17925	2976.750	39.000	3.483.000
Malaklar Y.							
Duvar, Aksaz	Asfalt	3.S.K.B.Çz. Tom.	21	5201	787.347	29.000	685.000
Aksaz	Asfalt	2.S.Sed. Maden Direk	1	729	53.308	30.000	48.000
Malaklar	Asfalt	Ardıç Yarma San. Odun	1	Ster	134 Ster	13.000	52.000
Malaklar Y.							
Duvar	Asfalt	Yapraklı Yakacak Odun	3	Ster	208 Ster	6.500	40.000
Malaklar Y.							
Duvar	Asfalt	İbrelî Yakacak Odun	24	Ster	4292 Ster	6.500	837.000
M ³ .lu Emval Toplamı :			126	23956	3850.543		5.195.000
Sterli Emval Toplamı :					4634 Ster		

1 — İşletmemizin son depolarında yukarıda müfredatı yazılı 126 parti muhtelif orman ürünü % 50 mal bedeli Kanuni kesintileri ve faizi peşin % 50'si 3 ay vadeli kat'i ve müddetsiz banka teminat mektubu karşılığında 171/Ek 1 No.lu model şartname gereğince açık artırmalı satışa çıkarılmıştır.

2 — Satış 15/5/1986 Cuma günü saat 14.00'de işletmemiz satış salonunda toplanacak Komisyon huzurunda yapılacaktır.

3 — Bu satışa ait ilân ve şartname Orman Genel Müdürlüğünde, Mersin Orman Bölge Müdürlüğünde, Mersin, Tarsus, Adana, Gülnar, Mut, Konya, Karaman, Antalya ve Ermenek Orman İşletme Müdürlüklerinde ve işletmemizde görülebilir.

4 — İşletmemizin Malaklar ve Y. Duvar depolarında bulunan 28 parti yakacak odunların satışı peşin olacaktır.

5 — Alıcıların belirtilen gün vesaatte işletme veznesine teminatlarını yatırmalarını teminat karşılığı banka mektubu vereceklerin işletme adı ile parti numaraları ve satış tarihini belirtmelerini müracaatları ile Komisyona baş vurmaları şarttır.

İlân olunur.

5346 / 2-1

Rize Çay İşletmeleri Genel Müdürlüğünden :

1 — İşletmelerimizin ihtiyacı olarak Taş Kömürü Kurumu Genel Müdürlüğünce Zonguldak (Armutçuk) ve Amasra'dan tahsise bağlanan toplam 160.000 tön kömürün Denizyoluyla nakliyesi teklif alma usulü ile ihaleye çıkarılmıştır.

2 — Bu işe ait şartnameler;

a) Çay İşletmeleri Genel Müdürlüğü, Satım Alma Müdürlüğü/Rize,

b) Çay Paketleme Fabrikası Müdürlüğü Kuruçeşme/İstanbul,

c) Ankara Bölge Stok ve Satış Müdürlüğü, Vakıflar İşhanı Opera/Ankara adreslerinde temin edilebilir.

3 — İhaleye katılmak isteyen firmaların şartname esasları dahilinde hazırlayacakları teklif mektuplarını en geç 21/5/1986 Çarşamba günü mesai saati sonuna kadar Çay İşletmeleri Genel Müdürlüğü/Rize adresinde bulunacak şekilde iadeli-taahhütlü olarak göndermeleri veya belirtilen tarihe kadar elden vermeleri gerekmektedir.

4 — Postada meydana gelen gecikmeler ve telgrafla yapılacak müracaatlar kabul edilmez.

5 — Genel Müdürlüğümüz 2886 sayılı Kanuna tabi olmayıp, ihaleyi yapıp yapmamakta, kısmen yapmakta veya dilediğine yapmakta serbesttir.

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RESMÎ GAZETE

Sayfa : 21

Milli Savunma Bakanlığı Dış Tedarik Daire Başkanlığından :

1 — Türk Silahlı Kuvvetlerinin gereksinimi için;

Sıra No.	Malzemenin Cinsi	Miktarı
1.	Adrenalin (Epinophrine) Crst.	200 Gr.
2.	Apomorphine Hydrochloride	200 Gr.
3.	Calcium Pentothenate	100 Kg.
4.	Cetyl Alcohol (Cetosteary Alcohol)	1000 Kg.
5.	Chlorpheniramine Maleate	100 Kg.
6.	İsoniazide (Isonicotinio Acid, Hydrazide)	100 Kg.
7.	Anhydrous Lanolin	100 Kg.
8.	Nipagin-M (Methyl Para Hydroxybenzoate)	500 Kg.
9.	Nicitinamide(Niacinamide)	200 Kg.
10.	Prednisolone	10 Kg.
11.	Potassium Guaiacal Sulfonate (Thiocol)	150 Kg.
12.	Sodium Lauryl Sulfate	50 Kg.
13.	Sodium Cyclamate	250 Kg.
14.	Scopolamin-N-Butyl bromide	50 Kg.
15.	Undecylenic Acid	300 Kg.
16.	Ascorbic Acid Cryst coated with ethyl cellulose	5000 Kg.
17.	Zinc Undecylenate	500 Kg.

2886 sayılı Kanunun 51-p maddesi gereğince yurt dışından satın alınacaktır.

2 — İhalesi 25 Haziran 1986 günü saat 10.00'da M.S.B. Dış Ted.D.Bşk.lığında yapılacaktır. Şartnameler yurt içinde Ankara, İstanbul, İzmir İç Ted. Böl.Bşk.lıklarından, yurt dışından Londra, Washington, Tokyo, Oslo Silahlı Kuvvetler Atış.lıklarına, Paris, Roma, Ottawa ve Madrid Askeri Ataşelikleri ile Koblenz Türk As.İrt.Hey.Bşk.lığından dilekçe ve temsilcilik belgesi veya yetki belgesi karşılığı ücretsiz temin edilir.

3 — İhale kapsamında yer alan malzeme ve yedek parçaların hepsine teklif verileceği gibi malzemelerin komple ve konbine özelliğini muhafaza etmek şartı ile ayrı ayrı da teklif verilebilir.

4 — Telgraf ve yazı ile yapılan başvurulara cevap verilmeyecektir.

5 — Usulüne uygun teklifler en geç 24 Haziran 1986 günü saat 17.00'ye kadar M.S.B. Dış Ted.D.Bşk.lığında bulundurulacak, postadaki gecikmeler dikkate alınmayacaktır.

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Türkiye Radyo Televizyon Kurumu Genel Müdürlüğünden :**15.000 ADET BAND KUTUSU SATINALINACAKTIR**

1 — Kurumumuzun ihtiyacı olan 15.000 adet muhtelifebatta band kutusu kapalı zarf usulü teklif almak suretiyle satın alınacaktır.

2 — Bu işe ait şartname TRT Kurumu Genel Müdürlüğü, Alım İkmal Dairesi Başkanlığı Atatürk Bulvarı numara 181 Kavaklıdere/Ankara adresinden ücretsiz temin edilebilir. Şartnameler posta ile gönderilmez.

3 — Teklifler en geç 16/5/1986 günü saat 14.00'e kadar TRT Kurumu Genel Evrak Müdürlüğüne verilecektir.

4 — Postadaki gecikmeler dahil, hangi sebeple olursa olsun, belirtilen sürede verilmeyen teklifler dikkate alınmaz.

5 — Bu ihalede Yönetim Kurulumuzun 23 Haziran 1984 gün ve 1984/131 sayılı kararı ile kabul edilen ve 1 Ağustos 1984 tarihinde yürürlüğü konulmuş bulunan Alım-Satım ve İhale Yönetmeliği hükümleri uygulanacaktır.

6 — Kurumumuz Devlet İhale Kanununa tabi olmadığından ihaleyi yapıp yapmamakta kısmen veya dilediğine yapmakta serbesttir.

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Sayfa : 22

RESMÎ GAZETE

5 Mayıs 1986 — Sayı : 19098

Gaziantep PTT Bölge Başmüdürlüğünden :**ŞANLIURFA ŞEHİRİÇİ BETON MALZEME (KÜNK-BRİKET) İMALİ VE YERALTI TELEFON KABLO GÜZERGAH İNŞAATI İLÂNI**

1 — 360.000.000,— TL. (Üçyüzaltmışmilyon) keşif bedelli Şanlıurfa Şehirici Beton Malzeme (Künk-Briket) imali ve yeraltı telefon kablo güzergah inşaat işi kapalı teklif almak suretiyle ihale edilecektir.

2 — Bu işe ait geçici teminat 10.800.000,— TL. dir. (Geçici teminat olarak bloke çek kabul edilmez.)

3 — Eksiltme 23/5/1986 Cuma günü saat 15.00'de Başmüdürlük İhale Kurulunca yapılacaktır.

4 — Eksiltme şartnamesinde belirtilen usulüne uygun hazırlanmış geçici teminat Ticaret Odası Belgesi, Tüzel Kişilik halinde imza sirküleri ve bu iş için önceden alınmış ihaleye katılma belgeleriyle eksiltme şartnamesinin 5 nci maddesinde belirtilen teklif mektupları ihalenin yapılacağı gün saat 14.00'e kadar Teknik İşler Müdürlüğüne alındı karşılığı verilecektir.

5 — İsteklilerce ihaleye katılma belgesi alabilmek için eksiltme şartnamesinin 4. maddesinde belirtilen belgeler ile Bayındırlık Bakanlığında alınmış ve süresi dolmamış A-B veya enaz bu işin keşif bedeli tutarında D grubu müteahhitlik karnesi ile son on sene zarfında bu işin benzeri bir işi bitirip geçici veya kesin kabulünü yaptırmış olduğuna dair belge veya söz-konusu işe benzer bir ihalede PTT den Yeterlik almış olduğuna dair belge ile son müracaat tarihi olan 12/5/1986 günü mesai saati bitinine kadar Başmüdürlüğümüze başvurulması gerekmektedir.

6 — 2886 sayılı Devlet İhale Kanununun 2990 sayılı Kanunla değişik 28 nci maddesine göre uygulanacak azami indirim miktar veya oranları ile uygun bedelin tesbitinde kullanılacak kriterler doğrultusunda (Puanlama sistemi) ihale yapılacağından,

a) Mali Güçler..... :25 Puan (Birinci keşif bedeline göre nakit ve teminat kredileri asgari % 8'i azami % 16 olarak değerlendirilecek ayrıca ek teminatın % 20 sinden fazlası dikkate alınmayacaktır.)

b) Makina ve teçhizat kapasiteleri 15 puan,

c) Halen devam eden işler 5 puan,

d) Daha önce yapılan işler 35 puan, (Son on yıl içinde yapılan iş bitirme belgelerinin en büyüğü dikkate alınacaktır.

e) Sicil durumları ve iş tutumları 20 puan, olarak değerlendirilecektir.

7 — Eksiltme dosyaları Gaziantep PTT Bölge Başmüdürlüğü Teknik İşler Müdürlüğünde tatil günleri hariç hergün çalışma saatleri dahilinde görülebilir.

8 — Saat 14.00 den sonra verilecek teklifler ve süresi içinde yapılmayan müracaatlar ile postada olacak gecikmeler dikkate alınmayacaktır.

9 — Kurumumuz 2886 sayılı yasaya tabi olmayıp iştirak belgesi verip vermemekte ihaleyi yapıp yapmamakta veya dilediğine yapmakta serbest olduğu nedenleri açıklamak zorunda değildir.

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MKE Kurumu Ağaç Sanayii Ürünleri Fabrikası Müdürlüğünden :

Fabrikamız dahilinde saha temizliği, tahmil tahliye, bahçıvanlık hizmetleri, küçük çaplı bakım onarım ile inşaat ve tesgahlar arası tahmil tahliye işleri yaptırılacaktır.

Şartnameler Fabrika Müdürlüğünden temin edilebilir.

Teklifler engeç 20 Mayıs 1986 günü saat 14.00'e kadar fabrikamız Haberleşme ve Arşiv şefliğine verilecektir.

Fabrikamız 2886 sayılı Kanuna tabi değildir.

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5 Mayıs 1986 — Sayı : 19098

RESMÎ GAZETE

Sayfa : 23

Kastamonu Karayolları 15. Bölge Müdürlüğünden :

Servisi : Asfalt, İşin yeri ve cinsi : Kastamonu-Araç-Kastamonu-İnebolu yolları için Araç 5.000 Km. deki taş ocağından temel ve asfalt mıcırı temini. (İdare malı konkasörle), I. Keşif bedeli : 98.039.100,— TL., Geçici teminatı : 2.941.173,— TL., Teklif verme günü : 14/5/1986, Saati : 10.00

1 — Yukarıda yazılı iş 2886 sayılı Kanunun 81. maddesine göre “Emanet” suretiyle “Taşoranlara” yaptırılacaktır.

2 — İşe ait teklif alınması yukarıda hızasında yazılı “Gün ve saatte” “Emanet Komisyonu” tarafından “Kapalı teklif usulü” ile yapılacaktır.

3 — Bu işe ait şartname mesai saatleri içinde (İhale Dosyasında) “İlgili servis başmühendisliği’nde” görülebilir.

4 — İştirak belgesi alabilmek için :

4.1 - İsteklilerin 12/5/1986 Pazartesi günü mesai sonuna kadar bir dilekçe ile Karayolları 15. Bölge Müdürlüğüne müracaat etmeleri ve dilekçelerine; aşağıda yazılı evrakları eklemeleri gerekir.

4.1.1 - İstekliler şirket ise “İmza sirküleri”

4.1.2 - İşin keşif bedeli kadar Bayındırlık Bakanlığında alınmış süresi dolmamış (C) grubu “Müteahhitlik karnesi” veya Resmî Dairelerden alınmış keşif bedelinin yarısı kadar aynı mahiyette iş yaptığına dair “İş bitirme belgesi”

4.1.3 - Dilekçelerin verildiği tarihte elinde bulunan işleri açıklayan “Taahhüt bildirisi”

4.1.4 - “İş yeri görme belgesi”

4.1.5 - “Yapı araçları bildirisi” Ana inşaat makinaları kendisinin ise belgeliyen evraklar, kira ise kira taahhütnamesi.

4.1.6 - Teknik Personel “Bildirim formu”

5 — Teklif verebilmek için :

5.1 - İsteklilerin 1986 yılı “Ticaret ve Sanayii Odası belgesi”, Şirket ise ilk ilân tarihinden sonra alınmış “Faaliyet belgesi”

5.2 - Bölge Müdürlüğünden alınacak “İştirak belgesi”

5.3 - Geçici teminat olarak; Bölge Saymanlık Veznesine yatıracakları, nakit karşılığında alacakları geçici teminat “Vezne alındısı” veya usulüne uygun Banka “Geçici teminat mektubu”

5.4 - Örneği ilgili servisten alınan ve usulüne uygun olarak hazırlanan “Teklif ve taahhüt mektuplarını” hızasında yazılı gün ve saat’ten “Bir saat” önce Emniyet Komisyonu Başkanlığına vermeleri ilân olunur.

5.5 - P.T.T. deki gecikmeler kabul edilmez.

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Türkiye Elektrik Kurumu Genel Müdürlüğünden :

1 — İletim Şebekeleri İşletme Dairesi Başkanlığının ihtiyacı bulunan çeşitli karakteristikte toplam 45.000 Kg. 30 kalem galvanizli çelik civata, somun ve rondela imal ettirilecektir.

2 — Bu işe ait şartname, TEK Satınalma Dairesi Başkanlığı Bayındır Sok. No: 3 Yenişehir/Ankara Telefon 302121/2534 adresindeki İç Ticaret Müdürlüğünden AA/86113 dosya işareti ile dilekçe karşılığında temin edilebilir. Kurumumuzla iş ilişkisi içinde olmayanlar dilekçelerine çalışmakta oldukları banka referansları, oda sicil kayıt sureti kapasite raporu ve varsa katalog ekliyeceklerdir.

3 — Teklifler engeç 14/5/1986 günü ve saat 14.00’e kadar yukarıda kayıtlı adreste bulunan Muhaberat servisinde bulundurulmalıdır. Teklifler aynı gün saat 15.00 de aynı adreste alenen açılacaktır.

4 — Kurumumuz 2886 sayılı Yasaya bağlı değildir.

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Enerji ve Tabii Kaynaklar Bakanlığı Devlet Su İşleri Genel Müdürlüğü Proje ve İnşaat Dairesi Başkanlığından :

1 — DSİ XVII. Bölge Müdürlüğü ve Van İli Sınırları içinde yer alan “Gürpınar Sulaması İşletme Tesisleri İnşaatı” işi 2886 sayılı Devlet İhale Kanunuyarınca Türk firmaları arasında kapalı teklif usulu ile ve “Birim fiyatların herbiri için geçerli olmak üzere işin tümüne indirim vermek suretiyle” ihaleye çıkarılmıştır.

2 — İşin tahmin edilen bedeli (870.000.000,—) TL. olup, geçici teminat miktarı (26.100.000,—)TL.dir. Geçici ve kesin teminat mektupları limit içi olacaktır.

3 — İhale nosu iş genel olarak; 1 adet 8 dairesi lojman, 1 adet toplantı salonu, 1 adet sosyal tesis, 2 adet ambar, 1 adet umumi WC ve 1 adet eğitim binası vs. yapımı işlerini kapsamaktadır.

4 — Müteahhitçe bu işte kullanılmak üzere iş programına uygun olarak şantiyede çalışır vaziyette asgari;

1 adet Yükleyici (1/2 yd3), 2 adet betoniyer, 3 adet Vibratör, 5 adet Damperli Kamyon, 1 adet Motopomp, 2 adet asansör Vinç ve lüzumlu diğer eki bulundurulacaktır.

5 — İhale 27/5/1986 Salı günü saat (15)’de Yücepete Mahallesi İsmet İnönü Bulvarı Ankara DSİ Proje ve İnşaat Dairesi Başkanlığı katında toplanacak olan İhale Komisyonu tarafından kapalı teklif usulu ile yapılacaktır.

6 — İhale tasarısı ve ekleri (50.000,— TL. KDV hariç) karşılığında 5. madde’de yazılı adresten 5/5/1986 tarihinden itibaren temin edilebilir.

7 — İstekli şahıs ve şirketlerin DSİ Proje ve İnşaat Dairesi Başkanlığı’na 16/5/1986 günü saat (16.30)’a kadar bir dilekçe ile müracaat ederek ihaleye katılma belgesi istemeleri ve bu dilekçeye aşağıdaki belgeleri eklemeleri lazımdır. Bu dilekçeye eklenecek formlar mutlaka DSİ Proje ve İnşaat Dairesi Başkanlığı’ndan alınmış olacaktır.

7.1) Müteahhitlik Karnesi:

- Müteahhitlik Karnesinin (B) grubundan en az (870.000.000,—) TL.lık olması şarttır.
- İstekli, ortak girişim olduğu takdirde, pilot ortağın müteahhitlik karnesinin (B) grubundan en az (870.000.000,—) TL.lık olması şarttır.
- Yapılacak başvurularda yukarıdaki şartlara uygun müteahhitlik karnesinin bir suretinin müracaat evrakına eklenerek karne aslının başvuru sırasında DSİ Proje ve İnşaat Dairesi Başkanlığı’ndaki yetkiliye gösterilmesi ve bu hususun başvuru evrakına kaydedtirilmesi şarttır.

d) İstekli, ortak girişim olduğu takdirde diğer ortakların müteahhitlik karnelerinde bir suretinin müracaat evrakına eklenerek karne asıllarının başvuru sırasında yetkiliye gösterilmesi ve başvuru evrakına kaydedtirilmesi şarttır.

7.2) Taahhüt Bildirimi :

a) Daha önce yapılan işler bakımından; isteklinin müteahhit veya taşaron olarak Kamu Kurum ve Kuruluşlarına taahhüt ederek gecikme cezası almadan bitirip 1/1/1975 tarihinden sonra geçici kabulunu yaptırdığı veya halen gecikme cezasız olarak yürütmekte olupta keşif bedelinin nazaran % 50’sini tamamlamış bulunduğu işlerden en büyüğünün (Karne katsayıları vasıtasıyla ihalenin yapılmakta olduğu yıla dönüştürülmüş) son keşif bedelini gösteren bildirimlerini başvuru evrakına ekleyecektir.

b) Halen devam eden işleri bakımından; ihale başvuru tarihinden önce Kamu Kurum ve Kuruluşlarınca istekliye ihalesi kararlaştırılmış veya sözleşmesi yapılmış işlerin geriye kalan kısımlarına ait keşif bedellerinin (karne katsayısı vasıtasıyla ihalenin yapılmakta olduğu yıla dönüştürülmüş) tutarlarının toplamını gösteren bildirimlerini başvuru evrakına ekleyeceklerdir.

c) İstekli, ortak girişim grubu ise, (7.2/a ve 7.2/b) bentlerinde belirtilen taahhüt bildirimi her ortak için ayrı ayrı düzenlenecektir.

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7.3) Yapı Araçları Bildirimi :

a) İstekli, yukarıda 4. madde'de yer alan müteahhidin bu işte kullanacağı asgari makina ve teçhizatları iş programına uygun olarak şantiyede hazır bulunduracağına dair usulüne göre düzenlenmiş taahhütnameyi başvuru evrakına ekleyecektir.

b) İstekli, ortak girişim grubu ise, (7.3/a) bendinde belirtilen hususlar ve tevsik edici belgeler her ortağın kendi malı olan makina ve teçhizat için ayrı ayrı gösterilecektir.

7.4) Mali Durum Bildirimi :

a) İsteklinin, sermaye ve kredi imkanlarını açıklayan mali durum bildirimine, bankalardan alınmış banka kredi mektuplarını eklemesi şarttır.

İsteklinin, asgari 70.000.000,— TL. kullanılmamış nakit kredisi ve asgari 70.000.000,— TL. kullanılmamış teminat kredisine sahip bulunması şarttır.

b) İstekli, ortak girişim grubu ise, her ortağın ayrı ayrı mali durumunun gösterilmesi ve banka kredi mektuplarının eklenmesi zorunludur.

7.5) Teknik Personel Bildirimi :

a) İstekli, bu iş'te çalıştıracağı teknik personeli bildirerek, üst teknik personelin özgeçmişlerini başvuru evrakına ekleyecek ve teknik personel bildirimi-deki personelin 2531 sayılı Kanun hükümlerine uygun olduğunu tasrihen beyan ve tasdik edecektir.

b) İstekli, ortak girişim grubu ise (7.5/a) bendinde belirtilen teknik personel bildirimi ve kilit teknik personelin özgeçmişleri her ortak için ayrı ayrı düzenlenecektir.

7.6) Ortak Girişim :

İsteklinin, ortak girişim grubu olması halinde ortaklık sözleşmesini önceden düzenleyerek ortak girişim beyannamesiyle birlikte başvuru evrakına eklemeleri şarttır.

8 — Bildirim Formları :

Yukarıda 7. madde'de belirtilen taahhüt bildirimi, yapı araçları bildirimi, mali durum bildirimi, teknik personel bildirimi, taahhütname ve ortak girişim beyannamesi örnekleri 5. madde'de yazılı adresten temin edilebilir.

9 — İhaleye katılma belgesi alamayacaklar.

a) (7.1/a) No.lu madde'de grubu ve miktarı belirtilen Müteahhitlik Karnesine sahip bulunmayanlara, asgari 70.000.000,— TL. kullanılmamış nakit kredisi ve asgari 70.000.000,— TL. kullanılmamış teminat kredisine sahip bulunmayanlar ile durumları sözleşme tasarısı ekli şartnamelerdeki kayıtlara ve ilandaki kriterlere uymayanlara, Yapı Tesis ve Onarım İşleri İhalelerine Katılma Yönetmeliği uyarınca belge alamayacak durumda olanlara İhaleye Katılma Belgesi verilmez.

b) İstekli, ortak girişim grubu ise, pilot firmanın (9/a) bendine göre ihaleye Katılma belgesi alamayacak durumda olması halinde ortak girişim grubuna İhaleye Katılma Belgesi verilmez.

10 — İstekliler "İhaleye Katılma Belgesi" alıp almadıklarını 24/5/1986 sabahından itibaren 5. madde'de yazılı adrese müracaat ederek öğrenebilirler.

11 — İhaleye iştirak etmek isteyen şahıs ve şirketlerin teklif zarflarını 27/5/1986 günü saat (14.45)'e kadar 5. madde'de belirtilen adreste DSİ Proje ve İnşaat Dairesi İhale Komisyonu Başkanlığı'na makbuz mukabilinde teslim etmeleri şarttır.

12 — Telgrafla yapılacak müracaatlar ve postada vaki gecikmeler kabul edilmez.

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M.K.E. Kurumu Ağaç Sanayii Ürünleri Fabrikası Müdürlüğünden :

1986 YILI İHTİYACI OLAN 21.124 Kg. PLASTİK TUTKAL SATIN ALINACAKTIR.

1 — Bu işe ait Teknik ve idari şartnamemiz mesai saatleri dahilinde Etimesgut/Ankara'da bulunan Fabrikamızdan temin edilebilir.

2 — Son teklif verme tarihi 20 Mayıs 1986 günü saat 12.00'ye kadardır.

3 — Postada meydana gelecek vaki gecikmeler dikkate alınmayacaktır.

4 — İhale kapalı zarf usulü yapılacaktır.

5 — Fabrikamız 2886 sayılı yasa hükümlerine tabii değildir.

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Zonguldak Valiliğinden :

Bayındırlık ve İskân Bakanlığı Yapı İşleri Genel Müdürlüğünün;

1 — Aşağıda mahal ve mahiyetleri açıklanan İnşaat İşleri Fonlar İhale Yönetmeliğinin 29. maddesinin (a) fıkrasına göre, kapalı teklif usulü ile ihaleye konulmuştur.

Bu ihalede 29 Ocak 1986 tarih ve 19003 sayılı Resmî Gazete'de yayınlanan Bayındırlık ve İskân Bakanlığı tebliğinin hükümleri uygulanacaktır.

2 — İhale aşağıda hizalarında belirtilen gün-ve saatlerde Bayındırlık ve İskân Müdürlüğü İhale Komisyonu odasında yapılacaktır.

3 — İhale şartnamesi ile diğer evrak Zonguldak Bayındırlık ve İskân Müdürlüğünde mesai saatleri içinde görülebilir.

4 — İstekliler ihale şartnamesi ve eki özel şartnameye, Yapı Tesis ve Onarım İşleri İhalelerine Katılma Yönetmeliğine ve uygun bedel'e ait kriterler tebliğine göre;

A - İhaleye katılma belgesi almak için müracaat dilekçeleri ile birlikte;

a) Yapı araçları,

b) Teknik personel,

c) Mali durum,

d) Taahhüt durumu (daha önce yaptığı ve halen devam taahhütleri için ayrı ayrı düzenlenecektir.)

e) İnşaatın yapılacağı Köy Muhtarlarından alacakları yer görme belgesi,

Bildirimi ve belgelerini,

f) (C) grubundan en az işin keşif bedeli kadar müteahhitlik karnesi (aslını ibraz etmek kaydıyla) suretini,

B - İhaleye girebilmek için teklif mektubu ile birlikte;

a) İhaleye katılma belgesi,

b) Ticaret ve/veya Sanayi Odası Belgesi,

c) İmza sirküleri,

d) Zonguldak Valiliği adına alınmış aşağıda hizalarında belirtilen miktarda geçici teminat ve istenilen diğer belgeleri verecektir.

5 — İhaleye katılma belgesi almak için son müracaat 13/5/1986 Salı günü mesai saati sonuna kadardır.

6 — İstekliler teklif mektuplarını aşağıda hizalarında belirtilen ihale saatinden bir saat öncesine kadar makbuz karşılığında İhale Komisyonu Başkanlığına vereceklerdir.

7 — Telgraf ile müracaatlar ve postada vaki gecikmeler kabul edilmez.

İ ş i n A d ı	Keşif Bed. TL.	Geçici Tem. TL.	İhale Günü ve Saati
1 - Zonguldak-Karabük İbrıcak 14 Afet Konutu İş i	107.800.000	3.234.000	16/5/1986 Cuma 10.00
2 - Zonguldak Ulus Çubuklu 8 Afet Konutu iş i	61.600.000	1.848.000	16/5/1986 Cuma 15.00 5636 / 1-1

Atatürk Orman Çiftliği Müdürlüğünden :

Müdürlüğümüz Süt Fabrikası ihtiyacı olan 5000 adet büyük 5000 adet küçük peynir tenekeleri 8/5/1986 günü saat 14.30 da Müdürlüğümüz binasında kapalı zarf usulü ile ihale edilerek satın alınacaktır.

Büyük tenekenin muhammen bedeli 690 TL/Ad. 3.450.000.— TL. geçici teminat 241.500,— kat'i teminat 345.000,— TL.

Küçük tenekenin muhammen bedeli 350,— TL/Ad. 1.750.000,— lira geçici teminat 122.500.— lira kat'i teminat 175.000.— liradır.

Şartname Müdürlüğümüz Ticaret Şubesinde görülebilir.

Müdürlüğümüz 2886 sayılı Yasaya tabi değildir.

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Karamanlı (Burdur) Belediye Başkanlığından :

- 1 — Belediyemizce yaptırılacak İşhanı II. kısım ikmâl inşaatı 2886 sayılı Kanunun 35-a maddesi gereğince ihaleye konulmuştur.
 - 2 — İşini keşif bedeli 88.000.000,— TL. dir.
 - 3 — Eksiltme Karamanlı Belediye Başkanlığı ihale Komisyonunca 16 Mayıs 1986 tarihine rastlayan Cuma günü saat 11.00'de Belediye Binasında yapılacaktır.
 - 4 — İhale şartnamesi ve diğer evraklar Belediye Fen İşlerinde görülebilir.
 - 5 - A — Eksiltmeye girebilmek için isteklilerin.
 - a) Belediye Başkanlığı adına 2.640.000,— TL. (İkimilyon altıyüzkırkbin) geçici teminatın yatırılması,
 - b) 1986 yılı Ticaret ve Sanayi Odası belgesi,
 - c) İmza Sirküleri,
 - B) - İhaleye katılma belgesi almak için müracaat dilekçesi ile birlikte,
 - a) Teknik personel (Yük. İn. Mühendisi, Makina Mühendisi, Elektrik Mühendisi)
 - b) Mali durumu
 - c) Taahhüt durumu (daha önce yaptığı ve halen devam eden taahhütleri için ayrı ayrı düzenlenecektir.)
 - d) (B) Grubundan enaz, işin keşif bedeli kadar müteahhitlik karnesi (Aslını ibraz etmek kaydıyla)
 - 6 — İhaleye katılma belgesi almak için son müracaat 14 Mayıs 1986 tarihine rastlayan Çarşamba günü mesai saati sonuna kadardır.
 - 7 — İstekliler teklif mektuplarını 16 Mayıs 1986 Cuma günü saat 11.00'e kadar makbuz karşılığında ihale komisyon Başkanlığına vereceklerdir.
 - 8 — Telgrafla müracaatlar ve postadaki gecikmeler kabul edilmez.
- Keyfiyet ilân olunur. 5640 / 1-1

Tarım Orman ve Köy İşleri Bakanlığı Orman Ürünleri Sanayii Kurumu Genel Müdürlüğü Orman Ürünleri Sanayii Kurumundan : BOLU

- 1 — Müessesemiz Kontrplak ve Yonga Levha Fabrikalarında kullanılmak üzere satın alınacak üreormaldehitin;

C i n s i	Miktarı	Muh.Bedeli TL./Kg.	Tutarı TL.	Geç.Tem. TL.
% 55'lik üreormaldehit.	300000 Kg.	109,75	32.925.000,—	987.750,—
% 65'lik üreormaldehit.	200000 Kg.	130,75	26.150.000,—	784.500,—
			59.075.000,—	

- 2 — Üreormaldehit alım işi için, yukarıda yazılı muhammen bedel fiyatlarından eksiltmek suretiyle, kapalı zarf usulü ihale edilecektir.
 - 3 — Bu işe ait geçici teminatı istekli firmalar ihale saatinden önce Müessesemiz veznesine yatırmaları şarttır.
 - 4 — Bu işe ait ihale 16/5/1986 Cuma günü saat 14.00'de Müessesemizde yapılacaktır.
 - 5 — İhaleye ait teknik ve genel şartnameler, İzmir, Ankara, İstanbul Ticaret Odalarında görüleceği gibi, mesai saati dahilinde ORÜS Kurumu Genel Müdürlüğü (Bolu) ve Müessesemizden temin edilebilir.
 - 6 — İstekliler konu ile ilgili tanzim edecekleri tekif mektuplarını, işe ait geçici teminat mektupları, yılı içinde Ticaret ve Sanayi Odasına kayıt belgesi ile imza sirkülerini bir zarfa koyarak ihale saatinden önce Müessesemiz İhale Komisyonu Başkanlığına vermeleri gerekmektedir.
 - 7 — Telefon ve telgrafla yapılacak teklifler kabul edilmeyecektir.
 - 8 — Müessesemiz 2886 sayılı İhale Kanununa tabi olmayıp, ihaleyi yapıp yapmamakta, dilediğine yapmaktan serbesttir.
- İlân olunur. 5755 / 1-1

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Turhal Şeker Fabrikası Müdürlüğünden :

1 — Fabrikamız hurda ambarında mevcut tahmini;

Kg.	Adet
1724	3.449 Adet müstetal jüt çuval
4202	39.269 Adet müstetal polibrobilen
800	3.174 Adet müstetal çuval (25 Kg.lık)
270	712 Adet Hurda tohum çuvalı
1000	2.634 Adet Hurda çuval (25 Kg.lık)
200	393 Adet jüt çuval (100 Kg.lık)
56700	210.000 Adet Hurda çuval
3168	15.840 Adet Hurda Naylon çuval

Şartnamemiz dahilinde kapalı zarfla teklif almak, gerekirse açık artırma veya pazarlık usulü ile 16/5/1986 Cuma günü saat 14.30'da fabrikamız ofis binasında yapılacak ihale ile satılacaktır.

2 — İhaleye iştirak için geçici teminat teklif tutarının % 5'i kat'i teminat teklif tutarının % 10'u dur.

3 — Teminatlar makbuz karşılığı fabrikamız veznesine yatırılabilceği gibi banka teminat mektubu veya devlet tahvilide olabilir.

4 — Bu işe ait bedelsiz şartname fabrikamız ticaret servisinden temin edilebilir.

5 — Postada vaki gecikmeler nazarı itibare alınmaz.

6 — Her türlü ihtilafların hallinde Turhal Mahkemeleri ve icra daireleri yetkili olacaktır.

7 — Fabrikamız 2886 sayılı Kanuna tabi olmadığından ihaleyi yapıp yapmamakta veya dilediğine yapmakta serbesttir.

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Erciyes Üniversitesi Rektörlüğünden :

Üniversitemiz Araştırma ve Uygulama Hastanesi için gerekli olan aşağıda cinsi, miktarı ve muhammen bedeli yazılı malzeme 2886 sayılı Devlet İhale Kanunun 51/p maddesine göre satın alınacaktır.

Malzemenin cinsi : 1. Otoklav Cihazı, Miktarı : 1 adet, Muhammen bedeli : 50.000 USA Dolar.

Firmalar yurt dışından veya kanuni temsilcilerinin hazırlayacakları tekliflerinde;

1 — Proforma fatura ve tercümesi.

2 — Yukarda yazılı malzemenin akreditif açıldıktan sonra ne kadar süre içinde teslim edileceği, bakımı, malzeme temine ve garanti edilecek malzemenin süresi belirtilecektir.

3 — İhalede geçici teminat alınmayacak, avans veya fiat farkı verilmeyecektir.

4 — Alınacak malzeme ile ilgili idari ve teknik şartname Üniversitemiz İd. ve Mali İş. Dai. Bşk. Büt. ve Sat. Şb. Müdürlüğünden ücretsiz olarak temin edilebilir.

5 — Firmalar şartlara uygun olarak hazırlayacakları tekliflerini 21 Mayıs 1986 Çarşamba günü saat 12.00'ye kadar Üniversitemiz İd. ve Mali İş. Dai. Bşk. Büt. ve Sat. Şb. Müdürlüğüne teslim etmiş olacaktırlar.

6 — Satınalma Komisyonu şartlara uygun olarak verilmeyen teklifleri ve postadaki gecikmeler dikkate alınmayacak ve işleme koymayacaktır.

7 — Satınalma Komisyonu ihaleyi yapıp, yapmamakta serbesttir.

Duyurulur.

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Sayfa : 29

Türkiye Radyo Televizyon Kurumu Genel Müdürlüğünden :

1 — Kurumumuz ihtiyacı 16 mm. ve 35 mm.lik renkli negatif ve pozitif filmler ile 16 mm.lik siyah-beyaz reversal kopya filmi yurt dışından satın alınacaktır.

2 — Şartnameler 30.000,— TL. bedelle ve mümessillik belgesinin ibrazı şartı ile “Genel Müdürlük, Ahm İkmal Dairesi Başkanlığı, Atatürk Bulvarı No: 181 Kat: 3 Kavaklıdere/Ankara adresinden temin edilir.

3 — Tekliflerin engeç 20/6/1986 günü saat 14.00’e kadar “TRT Kurumu Genel Evrak Müdürlüğü, Paris Caddesi No: 15 Kavaklıdere/Ankara”adresine makbuz mukabilinde teslim edilmeleri veya yukarıdaki gün ve saatte hazır olacak şekilde gönderilmeleri gereklidir.

4 — Postadaki gecikmeler dahil, hangi sebeple olursa olsun, belirtilen sürede verilme-yen teklifler, nazarı dikkate alınmaz.

5 — Bu ihalede, Kurum Yönetim Kurulu’nun 23 Haziran 1984 gün ve 1984/131 sayılı kararı ile kabul edilen ve 1 Ağustos 1984 tarihinde yürürlüğe konulmuş bulunan Alım, Satım ve İhale Yönetmeliği hükümleri uygulanacaktır.

6 — Kurumumuz Devlet İhale Kanununa tabi olmadığından, ihaleyi yapıp yapmamakta, kısmen veya dilediğine yapmakta serbesttir. 5643 / 2-1

Elazığ Şeker Fabrikası Müdürlüğünden :

1 — Fabrikamızın 1986 ve 1987 yılı kampanyası ihtiyacı olan 8.000 ton kireçtaşı istihraç ve nakliye işi 21/5/1986 Çarşamba günü saat 14.00’de Fabrikamız Ofis binasında kapalı zarf usulü ile ihale edilecektir.

2 — Bu işle ilgili geçici teminat teklif fiyatının % 5’i kat’i teminat ise, % 10 olup, teminatlar banka teminat mektubu ve Devlet tahvili veya nakit olabilir.

3 — Bu işle ilgili şartname Fabrikamız Ticaret servisinden temin edilebilir.

4 — İhaleye iştirak edecekler şartname esasları dahilinde hazırlayacakları teklif mektuplarını ihale günü saat 12.00’ye kadar Fabrikamız Muhaberat servisine tevdi edecekler ve bizzat Fabrikamızda hazır bulunacaklardır.

5 — Fabrikamız 2886 sayılı Kanuna tabi olmadığından, İhaleyi yapıp yapmamakta ve ya dilediğine vermekte serbesttir. 5638 / 1-1

Eskişehir Belediye Başkanlığından :

Belediyemiz Fen İşleri Müdürlüğü hizmetlerinde kullanılmak üzere 1 adet Eleme Kırma Tesisi satın alınacaktır. İhalesi 15/5/1986 Perşembe günü saat 15.00’de Belediyemiz Encümeninde, 2886 sayılı Kanunun 35/A maddesi gereğince kapalı teklif eksiltme usulü ile yapılacaktır. İşin muhammen bedeli 120.000.000.— TL. olup geçici teminatı 3.600.000.— TL. dir. Şartnamesi bedelsiz olarak Hesap İşleri Müdürlüğünden temin edilebilir.

İsteklilerin bu işi yaptığına dair 1986 yılı tesdikli Ticaret veya Sanayi Odası belgesi, en az 10 adet bu veya buna benzer tesisi Devlet Kuruluşları veya Belediyelere kurup çalıştırdığına dair iş bitirme belgeleri ve geçici teminat makbuz veya limit dahili mektupları ile birlikte tekliflerini havi teklif zarflarını ihale saatinden bir saat evveline kadar Belediyemiz Başkanlığına teslim etmeleri ilan olunur.

Postadaki gecikmeler nazarı itibare alınmaz.

5641 / 1-1

Sayfa : 30

RESMÎ GAZETE

5 Mayıs 1986 — Sayı : 19098

İçel Valiliği İl Daimi Encümeni Başkanlığından :

1 — İçel-Namık Kemal İlkokulu 18 derslik ve ihata duvarı inşaatı işi 2886 Sayılı Kanunun 35/a maddesi gereğince Kapalı teklif usulü Eksiltmeye konulmuştur.

2 — İşin Keşif Bedeli 156.521.740,— TL. olup; Geçici Teminatı 4.695.653,— TL'dir.

3 — Bu işin Eksiltmesi İl Daimi Encümenince 15/5/1986 Perşembe günü saat 15.00'de İçel Özel İdare Müdürlüğü Hizmet binasındaki İl Daimi Encümeni toplantı salonunda yapılacaktır.

4 — İşin Eksiltme şartnameleri ve diğer evrakları mesai saatleri dahilinde Özel İdare Müdürlüğündeki Encümen kaleminde bulunan ihale hazırlık dosyasında görülebilir.

5 — Eksiltmeye girebilmek için isteklilerin:

A — İçel Özel İdaresi adına 4.695.653,— TL. Geçici teminatını,

B — 1986 yılı Vizeli Ticaret ve Sanayi Odası belgesini,

C — Noter tasdikli imza sirkülerini,

D — Müracaat dilekçeleriyle birlikte verecekleri Yapım İşleri Kapalı Teklif usulü ile ihale şartnamesinde ve Özel şartnamede belirtilen usulüne göre hazırlanmış olan yapı araçları bildirisini, ve bu araçları sözleşmenin 5. maddesindeki şartlara uygun olarak şantiyede bulunduracağına dair Noter taahhütnamesini, sermaye ve kredi olanaklarını açıklayan mali durum bildirisini ve bunu kanıtlayan ilân tarihinden sonra alınmış Banka referans mektubunu, teknik personel beyannamesini, ve bu personelin sözleşmenin 6. maddesindeki şartlara uygun şantiyede bulunduracağına dair Noter taahhütnamesini 1/1/1975 tarihinden sonra gecikme cezasız olarak bitirmiş ve geçici kabulünü yaptırmış oldukları işlerle müracaat tarihinde adlarına taahhüde bağlanmış veya bağlanacak işleri gösterir ayrı ayrı taahhüt bildirisini veya bunları kanıtlayan belgelerini, Vergi borcu olmadığına dair bağlı oldukları vergi dairesinden alacakları belgesini, Bayındırlık ve İskân Bakanlığından almış oldukları Keşif bedeli kadar işin eksiltmesine girebileceklerini gösterir ((B) grubu müteahhitlik kartesi aslı ve noter tasdikli suretini ibraz suretiyle İçel Bayındırlık ve İskân Müdürlüğü Belge Komisyonundan alacakları eksiltmeye girme belgesini teklif mektuplarıyla birlikte zarfa koymaları lazımdır.

6 — İstekliler teklif mektupları ihale saatinden 1 saat evveline kadar makbuz karşılığında ihale komisyonu başkanlığına vereceklerdir.

7 — Eksiltmeye girme belgesi alınması için son müracaat tarihi 12/5/1986 Pazartesi günü mesai saati sonuna kadardır.

8 — Telgrafla müracaatlar ve postadaki vaki gecikmeler kabul edilmez.

İlân olunur.

5854 / 1-1

M.T.A. Genel Müdürlüğünden :

1 — Müşessemiz ihtiyacı olan 172 kalem muhtelif Renault SW yedek parçaları satın alınacaktır.

2 — Bu işe ait bilgi ve idari şartname Alım-Satım Şb. Müd.den ücretsiz olarak temin edilebilir.

3 — Teklif mektupları en geç 20/5/1986 günü saat 16.30'a kadar Genel Müdürlüğümüz Genel Haberleşme Şb. Müd.ne elden veya PTT ile gönderilmiş olacaktır. PTT'de doğan gecikmeler dikkate alınmayacaktır.

4 — Bu işe ait tahmin edilen bedel 28.000.000,— TL.sı olup, geçici teminat miktarı 840.000,— TL.sıdır.

5 — Söz konusu ihale kapalı zarf usulüyle yapılacaktır.

6 — Teklif mektupları firmalar huzurunda 22/5/1986 günü saat 10.00 da İhale Komisyonu tarafından açılacaktır.

5546 / 2-1

5 Mayıs 1986 — Sayı : 19098

RESMÎ GAZETE

Sayfa : 31

Ankara PTT Onarım ve Donatım Fabrika Müdürlüğünden :

1 — Müdürlüğümüz ihtiyacı

a) 12 Adet asetilen tüpü

b) 12 Adet oksijen tüpü olmak üzere 2 kalem tüp İdari ve Teknik Şartname esaslarına uygun olarak satın alınacaktır.

2 — Bu ihaleye ait İdari ve Teknik Şartname (Takım halinde) 1.000,— TL. mukabilinde Müdürlüğümüz veznesinden temin edilebilir.

3 — İhale kapalı teklif almak suretiyle yapılacaktır.

4 — İhale 16/5/1986 Cuma günü saat 15.00'de Müdürlüğümüzde yapılacaktır. Bu ihaleye iştirak edecek firmalar tekliflerini aynı gün saat 14.00'e kadar Personel Müdürlüğümüze teslim etmeleri şarttır. Postada ve her türlü gecikme kabul edilmez.

5 — İdaremiz 2886 sayılı Kanuna tabii değildir.

5853 / 2-2

Çeşitli İlânlar

Türkiye Cumhuriyet Merkez Bankası İdare Merkezinden :

İstanbul Asliye Mahkemesi Yedinci Ticaret Dairesinin 24 Nisan 1986 tarih ve 1985/238 sayılı kararıyla, aşağıda dökümü yazılı Hazine Bonoları üzerindeki ödeme yasağı kaldırılmıştır. Duyurulur.

6 AY VADELİ % 50 FAİZLİ 1984 DÖRDÜNCÜ TERTİP HAZİNE BONOSU

Kupür	Numara	Adet
50.000,—	286298	1
1.000.000,—	2024369-2024371	3
		4

5750 / 1-1

DÜZELTME

Petrol İşleri Genel Müdürlüğüne ait 24/4/1986 tarih ve 19087 sayılı Resmî Gazete'de 63 sayfa 5243 numaralı ilânlarının 1. satırında Bölgesinde sahip bulunduğu yerine sehven Bölgesinde bulunduğu yayımlanmıştır.

Düzeltilir,

5243

Petrol İşleri Genel Müdürlüğüne ait 26/4/1986 tarih ve 19089 sayılı Resmî Gazete'nin 51.nci sayfasında 5414 numaralı ilânlarının 4.ncü satırındaki Haksıra numarası olan 1928 sehven yayımlanmamıştır.

Düzeltilir,

5414

Petrol İşleri Genel Müdürlüğüne ait 26/4/1986 tarih ve 19089 sayılı Resmî Gazete'nin 50 sayfasında 5413 numaralı ilânlarında 4 satırındaki Haksıra numarası olan 2494, sehven yayımlanmamıştır.

Düzeltilir,

5413

Petrol İşleri Genel Müdürlüğüne ait 19/4/1986 tarih ve 19083 sayılı Resmî Gazete'nin 31.nci sayfasında yayımlanan ilânlarında 39. satırındaki toplam 279644 olması gerekirken sehven 297644 olarak yayımlanmıştır.

Düzeltilir,

4974

Petrol İşleri Genel Müdürlüğüne ait 24/4/1986 tarih ve 19087 sayılı Resmî Gazete'nin 63.ncü sayfasında 5244 numaralı ilânlarında 7.nci satırında getirilmemesinden dolayı yayımlanmış, aynı satırda görmüş olanlar varsa cümlesinde varsa kelimesi yayımlanmamıştır.

Düzeltilir,

5244

Başbakanlık Basımevi Döner Sermaye İşletmesi Müdürlüğünden :

23 Ocak 1986 tarihinden itibaren İşletme Müdürlüğümüzün; BANKA HESAP NUMARASI DEĞİŞMİŞTİR. İlgililerin; 23 Ocak 1986 tarihinden itibaren İşletme Müdürlüğümüz hesaplarına yapacakları havelelerin aşağıda belirtilen numaralara yapılmasını rica ederiz.

1 — Resmî Gazete abone ücretlerinin; Ziraat Bankası - Ankara Dışkapı Şubesi 30400 - 37 hesaba.

2 — Resmi Gazete'de çıkacak ilân ücretlerinin; Ziraat Bankası - Ankara Dışkapı Şubesi 30400 - 64 sayılı hesaba.

3 — İşletmemizin yayınladığı veyahut İşletmemizde satılan her türlü kitap ve yayın ücretinin; Ziraat Bankası - Ankara Dışkapı Şubesi 30400 - 65 sayılı hesaba yatırılması gerekmektedir.

Makbuzların yatırılması ve bu yatırımlara ait birer nüshasının veyahut fotokopisinin istek belirtilen bir yazı ekinde İşletme Müdürlüğümüze gönderilmesi halinde ilân ve abone işlemi yapılır, veyahut talep edilen kitaplar gönderilir.

İlân, Abone ve istek sahiplerinin bilgilerine sunulur.

657 Sayılı Devlet Memurları Kanunu (Bütün ek ve değişiklikleri ile) İşletme Müdürlüğümüzce baskısı yapılarak KDV dahil 1.100,— TL. ücretle Resmî Gazete satış büromuzda satışa sunulmuştur. Posta ile talepte bulunanlar 250,— TL. posta ücreti ile kitap bedelini T.C. Ziraat Bankası - Ankara Dışkapı Şubesi 30400/65 numaralı İşletmemiz hesabına göndermelerini ve buna ait banka dekontunu veya suretini bir yazı ekinde İşletme Müdürlüğümüze bildirmelerini rica ederiz.

Resmî Gazete Fihristi**Yürütme ve İdare Bölümü :****Sayfa****Milletlerarası Andlaşma**

86/10556 Hükümetimiz ile Irak Cumhuriyeti Hükümeti Arasında Ham Petrol Boru Hattı Anlaşmasına Ek Anlaşmanın Onay Kararı

1

— İlânlar

7

T. C. Resmî Gazete

Kuruluş Tarihi : (7 Teşrinievvel 1336) - 7 Ekim 1920

Yönetim ve Yazı işleri için
Başbakanlık Neşriyat ve Müdevvenat
Genel Müdürlüğüne
başvurulur.

14 OCAK 1977
CUMA

Sayı : 15819

KARARNAMELER

Karar Sayısı : 7/12745

27/8/1973 tarihinde Türkiye Cumhuriyeti Hükümeti ve Irak Cumhuriyeti Hükümeti arasında imzalanmış bulunan «Petrol Boru Hattı Anlaşması»nın 2 nci maddesinin 3 üncü bendi uyarınca BOTAS (Boru Hatları ile Petrol Taşıma A. Ş.) ile Irak Millî Petrol Şirketi arasında 16/5/1976 tarihinde Bağdat'ta imzalanan ve TPAO Yönetim Kurulunun 24/6/1976 tarihli ve 463/11 sayılı kararı ile tasdik edilen «Irak Cumhuriyeti Hükümeti ve Türkiye Cumhuriyeti Hükümeti Arasında Ham Petrol Boru Hattı Protokolü»nun onaylanması; Dışişleri Bakanlığının 19/7/1976 tarihli ve ESİD 116.316.3/76-935 sayılı yazısı üzerine, 31/5/1963 tarihli ve 244 sayılı Kanunun 3 üncü ve 5 inci maddelerine göre, Bakanlar Kurulunca 10/10/1976 tarihinde kararlaştırılmıştır.

CUMHURBAŞKANI V.
T. ARIBURUN

Başbakan S. DEMİREL	Devlet Bakanı Başbakan Yardımcısı Prof. Dr. N. ERBAKAN	Devlet Bakanı Başbakan Yardımcısı Prof. Dr. T. FEYZİOĞLU
Devlet Bakanı Başbakan Yardımcısı A. TÜRKES	Devlet Bakanı S. ÖZTÜRK	Devlet Bakanı H. AKSAY

Irak Cumhuriyeti Hükümeti Ve Türkiye Cumhuriyeti Hükümeti Arasında Ham Petrol Boru Hattı Protokolü

Irak Cumhuriyeti Hükümeti ve Türkiye Cumhuriyeti Hükümeti arasında 27 Ağustos 1973 tarihinde Ankara'da imzalanmış bulunan ve bundan böyle «Anlaşma» olarak anılacak olan, Ham Petrol Boru Hattı Anlaşmasının ikinci maddesinin (3) üncü bendine uygun olarak her iki tarafın temsilcileri bu «Protokol» üzerinde aşağıdaki şekilde anlaşmışlardır :

MADDE 1

Projenin tamamlanması için zamanlama programı ve süreleri

Her iki taraf aşağıdaki hususları, belirtilen tarihlerde ve sürelerde takip ve tekemmül ettirmeyi taahhüt eder :

- a. Irak toprakları içinde :
 - Projenin inşaatının başlangıç tarihi 26 Kasım 1974 dür.
 - Projenin işletmeye alma'ya (Start-up) hazır olma tarihinin 20 Aralık 1976 olması beklenmektedir.
 - Boru hattı sisteminin ham petrol ile doldurulma süresi Aralık 1976 içinde olacaktır.

Devlet Bakanı M. K. ERKOYAN	Devlet Bakanı G. KARACA	Adalet Bakanı İ. MUFTUOĞLU
Millî Savunma Bakanı F. MELEN	İçişleri Bakanı O. ASILTÜRK	Dışişleri Bakanı V. S. ÖZTÜRK
Maliye Bakanı Doç. Dr. Y. ERGENEKON	Millî Eğitim Bakanı A. N. ERDEM	Bayındırlık Bakanı F. ADAK
Ticaret Bakanı H. BAŞOL	Sağ. ve Sos. Y. Bakanı Dr. K. DEMİR	Güm. ve Tekel Bakanı O. ÖZTRAK
Gıda - Tar. ve Hay. Bakanı Prof. K. ÖZAL	Ulaştırma Bakanı N. MENTEŞE	Çalışma Bakanı A. T. PAKSU
Sanayi ve Tek. Bakanı A. DOĞRU	En. ve Tab. Kay. Bakanı S. KILIÇ	Turizm ve Tan. Bakanı L. TOKOĞLU
İmar ve İskân Bakanı N. OK	Köylüleri Bakanı V. POYRAZ	Orman Bakanı T. KAPANLI
Genç. ve Spor Bakanı A. Ş. EREK	Kültür Bakanı R. DANIŞMAN	Sosyal Güvenlik Bakanı A. M. ABLUM

Crude Oil Pipeline Protocol Between The Government Of The Turkish Republic And The Government Of The Iraqi Republic

In accordance with paragraph (3) of Article Two of the Crude Oil Pipeline Agreement between the Government of the Turkish Republic and the Government of the Iraqi Republic signed in Ankara on August 27th, 1973 called hereinafter «The Agreement», the Nominees of both sides have agreed on this PROTOCOL as follows: —

ARTICLE 1

Time Schedule and Periods for the Accomplishment of the Project

Each side undertakes to follow and implement the following steps on the dates and during the periods as hereinafter :

- a. Within the territory of Iraq :
 - The Date of Commencement of construction of the Project is 26th November, 1974.
 - The Date of Ready for Commissioning (Start-up Operations) of the Project is expected to be 20th December, 1976.
 - The period of Filling the Pipeline System with crude oil shall be during December, 1976.

— Projenin işletmeye alma süresi, işletmeye alma'ya hazır olma tarihinden itibaren 3 ay olacaktır.

— Deneme işletmesi (Test Run) süresi işletmeye alma süresi içinde olacaktır.

b. Türkiye toprakları içinde :

— Projenin inşaatının başlangıç tarihi 13 Kasım 1974 dür.

— Projenin işletmeye alma'ya hazır olma tarihinin (Commissioning) 21 Aralık 1976 olması beklenmektedir.

— Boru hattı sistemi, Tank Çiftliği ve Terminalin doldurulması, Irak tarafındaki Boru Hattı Sisteminin doldurulmasının hemen akabinde yapılacaktır.

— İşletmeye alma süresi (Commissioning) işletmeye hazır olma tarihinden itibaren 3 ay olacaktır.

— Deneme işletmesi (Test Run) süresi işletmeye alma süresi içinde olacaktır.

MADDE 2

Ham petrol dolmı miktarları tahmini

«Anlaşma»nın altıncı maddesine uygun olarak doldurma için gerekli ham petrol miktarlarının tahminleri aşağıdadır.

a. Türkiye toprakları içinde bulunan boru hattı kısmının doldurulması için gerekli ham petrol miktarı 480.000 metreküp olarak tahmin edilmiştir.

b. Türkiye'deki tank tabanları için gereken ham petrol.

c. Irak'tan gelen hampetrollerin Türkiye topraklarında nakli ve yüklenmesine başlamak için gerekli diğer hampetrol miktarları.

Yukarıdaki işlemler için gerekli fiili hampetrol miktarları Projenin işletmeye alma süresinde tespit edilecektir.

MADDE 3

Ham petrol nakli ve yüklenmesi

Türkiye tarafı,

a) Irak tarafının talimat ve taleplerine uygun olarak, Irak'tan gelen hampetrollerin Türkiye topraklarından transit geçişini, yükleme ve ihracı ve basılan miktarlarda devamlı akımı ile, terminale varışını temin etmeyi ve kolaylaştırmayı,

b) Irak tarafının talimat ve taleplerine uygun olarak Irak'tan gelen hampetrollerin pompaj ve tankerlere yükleme işlemlerini temin etmeyi,

c) Yukarıda (a) ve (b) paragraflarında tarif olunan işlemlerle ilgili olarak diğer bütün hususları kolaylaştırmayı, taahhüt eder.

MADDE 4

a. Türk tarafı, Irak tarafının, terminalde ve ihtiyaç olduğu takdirde pompa istasyonlarında bir büro kurmasını ve temsilciler tayin etmesini kabul eder. Yukarıda bahis konusu olan bürolar ve bunların işlemleri, görevleri, ve büro tarafından kullanılan bütün teçhizat bütün vergi, resim, harç ve diğer mali kılifetden muaf olacaktır. Türk tarafı aynı zamanda, Irak temsilcilerinin işle ilgili hareket serbestiyeti, yukarıdaki büroları idare edecek veya buralarda çalışacak personele (aileleri de dahil olarak) giriş, ikamet ve çalışma müsaadeleri dahil olmak, ancak bunlarla sınırlı bulunmamak kaydıyla, her türlü kolaylığı temin etmeyi taahhüt eder.

Terminaldeki bahis konusu temsilci ve personel adedi takriben (25) yirmibeş kişi olacaktır.

Mamafih, Türk tarafı Irak'tan gelen hampetrolün bir kısmını boru hattı sistemi boyunca bir ara noktadan almak istediği takdirde Irak tarafınca başka bir büro (bürolar) kurulmasını kabul eder. Bu durumda temsilcilerin ve işçilerin sayısı her iki tarafca müştereken kararlaştırılacaktır.

Türk tarafı, Irak tarafınca sözkonusu büro (bürolar) a tayin edilen temsilci ve personele, Türk personeline uygulananlara eşit vebeler karşılığında ve Irak tarafının isteği uyarınca 3 adet aile evi ve 25 adet bekâr lojmanına kadar yerleşme imkânları ve sosyal haklar sağlamayı taahhüt eder.

b. Büro aşağıda belirtilen işlem ve görevleri yerine getirecektir.

— The Commissioning (Start-up Operations) Period shall be 3 months from the Date of Ready for Commissioning (Start-up Operations) of the Project.

— The period of Test Run shall be within the Commissioning (Start-up Operations) Period.

b. Within the territory of Turkey :

— The Date of Commencement of construction of the Project is 13th November, 1974.

— The Date of Ready for Start-up Operations (Commissioning) of the Project is expected to be 21st December, 1976.

— Filling the Pipeline System, Tank Farm and Terminal shall take place immediately after filling the portion of the Pipeline System in Iraq.

— The Start-up Operations (Commissioning) Period shall be 3 months from the Date of Ready for Start-up Operations (Commissioning) of the Project.

— The Period of Test Run shall be within the Start-up Operations (Commissioning) Period.

ARTICLE 2

Estimates of Filling Quantities of Crude Oils

In accordance with Article Six of «The Agreement», the estimates of the quantities of crude oil which are required for filling are as follows :

a. Crude oil filling the part of the pipeline situated within the Turkish territory, is estimated 480.000 cubic meters, (four hundred and eighty thousand).

b. Crude oil for storage tank bottoms situated within Turkey.

c. Any other quantities deemed necessary within the Turkish territory to commence the transport and loading of crude oils coming from Iraq.

The actual quantities of crude oil which are required for above items shall be determined during (Commissioning) Start-up Operations Period of the Project.

ARTICLE 3

The Transport and Loading of Crude Oil

The Turkish side undertakes :

a. To ensure and facilitate the transit, loading and export of crude oils coming from Iraq across Turkish territory and to ensure and facilitate its continuous flow and arrival at the terminal in the quantities pumped in accordance with the instructions and requirements of the Iraqi side.

b. To ensure pumping and tanker loading operations for crude oils coming from Iraq in accordance with the instructions and requirements of the Iraqi side.

c. To facilitate all other matters related to operations stipulated in paragraphs (a) and (b) above.

ARTICLE 4

The Iraqi Office at the Terminal

a. The Turkish side agrees to the establishment by the Iraqi side of an office and to the appointment of representatives at the terminal and if required at the pumping stations. The above-mentioned offices and its operations, duties and also all documents related to these operations and duties and all the equipment used by the office shall be exempted from all taxes, dues, charges and any other financial burden. The Turkish side also undertakes to provide all the necessary facilities including but not limited to freedom of movement of Iraqi representatives in relation to work, permits for entry, residence and work for personnel (including their families) who will manage the operations of the aforementioned offices or work in it. The number of the said representatives and employees at the terminal shall be about (25) twenty five persons.

However should the Turkish side wish to receive some of the crude oil coming from Iraq at an intermediate point along the pipeline system then the Turkish side agrees to the establishment by the Iraqi side of another office (s) where number of representatives and employees shall be agreed upon between the two sides.

The Turkish side undertakes to provide living accommodation and privileges to the representatives and employees of the Iraqi side appointed for the said office (s) at charges equal to these applied to Turkish employees according to the requirement of the Iraqi side up to 3 family houses and 25 bachelor's quarters.

b. The office shall undertake the following operations and duties :

(i) Boru hattı sistemi boyunca ve tank çiftliği ile terminalde mevcut bulunan ölçü aletlerini kullanarak hampetrol (ler) miktarlarının ölçülmesi.

(ii) Türk tarafı da dahil olmak üzere, müşterilere teslim edilen ham petrol miktarlarının uluslararası kabul edilebilir nitelikte doldurma ve yoğunluk (dip and density) gibi usul ve/veya her iki tarafta mutabık kalınacak diğer metodlarla ölçülmesi.

(iii) Hampetrol nümunelerinin alınması ve bu nümunelerin her iki memleket arasında taşınması. Bu nümuneler her türlü masraf, vergi, resim ve harçlardan muaf olacak ve Türk tarafı ithal-ihrac ve gümrük ile ilgili tüm yönetmelik ve prosedürler ile bu hizmetin yerine getirilmesi için gerekli diğer her türlü işlemleri kolaylaştırmayı ve basitleştirmeyi taahhüt edecektir.

(iv) Irak tarafının isteği uyarınca hampetrollerin miktar ve yoğunluğunun ölçülmesi.

(v) Boru hattı sistemi, tanklar veya terminalde akıntı, sızıntı ve/veya buharlaşma nedenleriyle meydana gelen hampetrol kayıplarının miktarlarının tespiti.

Irak tarafınca gönderilen hampetrol miktarlarının tespiti gayesiyle Türk toprakları içinde yuku bulan hampetrol kayıp miktarları (% 0.02) yüzde sıfır nokta sıfır ikiden yüksek olmayan normal bir «yüzde» ile sınırlı addedilecektir. Türk toprakları içindeki hampetrol kayıp miktarları herhangi bir çeyrek yıllık dönemde, o çeyrek yıllık dönem zarfında akıtılan hampetrol miktarının (% 0.02) sini aşacak olursa, bu «yüzde» nin üstüne çıkan miktarın değeri Türk tarafınca ödenecek ve fiyatı «Anlaşma» koşulları uyarınca tespit edilecektir. Deneme Çalışması Belgesinin yayın tarihinden iki yıl sonra boru hattı sistemi, tank çiftliği ve terminalde akıntı, sızıntı ve/veya buharlaşma nedeniyle meydana gelen hampetrol kayıplarının yukarıda tespit edildiği şekilde (% 0.02) yüzde sıfır nokta sıfır ikiden farklı olduğu ispat edildiği takdirde her iki taraf da diğerinden söz konusu «yüzde» nin ayanlanmasını talep edebilecek ve talebin kanıtlandığı tarihten itibaren üzerinde mutabık kalınan yeni «yüzde» geçerli olacaktır.

Yukarıda belirtilen iki yılın bitiminden itibaren 3 yıl sonra her iki tarafta herhangi bir taleple bulunulmamış olduğu takdirde yukarıda zikredilen 0.02 % «yüzde» si kesinleşmiş olacaktır.

(vi) Yüklemeyle ait belgelerin tip ve sayılarının tespit edilmesi ve bu belgelerin gemi yüklemeyle ait diğer belgelerle birlikte yayımlanması ve aşağıdaki belgelerin kopyalarının arz edilmesi :

- Konşimento
- Kalite ve miktar belgesi
- Boş tank belgesi
- Yükleme zaman çizelgesi
- Hazır olma ihbarı
- Her iki tarafta mutabık kalınacak olan diğer dokümanlar.

Yukarıda belirtilen kopya adedi her iki tarafta müştereken kararlaştırılacaktır.

(vii) Hampetrollerin taşınması yüklenmesi ve ithali ile ilgili olarak Irak tarafınca büroya verilecek diğer görevlerin yerine getirilmesi.

MADDE 5

Hampetrollerin ölçülmesi ve kalibrasyonuna iştirak

Yukarıda Madde (4) ün (b-i), (b-ii), (b-iii), ve (b-iv) paragraflarında atıfta bulunulan hampetrollerin ölçme, ayar ve nümune alma işlemleri Irak ve Türk tarafı temsilcilerince müştereken yapılacaktır.

Bu maksatla müştereken özel belgeler hazırlanacaktır.

MADDE 6

Ölçü aletlerinin denemesi

a. Tüm ölçü aletlerinin hassasiyetinin tesbiti için denemeler herhangi bir tarafın isteği üzerine periyodik bir esasa bağlı olarak müştereken yapılacaktır.

b. Taraflardan herhangi biri diğerine ölçü aletlerinin hassasiyetinden şüphelenirse, bu Maddenin (a) paragrafında belirtilen denemeler yapılmaya dek, akıtılan hampetrol miktarlarının tesbitinde doldurma ve yoğunluk (dip and density) metodu kullanılacaktır.

c. Her iki tarafın da onayı olmadan ölçme aletlerinde hiçbir ayar ve değiştirme işlemi yapılmayacaktır.

d. İhtiyaç belirdiğinde depolama tanklarının ayar ve ölçü işlemlerinde kullanılan teçhizat ve aletlerin denemesini yerine getirmek maksadıyla taraflardan herhangi biri müştereken mutabık kalınacak bir müttehassıs çağırma hakkına sahip olacaklardır. Müttehassıs hizmetine müracaat eden taraf sözkonusu müttehassısın masraflarını karşılayacaktır.

(i) The measurement of the quantities of crude oil (s) utilizing the available meters along the pipeline system, tank farm and in the Terminal.

(ii) The gauging of the quantities of crude oils delivered to customers including the Turkish side using internationally accepted practices such as the dip and density method and/or any other method agreed upon by the two sides.

(iii) Taking of oil samples and transporting them between the two countries. These samples shall be exempted from all costs, charges, fees and dues of any kind and the Turkish side undertakes to facilitate and simplify all regulations and procedures regarding export-import and customs as well as any other procedures required for this operation.

(iv) The gauging of the quantities and density of crude oils as the Iraqi side requires.

(v) The determination of the quantities of crudes lost by spillage, leakage, and/or evaporation from the pipeline system, tanks and terminal. For the purposes of determination of the quantities of crudes delivered by the Iraqi side, such quantities of crudes lost, within the Turkish territory shall be considered as limited to a normal percentage estimated to be not more than (0.02 %) zero point zero two percent. In case the crude oil lost, within the Turkish territory during any calendar quarter exceeds (0.02 %), of the mutual throughput of the same quarter the value of such excess shall be borne by the Turkish side and its price shall be determined in accordance with «The Agreement.»

In case after two years from the date of issuance of the Test Run Certificate it is proven that the quantity of crude oils lost by spillage, leakage and/or evaporation from the pipeline system, tank farm and terminal is different than the (0.02 %) zero point zero two percent as determined above, then each of the two sides may claim to the other for the adjustment of the said percentage and the newly agreed upon percentage shall become effective from the date of the proven claim.

If after 3 years from the expiry of the above-mentioned two years no claim have been made from either of the two sides then the above-mentioned percentage of 0.02 % shall become final.

(vi) The determination of the type and number of shipping documents and issuing them together with the other documents pertaining to shipping, and the submission of copies of the following documents :

- Bill of Lading
- Certificate of quality and quantity
- Certificate of tank washing remaining on board
- Loading time sheet
- Notice of readiness
- Any other documents agreed upon by the two sides.

The number of copies of the above-mentioned documents shall be mutually agreed upon by both sides.

(vii) Any other function entrusted to the office by the Iraqi side relating to the transport, loading and export of crude oils.

ARTICLE 5

Participation in the Measurement and Gauging of Crude Oil

The measurement and gauging and sampling operations of crude oils referred to in paragraphs (b-i), (b-ii), (b-iii) and (b-iv) of Article 4 above shall be carried out jointly by representatives of the Turkish and Iraqi sides.

Special documents shall be prepared jointly for this purpose.

ARTICLE 6

Testing of Gauging Instruments

a. Tests for the determination of the accuracy of all the gauging instruments shall be carried out jointly on periodic basis or upon the request of either of the two sides.

b. In the event that either of the two sides informs the other side of its doubts about the accuracy of the gauging instruments, the dip and density method shall be used for the determination of the quantities delivered until such time the necessary tests mentioned in paragraph (a) of this Article are completed.

c. No adjustment or change in the gauging instruments shall be carried out without the agreement of both sides.

d. Either of the two sides shall have the right to call for an expert to be agreed upon by the two sides to undertake the testing of equipment and instruments used in gauging and to carry out the storage tanks' calibration whenever the need arises. The side calling for the services of the expert shall bear the cost of the charges of the said expert.

MADDE 7

Ham Petrol Nakliyatı

Türk toprakları içinde nakliye, pompalama ve yükleme işlemlerini tekkeffül ettiği için Türk tarafı Irak'tan gelen hampetrollerin taşınması ile ilgili olarak tüm depolama ve ihracat merkezleri ile terminalde Irak tarafının direktiflerine uyacaktır.

MADDE 8

Terminal işlemleri

a. Tankerlerin operasyonu ile ilgili olarak Türk tarafı, uluslararası kabul edilebilir nitelikte bir kitap yayınlamayı taahhüt eder. Terminal işlemleri için sözkonusu kitabın kopyaları Irak tarafına her zaman ücretsiz olarak sağlanacaktır.

b. Türk tarafı terminale gelen tüm tankerlerce ihtiyaç duyulan içme suyu, tıbbi yardım, gıda, hafif bakım vs. gibi hizmetleri içeren fakat bunlarla sınırlı kalmayacak olan tüm normal hizmetleri sağlamayı taahhüt eder. Aynı şekilde Türk tarafı 1979 başından geç olmamak kaydıyla yakıt için gerekli hizmetleri de temin etmeyi taahhüt eder.

c. Irak tarafı, Türk tarafına tankerlerin safla suyunun muamelesi neticesinde sarfedilen emek ve alınan riskler sonucunda (eğer varsa) elde edilen hampetroller üzerinde Türk tarafının mülkiyeti için herhangi bir ihtilaf çıkarmamayı kabul eder.

d. Tanker operasyonlarından ötürü, terminalde herhangi bir kaza vukubulacak olursa bu takdirde Türk tarafı, tanker sahipleri, mürettebat, işçiler, Üçüncü şahıslar vs. tarafından herhangi bir talepte bulunulması ve/veya herhangi bir mükellefiyet yüklenmesi halinde Irak Tarafının bir zarar görmemesini temin etmeyi ve gerekli tüm tedbirleri almayı taahhüt eder ve sigorta, talep ve karşı taleplerle ilgili her türlü takibat yalnız Türk Tarafının mesuliyetinde olacaktır.

Bu arada Irak Tarafı terminaldeki tanker operasyonlarına ve normal uluslararası uygulamaya uymayan tanker kaptanları hakkında Türk Tarafına öne sürülen şikâyetleri gözönünde bulunduracaktır.

MADDE 9

Tanker programları

a. Türk Tarafı, tanker programlanmasının Irak Tarafının mesuliyetinde olduğunu kabul eder. Mamafih, Irak Tarafı, Türk Tarafına, daha uzun süreler için geçici programlarla birlikte, aylık yükleme programlarını vermeyi kabul eder. Türk Tarafı periyodik olarak, Irak Tarafına, pazarlama ve programlama işlemlerinde nazarı dikkate alınmak üzere, terminaldeki tesisler ve kapasiteleri hakkında ayrıntılı bilgiler verecektir.

b. Türk Tarafı, Irak Tarafına tayin edilen tankerlerle ilgili olarak bütün liman ve gümrük formalitelerinin ve Türk makamlarının diğer bütün taleplerinin gecikilmeden yerine getirilmesini taahhüt edecektir.

Türk Tarafı, tankerlerin girişi, yüklemesi ve ayrılmasından hiçbir gecikmeye sebep olmayacağını taahhüt edecektir.

MADDE 10

Koordinasyon ve istişare

a. Her iki Taraf, boru hattı inşaat müteahhidi ile malsahibi arasında mutabık kalmamış ve işbu Protokole ekli «Koordinasyon Yöntemi» nin bu Protokolün ayrılmaz bir parçası olduğunda anlaşmışlardır.

b. İhracat edilecek ham petrol miktarlarının tahmini ile boru hattı depolama ve yükleme tesislerinin bakım işleriyle ilgili koordinasyonu sağlamak maksadıyla ve bunların devamlı işletilmesini teminen, her iki Taraf üzerinde mutabık kalınacak bir tarihten başlamak üzere her üç ayda bir 15 aylık bakım programlarını ve aynı süre için beklenen pompaj ve yükleme kapasitelerini karşılıklı teati edeceklerdir.

c. Her iki Taraf, bütün teçhizatların, enstrüman, makineler ve boru hattının bakım programlarını azami pompaj ve yükleme kapasitesine göre hazırlamayı taahhüt ederler.

Her iki Taraf, bakım veya ilgili herhangi bir iş için gereken, makine, enstrüman ve yedek parçaların mevcudiyet ve müessiriyetinin bakım işlemleri için tayin olunan tarihten altı ay daha önce teminini taahhüt ederler.

d. Her iki Taraf, projenin kendi taraflarındaki hasarlı ve yıpranmış pompa makinelerinin bütün ilgili parçalarıyla birlikte geciktirilmeden değiştirilmesini taahhüt ederler.

e. İki Taraf, boru hattı, depolama ve yükleme tesislerinin bakım ve işletilmesi hakkında uzmanlar ve eğitim grupları teatisi ile istişarede bulunmak; aynı şekilde, işlerin gerektirdiği zamanlarda periyodik olarak veya ihtiyaç duyulduğunda toplantılar tertip etmek için mutabık kalmışlardır.

ARTICLE 7

Crude oil movement

Since the Turkish side undertakes the transport, pumping and loading operations within Turkish territory, it shall adhere to the instructions of the Iraqi side in relation to the movement of crude oil coming from Iraq in all centers of storage, disposal and at the terminal.

ARTICLE 8

Terminal Operations

a. The Turkish side undertakes to issue a booklet about the terminal in a form internationally accepted for the purpose of the tankers operations. Numbers of copies shall be always made available to the Iraqi side free of charge for the operation of the terminal.

b. The Turkish side undertakes to provide all the normal services required by the tankers visiting the terminal site including but not limited to fresh water, medical supply, food, light maintenance etc. Similarly, the Turkish side also undertakes to provide services for bunker fuel not later than the beginning of 1979.

Such services which are not specifically related to crude oil deliveries shall be provided at reasonable charges comparable to other East Mediterranean Oil Terminals.

c. The Iraqi side agrees not to dispute ownership of the Turkish side of the crude oils recovered if any, through efforts and risks of the Turkish side from the treatment of tankers, ballast water.

d. In case any accident occurs at the terminal due to tankers operations the Turkish side undertakes to take all necessary measures and to keep harmless the Iraqi side of any claim and/or liability whatsoever from the tankers owners, crews, employees, third parties, etc., and all proceedings related to insurance, claims and counter claims arising therefrom shall be made to the sole risk of the Turkish side.

In the meantime the Iraqi side shall take into consideration complaints raised by the Turkish side against tankers, captains who are not adhering to normal international practices and tanker operation at the terminal.

ARTICLE 9

Tanker schedules

a. The Turkish side agrees that tanker scheduling shall be the responsibility of the Iraqi side. However, the Iraqi side agrees to furnish the Turkish side with a monthly loading schedule, as well as tentative schedules for longer durations. The Turkish side shall provide the Iraqi side periodically with detailed information on the installations of the terminal and its capacity so that such information shall be taken into consideration by the Iraqi side in its marketing and programming operations.

b. The Turkish side shall guarantee the execution of all port and custom formalities and any other requirement of the Turkish authorities relating to the tankers nominated by the Iraqi side without any delay.

The Turkish side shall guarantee that no delay will be caused by the Turkish side to the entering, loading and departure of tankers.

ARTICLE 10

Coordination and consultation

a. Both sides agree that the coordination procedure agreed upon between the (Employer) Owner and the pipeline construction contractor attached herewith to this Protocol shall be considered as an integral part of this Protocol.

b. For the purpose of estimating the anticipated quantities of crude oils to be exported and coordinating work relating to the maintenance of the pipeline, storage and loading installations and in order to ensure their continuous operations, both sides shall furnish each other every three months with 15 months advance maintenance schedules starting from a mutually agreed upon date, as well as an estimate of the anticipated pumping and loading capacities for the said period.

c. Both sides undertake to prepare maintenance schedules for all equipment, instruments, machinery and pipeline, on the basis of maximum pumping and loading capacity.

Each side undertakes to ensure the availability and the efficiency of machinery, instruments and spare parts required for maintenance and anything related to it six months prior to the date fixed for the maintenance operations.

d. Each side undertakes to ensure the replacement of any damaged and worn-out pumping machinery in its part of the project that cannot be repaired, together with all related parts, without any delay.

e. The two sides agree to the exchange of experts and training missions and to carry out consultations on the maintenance and operation of the pipeline, storage and loading installations as well as to hold periodic meetings whenever works' requirements call for such meetings or the need arises for such meetings.

MADDE 11

Saha denetimi

Türk Tarafı, Türk toprakları dahilinde, boru hattı depolama ve yükleme tesislerini, telekomünikasyon ve telekontrol sistemlerini etkileyebilecek ve/veya akıntı, sızıntı veya diğer bir şekilde herhangi bir hampetrol miktarının kaybına sebebiyet verebilecek herhangi bir durum veya hadisenin meydana gelmesi olasılığı bulunduğu takdirde derhal terminaldeki büroda bulunan Irak temsilcisini haberdar etmeyi taahhüt eder. Türk Trafı, Irak Tarafı temsilcisinin veya temsilci tarafından tayin edilen kimsenin sahada hazır bulunma ve gözetim haklarını, Irak tarafınca bu hakların kullanılması için Türk Tarafınca gerekli düzenleme ve kolaylıkların sağlanması şartıyla kabul ve taahhüt eder. Aynı şekilde Irak Tarafı da, Türk Tarafının gerekli tedbirleri almasını mümkün kılmak maksadıyla, Irak toprakları dahilinde boru hattı, pompa istasyonları, ölçü istasyonu, haberleşme ve kontrol sistemlerini etkileyen durumlar veya olaylar meydana geldiğinde, Türk Tarafını derhal haberdar etmeyi taahhüt eder.

MADDE 12

Her iki taraf (Türk toprakları dahilinde 2. safha olarak belirtilen tesisler hariç olmak kaydıyla) kendi toprakları dahilinde boru hattı sisteminin inşasını aşağıdaki şekilde ihale etmişlerdir :

- a. Boru Hattı sisteminin Irak'taki kesimi :
 - Boru hattı uzunluğu 345 km
 - Boru hattı çapı 40 inç
 - İki pompa istasyonu
 - Bir ölçü istasyonu
 - Proje debisi Irak'tan gelen ham petroler için saatte (2133-4977) metre küp sınırları içinde olacaktır.
- b. Boru Hattı sisteminin Türkiye kesimi, Tank Çiftliği ve Terminal
 - Boru hattı uzunluğu : 641 km.
 - Boru hattı çapı : 30 inç (84 km)
 - Boru hattı çapı : 40 inç (557 km)
 - Üç pompa istasyonu
 - Bir pig istasyonu
 - Irak'tan gelen ham petroler için proje debisi saatte (2133-4977) metre küp sınırları içinde olacaktır.
 - Tank çiftliği : 780 000 metre küp (1. safha)
910 000 metre küp (2. safha)
 - Deniz yükleme tesisleri :
 - Tanker ebatları : 35 000 — 300 000 DWT (1. safha)
15 000 — 300 000 DWT (2. safha)
 - İskele adedi : 2 (1. safha)
4 (2. safha)
 - Mevcut su derinliği : 25 m (1. ve 2. iskeleler için)
22 m (3. ve 4. iskeleler için)
 - Ham petrol yükleme hızı : 20 000 metre küp/saat/iskele, azami

MADDE 13

Düzeltilmeler

İşin yürütülmesi esnasında ortaya çıkan, Protokol maddelerindeki herhangi bir eksiklik veya Protokol'de gözönünde bulundurulmayan ve uygulanması sırasında barizleşen yeni durumlar her iki Temsilci arasında teati edilen mektuplarla çözümlenecektir. Söz konusu mektuplar her iki tarafca kabul edilip, onaylandıktan sonra bu Protokol'ün ayrılmaz bir parçası olarak mütalâa edilecektir.

MADDE 14

Protokol'ün «Anlaşma»nın bir bölümü olarak mütalâa edilmesi

- a. «Anlaşma»nın 2. Maddesinin 3. paragrafı uyarınca bu Protokol «Anlaşma»nın ayrılmaz bir parçası olarak mütalâa edilecektir.
- b. Bu Protokol ile «Anlaşma»nın metinleri arasında bir çelişki olması halinde «Anlaşma»nın metni geçerli olacaktır.

MADDE 15

Lisan

Bu Protokol Arapça, Türkçe ve İngilizce dillerinde yazılmıştır. Metinlerin tefsirinde herhangi bir ihtilâf doğduğu takdirde İngilizce metin geçerli olacaktır.

ARTICLE 11

Site Supervision

The Turkish side undertakes to inform immediately the representative of the Iraqi side at the terminal office whenever situations or incidents may occur on the Turkish territory, affecting the pipeline, storage and loading installations, telecommunication and telecontrol systems and/or resulting in the loss of any quantity of crude oil by spillage, leakage, or otherwise. The Turkish side agrees and guarantees the right of the representative of the Iraqi side, or whoever is delegated by the representative to attend and observe the site, with the provision that the Turkish side shall make the necessary arrangements and facilities for the utilisation of such right by the Iraqi side.

Likewise the Iraqi side undertakes to inform immediately the Turkish side whenever situations or incidents occur in the Iraqi territory affecting the pipeline, pumping stations, metering station, communication and control systems in order to enable the Turkish side to take the necessary measures.

ARTICLE 12

The two sides have contracted (except the facilities indicated as 2nd stage in the Turkish territory) to construct the pipeline system in their territory as follows :

- a. The Section of the Pipeline System in Iraq :
 - Pipe line length 345 km
 - Pipe line diameter 40 (inches)
 - Two pumping stations
 - One metering station
 - Design flowrate shall be in the range (2133-4977) cubic meters per hour of crude oils coming from Iraq.
- b. The Section of the Pipeline System, Tank Farm and Terminal in Turkey :
 - Pipe line length : 641 km
 - Pipe line diameter : 30 (inches) (84 km)
 - Pipe line diameter : 40 (inches) (557 km)
 - Three pumping stations
 - One pigging station
 - Design flowrate shall be in the range (2133-4977) cubic meters per hour of crude oils coming from Iraq.
 - Tank farm : 780 000 cubic meters (1st stage)
910 000 cubic meters (2nd stage)
 - Marine loading facilities :
 - Tanker sizes : 35 000 — 300 00 DWT (1st stage)
15 000 — 300 000 DWT (2nd stage)
 - Number of berths : 2 (1st stage)
4 (2nd stage)
 - Available draft : 25 m (for berths 1 and 2)
22 m (for berths 3 and 4)
 - Crude oil loading rate : 20 000 cubic meter/hour/berth, maximum.

ARTICLE 13

Revisions

Any omissions in the provisions of this Protocol which may become apparent in the course of work, or any new situations not provided for in the Protocol which may become evident in the course of its implementation, shall be dealt with by exchange of letters between the two Nominees. Such letters after approval and ratification by both Sides shall be considered as an integral part of this Protocol.

ARTICLE 14

Protocol as Integral Part of «The Agreement»

- a. In accordance with paragraph (3) of Article (2) of «The Agreement», this Protocol shall be considered as an integral part of «The Agreement».
- b. Any contradiction arising between the texts of this Protocol and «The Agreement», the text of «The Agreement» shall prevail.

ARTICLE 15

Languages of Texts

This Protocol has been drawn up in the Turkish, Arabic and English languages. In case of disagreement in the interpretation of the three texts the English text shall prevail.

MADDE 16

Yürürlüğe GİRME

Bu Protokol onay belgelerinin teati edildiği tarihte yürürlüğe girecek ve «Arlaşma» geçerli olduğu sürece yürürlükte kalacaktır.

İki orijinal nüsha halinde Bağdat'ta 16 Mayıs 1976 tarihinde imzalanmıştır.

BOTAŞ adına
Genel Müdür
Hulusi D. Berilgen

I. N. O. C. adına
Başkan Yardımcısı
A. H. Al Jabir

ARTICLE 16

Coming into Force

This Protocol shall enter into force on the date of the exchange of instruments of ratification and shall remain in force during the validity of «The Agreement».

(Executed in two original copies in Baghdad on May 16, 1976.

For and on behalf of BOTAŞ
General Manager
Hulusi D. Berilgen

For and on behalf of I. N. O. C.
Vice President
A. H. Al Jabir

Karar Sayısı : 7/12933

17/2/1972 tarih ve 7/3968 sayılı Kararname ile ek ve değişikliklerine bağlı (I) ve (II) sayılı cetvellerden Türkiye Şeker Fabrikaları A. Ş. Genel Müdürlüğüne ait bölümlerin çıkarılarak yerine, yayımı tarihinden geçerli olmak üzere, ilişik (EK-A ve (EK-B) işaretli cetvellerin konulması; Devlet Personel Dairesinin görüşüne dayanan Maliye Bakanlığının 10/11/1976 tarih ve 29489 sayılı yazısı üzerine, 657 sayılı Kanunun değişik 43 ve Ek Geçici 9 uncu maddelerine göre, Bakanlar Kurulunca 12/12/1976 tarihinde kararlaştırılmıştır.

CUMHURBAŞKANI
FAHRİ S. KORUTÜRK

Başbakan S. DEMİREL	Devlet Bak. - Başbakan Y. V. H. AKSAY	Devlet Bakanı Başbakan Yardımcısı Prof. Dr. T. FEYZİOĞLU
Devlet Bak.-Başbakan Y. V. M. K. ERKOVAN	Devlet Bakanı S. ÖZTÜRK	Devlet Bakanı H. AKSAY
Devlet Bakanı M. K. ERKOVAN	Devlet Bakanı G. KARACA	Adalet Bakanı İ. MÜFTÜOĞLU
Millî Savunma Bakanı F. MELEN	İçişleri Bakanı O. ASILTÜRK	Dışişleri Bakanı İ. S. ÇAĞLAYANGİL
Maliye Bakanı Doç. Dr. Y. ERGENEKON	Millî Eğitim Bakanı A. N. ERDEM	Bayındırlık Bakanı F. ADAK
Ticaret Bakanı H. BAŞOL	Sağ. ve Sos. Y. Bakanı Dr. K. DEMİR	Gümr. ve Tekel Bakanı O. ÖZTRAK
Gıda - Tar. ve Hay. Bakanı Prof. K. ÖZAL	Ulaştırma Bakanı N. MENTEŞE	Çalışma Bakanı Ş. KAZAN
Sanayi ve Tek. Bakanı A. DOĞRU	En. ve Tab. Kay. Bakanı S. KILIÇ	Turizm ve Tan. Bakanı L. TOKOÇLU
İmar ve İskân Bakanı N. OK	Köyler Bakanı V. POYRAZ	Orman Bakanı T. KAPANLI
Genç. ve Spor Bakanı A. Ş. EREK	Kültür Bakanı R. DANIŞMAN	Sosyal Güvenlik Bakanı A. M. ABLUM

TÜRKİYE ŞEKER FABRİKALARI A. Ş. GENEL MÜDÜRLÜĞÜ
(EK — A)

G ö r e v Ü n v a n ı	Sınıfı	Adet
I. DERECE		
A. GENEL MÜDÜRLÜK		
Genel Müdür (Yönetim Kurulu Başkanı)	G. İ. H.	1
Genel Müdür Yard. (Yönetim Krl. Üyesi)	»	2
Genel Müdür Yardımcısı	»	1
Yönetim Kurulu Üyesi	G. İ. H.	3
Genel Müdürlük Başmüsaviri	T. H.	2
Genel Müdürlük Başmüsaviri	G. İ. H.	1
Genel Müdürlük Müşaviri	T. H.	9
Genel Müdürlük Müşaviri	G. İ. H.	5
İdari İşler Daire Başkanı	»	1
Personel ve Sos. İşl. Dairesi Başkanı	»	1
Teftiş Kurulu Başkanı	»	1
I. Hukuk Müşaviri	Av. H.	1
Araştırma, Planlama ve Koordinasyon Dai. Başk.	G. İ. H.	1
Tarımsal Üretim Dairesi Başkanı	»	1
Tarımsal Proje ve Mekanizasyon Dai. Bşk.	»	1

G ö r e v Ü n v a n ı	Sınıfı	Adet
Tarımsal İşl. ve Hayvancılık Dai. Bşk.	G. İ. H.	1
- Şeker Üretim Dairesi Başkanı	»	1
Bakım Onarım ve Enerji Dairesi Bşk.	»	1
Makina İmalât Dairesi Başkanı	»	1
Proje ve Yeni Tesisler Dairesi Başkanı	»	1
İnşaat Dairesi Başkanı	»	1
Mali İşler ve Muhasebe Dairesi Başkanı	»	1
Pazarlama ve Satınalma Dairesi Başkanı	»	1
B. TAŞRA TEKLİFATI		
1 — ŞEKER FABRİKALARI		
Fabrika Müdürü	»	17
2 — MAKİNA FABRİKALARI		
Fabrika Müdürü	»	2
3 — ŞEKER ENSTİTÜSÜ		
Enstitü Müdürü	»	1
4 — İSTANBUL ALIM-SATIM MÜDÜRLÜĞÜ		
Alım Satım Müdürü	»	1
5 — YENİ FABRİKALAR		
Fabrika Müdürü	»	5
II. DERECE		
A. GENEL MÜDÜRLÜK		
Sağlık Müdürü	S. H.	1
Personel Müdürü	G. İ. H.	1
İşçi-İşveren İlişkileri Müdürü	»	1
Teftiş Kurulu Başkan Yardımcısı	»	1
II. Hukuk Müşaviri	Av. H.	2
Araştırma ve Değerlendirme Müdürü	G. İ. H.	1
Planlama ve Programlama Müdürü	»	1
İzleme ve Koordinasyon Müdürü	»	1
Tarımsal Malzeme ve Tohum İşleri Müdürü	T. H.	1
Tarımsal Tesisler Müdürü	»	1
Koordinasyon ve Üretici ile İlişkiler Müdürü	T. H.	1
Tarımsal Mekanizasyon Müdürü	»	1
Tarımsal İşletmeler Müdürü	»	1
Hayvancılık ve Besi İşleri Müdürü	»	1
İşletme Müdürü	»	1
Enerji Müdürü	»	1
Proje Müdürü	»	4
İmalât Müdürü	»	1
Teknoloji Müdürü	»	1
Programlama ve Koordinasyon Müdürü	T. H. S.	1
İnşaat Müdürü	»	1
İşletme Muhasebesi Müdürü	G. İ. H.	1
Maliyet Muhasebesi Müdürü	»	1
Bütçe ve Mali Tahliller Müdürü	»	1
Finansman Müdürü	»	1
Satınalma Müdürü	»	1
Satış Müdürü	»	1
Genel Müdürlük Müşaviri	T. H. S.	4
Genel Müdürlük Müşaviri	G. İ. H.	6
Yönetim Kurulu Müdürü	»	1
Eğitim Müdürü	»	1
Organizasyon ve Metod Müdürü	»	1
Yayın ve Tanıtım Müdürü	»	1
Başhekim	S. H. S.	1
Müşavir Müfettiş	T. H. S.	1

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Görev Ünvanı	Sınıfı	Adet	Görev Ünvanı	Sınıfı	Adet
Müşavir Müfettiş	G. İ. H.	2	Kalite ve İşletme Kontrol Müdür Yardımcısı	T. H.	1
Zıral Ehlid ve Deneme Müdürü	»	1	İşletme Müdür Yardımcısı	»	1
İştirakler Müdürü	»	1	Makina Bakım - Onarım Müdür Yardımcısı	»	1
Merkez Muhasebe Müdürü	»	1	Enerji Müdür Yardımcısı	»	1
Ulaştırma Müdürü	»	1	Proje Müdür Yardımcısı	»	4
Grup Müdürü	T. H. S.	2	İmalât Müdür Yardımcısı	»	1
Koordinasyon Müdürü	»	1	Montaj Müdür Yardımcısı	»	1
Başveteriner	S. H. S.	1	Programlama ve Koordinasyon Müdür Yardımcısı	Tek. Hz.	1
Kalite ve İşletme Kontrol Müdürü	T. H. S.	1	İnşaat Müdür Yardımcısı	»	1
Makina Bakım-Onarım Müdürü	»	1	Özel Kalem Müdürü	G. İ. H.	1
Araştırma - Geliştirme Müdürü	T. H.	1	Eğitim Müdür Yardımcısı	»	1
Montaj Müdürü	»	1	Organizasyon ve Metod Müdür Yardımcısı	»	1
Kesin Hesap Müdürü	»	1	Organizasyon ve Metod Başuzmanı	»	1
B. TAŞRA TEŞKİLATI			İşçi İşveren İlişkiler Uzmanı	»	2
1 — ŞEKER FABRİKALARI			Yayın ve Tanıtma Müdür Yardımcısı	»	1
Elektrik Makinaları - Ölçü ve Kumanda Aletleri			Araştırma - Planlama ve Koordinasyon Dairesi		
Atelye Müdürü	G. İ. H.	1	Uzmanı	Tek. Hz.	2
Fabrika Müdür Yardımcısı (Ziraat)	T. H.	17	Araştırma - Planlama ve Koordinasyon Dairesi		
Fabrika Müdür Yardımcısı (Teknik)	»	17	Uzmanı	G. İ. H.	2
Fabrika Müdür Yardımcısı (İdari)	G. İ. H.	17	Etüd ve Proje Müdür Yardımcısı (Tarım)	Tek. Hz.	2
1 — ANKARA ŞEKER FABRİKASI			Tarım Uzmanı (Yüksek Mühendis, Mühendis)	»	10
Yardımcı Tesisler Müdürü :	»	1	Jeofizisyen	»	2
Kızılçur Fabrikası İşletme Müdürü	T. H.	1	Veteriner	Sağ. Hz.	1
Şekerli Madde'ler Fabrikası İşletme Müdürü	»	1	İşletme Müdür Yardımcısı	Tek. Hz.	1
Tohum İşleme Fabrikası Müdürü	»	1	Enerji Müdür Yardımcısı	»	1
2 — Makina Fabrikaları - Makina Atölyeleri :			Araştırma - Geliştirme Müdür Yardımcısı	»	1
Makina Atölyeleri Müdürü	G. İ. H.	2	Proje Müdür Yardımcısı	»	1
Müdür Yardımcısı (Makina Fabrikası)	T. H.	3	Kesin Hesap Müdür Yardımcısı	»	1
Müdür Yardımcısı (Makina Fabrikası)	G. İ. H.	1	Başmühendis	»	17
3 — ŞEKER ENSTİTÜSÜ			Şef Mühendis, Mühendis (Y. Mühendis, Mühendis, Y. Mimar, Mimar Kimyager)	»	10
Enstitü Müdür Yardımcısı	T. H.	2	İştirakler Müdür Yardımcısı	G. İ. H.	1
Şef-Uzman (Yüksek Mühendis, Müh.)	»	10	Merkez Muhasebe Müdür Yardımcısı	»	1
4 — İSTANBUL ALIM - SATIM MÜDÜRLÜĞÜ			Hesap Uzmanı	»	8
Alım Satım Müdür Yardımcısı	G. İ. H.	2	Ulaştırma Müdür Yardımcısı	»	1
5 — TOHUM ÜRETME VE CİVAR			Pazarlama Araştırması Müdür Yardımcısı AET		
ÇİFTLİKLERİ			Sekreteri	»	1
Müdür	T. H.	3	Satınalma Müdürlüğü - Mühendis	Tek. Hz.	2
6 — YENİ FABRİKALAR			B — TAŞRA TEŞKİLATI		
Şeker Fabrikası Müdür Yard. (Ziraat)	»	5	1 — ŞEKER FABRİKALARI		
Şeker Fabrikası Müdür Yard. (Teknik)	»	5	Ankara Şeker Fabrikası : İdari İşler Müdürü	G. İ. H.	1
Şeker Fabrikası Müdür Yard. (İdari)	G. İ. H.	5	2 — MAKİNA FABRİKALARI - MAKİNA		
Makina Atölyesi Müdürü	»	2	ATELYELERİ		
III. DERECE			Makina Fabrika Müdür Yardımcısı (Teknik Proje		
A. GENEL MÜDÜRLÜK			İmalât)	Tek. Hz.	4
Başmüfettiş	T. H.	1	Makina Fabrikası Müdür Yardımcısı (İdari)	G. İ. H.	2
Başmüfettiş	G. İ. H.	2	1 — ŞEKER FABRİKALARI		
Personel Müdür Yardımcısı	G. İ. H.	2	Tarım Uzmanı	T. H. S.	17
İşçi İşveren İlişkiler Müdür Yardımcısı	»	1	İşletme Uzmanı	»	17
Muhaberat Müdürü	»	1	Muhasebe ve Ticari İşler Uzmanı	G. İ. H.	17
Doktor, Diştabibi	S. H.	3	Personel Uzmanı	»	17
Müfettiş	T. H.	2	Laboratuvar, İşletme, Makina Elektrik, İspirto		
Müfettiş	G. İ. H.	2	Fabrikaları, İnşaat Şef ve Kontrol Amiri	T. H. S.	40
Müşavir Avukat	Av. H.	3	Bölge Şefi (Yüksek Mühendis, Mühendis)	»	50
İstatistik Müdürü	G. İ. H.	1	Başhekim	S. H. S.	5
İşletme Muhasebe Müdür Yardımcısı	»	2	Doktor, Diştabibi, Eczacı	»	17
Maliyet Muhasebe Müdür Yardımcısı	»	1	Ankara Şeker Fabrikası Yardımcı Tesisler Müd.		
Bütçe ve Mali Tahliller Müdür Yardımcısı	»	1	Baş Mühendis	T. H. S.	3
Finansman Müdür Yardımcısı	»	1	Muhasebe ve Ticari İşler Uzmanı	G. İ. H.	1
Pazarlama Araştırma Müdürü	»	1	2 — MAKİNA FABRİKALARI - MAKİNA ATÖL-		
Satınalma Müdür Yardımcısı	»	3	YELERİ		
Grup Müdür Yardımcısı	T. H.	2	Baş Mühendis	T. H. S.	10
Koordinasyon ve Üretici ile ilişkiler Müdür Yard.	»	1	Muhasebe ve Ticari İşler Uzmanı	G. İ. H.	2
Tarım Malzeme ve Tohum İşleri Müdür Yard.	»	1	Personel Uzmanı	»	2
Tarım Tesisler Müdür Yardımcısı	»	1	3 — ŞEKER ENSTİTÜSÜ		
Tarım Mekanizasyon Müdür Yardımcısı	»	1	Uzman (Yüksek Mühendis, Mühendis)	T. H. S.	25
Tarım İşletmeler Müdür Yardımcısı	»	1	Şef (Yüksek Mühendis, Mühendis)	»	1
Hayvancılık ve Besi İşleri Müdür Yardımcısı	»	1	Muhasebe ve Ticari İşler Uzmanı	G. İ. H.	1
Koordinasyon Müdür Yardımcısı	»	1	Personel Uzmanı	»	1
			4 — İSTANBUL ALIM SATIM MÜDÜRLÜĞÜ		
			Muhasebe ve Mali İşler Uzmanı	»	1
			Ticaret Uzmanı	»	2

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G ö r e v ü n v a n ı	Sınıfı	Adet	G ö r e v ü n v a n ı	Sınıfı	Adet
Müşavir Avukat	A. H. S.	1	Muhasebe ve Ticari İşler Uzman Yard.	G. İ. H.	1
5 — TOHUM ÜRETME VE CİVAR ÇİFTLİKLERİ			5 — İSTANBUL ALIM-SATIM MÜDÜRLÜĞÜ		
İşletme ve Zootečni Şefleri	T. H. S.	15	Muhasebe ve Mali İşler Uzman Yardımcısı	»	1
Muhasebe ve Ticaret İşler Uzmanı	G. İ. H.	1	Ticaret Uzman Yardımcısı	»	1
Doktor	Sağ. H.	1	6 — YENİ FABRİKALAR		
Veteriner	»	2	Bölge Şefi Yüksek Mühendis, Mühendis	T. H.	21
6 — YENİ FABRİKALARI			Laboratuvar, İşletme, Makina Elektrik, İnşaat	»	20
Tarım Uzmanı	T. H. S.	10	Şefleri ve Kontrol Amiri	»	20
İşletme ve Montaj Uzmanı, Baş Mühendis	»	25	Yük. Mühendis, Mühendis, Yük. Mimar, Mimar,	»	44
Muhasebe ve Ticari İşler Uzmanı	G. İ. H.	4	Kimyager	»	10
Laboratuvar, İşletme, Makina Elektrik, İnşaat	T. H. S.	20	Yüksek Tekniker, Tekniker, Teknisyen, Fen Me-	G. İ. H.	5
Şefleri ve Kontrol Amiri	»	20	muru	»	5
Bölge Şefi (Yüksek Mühendis, Mühendis)	»	20	Muhasebe ve Ticari İşler Uzman Yardımcısı		
Yüksek Mühendis, Mühendis, Yüksek Mimar,	»	20	Personel Uzman Yardımcısı		
Mimar, Kimyager	»	20			
IV. DERECE			TÜRKİYE ŞEKER FABRİKALARI A. Ş. GENEL MÜDÜRLÜĞÜ		
A. GENEL MÜDÜRLÜK			(EK — B)		
Daire Müdürü	G. İ. H.	1	I. DERECE		
Muhaberat Müdür Yardımcısı	»	1	A — GENEL MÜDÜRLÜK		
Yayın ve Tanıtma Uzmanı	»	2	Ek Gösterge		
Muhaberat Uzmanı	»	2	Genel Müdür (Yönetim Kurulu Başkanı)	+	200
Personel Uzmanı	»	5	Genel Müdür Yardımcısı (Yönetim Kurulu Üyesi)	+	150
İşçi İşveren İlişkiler Uzmanı	»	2	Genel Müdür Yardımcısı	+	150
Eğitim Uzmanı	»	3	Yönetim Kurulu Üyesi	+	150
Organizasyon ve Metod Müdürlüğü Uzmanı	»	3	Tefiş Kurulu Başkanı	+	100
Avukat	Av. H.	3	Daire Başkanı	+	100
Baş Topoğraf	Tek. H.	1	B — TAŞRA		
Şef Mühendis, Mühendis (Yüksek Mühendis, Mühendis Y. Mimar, Mimar, Kimyager)	»	25	Fabrika Müdürü	+	100
Yüksek Tekniker, Tekniker, Teknisyen, Fen Me-	»	10	Enstitü Müdürü	+	100
muru	»	10	Alım-Satım Müdürü (İstanbul)	+	100
Pazarlama ve Satın Alma Dairesi Uzmanı	G. İ. H.	4	II. DERECE		
Baş Hemşire	Sağ. H.	1	A — GENEL MÜDÜRLÜK		
B. TAŞRA TEŞKİLÂTI			Personel Müdürü	+	50
1 — ŞEKER FABRİKALARI			İşçi-İşveren İlişkileri Müdürü	+	50
İdari İşler Müdür Yardımcısı (Ankara Şeker	G. İ. H.	1	Tefiş Kurulu Başkan Yardımcısı	+	50
Fabrikası Yardımcı Tesisler Md. Hüğü)	Tek. H.	94	Araştırma ve Değerlendirme Müdürü	+	50
Bölge Şefi (Yüksek Mühendis, Mühendis)	»	51	Plânlama ve Programlama Müdürü	+	50
Bölge Şef Yardımcısı (Yük. Mühendis, Mühendis)	»	2	İzleme ve Koordinasyon Müdürü	+	50
Baş Hemşire	Sağ. H.	10	İşletme Muhasebesi Müdürü	+	100
Veteriner	»	10	Maliyet Muhasebesi Müdürü	+	100
Laboratuvar, İşletme, Makina Elektrik, İspirto,	Tek. H.	22	Bütçe ve Mali Tahliller Müdürü	+	100
İnşaat Şefleri ve Kontrol Amiri	»	95	Finansman Müdürü	+	100
Yüksek Mühendis, Mühendis, Yüksek Mimar,	»	10	Zıral Etüd ve Deneme Müdürü	+	50
Mimar, Kimyager	G. İ. H.	3	İştirakler Müdürü	+	50
Yüksek Tekniker, Tekniker, Teknisyen, Fen Me-	»	17	Merkez Muhasebe Müdürü	+	50
muru	»	2	Ulaştırma Müdürü	+	50
Personel Uzman Yardımcısı	G. İ. H.	2	Eğitim Müdürü	+	50
Muhasebe ve Ticari İşler Uzman Yardımcısı	Tek. H.	2	Organizasyon ve Metod Müdürü	+	50
Ankara Şeker Fabrikası, Yeni Tesisler Müdürlüğü	»	4	B — TAŞRA		
Kizelgur İşletme Mühendisi	Tek. H.	4	Elektrik Makinaları-Ölçme Kumanda Aletleri		
Şekerli Maddeler İşletme Mühendisi	»	1	Müdürü	+	50
Elektrik Makinaları Ölçü ve Kumanda Aletleri	Tek. H.	5	Fabrika Müdür Yardımcısı (İdari)	+	50
Atelyesi Mühendis	»	5	Yardımcı Tesisler Müdürü (Ank. Şeker Fab.)	+	50
Teknisyen	»	2	Makina Atelyeleri Müdürü	+	50
2 — MAKİNA FABRİKALARI - MAKİNA ATÖLYELERİ			Makina Atelyeleri Müdür Yard. (İdari)	+	50
Yüksek Mühendis - Mühendis	T. H.	9	Alım Satım Müdür Yard. (İstanbul)	+	50
Yüksek Tekniker, Tekniker, Teknisyen, Fen Me-	»	5			
muru	G. İ. H.	2			
Muhasebe ve Ticari İşler Uzman Yardımcısı	T. H.	7			
3 — ŞEKER ENSTİTÜSÜ	»	6			
Şef	G. İ. H.	1			
Asistan (Yük. Mühendis, Mühendis)	T. H.	5			
Muhasebe ve Ticari İşler Uzman Yardımcısı	»	3			
4 — TOHUM ÜRETME VE CİVAR ÇİFTLİKLERİ					
İşletme ve Zootečni Şefleri	T. H.	5			
İşletme Şef Yardımcısı	»	3			

Karar Sayısı : 7/12983

İçişleri Bakanlığı Bakanlık Müşaviri Hüseyn Taluy'un, 1 inci derece Valilik kadrosuna atanarak Merkezde görevlendirilmesi; adı geçen Bakanlığın 13/10/1976 tarih ve 731/15073 sayılı yazısı üzerine, 10/6/1949 tarihli ve 5442 sayılı Kanunun 6 ncı maddesine göre Bakanlar Kurulunca 24/10/1976 tarihinde kararlaştırılmıştır.

CUMHURBAŞKANI
FAHRİ S. KORUTÜRK

Başbakan Devlet Bakanı Devlet Bakanı
S. DEMİREL Prof. Dr. N. ERBAKAN Prof. Dr. T. FEYZİOĞLU

Devlet Bakanı Devlet Bakanı Devlet Bakanı
Başbakan Yardımcısı S. ÖZTÜRK H. AKSAY

Devlet Bakanı M. K. ERKOVAN	Devlet Bakanı G. KARACA	Adalet Bakanı I. MÜFTÜOĞLU	Maliye Bakanı Doç. Dr. Y. ERGENEKON	Millî Eğitim Bakanı A. N. ERDEM	Bayındırlık Bakanı V. A. DOĞRU
Millî Savunma Bakanı F. MELEN	İçişleri Bakanı O. ASILTÜRK	Dışişleri Bakanı I. S. ÇAĞLAYANGİL	Ticaret Bakanı H. BAŞOL	Sağ. ve Sos. Y. Bakanı Dr. K. DEMİR	Güm. ve Tekel Bakanı O. ÖZTRAK
Maliye Bakanı Doç. Dr. Y. ERGENEKON	Millî Eğitim Bakanı A. N. ERDEM	Bayındırlık Bakanı F. ADAK	Gıda - Tar. ve Hay. Bakanı Prof. K. ÖZAL	Ulaştırma Bakanı N. MENTEŞE	Çalışma Bakanı Ş. KAZAN
Ticaret Bakanı H. BAŞOL	Sağ. ve Sos. Y. Bakanı Dr. K. DEMİR	Güm. ve Tekel Bakanı O. ÖZTRAK	Sanayi ve Tek. Bakanı A. DOĞRU	En. ve Tab. Kay. Bakanı S. KILIÇ	Turizm ve Tan. Bakanı L. TOKOĞLU
Gıda - Tar. ve Hay. Bakanı Prof. K. ÖZAL	Ulaştırma Bakanı N. MENTEŞE	Çalışma Bakanı A. T. PAKSU	İmar ve İskân Bakanı N. OK	Köyisleri Bakanı V. POYRAZ	Orman Bakanı T. KAPANLI
Sanayi ve Tek. Bakanı A. DOĞRU	En. ve Tab. Kay. Bakanı S. KILIÇ	Turizm ve Tan. Bakanı L. TOKOĞLU	Genç. ve Spor Bakanı A. Ş. EREK	Kültür Bakanı V. N. MENTEŞE	Sosyal Güvenlik Bakanı A. M. ABLUM
İmar ve İskân Bakanı N. OK	Köyisleri Bakanı V. POYRAZ	Orman Bakanı T. KAPANLI			
Genç. ve Spor Bakanı A. Ş. EREK	Kültür Bakanı V. N. MENTEŞE	Sosyal Güvenlik Bakanı A. M. ABLUM			

Karar Sayısı : 7/12990

Un ihracı hakkındaki ilişik Kararın yürürlüğe konulması; Ticaret Bakanlığının 25/11/1976 tarihli ve 19-322.151.70/8470 sayılı yazısı üzerine, 3491 sayılı Kanunun 4 üncü, 9 uncu ve 440 sayılı Kanunun 24 üncü maddelerine göre, Bakanlar Kurulunca 12/12/1976 tarihinde kararlaştırılmıştır.

CUMHURBAŞKANI FAHRI S. KORUTÜRK

Başbakan S. DEMİREL	Devlet Bakanı Başbakan Yardımcısı Prof. Dr. N. ERBAKAN	Devlet Bakanı Başbakan Yardımcısı Prof. Dr. T. FEYZİOĞLU
Devlet Bakanı Başbakan Yardımcısı A. TÜRKEŞ	Devlet Bakanı S. ÖZTÜRK	Devlet Bakanı H. AKSAY
Devlet Bakanı M. K. ERKOVAN	Devlet Bakanı G. KARACA	Adalet Bakanı I. MÜFTÜOĞLU
Millî Savunma Bakanı F. MELEN	İçişleri Bakanı O. ASILTÜRK	Dışişleri Bakanı I. S. ÇAĞLAYANGİL

YÖNETMELİKLER

Ticaret Bakanlığından :

Türkiye Ticaret Sicili Gazetesi Yönetmeliğinin 1 inci maddesinin birinci fıkrasının değiştirilmesine dair Yönetmelik

Madde 1 — 22/6/1976 tarihli ve 15624 sayılı Resmî Gazete'de yayımlanan Türkiye Ticaret Sicili Gazetesi Yönetmeliğinin 1 inci maddesinin birinci fıkrası aşağıdaki şekilde değiştirilmiştir.

«Madde 1, Fıkra 1 — Türkiye Ticaret Sicili Gazetesi, Bakanlar Kurulu'nun 28/12/1956 tarihli ve 4/8513 sayılı kararı ile yürürlüğe konulan Türkiye Ticaret Sicili Gazetesi Tüzüğü'nün 2 nci maddesine istinaden ve bu Tüzük eşasları dairesinde Ticaret Bakanlığının denetim ve nezareti altında, Türkiye Ticaret Odaları, Sanayi Odaları ve Ticaret Borsaları Birliği tarafından Ankara'da çıkarılır.»

Madde 2 — Bu Yönetmelik 22/6/1976 tarihinden geçerli olmak üzere yürürlüğe girer.

Diyarbakır Üniversitesinden :

D. Ü. Dış Hekimliği Fakültesi Doktora Yönetmeliği

GENEL HÜKÜMLER :

Madde 1 — D. Ü. Dış Hekimliği Fakültesinde yapılacak doktora çalışmaları, bu Yönetmelik hükümlerine göre düzenlenir.

Madde 2 — D. Ü. Dış Hekimliği Fakültesinde doktora yapabilmek için, adayın aşağıdaki koşulları yerine getirmesi gereklidir.

Maliye Bakanı Doç. Dr. Y. ERGENEKON	Millî Eğitim Bakanı A. N. ERDEM	Bayındırlık Bakanı V. A. DOĞRU
Ticaret Bakanı H. BAŞOL	Sağ. ve Sos. Y. Bakanı Dr. K. DEMİR	Güm. ve Tekel Bakanı O. ÖZTRAK
Gıda - Tar. ve Hay. Bakanı Prof. K. ÖZAL	Ulaştırma Bakanı N. MENTEŞE	Çalışma Bakanı Ş. KAZAN
Sanayi ve Tek. Bakanı A. DOĞRU	En. ve Tab. Kay. Bakanı S. KILIÇ	Turizm ve Tan. Bakanı L. TOKOĞLU
İmar ve İskân Bakanı N. OK	Köyisleri Bakanı V. POYRAZ	Orman Bakanı T. KAPANLI
Genç. ve Spor Bakanı A. Ş. EREK	Kültür Bakanı R. DANIŞMAN	Sosyal Güvenlik Bakanı A. M. ABLUM

12/12/1976 tarihli ve 7/12990 sayılı Kararnamenin Eki Karar

1 — Un ihracatının Ticaret Bakanlığınca lisansa bağlanmasını müteakip, lisansta yazılı un miktarına tekabül eden buğday Toprak Mahsulleri Ofisi Genel Müdürlüğünde ihracatı yapacak firmaya teslim edilecektir.

2 — Yurt dışına buğdayı işleyip un olarak ihraç edecek sanayiciye un ihraç miktarına tekabül edecek buğdayın satışında, Toprak Mahsulleri Ofisi Genel Müdürlüğünce esas alınacak fiyat, ülkemizde yetişen buğdaylara en yakın ve benzeri kalite ve cinsteki buğdayların muamele görüldüğü dünya borsalarının Bakanlıkça ihracat için lisansın verildiği tarihteki buğday borsa fiyatı esas alınarak Toprak Mahsulleri Ofisince tespit olunacaktır.

3 — Buğdayın dünya borsalarındaki emsal fiyatı esas alınarak bulunacak değer tutarı, sanayici firmadan peşin olarak Toprak Mahsulleri Ofisince tahsil edilecektir.

4 — Toprak Mahsulleri Ofisi Genel Müdürlüğünce buğdayın cari satış fiyatı ile sanayiciye verilen fiyatı arasındaki fark için ihracatı yapacak sanayici firmalardan Ticaret Bakanlığınca tespit edilecek ihraç süresi ile bağlı olmak kaydıyla katı teminat mektubu istenecektir.

5 — Ticaret Bakanlığınca verilen ihraç lisanslarında belirtilen ihraç süresi zarfında ihracat gerçekleştirilemediği takdirde firmalardan alınacak katı teminat mektuplarının Toprak Mahsulleri Ofisince nakde çevrilerek Cezaî Şart olarak Ofis Bütçesine irat kaydedilecektir.

6 — Ofisin buğday baş satış fiyatıyla dünya borsa fiyatı arasında belirecek fiyat farkı 440 sayılı Kanunun 24 üncü maddesine göre işleme tabi tutulacaktır.

7 — Kararname hükümlerini Ticaret ve Gıda - Tarım ve Hayvancılık Bakanlıkları müştereken yürütürler.

a) Yurt içinde veya yurt dışında Dişhekimliği yetiştirmeye yetkili bir fakülte veya yüksek okuldan diploma almak veya buna hak kazandığını bildirir bir belgeye sahip olmak. Yurt dışından diploma alanların bu diploma veya belgelerinin eşdeğerliğinin Millî Eğitim Bakanlığınca onanmış olması gereklidir.

b) Doktora, Diş Hekimliğinin klinik dallarından ve maddeler bilgisi dalından başka bir dalda yapılacaksa a fıkrasında sözü edilen belge yerine konusu ile ilgili bir yüksek öğrenim belgesine sahip olmak ve bu belgenin yeterliği ilgili kürsü kurulunun önerisi ile, Fakülte Kurulunca kabul edilmiş olmak, yurt dışından alınmışsa eşdeğerliği Millî Eğitim Bakanlığınca onanmış olmak. Temel bilimler ve klinik öncesi bilim dallarındaki doktoralar ilgili Fakültelerde yapılır.

c) Doktoranın yapılacağı bilim dalının Diyarbakır Üniversitesi Diş Hekimliği Fakültesinde bağlı olduğu kürsü öğretim üyelerinden birinin teklifi ile o kürsü kurulunun olurluğu alınmış olmak.

d) Doktora yapacak aday Diyarbakır Üniversitesi Diş Hekimliği Fakültesinde asistan değilse, doktora çalışmaları süresince doktora yöneticisinin çizeceği programı tam olarak izleyeceğini bildirir bir belge imzalamak.

e) Doktora adayı Fakültede asistan değilse, yapılacak lisan ve bilim sınavlarında başarı göstermek, aday T.C. vatandaşı değilse yukarıdakilere ek olarak ayrıca bilimsel araştırma yapmaya yeterli düzeyde Türkçe bildiğini gösterir bir sınavı başarmış olmak.

f) Asistanlar doktora çalışmaları nedeni ile asistanlık görevlerini aksatamazlar.

Usul :

Madde 3 — Doktora yapmak isteyen aday dalı ile ilgili kürsüdeki bir öğretim üyesi ile görüşerek muvafakatını alır. Madde 2'nin a, b, c, ve d fıkralarındaki şartları taşıdığını ve e fıkrasına göre girmek istediği yabancı dil sınavının İngilizce, Fransızca, Almanca ve diğer Doçentlik sınav Yönetmeliğinde yazılı dillerden hangisini alacağını bildirir bir dilekçe ile Dekanlığa başvurur.

Dekanlık durumu kürsiye bildirir, Kürsü Kurulu toplanarak bir Öğretim Üyesi'ni doktora yöneticisi olarak seçer ve yönetici kürsü başkanının fikrini de alarak konuyu saptar. Durum Kürsüce Dekanlığa bildirir.

Dekan, ilk Fakülte Kuruluna başvuruyu getirir. Fakülte Kurulu aday asistan değilse üçer kişilik bir dil ve bir bilim jürisi seçer bu jüri Madde 2. e fıkrasındaki sınavları yaparak sonuçları Dekanlığa bildirir.

Doktora adayı Fakültede asistan ise Madde 2'nin e fıkrasındaki belgeler aranmaz.

Yönetici; Doktora adayının alacağı yan dalları saptayarak doktora'nın tümünü kapsayan yıllara bölünmüş bir program hazırlar. Kürsü kurulunda görüşüldükten sonra Doktora yöneticisinin hazırladığı program Dekanlık kanalı ile Fakülte Kuruluna sevk edilir. Kurul programı (gerekli gördüğü değişiklikleri de yaparak) onaylar veya yeniden yapmasını ister. Yan dal çalışmaları bir yıldan az olamaz.

Süre :

Madde 4 — Kurulun programı kabul tarihi başlangıç kabul edilerek en az 3 yıl en çok 5 yıl içinde, doktora adayının bütün çalışmaları bitmiş ve tez sunulmuş olmalıdır.

Madde 5 — a) Programı kabul edilen aday, onu tümü ile izleyerek, her 6 ayda bir doktora yöneticisine bir çalışma raporu verir. Bunda başarıları, başarısızlıkları, başarısızlık nedenleri, ihtiyaçları ve şahsi düşünceleri bulunabilir.

b) Doktora yöneticisi, kürsü kurulu aracılığı ile her yıl doktora adayının çalışmaları hakkında bir raporu Fakülte Kurulunun bilgisine sunar.

Madde 6 — 5 yılda doktora'sını tamamlayamayan adaya yöneticinin teklifine ve kürsü kurulu onayına dayanarak Fakülte Kurulu Kararı ile bir defaya mahsus olmak üzere 6 ay daha süre tanınır.

Tez :

Madde 7 — Hazırlanan doktora tezi, bilimde yeni bir gerçeği ortaya koymak veya bilinen bir yöntemi, yeni bir alana başarı ile uygulamalı veya bilinen bir alanda yeni bir yöntemin uygulanmasında başarıya ulaşmış olduğunu göstermelidir.

Madde 8 — Tez bütünü ile önceden yayınlanmamış olmalıdır.

Madde 9 — Tez 10 nüsha halinde daktilo ile Türkçe yazılmış veya daktilo ile Türkçe yazılarak çoğaltılmış olmalıdır.

Madde 10 — Tamamlanan tez kürsü başkanına 10 nüsha halinde verilir. Kürsü Başkanı bir nüshayı kürsüde alıkoyarak diğerlerini Dekanlığa bir yazı ekinde yollar.

Jüri :

Madde 11 — Dekan ilk toplanacak Fakülte Kuruluna konuyu getirir. Tezin hazır olduğunu bildirerek üç veya beş kişilik bir jüri seçilmesini ister. Doktora yöneticisi jürinin tabii üyesidir. Diğer üyeler konu ile ilgili dallardan, bulunamazsa yakın dallardan açık oyla ve aday gösterilerek ve tek tek oylanarak seçilir. Jüri, Başkanını kendisi seçer.

Jüri Çalışması ve sınav :

Madde 12 — Seçilen jüri üyelerine Dekanlıkça tezdən birer nüsha gönderilir. Bir nüsha kütüphaneye gönderilir ve isteyen öğretim üyelerinin tetkikine açık tutulur. Dileyen Öğretim Üyesi fikrini jüri başkanına yazabilir. Üç nüshası Dekanlıkta saklanır. Jüri üyeleri tezi inceler ve jüri Başkanının daveti ile en geç seçildikleri kurul tarihinden 1 ay sonra bir araya gelerek ortak bir rapor hazırlarlar. Bu rapor tezin bir kısa tenkidini içerir ve sonuçta;

a) Jüri tezi kabul etmediği hallerde düzeltilmesi için adaya geri verir. Bu halde 6 ay içinde yeni bir toplantı tarihi saptar. Doktora adayı düzeltmeleri bu tarihten 10 gün önce bütün nüshalarda tamamlayarak jüri Başkanına verir.

b) Jüri tezi yeterli bularak bir sözlü sınav günü yerini ve saatini saptar. Sınav rapor tarihinden en az 10 gün en çok 30 gün sonra yapılır. Jüri raporu ayrı ayrı imzalar ve Başkan en geç 3 gün içinde raporu Dekanlığa sunar.

Madde 13 — Dekan, sınavdan en az 7 gün önce doktora konusunu, doktor adayının adını soyadını, sınav gününü, yerini ve saatini duyurur.

Madde 14 — Sınav ilân edilen gün yer ve saatte yapılır. Sınavda jüri üyeleri akademik kıyafet giyerler.

Madde 15 — Sınav öğretim üyelerine açıktır.

Madde 16 — Sözlü sınavda adayın tezi ve doktora dalı ile ilgili sorular sorulur. Gerekli hallerde konusu ile ilgili pratik sınav yapılır. Sözlü sınav 1,5, pratik sınav ise 2 saatten fazla olamaz.

Madde 17 — Sonuç Jüri Başkanı tarafından adaya açıklanır ve Dekanlığa bildirilir.

Madde 18 — Sonuç olumlu ise Dekanlıkça evvelce saklanan tezlerden bir nüshanın sonunda uygun bir yere tezin kabul tarihi jüri üyelerinin isimleri ve unvanları yazılarak üyelerle imzalatılır ve doktora adayına verilir. Aynı şekilde hazırlanan bir diğeri T. B. T. A. K.'a yazı ile yollanır. Bir nüshada Zat İşlerindeki dosyasına konulur. Doktora ile ilgili sınav sonucu bir rapor halinde Fakülte Kurulunun bilgisine sunulur.

Madde 19 — Sınav jüri tarafından başarılı bulunmuşsa 6 ay'ı geçmemek üzere ikinci bir sınav günü saptanır ve o tarihte sınav yenilenir. İkinci bir red halinde adayın doktora ile ilişkisi kesilir.

Madde 20 — Kabul edilen tez, Dekanlıkça, bilimsel bir dergide on sayfa geçmeyen bir özet halinde, jüri ve kabul tarihi de belirtilerek yayınlanabilir. 6 ay içinde Dekanlıkça basılmayan tez, sahibince istenen şekilde yayınlanabilir.

Madde 21 — Doktorayı başarılanlardan Madde 2. a fıkrasındaki belgelere sahip olanlara Dış Hekimliği Doktoru (Doctor Medicinæ Dentis) (Dr. med. Dent) bunun dışında kalanlara konusunda bilim doktoru unvanı ve bu unvanı tümü ile veya kısaltılmış olarak kullanma hakkı verilir.

Madde 22 — Sınavı başarılanlara 21. maddedeki hususları belirten ve şekli Fakülte Kurulunca saptanan bir diploma verilir.

Madde 23 — Bu diploma bir sıra numarası taşır ve Fakültede bu iş için açılmış bir deftere aynı numara ile kayıt edilir. Diploma bu deftere imzası alınarak hak sahibine teslim edilir.

Madde 24 — Bu yönetmelik Resmî Gazete'de yayınlandığı tarihte yürürlüğe girer.

Madde 25 — Bu yönetmeliği Diyarbakır Üniversitesi Dış Hekimliği Fakültesi Dekanı yürütür.

Geçici Madde 1 — Bu yönetmelikten önce Doktora çalışmalarına başlamış adayların intibakları bu yönetmeliğe göre yönetim kurulunca yapılır.

Yüksek Hâkimler Kurulu Başkanlığından :

Aralık-1976 sonuna kadar 2556 sayılı Hâkimler Kanununun 6531 sayılı Kanunla değişik 47. maddesi gereğince birinci sınıf tetkikatına tabi tutulacaklara ait liste aşağıda gösterilmiştir.

2556 sayılı Hâkimler Kanununun 6531 sayılı Kanunla değişik 47. maddesinden faydalanmak suretiyle sürelerini bitirdikleri halde bu listede adlarını göremeyenler ilân tarihinden itibaren bir ay içinde Yüksek Hâkimler Kuruluna yazılı olarak itiraz edebilirler.

Sıra No:	Sicil No:	Adı ve Soyadı	Memuriyeti
1	8005	İ. Naci Yazan	Maraş Sorgu Hâkimi
2	9659	E. Nevîn Erözenc	Çankırı Hâkimi
3	10974	Hasan Salgırböyü	Gündoğmuş Sorgu Hâkimi

Sıra No:	Sicil No:	Adı ve Soyadı	Memuriyeti
4	11048	K. Ahmet Gençay	Giresun A. C. Mahkemesi Üyesi
5	11085	A. Safi Arım	Lilleburgaz Sorgu Hâkimi
6	11111	Burhanettin Güneş	Karabük Hâkimi
7	11516	K. Ruhi Akşit	Elazığ Hâkimi
8	11706	Hakkı Baykal	Adana Sorgu Hâkimi
9	11839	Bülent Üstel	Orhaneli Hâkimi
10	12254	Hayrettin Özkazanç	Kadınhan Hâkimi
11	12983	Mustafa Tüzüner	Ünye A. C. Mah. Üyesi
12	12975	İ. Yılmaz Gündüz	Elmadag Hâkimi
13	12992	Ö. Faruk Erel	Dinar Sorgu Hâkimi
14	13666	Behçet Direkçi	Osmaniye Sorgu Hâkimi
15	14027	Vehbi Sabuncuoğlu	Akşehir A. C. Mahkemesi Üyesi

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Sayfa : 11

Sıra No:	Sicil No:	Adı ve Soyadı	Memuriyeti
16	14128	Kemal Karadeniz	Sarız Hâkimi
17	14143	Meliha Özsar	Bandırma Sorgu Hâkimi
18	14215	Mehmet Şanlı	Zile A. C. Mahkemesi Üyesi
19	14307	Vasfi Köseoğlu	Ürgüp Ceza Hâkimi
20	13997	Ahmet Gürses	Bayburt Sorgu Hâkimi
21	14129	Gültekin Bulgaz	Bafra Hâkimi
22	14568	Ali Güzel	Zonguldak Hukuk Hâkimi
23	14589	Şefik Şengül	İznik Sorgu Hâkimi
24	14594	D. Yaşar Kitapçı	Karabük Hâkimi
25	14623	Necmi Sezen	Kütahya Hâkimi
26	14710	Abdurrahman Aksoy	Akhisar Hukuk Hâkimi
27	14724	Yılmaz Karakaş	Tarsus Hukuk Hâkimi
28	14204	Yüksel Arman	Afyon Hâkimi
29	14581	Şeref Şişmaner	Düzce Hâkimi
30	14588	Refet Sönmez	İnegöl Sorgu Hâkimi
31	14607	Necdet Vardar	Karabük. A. C. Mah. Üyesi
32	14682	Ahmet Özarslan	Sivas Hâkimi
33	14708	Cevdet H. Aslangül	Keskin Ceza Hâkimi
34	14035	Macit Eroğlu	Dikili Sorgu Hâkimi
35	14048	Necati Göksu	Sinop Hâkimi
36	13882	Ömer Aladağ	Yenice Sorgu Hâkimi
37	14055	B. Bilgiç Döğeri	Menemen Ceza Hâkimi
38	14071	Müfit Çetin	Karaman Sorgu Hâkimi

İki yıllık yükselme sürelerini aldıkları son derece aylıkta Aralık 1976 sonuna kadar doğrudan doğruya dolduranlara 6724 ve 97 sayılı Kanunlardan faydalanmak suretiyle dolduranlardan yükselmeye mani mahkeme hükmü veya disiplin cezası bulunmayan hâkim ve hâkim yardımcıları ile bu sınıftan sayılanların sicil sayıları ile adlarını gösterir listeler Hâkimler Kanununun 29. maddesi gereğince aşağıda gösterilmiştir.

Sürelerini doldurdıkları halde bu listede adlarını bulamayanların ilân tarihinden itibaren bir ay içinde Yüksek Hâkimler Kuruluna yazılı olarak itiraz edebilirler.

HAKİMLİK — SINIFI

Aralık 1976 sonuna kadar 657 sayılı Kanunun bazı maddelerini değiştiren 1879 sayılı Kanuna bağlı gösterge tablosunun 2. derecesinde bulunanları kademederece derece terfi süresini bitiren Hâkimlere ait defter.

Sıra No:	Sicil No:	Adı ve Soyadı	Memuriyeti
1	13094	Nedim Çelik	Artvin Ağır Ceza Mah. Başkanı
2	13238	G. Turan Alp	Yük. H. Kur. Müfettiş Hâkimi
3	14106	M. Zeki Mollamustafaoğlu	Araç Sorgu Hâkimi
4	14438	Sevinç İnan	Bolu Hâkimi
5	14439	Sabihâ Sanıdağlı	Kütahya Ağır Ceza Mah. Üyesi
6	14440	F. Sevim Soyutürk	Kocaeli Sorgu Hâkimi
7	14441	Nazmiye Decdeli	Kocaeli Hâkimi
8	14624	A. Osman Biber	Turhal Sorgu Hâkimi
9	14625	Metin Ertugrul	Bilecik Ceza Hâkimi
10	14626	A. Osman Senkoş	Mudanya Hâkimi
11	14630	Adnan Bayam	Yargıtay Tetkik Hâkimi
12	14631	İrfan Kılıç	Zonguldak Ağır C. Mah. Baş.
13	14634	Kamil İlhan	Menemen Hukuk Hâkimi
14	14643	Siddik Kamer	Bartın Ceza Hâkimi
15	14653	J. Fikri Soner	Antalya Hukuk Hâkimi
16	14669	A. Yücel Kocabaş	Söke Hukuk Hâkimi
17	14679	Radvan Alkan	Sivas Hâkimi
18	14691	Zeki Kılıç	Yargıtay Tetkik Hâkimi
19	14784	Kemal Uçkan	Nizip Hukuk Hâkimi
20	14995	S. Yılmaz Sivri	Dinar Ceza Hâkimi
21	15103	Ziya Günday	Ünye Hukuk Hâkimi
22	15243	Mazhar Pehlivanlı	İstanbul Hâkimi
23	15290	Talat Timur	Yalova Sorgu Hâkimi
24	15300	Nurdoğan Erden	Karabük Hâkimi
25	15393	A. Cefar Barut	Yük. Hak. Kurulu Tet. Hâkimi
26	15395	Necdet Dedeoğlu	Çatalca Hukuk Hâkimi
27	15494	M. Emin Kestir	Yargıtay Tetkik Hâkimi
28	15497	N. Kemal Yalçınkaya	Ankara Hâkimi
29	15528	Efrazil Aydemir	Yük. Hâk. Kur. Müfettiş Hâk.

Sıra No:	Sicil No:	Adı ve Soyadı	Memuriyeti
30	15783	Şakir Demircioğlu	Karadenizreğlisi Hâkimi
31	15838	Nedim Turhan	Gaziantep Hâkimi
32	15975	Ahmet Sezen	Milas Sorgu Hâkimi
33	15976	N. Yavuz Kantarcı	Tire Sorgu Hâkimi
34	15986	T. Perkel Öztan	Şarkıkaraağaç Ceza Hâkimi
35	16086	M. Sıtkı Yeşiloğlu	Tekirdağ Hâkimi

Aralık 1976 sonuna kadar 657 sayılı Kanunun bazı maddelerini değiştiren 1897 sayılı Kanuna bağlı gösterge tablosunun 3. derecesinde bulunanları kademederece derece terfi süresini bitiren Hâkimlere ait defter.

Sıra No:	Sicil No:	Adı ve Soyadı	Memuriyeti
1	15420	Şükran Ertuğ	Karadenizreğlisi Hâkimi
2	15422	Güngör Buldu	Afyon Ağır Ceza Mah. Üyesi
3	15486	A. Yavuz Yıldırım	Kütahya Hâkimi
4	15493	İsmail Uğur	Kızılcahamam Ceza Hâkimi
5	15696	Dr. Ekrem Serim	Anayasa Mahkemesi Geçici Ra.
6	15933	Kaya Öztekin	Reyhanlı Sorgu Hâkimi
7	16211	Yılmaz Bicer	Boyabat Hâkimi
8	16214	Hasan Arsever	Kahramanmaraş Hâkimi
9	16240	A. İhsan Yurtbilir	Kırşehir Hukuk Hâkimi
10	16242	Şehmuz Poyraz	Emirdağ Sorgu Hâkimi
11	16244	Ö. Gül Dikmen	Yargıtay Tetkik Hâkimi
12	16417	Güngör Sanön	Ezine Hâkimi
13	16484	H. Taşsin Acar Müftüler	Isparta Hâkimi
14	16487	K. Ahmet Ulukapı	Süirt Ağır Ceza Mah. Başkanı
15	16521	Engin Deniz	Sürmene Hukuk Hâkimi
16	16569	Fahrettin Tanrıverdi	Marmaris Sorgu Hâkimi
17	16592	Vehbi Canbilen	Yük. Hâk. Kur. Tetkik Hâkimi
18	16595	Cevdet Tunç	Hayrabolu Ceza Hâkimi
19	16779	Düzgün Korkmaz	Sandıklı Hâkimi

Aralık 1976 sonuna kadar 657 sayılı Kanunun bazı maddelerini değiştiren 1897 sayılı Kanuna bağlı gösterge tablosunun 4. derecesinde bulunanları kademederece derece terfi süresini bitiren Hâkimlere ait defter.

Sıra No:	Sicil No:	Adı ve Soyadı	Memuriyeti
1	14704	Selahattin Atalar	Borçka Sorgu Hâkimi
2	15648	İrfan Serdaroğlu	Siverek Hukuk Hâkimi
3	16473	Güngör Sarıca	Kütahya Hâkimi
4	16488	Nadide İzbul	Karacabey Sorgu Hâkimi
5	16961	Lütfi Özgül	Sivrihisar Hukuk Hâkimi
6	16981	Dursun Orhan	Bayburt Hukuk Hâkimi
7	17075	Orhan Bilgin	Yargıtay Tetkik Hâkimi
8	17225	Tekin Zeybektekin	Gümüşhane Hâkimi
9	17256	Sadi Atasayan	Kepsut Hâkimi
10	17373	Erol Türkel	Görece Hukuk Hâkimi
11	17430	İlhan Çeliken	Pınarbaşı Ceza Hâkimi
12	17440	Mehmet Uyanık	Pınarhisar Hâkimi

Aralık 1976 sonuna kadar 657 sayılı Kanunun bazı maddelerini değiştiren 1897 sayılı Kanuna bağlı gösterge tablosunun 5. derecesinde bulunanları kademederece derece terfi süresini bitiren Hâkimlere ait defter.

Sıra No:	Sicil No:	Adı ve Soyadı	Memuriyeti
1	13503	A. Faik Cihan	Hamur Sorgu Hâkimi
2	17353	Ahmet Sevgili	Mardin Ağır Ceza Mah. Üyesi
3	17689	O. Güven Çankaya	Gediz Ceza Hâkimi
4	17698	M. Selim Polatlıpıgil	Bulancağ Hâkimi
5	17699	Coşkun Şengüler	Karasu Sorgu Hâkimi
6	20338	Rasim Gökçelik	Arsin Hâkimi
7	21156	Halil Kılıç	Solhan Hâkimi
8	21293	Mehmet Yokuş	Taşköprü Sorgu Hâkimi
9	21348	Hayrettin Özsoy	Oltu Sorgu Hâkimi

Aralık 1976 sonuna kadar 657 sayılı Kanunun bazı maddelerini değiştiren 1897 sayılı Kanuna bağlı gösterge tablosunun 6. derecesinde bulunanları kademederece derece terfi süresini bitiren Hâkimlere ait defter.

Sıra No:	Sicil No:	Adı ve Soyadı	Memuriyeti
1	15972	Ülkü Toprak	Yargıtay Tetkik Hâkimi
2	18085	M. Engin Köprülü	Çaycuma Hukuk Hâkimi
3	18129	A. Fuat İnce	Hopa Hâkimi
4	18132	Hasan Yıldırım	Şarkıkaraağaç Sorgu Hâkimi
5	18240	U. Cengiz Tekin	Yıldızeli Hukuk Hâkimi
6	18249	Coşkun Britanır	Acıpayam Ceza Hâkimi
7	18251	Haydar Bulut	Karacasu Sorgu Hâkimi
8	18255	Nail Sezer	Yalvaç Hâkimi
9	18261	H. Süreyya Kelleci	Viranşehir Tapulama Hâkimi
10	18292	Faruk Öztürk	Çayıralan Hukuk Hâkimi

Sıra No:	Sicil No:	Adı ve Soyadı	Memuriyeti
11	18293	M. Ülkü Gündag	Foça Sorgu Hâkimi
12	18261	S. Deniz Erensoy	Gördes Hâkimi
13	18297	H. Onur Yılmaz	İskilip Hâkimi
14	18301	Yaşar Duru	Gülşehir Sorgu Hâkimi
15	18323	Samia Akbulut	Erzincan Sorgu Hâkimi
16	18338	Fuat Köylüoğlu	Çameli Hâkimi
17	18348	Suat Gürler	Abana Hâkimi
18	18434	M. Hilmi Tuğ	Şarkışla Tapulama Hâkimi
19	18485	Halil Bayramoğlu	Taşova Hâkimi
20	18584	Asım Polat	Bigadiç Ceza Hâkimi
21	20339	Yurdanur Esin Saldogun	Niğde Ağır Ceza Mah. Üyesi
22	21393	Zafer Alp	Selendi Sorgu Hâkimi
23	21394	İdris Karaçuha	Horasan Sorgu Hâkimi

Aralık 1976 sonuna kadar 657 sayılı Kanunun bazı maddelerini de-
ğiştiren 1897 sayılı Kanuna bağlı gösterge tablosunun 7. derecesinde bu-
lunurları kademedere derece terfi süresini bitiren Hakimlere ait defter.

1	15334	Hulusi Coşkun	Bayat Sorgu Hâkimi
2	17865	S. Özün, Cetinkol	Yargıtay Tetkik Hâkimi
3	18242	Günat Altıntaş	Yenişehir Sorgu Hâkimi
4	19017	M. Erden Yandımata	Kurtalan Hâkimi
5	19050	A. Çetin Akalın	Kurşunlu Hâkimi
6	19054	İzzettin Doğan	Kumru Hâkimi
7	19056	Ercan Erden	Karapınar Hukuk Hâkimi
8	19075	Kayahan Tuğut	Sarız Sorgu Hâkimi
9	19093	Bayram Dayanır	Afşin Sorgu Hâkimi
10	19257	Mustafa Özdemir	Hakkari Hâkimi
11	19274	A. Dinçer Üçok	Sütçüler Hâkimi
12	19289	Mehmet Tural	Kavak Sorgu Hâkimi
13	19349	Orhan Şahbaz	Küre Hâkimi

Aralık 1976 sonuna kadar 657 sayılı Kanunun bazı maddelerini de-
ğiştiren 1897 sayılı Kanuna bağlı gösterge tablosunun 8. derecesinde bu-
lunurları kademedere derece terfi süresini bitiren Hakimlere ait defter.

Sıra No:	Sicil No:	Adı ve Soyadı	Memuriyeti
1	19283	Kubulay Tekin	Maçka Hâkim Yardımcısı
2	19312	Valiit Özsoy	Gediz Sorgu Hâkimi
3	19338	Yıldırım Demirel	Osmaneli Sorgu Hâkimi
4	19418	Mustafa Yılmaz	Ilıc Hâkim Yardımcısı
5	19429	Ömer Arkaş	Çayeli Hâkim Yardımcısı
6	19436	Malik Erdoğan	Mut Sorgu Hâkimi
7	19508	Atilla Özkan	Posof Sorgu Hâkimi
8	19509	Ahmet Acıgöl	Alaca Hâkim Yardımcısı
9	19555	Selami Çalkıroğlu	Şirvan Hâkim Yardımcısı
10	19689	Fahri Keşkek	Altınözü Hâkim Yardımcısı
11	20277	İlker Akınsal	Muş Hâkim Yardımcısı
12	20352	Tekin Gürel	Mazıdağ Hâkim Yardımcısı
13	20354	Ş. Çetin Özalm	Olur Hâkim Yardımcısı
14	20366	Kazım Şimşek	Kozluk Hâkim Yardımcısı
15	20370	Sabri Bayındır	Birecik Hâkim Yardımcısı
16	20371	E. Ali Cavuşoğlu	Malazgirt Hâkim Yardımcısı
17	20427	Remzi Balta	Atabey Hâkim Yardımcısı
18	20428	Gültem Erkan	Urfa Sorgu Hâkimi
19	20446	Nafise Şenyolcu	Ilgın Sorgu Hâkimi
20	20494	Ahmet Alemdar	Suruç Hâkim Yardımcısı
21	20495	Muvaffak Tatar	Kulu Hâkim Yardımcısı
22	20499	Calbir Genç	Özalp Hâkim Yardımcısı
23	20503	Haydar Şimşek	Çelikhan Hâkim Yardımcısı
24	20529	Tacattin Güzel	Çermik Hâkim Yardımcısı
25	20586	İzzet Karataş	Kulp Hâkim Yardımcısı

İLANLAR

**Başbakanlık Basımevi Döner Sermaye İşletmesi Müdür-
lüğünden :**

1/11/1975 - 31/10/1976 yasama dönemine ait 5. tertip 15. cilt Düstur ve Resmî Gazete fihristinin baskıları tamamlanarak satışa çıkarılmıştır.

5. tertip 15. cilt Düstur'un bedeli 170,— lira, posta masrafı 6 lira, Resmî Gazete fihristinin bedeli 500,— kuruş, posta masrafı da 200 kuruştur.

İstenildiği takdirde bedel ve posta masrafı tutarlarının mahallî T. C. Ziraat Bankası aracılığı ile aynı bankanın Dışkapi Şubesindeki 640/37 sayılı hesabınıza veya PTT aracılığı ile posta çekleri merkezindeki 10003255 sayılı hesabınıza yollanarak durumun da bir yazı ile bildirilmesi gerekmektedir. İlan olunur.

Ankara Birinci Asliye Ceza Hâkimliğinden :

1976/264

Sungurlu Kula Köyü hane 24 de nüfusa kayıtlı, Bayram, oğlu, Satıdan olma, 10/11/1955 den 10/5/1953 tahvil dğ. lu, Mehmetali Kızıldemir, Mahkememizin 14/11/1976 tarih ve 1976/264 esas ve 220 karar sayılı Hâmi ile C. K. nun 258/I, 3, 572/I, 647 S. K. nun 4 - 6. maddeleri gereğince 1200 lira ağır ve 600 lira hafif para cezasına mahkum edilerek hüküm ertelenmiştir. Sanığın gıyabında verilen karar sanık adreslerinde bulunmadığından tebliğ mümkün olmadığından Tebliğat Kanununun 28 inci ve müteaddat maddeleri gereğince hükmün hülasasını ihtiva eden işbu ilânın gazete ile neşrine, neşir tarihinden 15 gün sonra tebliğatın yapılmış sayılmasına, tebliğat yerine kaım olmak üzere ilân olunur.

239

Adana Asliye 3. Hukuk Hâkimliğinden :

975/271

Davacı K. H. Davalı Saz Aşıklar yardımlaşma derneği aleyhine açmış olduğu derneği feshi davasının yapılan duruşması sırasında davalı derne-

ğin adresi belli olmadığından tebliğat yapılamamış olup emniyetcede adresinin tebliği mümkün olmadığından ilân dvetiye tebliğatı yapılmıştır.

Davalı Saz Aşıklar yardımlaşma derneği aleyhine açılan 21/4/975 tarihli ve 975/2652 harlık 1923 esas ve 10 sayılı iddianamesi ile açılan dernek feshi davasının duruşma günü olan 23/2/1977 Çarşamba günü saat 9.00 dakikada duruşmasına bizzat veya bir vekille temsil edilmediğinde gıyalarında duruşmanın yapılacağı gıyap kararı yerine kaım olmak üzere ilân olunur.

245

Ankara 14. Asliye Hukuk Hâkimliğinden :

1976/304

Davacı M. Dilek Kahyaoğlu vekili Mehmet Seval Gür tarafından davalı İhsan Kahyaoğlu aleyhine açılan boşanma davasının yapılan açık duruşmasında davalının kesin adresinin saptanmaması nedeni ile ilân tebliğine karar verilmiştir. Duruşma 18/2/1977 Cuma günü saat 10.00 a talik edilmiştir. Tayin edilen gün ve saatte davalı duruşmaya veya bir vekil göndermediği takdirde hakkında gıyap kararı çıkartılacağı davetiye yerine kaım olmak üzere tebliğ ve ilân olunur.

295

Ankara İkinci Sulh Hukuk Hâkimliğinden :

Dosya No : 1975/1787 es.

Davalı : Necati İşbilir, Cemal Gürsel Cad. Fakülteler Mah. 47/3 Çitlik Lokantası müstecir Cebeci/Ankara

Davacı Dr. Reşat Hekimoğlu vekili Avukat Mehmet Ataman tarafından aleyhine açılan kira tesbiti davası sırasında ;

Kira ile oturduğunuz Çankaya İlçesi, Cebeci Cemal Gürsel caddesi, Fakülteler Mahallesinde katn, 47/3 No.lu müstakil apartman dairesinin ticarethane olarak 1/12/1970 tarihinde 5 sene müddetle aylığı 1.000.00,— TL. dan olmak üzere kiralandığını ve bu kiranın 3.000.00,— liraya çıkarılması için aleyhine kira tesbiti davası açıldığından duruşma günü olan 3/2/1977 günü saat 11.00 da Mahkememizde hazır bulunmanız icap eder iş bu ilân davetiye yerine kaımdır.

296

Kadıköy 2. Sulh Ceza Hâkimliğinden :

Esas No : 1975/662

Karar No : 1976/308

Hâkim : Haydar Durlanık 9800

Başkatip : Şekip Bursa

Sanık : Hasan Karaca, Ahmet ve Ayşe'den 1930 D. lu Adana nüfusuna kayıtlı, Kadıköy Kızıltoprak, İstasyon Caddesi 40/2 de oturur.

Suç : Mütecevaz Sarhoşluk

Suç tarihi : 13/4/1975

Karar tarihi : 23/2/1976

Hüküm Özeti : Sanığın T. C. K. 572, 547 S. K. 4 ile 600 lira hafif para cezası ile mahkûmiyetine, gıyaben karar verilmiş olup, kararın tebliği mümkün olmadığından 7201 sayılı Tebligat Kanunun 28, 29, 31 inci maddeleri gereğince ilânen tebliğ olunur.

248

Esas No : 1975/672

Karar No : 1976/418

Hâkim : Haydar Durlanık 9800

Başkatip : Şekip Bursa

Sanık : Halil Yıldırım, Mehmet oğlu, 1330 D. lu Tokat Çamlıgöl nüfusuna kayıtlı, İstanbul Karaköy Necatibey Caddesi No. 17 de oturur.

Suç : Hırsızlık

Suç tarihi : 8/4/1975

Karar tarihi : 15/3/1976

Hüküm Özeti : T. C. K. nun 491/ilk, 522, 525 ile üç ay müddetle hapis ve o kadar Em. gözetim cezası ile mahkûmiyetine karar verilmiş olup, kararın tebliği mümkün olmadığından 7201 sayılı Kanunun 28, 29, 31 inci maddeleri gereğince ilânen tebliğ olunur.

249

Esas No : 1974/304

Karar No : 1975/493

Hâkim : Haydar Durlanık 9800

Başkatip : Şekip Bursa

Sanık : Mustafa Gül, Mehmet ve Ferideden doğma, 1954 D. lu Cide Kazası Güble Köyü nüfusuna kayıtlı, Kozyatağı İçerenköy No. 33 de oturur.

Suç : Hırsızlık

Suç tarihi : 15/2/1974

Karar tarihi : 14/14/1975

Hüküm Özeti : Sanığın T. C. K. nun 491/ilk, 525 ile altı ay hapis ve o kadar müddetle Em. gözetim cezası ile mahkûmiyetine gıyaben karar verilmiş olup kararın tebliği mümkün olmadığından 7201 sayılı Kanunun 28, 29, 31 inci maddeleri uyarınca ilânen tebliğ olunur.

250

Esas No : 1974/1418

Karar No : 1974/2747

Hâkim : Haydar Durlanık 9800

Başkatip : Şekip Bursa

Sanık : Mehmet Kızılay, İzzet ve Şerife'den 1941 D. lu Ankara Köprübaşı Ahi Köyü nüfusunda kayıtlı, Ankara Çiçinbağları Selve Somuncular Mahallesi 18 de oturur.

Suç : Hırsızlık

Suç tarihi : 26/9/1974

Karar tarihi : 16/12/1974

Hüküm Özeti : Sanığın T. C. K. 491/ ilk, 522, 525 ile iki ay müddetle hapis ve o kadar müddetle Em. gözetim cezası ile mahkûmiyetine gıyaben karar verilmiş olup kararın tebliği mümkün olmadığından 7201 sayılı Kanunun 28, 29, 31 inci maddeleri gereğince ilânen tebliğ olunur.

251

Esas No : 1974/1839

Karar No : 1975/1841

Hâkim : Haydar Durlanık 9800

Başkatip : Şekip Bursa

Sanık : Ekrem Şen, Ali ve Aliye'den olma, 1950 D. lu Göynük Çay Köyü, nüfusunda kayıtlı Acıbadem Ulusuluk Sokak Pembe Köşk yanı, 32 de oturur.

Suç : Hırsızlık

Suç tarihi : 8/12/1974

Karar tarihi : 12/11/1976

Hüküm Özeti : Sanığın T. C. K. nunun 491/3, 522, 525 inci madde-

leri ile dört ay hapis ve o kadar Em. gözetim cezası altında bulundurulmasına gıyaben karar verilmiş olup, karar tebliğ edilemediğinden 7201 sayılı K. 28, 29, 31 inci maddeleri gereğince ilânen tebliğ olunur.

252

Esas No : 1975/2084

Karar No : 1976/259

Hâkim : Haydar Durlanık 9800

Başkatip : Şekip Bursa

Sanık : Tahir Kasımoğlu, Kazım ve Zöhre'den doğma, 1957 D. lu Çankaya Mamak nüfusunda kayıtlı, Hasanpaşa Kasrı Ali Caddesi No.5 de oturur.

Suç : Hırsızlık

Suç tarihi : Ekim - 1975

Karar tarihi : 16/2/1976

Hüküm Özeti : T. C. K. 491/ilk, 522, 525 ile üç ay müddetle hapis ve o kadar Em. gözetim cezası ile mahkûmiyetine gıyaben karar verilmiş olup, 28, 29, 31 inci maddeleri gereğince ilânen tebliğ olunur.

253

Esas No : 1974/1590

Karar No : 1975/527

Hâkim : Haydar Durlanık 9800

Başkatip : Şekip Bursa

Sanık : Melahat Demir, Veli ve Kibar'dan olma, Kars Sukapı Mahallesi nüfusa kayıtlı ve orada oturur 1953 D. lu.

Suç : Hırsızlık

Suç tarihi : 2/10/1974

Karar tarihi : 2/4/1975

Hüküm Özeti : Sanığın T. C. K. nun 491/3, 522, 525 maddeleri uyarınca altı ay hapis, bu kadar müddetle genel gözetim cezası altında bulundurulmasına gıyaben karar verilmiş olup, kararın tebliği mümkün olmadığından 7201 sayılı K. nun 28, 29, 31 inci maddeleri uyarınca ilânen tebliğ olunur.

254

Esas No : 1975/780

Karar No : 1975/1924

Hâkim : Haydar Durlanık 9800

Başkatip : Şekip Bursa

Sanık : Mevlüt Gençaslan, Hamdi oğlu, Hanım kız'dan olma, 1926 D. lu Yozgat nüfusunda kayıtlı, İstanbul'da bimekan

Suç : Hırsızlığa teşebbüs

Suç tarihi : 29/4/1975

Karar tarihi : 26/11/1975

Hüküm Özeti : Sanığın T. C. K. nun 491/4, 61, 522, 525 inci maddeleri uyarınca üç ay müddetle hapis, ve o kadarda müddetle genel gözetim cezası altında bulundurulmasına gıyaben karar verilmiş olup, kararın tebliği mümkün olmadığından 7201 sayılı K. nun 28, 29, 31 inci maddeleri gereğince ilânen tebliğ olunur.

255

Esas No : 1975/1658

Karar No : 1975/1741

Hâkim : Haydar Durlanık 9800

Başkatip : Şekip Bursa

Sanık : Mehmet Altınbilek, Selih oğlu, Ayşe'den olma 1938 D. lu Artvin nüfusunda kayıtlı, Yusufeli, Orta Mahallede oturur.

Suç : Alkolü vasıta kullanmak

Suç tarihi : 30/8/1975

Karar tarihi : 3/11/1975

Kanun Maddesi : 6085 sayılı Kanunun 58/6, 72, 647/S. K. 4 ile neticeten 350 lira hafif para cezası ile mahkûmiyetine gıyaben karar verilmiş olup, sanık bulunmadığı cihetle kararın tebliği yapılamadığından 7201 sayılı K. 28, 29, 31 inci maddeleri gereğince ilânen tebliğ olunur.

256

Refahiye Aliye Hukuk Hâkimliğinden :

1976/21

Refahiye Asliye Hukuk Mahkemesinin 3/11/1976 tarih ve 1976/21 esas 1976/150 karar sayılı ilamı ile Refahiye'nin Altıköyünden Haydar oğlu Zeki Ocakçı ile aynı Köy nüfusuna kayıtlı Ali Kızı Şerife den olma 1337 doğumlu Hanım Ocakçı'nın boşanmalarına karar verilmiştir.

Kararın Davalı Hanım Ocakçı'ya ilânen tebliğ olunur.

263

Akyazı Asliye Hukuk Hâkimliğinden :

1975/400

Davacı Akyazı Orman İşletmesi Müdürlüğü vekili tarafından davalılar Osman Demirci ve Mustafa Demirci aleyhlerine açılan tazminat davasının yapılmakta olan açık duruşması sırasında, davalı Osman Demircinin tebligata yarar sarîh adresi tespit edilemediğinden davetiyenin Resmî Gazete ile ilânen tebliğine karar verilmiş olduğundan duruşmanın bırakıldığı 3/2/1977 günü saat 9.00'da Akyazı Asliye Hukuk Hâkimliğinde duruşmada bizzat kendisi veya kendisini bir vekille temsil ettirmesi lüzumu davetiye yerine kaim olmak üzere tebliğ olunur.

84

1975/774

Davacı Akyazı Orman İşletmesi Müdürlüğü vekili tarafından davalılar Mehmet Kodalak, Celil Karakaş ve İbrahim Karabıyık aleyhlerine açılan tazminat davasının yapılmakta olan açık duruşması sırasında, davalılar Mehmet Kodalak, Celil Karakaş ve İbrahim Karabıyık'ın tebligata yarar sarîh adresleri tespit edilemediğinden davetiyelerin Resmî Gazete ile ilânen tebliğine karar verilmiş olduğundan duruşmanın bırakıldığı 10/3/1977 günü saat 9.00'da Akyazı Asliye Hukuk Hâkimliğinde duruşmada bizzat kendileri veya kendilerini bir vekille temsil ettirmeniz lüzumu davetiye yerine kaim olmak üzere tebliğ olunur.

85

Kocaeli Asliye Birinci Hukuk Hâkimliğinden :

Dosya : 1976/246

Davacı Mensuri Bildik tarafından Meliha Bildik aleyhine açılan boşanma davasında;

Davalıya ilânen tebligat yapıldığı halde gelmediğinden gıyap çıkarılmasına karar verilmekle;

Davalı Meliha Bildik bu kerre duruşmanın bırakıldığı 7/2/1977 günü saat 9.00'daki duruşmada hazır bulunmadığınız takdirde davaya gıyabınızda devam olunacağı, gıyap kararı yerine kaim olmak üzere ilânen tebliğ olunur.

86

Hatay 1. Asliye Hukuk Hâkimliğinden :

Dosya No : 1975/1019-1976/797

Davacı Şükriye Cevik vekili Av. Mahmut Sahillioğlu tarafından davalı Ali Cevik aleyhine açılan Boşanma davasının yapılan açık duruşması sonunda;

Mahkememizin 16/12/1976 tarih ve 1975/1019-1976/797 sayılı kararıyla Hasan kıza 1928 doğumlu Şükriye Cevik ile Hüseyin oğlu 1937 doğumlu Ali Cevik'in Medeni Kanunun 134. maddesi gereğince Boşanmalarına karar verilmiştir, Keyfiyet ilân olunur.

87

Kocaeli Asliye Birinci Hukuk Hâkimliğinden :

Dosya No : 1975/1027

Davacı Hüseyin Dalkın vekili Av. A. Feti Saka tarafından davalı Ümmühan Dalkın aleyhine açılan boşanma davasının yapılan duruşmasında ilânen gıyap tebliğine karar verilmiş olduğundan;

Davalı Ümmühan Dalkın'ın davetiyeye rağmen gelmediğinden davalı Ümmühan Dalkın'ın duruşmanın bırakıldığı 15/2/1977 günü saat 9.00'da duruşmada davalı olarak hazır bulunmanız, duruşmada bulunmadığınız takdirde davanın gıyabınızda görüleceğine dair gıyap kararıdır. İlânen tebliğ olunur.

88

Dosya No : 1976/296

Davacı Demir ve Çelik İşletmeleri Genel Müdürlüğü vekili Av. Orhan Kayserilioğlu tarafından davalılar Osman Eskin, Mustafa Gazioğlu, Ülker Cınar, Ayhan Bölükbaşı, vs. aleyhine açılan Zarar Ziyân davasının yapılan duruşmasında;

Davalı Ayhan Bölükbaşı'nın adresi tespit edilemediğinden Resmî Gazete ile ilânen tebliğine karar verildiğinden;

Davalı Ayhan Bölükbaşı duruşmanın bırakıldığı 8/2/1977 günü saat 11.00'deki duruşmada davalı olarak hazır bulunmanız veya kendinizi temsilen bir avukatı hazır bulundurmanız için tebligata kâim olmak üzere ilân olunur.

89

Ankara İflas Memurluğundan :

Dosya No : 1975/12

Ankara Yıldırım Beyazıt Çarşısı Kat 2 No: 531 de ve Ticaret Sicili-

nin 11525 sayısında kayıtlı Dündar Göle hakkında evvelce verilen İflas Kararı Ankara Asliye 3. Ticaret Mahkemesinin 9/7/1976 gün 976/194-161 sayı ile kaldırılmıştır.

Keyfiyet İ.İ.K.nun 182. maddesi gereğince tebliğ ve ilân olunur.

90

İstanbul 2. Ağır Ceza Mahkemesinden :

E. No : 1974/316

K. No : 1976/192

Hırsızlıktan maznun olup Beyoğlu Küçük Yazıcı Sokak 15 de oturur, Şavşat Pınarlı köyü hane 89 da nüfusa kayıtlı, Kurbanlioğlu, Fikrinazdan doğma 1/1/1949 doğumlu Hayrettin Yüksel ve Erzurum Toprakköyü hane 41 de kayıtlı, İstanbul'da Tarlabası Cad. No: 164 de oturur, Kemal oğlu 1/1/1948 doğumlu Selami Çelik haklarında yapılan duruşma sonunda harakelerine bunlardan Selâminin TCK. 491/İlk, 522, 525 ile İki ay hapis bu kadar emniyeti umumiye nezareti, ve Hayrettin Yükselin TCK. 491/İlk, 65/3, 522, 525 inci madde gereğince binnetice : Bir ay müddetle hapis ve bu kadar emniyeti umumiye nezareti altında bulundurulmasına dair sanıkların gıyabında verilen 10/9/1976 tarihli hüküm sanıklara tebliğ için gönderilmiş isede bulunamamış olduklarından ve ikametgahları meçhul kalmış olmakla 7201 sayılı Tebliğat K.nun 28 ve müteakip maddeleri gereğince Hüküm Özetinin Resmî Gazete ile ilânen tebliğine mahkemeye karar verilmiş olduğundan; İşbu ilân varakasının Neşri tarihinden itibaren onbeş gün sonra Sanık Hayrettin Yüksel ve Selâmi Çelik'e tebliğ yapılmış sayılacağı ilân olunur.

91

İstanbul 2 nci Asliye Ceza Hâkimliğinden :

E. No : 1975/707

K. No : 1976/398

1918 sayılı Kanuna muhalefetten Mahkememizin 2/6/1976 tarihli ilâmı ile (1177 sayılı Kanunun 88/2, 1918 sayılı Kanunun 25/3, 25/son, T.C.K. nun 59/1 inci maddeleri gereğince 5 ay hapis, 25 lira ağır para cezasına hükümlü) İstanbul'da Çemberlitaş Huzur Otelinde yatar kalker Maruf oğlu, 1954 doğumlu, sanık Orhan Demirci hakkındaki gıyabî ilâm bütün aramalara rağmen bulunup tebliğ edilemediği cihetle 7201 sayılı Tebligat Kanununun 28, 29, 30 ve 31 inci maddeleri hükümleri gereğince ilânen tebliğine, hüküm fıkrasının neşir tarihinden itibaren 15 gün sonra muhataba tebliğ edilmiş sayılmasına karar verilmiştir.

Keyfiyet ilânen tebliğ olunur.

92 / 1

İstanbul 20. Asliye Hukuk Hâkimliğinden :

1976/781

Davalılar : Zeliha Karakulah : Beşiktaş, Dikilitaş Bayır Sok., No: 8 de mukim iken adresi meçhul.

Adnan Uysal : Şişli Radyoevinde yakın B. P. Şirketinde çalışır, halen adresi meçhul.

Amme hukuku tarafından davalılar aleyhine açılan nüfus kayıt tasihhi hakkındaki davada :

Davalılara gönderilen tebligatın bîlâ tebliğ iade edildiği, zabıtaca yapılan tahkikatta tanınmadıklarından ilânen tebliğ yapılmasına karar verilmiştir. Dava basit usulî muhakemeye tâbi bulunduğundan gelemeseler dahi dava gıyaplarında devam edecektir.

Duruşma günü olan 7/2/1977 saat 10.30 daki duruşmaya gelmeleri veya kendilerini bir vekille temsil ettirmeleri, davetiye yerine kaim olmak üzere ilân olunur.

92 / 2

Kırkağaç Sulh Ceza Hâkimliğinden :

1976/5

Mütecaviz sarhoşluktan maznun Demirci İlçesi, 199 hane numarasında mukayyet ve aynı kaza Yenice Mahallesi Kıran Sokak No: 43 de mukim İsmail oğlu, Mün're'den 1945 de doğma Mustafa Kavruk hakkında ıcrâ kılınan duruşma sonunda

Mahkememizden sadır olan 10/3/1976 tarih ve 1976/5 Esas, 1976/64 karar sayılı hükümle maznunun T. C. K. nun 572/1 inci maddesi gereğince 2 ay müddetle hafif hapis cezası ile mahkûmiyetine (400) kuruş mahkeme masraflarının kend'sinden tahsiline karar verilip maznunun semtî meçhulde bulunması sebebiyle gıyabî hükmün kendisine tebliğ edilmesi dolayısıyla ilânen tebligat ifasına karar verilmiş olduğundan :

Maznun Mustafa Kavruk'un işbu hükmün ilânından itibaren bir hafta müddetle temyiz hakkı bulunduğu, aksi takdirde hükmün kesinleşeceği, tebligat yerine kaim olmak üzere ilân olunur.

95

Urfa Asliye Ceza Hâkimliğinden :

1976/206

Ticaret maksadiyle kaçakçılık suçundan 19/4/1976 tarih ve 1976/206-283 sayılı ilâmı ile 6829 sayılı Kanunla değişik 1918 sayılı Kanunun 25/3-son, T. C. K. nun 59, 55/3, 647 sayılı Kanunun 4 ve 5 inci maddeleri gereğince ikibinaltıyüzellidokuz lira yirmibeş kuruş ağır para cezasıyla mahkûmiyetine karar verilen Cembeli oğlu, Zeliha'dan olma, 1961 doğumlu, Mehmet Aslan'ın bütün adreslerinde aramalara rağmen bulunup, tebliğ edilmemesi nedeniyle 7201 sayılı Kanunun 28, 29, 30 ve 31 inci maddeleri hükümleri gereğince ilânen tebligat yapılmasına karar verilmiştir.

İşbu hüküm fıkrasının neşir tarihinden itibaren 15 gün zarfında kanunî yollarına müracaat edilmediği takdirde kararın kesinleşeceğine dair Resmi Gazete'nin Mahkememize gönderilmesi ricasıyla müzekkeredir.

21048

E. No : 1975/572

6136 sayılı Kanuna muhalefet suçundan 6/9/1976 tarih ve 1975/572 - 291 sayılı ilâmı ile 6136 sayılı Kanunun 13., T. C. K. nun 59, 40, 36 ve 647 sayılı Kanunun 6. maddesi gereğince on ay hapis ve dörtüyzonaltı lira altmış kuruş ağır para cezasıyla mahkûmiyetine karar verilen Ahmet oğlu, Zeliha'dan olma, 1336 doğumlu, Reşit Doğan'ın bütün adreslerinde aramalara rağmen bulunup, tebliğ edilmemesi nedeniyle 7201 sayılı Kanunun 28 ve müteakip maddeleri hükümleri gereğince ilânen tebligat yapılmasına karar verilmiştir.

İşbu hüküm fıkrasının Resmi Gazete'de neşir tarihinden itibaren 15 gün zarfında kanunî yollarına müracaat edilmediği takdirde kararın kesinleşeceğine dair Resmi Gazete'nin Mahkememize gönderilmesi ricasıyla müzekkeredir.

21049

1975/434

Geceleyin mesken mesûniyetini ihlâl suçundan 20/9/1976 tarih ve 1975/434 - 331 sayılı ilâmı ile T. C. K. nun 193/2, 59, 40, 647 sayılı Kanunun 6. maddesi gereğince beş ay hapis cezasıyla mahkûmiyetine karar verilen Asım oğlu, Fatma'dan olma, 1951 doğumlu, Hasan Aydın'ın bütün adreslerinde aramalara rağmen bulunup, tebliğ edilmemesi nedeniyle 7201 sayılı Kanunun 28 ve müteakip maddeleri uyarınca ilânen tebligat yapılmasına karar verilmiştir.

İşbu hüküm fıkrasının Resmi Gazete'de tebliğiyle neşir tarihinden itibaren 15 gün zarfında kanunî yollarına müracaat edilmediği takdirde kararın kesinleşeceğine dair bir adet Resmi Gazete'nin Mahkememize gönderilmesi ricasıyla müzekkeredir.

21050

1976/190

Ticaret maksadiyle kaçakçılık suçundan 6/9/1976 gün ve 1976/190 - 304 sayılı ilâmı ile 1918 sayılı Kanunun 6829 sayılı Kanunla değişik 25/3-son, 55/3, 59, 647 sayılı Kanunun 4 ve 5 inci maddeleri gereğince ikibindörtüyzotuzdört lira Oniki kuruş ağır para cezasıyla mahkûmiyetine karar verilen Ali oğlu, Beşire'den olma, 1960 doğumlu, Mahmut Cüci'nin bütün adreslerinde aramalara rağmen bulunup, tebliğ edilmemesi nedeniyle 7201 sayılı Kanunun 28 ve müteakip maddeleri hükümleri gereğince ilânen tebligat yapılmasına karar verilmiştir.

İşbu hüküm fıkrasının Resmi Gazete'de tebliğiyle neşir tarihinden itibaren 15 gün zarfında kanunî yollarına müracaat edilmediği takdirde kararın kesinleşeceğine dair bir adet Resmi Gazete'nin Mahkememize gönderilmesi ricasıyla müzekkeredir.

21051

Üsküdar Asliye Ceza Mahkemesi Hâkimliğinden :

E. No : 1975/674

K. No : 1976/17

Maznunun adı ve soyadı : İlhan Koçoğlu

Karar tarihi : 21/1/1976

Cezanın nev'i ve kanun maddesi : Memura müessir fiil, hakaret, müteaviz sarhoşluk.

T. C. K. nun 456/4. Mad. gereğince ikiyüz lira ağır para cezası, T. C. K. nun 271. Mad. gereğince 1/3 ü artırılarak ikiyüzaltmışaltı lira altmış kuruş ağır para cezası, T. C. K. nun 266/1. Mad. gereğince iki ay hapis, ikiyüzelli lira ağır para cezası, T. C. K. nun 572. Mad. gereğince iki ay hafif hapis, T. C. K. nun 71 ve 75. Mad. gereğince cezaları içtimaen iki ay hapis, iki ay hafif hapis, dörtüyzelli lira ağır para cezası, 647 sayılı Kanunun 6. maddesi gereğince cezalarının teciline.

Yukarıda mahiyeti yazılı hükmün maznunun bulunamaması sebebiyle tebliğ edilemediği cihetle 7201 sayılı Kanunun 29. maddesi gereğince neşir tarihinden itibaren 15 gün içinde muhataba tebliğ edilmiş sayılacağı ilân olunur.

21046 / 1

E. No : 1974/430

K. No : 1975/615

Maznunun adı ve soyadı : Lami Cihangir

Karar tarihi : 24/12/1975

Cezanın nev'i ve kanun maddesi : Memura hakaret, müteaviz sarhoşluk.

T. C. K. nun 266/1. Mad. gereğince iki ay hapis, ikiyüzelli lira ağır para cezası, T. C. K. nun 572. Mad. gereğince iki ay hafif hapis, T. C. K. nun 71 ve 74. maddesi gereğince cezaları içtimaen iki ay hapis, iki ay hafif hapis, ikiyüzelli lira ağır para cezası, 647 sayılı K. nun 6. maddesi gereğince cezalarının teciline.

Yukarıda mahiyeti yazılı gıyabî hükmün maznunun bulunamaması sebebiyle tebliğ edilemediği cihetle, 7201 sayılı K. nun 29. maddesi gereğince neşir tarihinden itibaren 15 gün içinde muhataba tebliğ edilmiş sayılacağı ilân olunur.

21046 / 2

E. No : 1970/483

K. No : 1976/485

Maznunun adı ve soyadı : Cevdet Çetinbaş

Karar tarihi : 25/8/1976

Cezanın nev'i ve kanun maddesi : 1918 ve 6136 sayılı Kanuna muhalefet.

Af Kanunu sebebiyle sanık hakkındaki davanın T. C. K. nun 97. maddesi gereğince ortadan kaldırılmasına, suç konusu eşyanın müsaderesine.

Yukarıda mahiyeti yazılı gıyabî hükmün maznunun bulunamaması sebebiyle tebliğ edilemediği cihetle 7201 sayılı Kanunun 29. maddesi gereğince neşir tarihinden itibaren 15 gün içinde muhataba tebliğ edilmiş sayılacağı ilân olunur.

21046 / 3

Çaycuma Asliye Hukuk Hâkimliğinden :

1976/21

Davacı Kefadin Kızı Mukaddes Yıldız vekili Av. Celal Gülşen tarafından davalı Hüseyin Yıldız Hasan oğlu Bozüyük, Dodurga Nahiyesinde mukim, aleyhine açılmış bulunan boşanma davasının yapılmakta olan duruşması sırasında :

Davalının tebligata salih adresinin tesbit ettirilememiş bulunduğundan dava dilekçesinin Resmi Gazete ile ilân ettirilmiş olup bu kerre yapı kararı yerine kaim olmak üzere kendisini bir vekille temsil ettirdiği takdirde duruşmanın gıyabında yürütüleceği hususu ilânen tebliğ olunur.

21083

Salihli Asliye Hukuk Hâkimliğinden :

1974/776

Davacı : Salihli Maliyesi Hazinesi

Vekili : Avukat Mehmet Onbaşıoğlu

Davalı : Durmuş Doymaz (Aydoğdu) Salihli Bezirganlı Çiftliğinden olup, halen adresi meçhul.

Dava : Men' müdahale ve tescil

Davacı vekili davalı aleyhine Maliye Hazinesine ait Gediz Çayı mecrasından 6000. M² lik yere müdahale ettiğinden müdahalesinin men'i ile Hazine üzerine tesciline karar verilmesini istemişse davalıya davetiye ve zabta marifetiyle adresi araştırılmışsada bilâ geldiğinden davetiyenin ilânın yapılmasına karar verilmiş bulunduğu cihetle duruşmanın bırakıldığı 3/3/1977 günü saat 9.00 da Mahkemede hazır bulunması veya bir vekil göndermesi için tebligat yerine kaim olmak üzere ilân olunur.

13

İstanbul Menkul Kıymetler ve Kambyo Borsası Hazine Komisliğinden :

İdare Merkezi İstanbul'da bulunan Türk Telefon Ticaret ve Sanayi A.Ş. tarafından ihraç edilen % 18 faizli, 5 yıl vadeli, birlik kupürü 5.000,— lira itibarî değerinde 600 adet, 10.000,— lira itibarî değerinde 400 adet, 25.000,— lira itibarî değerinde 200 adet toplam 12.000.000.— liralık hamiline yazılı I. tertip A—B—C serisi tahviller 27/12/1976 tarihinden itibaren Borsa kotuna alınmıştır.

32

Bayındırlık Bakanlığı Karayolları Genel Müdürlüğünden :

Grup No.	C i n s i	Miktarı	Tah. bedeli TL.	G. teminatı TL.
I.	Asfalt distribütörü AK-250-pompası ve yedek parçaları	9 kalem	406.000,—	19.990,—
II.	Asfalt distribütörü AK-250-yedek parçaları	11 "	975.000,—	42.770,—

76-2490-1 dosya numaralı yukarıda yazılı malzemelerin hizalarında gösterilen tahmini bedel ve geçici teminatları üzerinden 2 grup halinde satın alınması 2490 sayılı Kanunun 31. maddesi gereğince kapalı zarf usulüyle eksiltmeye konulmuştur.

Eksiltmesi 27/1/1977 Perşembe günü saat 16.00 da Ankara'da Karayolları Genel Müdürlüğü Malzeme Şubesinde yapılacaktır. Şartnamesi aynı yerden bir dilekçe ile 25,— TL. bedelle alınabilir.

İstekliler, gruplardan birine, ikisine veya hepsine birden teklif verebilirler.

İstekliler, 1976 yılı vizesi yapılmış ticaret, sanayi odası veya esnaf belgesini, geçici teminat mektup veya makbuzlarını, şartnamede

istenen belgeleri ve alınan şartnamenin her sahifesini imza ederek dış zarf içine koymak şartıyla hazırlayacakları teklif mektuplarını eksiltme saatinden bir saat evveline kadar makbuz mukabilinde Komisyon Başkanlığına vereceklerdir. Postadaki gecikmeler kabul edilmez. Duyurulur. 187 / 4-3

Ankara Levazım Amirliği 4 No. lu Satın Alma Komisyonu Başkanlığından

Aşağıda cinsi, miktarı, muhammen bedel ve geçici teminatları yazılı (bir) kalem portabl elektromyografi cihazı kapalı zarfı eksiltmele-ri hizalarındaki gün ve saatlerde Komisyonumuzda yapılacaktır. Evsaf ve şartnamesi çalışma saatlerinde Komisyonunda ve İstanbul Levazım Amirliğinde görülebilir. İsteklilerin kanuni şekilde hazırlayacakları teklif mektuplarını ihale saatinden bir saat evveline kadar makbuz karşılığı Komisyon Başkanlığına vermeleri, postada geciken mektuplar kabul edilmez.

Cinsi : Portabl elektromyografi cihazı, Miktarı : 1 adet, M. Bedeli : 205.000,— lira, G. Teminatı : 11.500,— lira, İhale günü ve saati : 28/1/1977 Cuma günü saat 11.00 de. 279 / 4-2

Bayındırlık Bakanlığı Karayolları Kayseri 6 ncı Bölge Müdürlüğünden :

1 — Eksiltmeye konulan işler	Kesif bedeli Lira Kr.	G. teminatı Lira Kr.	Eksiltme Tarih, gün ve saati	Mür. son günü
1) Derinkuyu - Tilköy - Güzelöz yolunun takriben Km. 0+000 - 21+740 kesiminde yapılacak «Tevsiye, sanat yapıları, üst yapı v.s. işleri	15.804.670,43	487.890,—	28/1/1977 Cuma - saat : 11.00	26/1/1977 Çarş.
2) Pınarbaşı - 5. Bölge Hd. yolunun takriben Km. 0+000 - 26+600 kesimlerine lüzumlu ocak taşından Konkasörle kırılmış ve elenmiş 80.290 M ³ 1" - 2" lik temel malzemesi temini ve nakli işi	12.790.031,80	397.450,—	31/1/1977 P. tesi - saat : 11.00	27/1/1977 Perş.
3) Pınarbaşı - Gürüm - Darende yolunun takriben Km. 137+600 - 157+000 kesimlerine lüzumlu ocak taşından Konkasörle kırılmış ve elenmiş 67.900 M ³ 1-2 lik temel malzemesi temini ve nakli işi	9.795.661,40	307.620,—	31/1/1977 P. tesi - saat : 15.00	27/1/1977 Perş.

2 — Yukarıda yazılı işlerin eksiltmeleri, Müdürlüğümüz İhale salonunda, hizalarında yazılı tarih, gün ve saatlerde 2490 sayılı Kanunun 31. maddesi hükümleri gereğince kapalı zarf usulü ile yapılacaktır.

3 — a) İştirak belgesi alabilmek için :

İsteklilerin en geç yukarıda yazılı işler için ayrı ayrı tespit edilmiş olan müracaat son günü mesai saati sonuna kadar birer dilekçe ile Bölgemize müracaat etmeleri. (Müracaatta evrak kaydı tarihi muteberdir.) Dilekçelerine birinci sırada yazılı iş için (B), diğerleri için (C) grubunda en az bu işlerin kesif bedeli kadar müteahhitlik karnesinin aslını veya Bölgemiz İştirak Belgesi Komisyonu Başkanlığınca tasdik edilmiş örneğini, 2 ve 3 üncü sırada yazılı işler için kesif bedelinin yarısı kadar benzeri iş yaptıklarına dair resmi dairelerden alınmış tasdikli belgeyi, örneklerine uygun (1 — Yapı araçları bildirisi, (Ana inşaat makinalarının müteahhide ait olması ve makinaların kendisine ait olduğunu tasdik eden belgeleri bildiriye eklenmesi şarttır. Bu makinaların halen bulundukları yerlerin adresleri açık ve kesin olarak bildiride gösterilecektir.) 2 — Mali durum bildirisini, 3 — Banka mektubunu, 4 — Teknik personel bildirisini, 5 — Taahhüt bildirisini, 6 — İsteklilerin noter tasdikli; Şirket olması halinde şirket sirküleri ile hali faaliyet belgesini, 7 — İş yerini görüp tetkik ettiklerine dair işin ait olduğu şantiye şefliğinden alınmış tasdikli belgeyi ekliyerek, bu işler için ayrı ayrı iştirak belgesi almaları. İsteklilerin 1977 yılına ait ticaret ve sanayi odası vesikası, Bölgemizden alacakları yeterlik belgesi, geçici teminatları ile usulüne uygun olarak hazırlayacakları teklif mektuplarını ihale saatinden 1 saat evvel Komisyon Başkanlığına vermeleri. Postada olacak gecikmeler kabul edilmez. Keyfiyet ilân olunur. 480 / 4-1

Ankara Topraksu IV. Bölge Müdürlüğü, Merkez Ekip Başmühendisliğinden :

1 — Aşağıda tafsilatı belirtilen işler hizalarında gösterilen gün ve saatlerde 2490 sayılı Kanunun 31. maddesine göre kapalı zarf usulü ile eksiltmeye konulmuştur.

Sıra No.	Yeri ve mahiyeti	Kesif bedeli Lira Kr.	G. teminat miktarı Lira Kr.	İhale günü ve saati
1 —	Beyazpazarı Dudaş Sul. Tes. Elk. projesi (% 30 zamlı)	199.794,47	11.239,72	24/1/1977 Pazartesi saat 10.00
2 —	Kalecik Yayın Sul. Tes. Elk. projesi (% 30 zamlı)	231.562,83	12.828,14	24/1/1977 Pazartesi saat 10.30
3 —	Gudül Yesilöz Sul. Tes. Elk. projesi (% 30 zamlı)	304.347,55	15.923,90	24/1/1977 Pazartesi saat 11.00
4 —	Nallıhan - Gökçeöz Sul. Tes. tanımlama projesi	355.242,43	17.959,70	24/1/1977 Pazartesi saat 11.30

2 — Eksiltme şartnamesi ve diğer evrak eksiltmenin yapılacağı Ankara, Fatih Caddesi No: 68 (Keçiören yolu üzeri) adresindeki Topraksu IV. Bölge Müdürlüğü M. Ekip Başmühendisliğinde mesai saatleri dahilinde görülebilir.

3 — Eksiltmeye girebilmek için;

a) Her iş için hizalarında belirtilen geçici teminat,
b) 1977 yılı vizesi ticaret odası belgesi,
c) Müracaat dilekçeleri ile birlikte verecekleri (Her iş için ayrı ayrı olmak şartıyla ve müracaatçı ortak olduğu takdirde imza sirküleri veya noterden tasdikli vekâletname göstererek) 24/3/1972 gün ve 14138 sayılı Resmî Gazete ve eksiltme şartnamesinin 5. maddesinde belirtilen ve usulüne göre hazırlanmış olan plan ve teçhizat, teknik personel, taahhüt beyannamesi ile sermaye ve kredi olanaklarını bildirir mali durum bildirisini ve eki olan ilk ilân tarihinden sonra alınmış, banka referans mektubu, Bayındırlık Bakanlığından alınmış en az işin kesif bedeli kadar 1-2-3 üncü sıradaki işler için H, 4 üncü sıradaki iş için (C) grubu müteahhitlik karnesinin aslını (Aslını ibraz etmek suretiyle örneğini) veya her iş için kesif bedeli kadar benzeri iş vesikasını ibraz etmek suretiyle Başmühendisliğimizden alacakları yeterlik belgesini yine usulüne göre hazırlanmış teklif mektupları ile birlikte zarfa koymaları lazımdır.

4 — İstekliler teklif mektuplarını ihale saatinden bir saat öncesine kadar makbuz karşılığında İhale Komisyonu Başkanlığına vereceklerdir.

5 — Yeterlik belgesini almak için son müracaat tarihi olan 18/1/1977 günü mesai saati sonuna kadardır.

Telgrafla müracaat ve postadaki gecikmeler kabul edilmez.

21012 / 4-4

Kağızman Sulh Hukuk Hâkimliğinden :

1976/37

Davacı Şahindere Mahallesinden Makbule Orhan tarafından davalılar Mahmut Oral ve hissedarları aleyhine ikame edilen izaleyi şuyuu ve ya taksim davasının yapılan duruşmasında :

Davalılardan Mehmet Oral ve Makbule Oral'ın adresleri meçhul olduğundan dava dilekçesi tebliğ edilemediği bu sebeple duruşma günü olan 16/2/1977 günü saat 9.00 da duruşmada hazır bulunmaları aksi takdirde giyap kararı çıkarılacağı dava dilekçesi yerine kaim olmak üzere ilânen tebliğ olunur.

334

Ankara 2. İş Mahkemesi Hâkimliğinden :

1974/826

Davacı Sosyal Sigortalar Kurumu tarafından davalı Ankara Emek Mahallesi 36. Sokak No. 67 Cevdet Demircin aleyhine açılmış bulunan alacak davasının yapılan yargılaması sonunda :

Hüküm : Sabit olan dava uyarınca Kuruma 167.239,17 TL. pirim fark ve faiz borcu bulunduğu tespitine bu miktar alacağın 29/2/1972 tarihinden itibaren % 5 faizi 2.058 TL. harç ve masraf 14.534,— TL. avukatlık ücreti ile birlikte davalıdan tahsiline, icra inkâr tazminatına yer olmadığına, 3.739 TL. bakiye ilâm harcının davalıdan tahsiline Yargıtay yolu açık olmak üzere 19/11/1976 tarihinde karar verilerek davacı avukatının yüzüne karşı ve davalının giyabında açıktan tefhim edildi.

İşbu hüküm hülasasının davalıya tebliğ yerine kaim olmak üzere ilân olunur.

330

1974/1593

Davacı Sosyal Sigortalar Kurumu tarafından davalı Keçiören Sanatoryum Cad. Cennet Sokak No. 20 Ankara adresinde Sevinç Özdoğan aleyhine açılmış bulunan alacak davasının yapılan yargılaması sonunda :

Hüküm : Sabit olan kusur durumuna göre davacı Kurum zararı 2.703,12 TL. nın sarf ve tediye tarihinden itibaren % 5 faizi 270 TL. avukatlık ücreti 960 TL. harç ve masraf ile birlikte davalıdan alınarak davacıya verilmesine 39,65 TL. bakiye ilâm harcının davalıdan tahsiline Yargıtay yolu açık olmak üzere 24/12/1976 tarihinde karar verilerek davacı avukatının yüzüne karşı ve davalının giyabında tefhim edildi.

İşbu hüküm hülasasının davalıya tebliğ yerine kaim olmak üzere ilân olunur.

331

1973/1083

Davacı Sosyal Sigortalar Kurumu tarafından davalılar Yeşilöz Mahallesi Baraj Cad. No. 124 Ankara adresinde Recep Adanır ve Asım Ada-

nır aleyhlerine açılmış bulunan alacak davasının yapılan yargılaması sonunda :

Hüküm : Sabit olan 12.977,50 TL. nın sarf ve tediye tarihinden itibaren % 5 faizi 1.255 TL. harç ve masraf 1.298 TL. avukatlık ücreti ile birlikte davalılardan müştereken ve müteselsilen tahsili ile davacı Kuruma verilmesine 269,55 TL. bakiye ilâm harcının davalılardan tahsiline Yargıtay yolu açık olmak üzere 24/12/1976 tarihinde karar verilerek davacı avukatının yüzüne karşı ve davalıların giyaplarında açıktan tefhim edildi.

İşbu hüküm hülasasının davalılara tebliğ yerine kaim olmak üzere ilân olunur.

332

1974/1605

Davacı Sosyal Sigortalar Kurumu tarafından davalılar Abdullah Kamahoğlu, Ethem Eratalay ve Yaşar Gürel Ankara Nectibey Cad. 4/A Besler Tathcısı aleyhlerine açılan alacak davasının yapılan yargılaması sonunda :

Hüküm : Sabit olan dava uyarınca kusur durumlarına göre Kurum zararı 332.681,77 TL. nın sarf, ödeme ve gelir bağlama tarihinden itibaren % 5 faizi 22.807 TL. avukatlık ücreti 4.006,50 TL. harç ve masrafın davalılardan müştereken ve müteselsilen tahsili ile davacı Kuruma verilmesine 160 TL. masrafın keza davalı Yaşar Gürel'den alınarak davacıya verilmesine, 7.411,50 TL. bakiye ilâm harcının davalılardan tahsiline, Yargıtay yolu açık olmak üzere 17/12/1976 tarihinde karar verilerek davacı avukatı ile davalı Abdullah Kamahoğlu vekilinin yüzlerine karşı diğer davalıların giyabında açıktan tefhim edildi.

İşbu hüküm hülasasının davalılar Ethem Eratalay ve Yaşar Gürel'e tebliğ yerine kaim olmak üzere ilân olunur.

333

Gülner Aslıye Hukuk Hâkimliğinden :

Dosya No : 1974/463

Davacı Gülner Orman İşletmesi tarafından davalı Silifke İçesi Petlipınarı Köyünden Ali Dede Kızlaş aleyhine açılan tazminat davasının yapılan açık yargılaması sırasında :

Davalı Ali Dede Kızlaş'ın 28/12/1976 günü yargılamaya gelmesi 13 Kasım 1976 tarih ve 15762 sayılı Resmî Gazete'de ilân edilmiş olup ve adı geçenin duruşmaya gelmediği gibi kendisini de bir vekille temsil ettirmediğinden Gülner Aslıye Hukuk Mahkemesinin 1974/463 sayılı dosyasının duruşmasının 24/2/1977 günü saat 8.35'e talik edildiği, davalı Ali Dede Kızlaş'ın bu tarihte duruşmada hazır bulunması veya bir vekille kendisini temsil ettirmesi giyap kararı yerine kaim olmak üzere ilânen tebliğ olunur.

313

Eskişehir 1. Sulh Ceza Hâkimliğinden :

Hâkim : Nafiz Ünlü 12070

Kâtip : Nazile Durunay

A d ı S o y a d ı

Mehmet Çakır : İbrahim ve Ayşe'den 954 de olma, Of - Doğançay Nüfusunda kayıtlı.
Orhan Taşdelen : Osman ve Maksule'den 340 da olma, Çerkezköy, 312 H. de kayıtlı.
Salih Döndür : Mustafa ve İhsane'den 948 de olma, Bursa Yenişehir, Yılmaz Mah. H : 156 da kayıtlı.
Turan İpek : Hüseyin ve Kıymet'den 957 de olma İnegöl Orhangazi Mah. de nüfusa kayıtlı.

Doğan Sönmez : Ömer ve Zeliha'dan 957 de olma Sivrihisar Nüfusunda kayıtlı.
Özdemir Ankaralıoğlu : Nuri ve Ayşe'den 934 de olma, Nallıhan Naruppaşa Mah. 97 H. de kayıtlı.
Ali Kaya : Mustafa ve Medine'den 949 da olma, Andırın Yenimahalle 166 H. de kayıtlı.
Lütfü Aksu : Tayfur oğlu 959 D.lu Erzurum Nüfusunda kayıtlı.

Ahmet Keçialan : Tefvik ve Saim'e'den 943 de olma, Eskişehir, Özden Köyü H. 1 de kayıtlı.
Erol Özen : Mustafa ve Sultan'dan 957 de olma Emirdağ Adayazı Köyü H : 147 de kayıtlı.
Turan Dede Dardibey : Arif ve Hatice'den 947 de olma, Yeşilova, Güney Köyü H : 205 de kayıtlı.

Yukarıda dava numarası, hüküm özetini yazılı karar sanık adına posta ile gönderilmiş, adresi meçhul olduğundan bula tebliğ iade edilmiş zabıta tahkikatına rağmen de adresi tesbit edilememiş olduğundan hüküm özetinin Resmî Gazete'de 29, 30 ncu maddeler gereğince ilâm yapılmasına, aynı Kanunun 31. maddesine göre hükmün sanığa tebliğ edilmiş sayılmasına karar verildi. 15/12/1976

379

İlanın Tarih ve Numarası

Cezanın Nevi ve Kanun Maddesi

16/9/1976 976/408 - 976/997 T. C. K. nun 456/4 500 TL. ağır para
14/9/1976 975/995 - 976/949 274 S. Sendika K. nun 31/3 500 TL. ağır Pr.
16/6/1976 975/1230-976/558 T. C. K. nun 456/4, 457/1 280 TL. ağır para
30/3/1976 975/1254-976/255 T. C. K. nun 482/2, 15 gün hapis 100 TL. ağır para T. C. K. nun 516/ilk, 5435, 522, 2 gün hapis 33,30 TL. ağır para
17/6/1976 976/209 - 577 T. C. K. nun 565/1 - 2, 647 S. K. 4, 420 TL. hafif para, 10 gün meslekten men
29/6/1976 976/492 - 701 T. C. K. nun 565/1, 2, 10 gün hf. hp. 10 TL. hafif para
29/6/1976 976/494 - 702 T. C. K. nun 568, 647 S. K. nun 4 225 TL. hafif para
14/9/1976 976/760 - 966 T. C. K. nun 565/1, 55/3, 647 S. K. nun 4 210 TL. hafif para
14/9/1976 976/760 - 966 T. C. K. nun 565/1, 2, 647/S. K. nun 4 210 TL. hafif para 3 gün meslekten men
15/9/1976 976/767 - 984 T. C. K. nun 565/1, 2, 647 S. K. 4 210 TL. hafif para, 3 gün meslekten men
21/9/1976 976/823 - 1008 T. C. K. 565/1, 647 S. K. nun 4, 420 TL. hafif para

Çemişgezek Asliye Hukuk Hâkimliğinden :

1976/98

Maliye Hazinesi vekili tarafından Çemişgezek Koçlu Köyünden Hüseyin Biçici aleyhine açılan mülkiyetin tesbit davasının duruşmasında davalı adresinin bulunamadığından ilânen davetiye tebliğine karar verilmiş olduğundan davalının 25/2/1977 Cuma günü saat 9.50 de mahkemeye gelmesi veya kendisini kanunî bir vekille temsil ettirmesi aksi halde adına gıyap davetiyesi çıkarılacağı davetiye yerine kaim olmak üzere ilânen tebliğ olunur.

368

1976/183

Maliye Hazinesi vekili tarafından Çemişgezek Koçlu Köyünden Şeyho Aydın aleyhine açılan mülkiyetin tesbit davasının duruşmasında davalı adresinin bulunamadığından ilânen davetiye tebliğine karar verilmiş olduğundan davalının 18/2/1977 Cuma günü saat 9.40 da mahkemeye gelmesi veya kendisini kanunî bir vekille temsil ettirmesi aksi halde adına gıyap davetiyesi çıkarılacağı davetiye yerine kaim olmak üzere ilânen tebliğ olunur.

369

1976/217

Maliye Hazinesinin davalılar Çemişgezek Koçlu Köyünden Bektaş Ergüzel, Kahraman Ergüzel, Güzel Ergüzel, Rukiye Ergüzel, Ali Ergüzel, Celâl Ergüzel aleyhlerine Koçlu Köyü 351 parsel sayılı taşınmazın mülkiyetinin tespit idavasının yapılan yargılamasında :

Davalıların adresleri bilinmediğinden davalılara ilân yolu ile dava dilekçesinin özetinin tebliği ile duruşmaya çağrılmalarına karar verilmiştir. 25/2/1977 günü saat 9.35 de mahkemeye gelmeleri veya kendilerini kanunî bir vekille temsil ettirmeleri ilân olunur.

370

1976/185

Maliye Hazinesinin Çemişgezek Koçlu Köyünden davalı Sefer Ergüzel aleyhine Koçlu Köyü 43 sayılı parselin mülkiyetinin tesbiti hakkında açmış olduğu davanın yapılan yargılamasında :

Davalının adresi bilinmediğinden ilân yolu ile dava dilekçesi özetinin tebliği ile duruşmaya çağrılmasına karar verilmiştir.

25/2/1977 günü mahkemeye gelmesi veya kendisini kanunî bir vekille temsil ettirmesi ilân olunur.

371

1976/170

Maliye Hazinesi'nin Çemişgezek Kıvılcık Köyünden'e ait Kısılak Köyü 230 parselin mülkiyetinin tesbiti hakkında açmış olduğu davanın yapılan yargılamasında :

Yukarıda adı geçen davalının adresi bilinmediğinden ilân yolu ile dava dilekçesi özetinin tebliği ile duruşmaya çağrılmasına karar verilmiştir.

Adı geçen davalının 25/2/1977 günü saat 10.10 da mahkemeye gelmesi veya kendisini kanunî bir vekille temsil ettirmesi ilân olunur.

372

1976/187

Maliye Hazinesinin davalı Koçlu Köyünden Sadık Biçici'ye ait Koçlu Köyü 56 parsel sayılı taşınmazın mülkiyetinin tesbiti davasının yapılan yargılamasında :

Yukarıda adı geçen davalının adresi bilinmediğinden ilân yoluyla dava dilekçesi özetinin tebliği ve duruşmaya çağrılmasına karar verilmiştir.

18/2/1977 günü saat 9.20 de mahkemeye gelmesi veya kendisini kanunî bir vekille temsil ettirmesi ilân olunur.

373

Havza Sulh Ceza Hâkimliğinden :

Esas No : 1975/372

Karar No : 1976/434

İş Kanununa muhalefet suçundan dolayı mahkememizce yapılan yargılama sonunda 1475 sayılı Kanunun 89 uncu maddesi delaletiyle 106 sayılı kanunun 107, 98 - 5 ve 97/A, 99/B - 2 maddeleri gereğince 2600 lira ağır para cezası verilen 4/1/1977 tarih 1975/372 esas 1976/434 karar sayılı gıyabi hüküm sanığa tebliğ ve zabıtaca yapılan aramalara rağmen adresi tesbit edilemediğinden sanık hakkında gıyabi hüküm 7201 sayılı Adli Tebligat Kanununun 29 uncu maddesi gereğince ilânen tebliğine hüküm fıkrasının neşir tarihinden 15 gün sonra muhataba tebliğ edilmiş sayılması ilânen tebliğ olunur.

374

Esas No : 1976/57

Karar No : 1976/123

Görevden dolayı hakaret ve müessir fiil suçundan mahkememizin 1976/123 sayılı kararı ile T. C. K. nun 456/4, 271/1 ve 62. maddeleri gere-

ğince 200 lira ağır para cezası ile tecziyesi ve bu cezasının T. C. K. nun 89, 647. sayılı Kanunun 6 ncı maddesi gereğince teciline hükümlü Havza İlçesinin Ereğli Köyünden Hüseyin ve Dudu oğlu 1949 doğumlu İbrahim Korkmaz hakkında verilen gıyabi hüküm bütün aramalara rağmen sanığa tebliğ edilememiştir.

7201 sayılı Adli Tebligat Kanunun 29 uncu maddesi gereğince maznuna hüküm ilânen tebliğine hüküm fıkrasının neşir tarihinden 15 gün sonra muhataba tebliğ edilmiş sayılması ilânen tebliğ olunur.

375

Eskişehir 2. Sulh Ceza Hâkimliğinden :

Hâkim : Halis Başal 15052

Kâtip : Ahsen Cavidarbaşı 295

Adı Soyadı

İlâmın tarihi
ve No. su

Karar

- | | | |
|---|------------------------------------|---|
| 1. Sadık Dönmez, Mehmet ve Remziye'den olma 1948 D. lu Sivrihisar Elcik Köyünde kayıtlı ve halen Erenköy Mah. Işık Sok. 26 Eskişehir. | 16/9/1976
1976/738
1976/808 | T. C. K. nun 565/1, 288 lira hafif para ceza ve 8 gün meslekten men'i |
| 2. Haldun Çelik, Abdullah oğlu Hüriye'den olma 1950 D. lu Mersin Mah. mudiye Mah. kayıtlı ve halen İktisat Akademisi 3. sınıf'ta öğrenci Eskişehir. | 17/6/1976
1976/1190
1976/568 | T. C. K. nun 572/1, 647, 6. İki ay hafif hapisine. |
| 3. İrfan Fırat, Aydın oğlu 1946 asıl D. lu Doğanşehir İlçesi Polat Mah. ka-yıtlı ve halen Eskişehir Hüner Palas otelinde kalır. Eskişehir. | 1/6/1976
1976/351
476/1976 | T. C. K. 571. Üç yıl 375 lira hafif para cezası ile tecziyesine |

Yukarıda sanıkların dava numarası ve hükmün özeti çıkartılmış ve sanıklar adına kararlar posta ile gönderilmiş olup adresi meçhul olduğundan tebliğ edilemediği yapılan zabıta tahkikatından bulunamadığından hükmün özetinin Resmi Gazete'de yayınlanmasına karar verilmiş, 31. madde ile yapılmış sayılmasına karar verildi.

378

Osmaniye Asliye Hukuk Hâkimliğinden :

Davacı K. H. tarafından davalılar Latife Karcı ve Ayşe Karcı aleyhine açılan evlenme kaydının iptali davasının mahkememizde yapılan duruşmasında davalılar adına Resmi Gazete ile dava dilekçesi tebliğ edildiği halde gelmediklerinden ilânen davayı kararı tebliğine karar verilmiştir.

Davalılar Latife Karcı ile Ayşe Karcı'ya ilânen sıvao kararı tebliğine karar verildiğinden adı geçenlerin duruşma günü olan 8/2/1977 günü saat 9.00 da mahkememizde hazır bulunmaları hususu gıyap kararı yerine kaim olmak üzere ilânen tebliğ olunur.

376

Bolu Sulh Ceza Hâkimliğinden :

Esas No : 1976/765

Karar No : 1976/1102

Hâkim : Ferzan Ciftçi 15107

Kâtip : Cemalettin Yapıcı

Davacı : K. H.

Sanıklar : İsmail Özdemir, İsmail ile Safve'den 1944 doğumlu Bolu Kültük Berk Köyünde nüfusa kayıtlı olup halen aynı yerde oturur Halit Polat, Filiz ile Cemile'den 1950 doğumlu Ağrı İli Sivrihisar Mahallesinden olup, Ağrı Hamur Kazası Seyithanbey Köyünde oturur. Almanya'da işçi.

Süç : Tehlikeli surette vasıta kullanmak.

Süç tarihi : 17/7/1976

Tehlikeli surette vasıta kullanmaktan yukarıda açık kimlikli vazılı sanıklar hakkında C. Savcılığınca açılan kamu davasının Bolu Sulh Ceza Mahkemesinde dosya üzerinde yapılan incelemesi sonunda sanıkların suçları sabit görülerek sanık İsmail Özdemir'in T. C. K. nun 565/1, 647/4 maddesi gereğince netice olarak 210 lira hafif para cezası ile mahkumiyetine sanık Halit Polat'ın aynı kanun ve madde gereğince 65 lira hafif para cezası ile cezalandırılmalarına karar verilip, hüküm sanıklardan Halit Polat'a uzun zamandan beri tebliğ edilememiş sanığın yurt dışında çalıştığı anlaşıp adreside tesbit edilememiş bulunduğundan 7201 sayılı Tebligat Kanununun 28 ve 29. maddeleri gereğince Resmi Gazete'de ilânen tebliğine aynı Kanunun 31. maddesi uyarınca ilân tarihinden itibaren 15 gün sonra tebligatın yapılmış sayılacağına kararın bir nüshasının mahkeme divanhanesine asılmasına karar verildi.

Keyfiyet ilânen tebliğ olunur.

377

Çemişgezek Asliye Hukuk Hâkimliğinden :

1975/463

Maliye Hazinesinin davalılar Çemişgezek Aşağıbudak Köyünden Memnune Onurlu, Türkan Aker'e ilân yolu ile gıyap davetiyesinin tebliğine karar verilmiştir.

Yukarıda adı geçen davalılar 8/2/1977 günü saat 9.45 de mahkemede hazır bulunmaları veya kendilerini kanunî bir vekille temsil ettirmeleri, aksi halde duruşmaların gıyaplarında yürütüleceği ilân olunur.

353

1973/650

Maliye Hazinesi tarafından davalı Çemişgezek Kışla Köyünden Şerif Murat aleyhine açılan mülkiyetin tesbiti davasının yapılan yargılamasında :

Davaliya yapılan ilâna rağmen duruşmaya gelmediği ve kendisini temsil edecek bir vekilde göndermediğinden ilân yoluyla gıyap davetiyesi tebliğine karar verilmiş olduğundan.

Adı geçenin 15/2/1977 günü saat 9.10 da mahkemede hazır bulunması veya kendisini kanunî bir vekille temsil ettirmesi aksi halde duruşmanın gıyabında devam edileceğinin ilânen tebliğ olunur.

354

1976/173

Maliye Hazinesi vekili tarafından Çemişgezek Kışlak Köyünden Şerif Murat aleyhine açılan mülkiyetin tesbiti davasının duruşmasında davalı adresinin bulunamadığından ilânen davetiye tebliğine karar verilmiş olduğundan davalının 25/2/1977 Cuma günü saat 10.20 de mahkemeye gelmesi veya kendisini kanunî bir vekille temsil ettirmesi aksi halde adına gıyap davetiyesi çıkarılacağı davetiye yerine kaim olmak üzere ilânen tebliğ olunur.

355

1976/171

Maliye Hazinesi vekili tarafından Çemişgezek Kışlak Köyünden Haşım Öztürk aleyhine açılan mülkiyetin tesbiti davasının duruşmasında davalı adresinin bulunamadığından ilânen davetiye tebliğine karar verilmiş olduğundan davalının 25/2/1977 Cuma günü saat 10.25 de mahkemeye gelmesi veya kendisini kanunî bir vekille temsil ettirmesi aksi halde adına gıyap davetiyesi çıkarılacağı davetiye yerine kaim olmak üzere ilânen tebliğ olunur.

356

1976/218

Maliye Hazinesi vekili tarafından Çemişgezek Koçlu Köyünden Turabi Ergüzel aleyhine açılan mülkiyetin tesbiti davasının duruşmasında davalı adresinin bulunamadığından ilânen davetiye tebliğine karar verilmiş olduğundan davalının 25/2/1977 Cuma günü saat 9.45 de mahkemeye gelmesi veya kendisini kanunî bir vekille temsil ettirmesi aksi halde adına gıyap davetiyesi çıkarılacağı davetiye yerine kaim olmak üzere ilânen tebliğ olunur.

357

1976/214

Maliye Hazinesinin Çemişgezek Koçlu Köyünden Rukiye Ergüzel, Ali Ergüzel, Celal Ergüzel, Mahmut Ergüzel'e ait Koçlu Köyü 18. 94. 161 sayılı parsellerin mülkiyetinin tesbiti davasının yapılan yargılamasında :

Davalılar adreslerinde bulunmadıklarından ilân yolu ile dava dilekçesi özetinin tebliği ve duruşmaya çağrılmalarına karar verilmiştir.

18/2/1977 günü saat 10.15 de mahkemeye gelmeleri veya kendilerini kanunî bir vekille temsil ettirmeleri ilân olunur.

358

1976/219

Maliye Hazinesinin davalılar Çemişgezek Koçlu Köyünden Sultan Ergüzel, Fevz. Ergüzel, İsmet Ergüzel, Battal Ergüzel, Celal Ergüzel, Aziz Ergüzel, Güllü Eritüzel, Şaziye Albayrak'a ait Koçlu Köyü 2 ve 100 sayılı parselleri hakkında açmış olduğu mülkiyetin tesbiti davasının yapılan yargılamasında :

Yukarıda adı geçen davalılar adreslerini terk etmiş olduklarından adresi bilinmeyen davalılara dava dilekçesi özetinin ilân yolu ile tebliğine ve duruşmaya çağrılmalarına karar verilmiştir.

25/2/1977 günü saat 9.30 da mahkemeye gelmeleri veya kendilerini kanunî bir vekille temsil ettirmeleri ilân olunur.

359

1975/302

Maliye Hazinesinin Çemişgezek Koyunardı Köyünden davalı Fatma Fırat aleyhine açmış olduğu mülkiyetin tesbiti davasının yapılan yargılamasında :

Davaliya ilân yolu ile gıyap kararının tebliğine karar verilmiştir. 8/2/1977 günü adı geçen davalının mahkemeye gelmesi veya kendisini kanunen temsil edecek bir vekil göndermesi aksi halde duruşmalara gıyabında devam edileceği ilân olunur.

300

1974/507

Maliye Hazinesinin davalılar Çemişgezek Uzungöl Köyünden Metin Erdoğan ve Mesude Sönmez ve müsterekleri aleyhine açılan mülkiyetin tesbiti davasının yapılan yargılamasında :

İlân yoluyla davetiye tebliği yapılan davalılardan Metin Erdoğan ve Mesude Erdoğan duruşmaya gelmedikleri ve kendilerini temsil edecek kanunî bir vekilde göndermedikleri nedeniyle adı geçen davalılara ilân yoluyla gıyap davetiyesi tebliğine karar verilmiştir.

4/3/1977 günü saat 10.10 da mahkemeye gelmeleri veya kendilerini kanunî bir vekille temsil ettirmeleri aksi halde duruşmanın gıyaplarında yürütüleceği gıyap kararı yerine kaim olmak üzere ilân olunur.

361

1976/182

Maliye Hazinesinin Çemişgezek Koçlu Köyünden Sabri Şimşek'e ait Koçlu Köyü 371 parsel sayılı taşınmazın mülkiyetinin tesbiti davasının yapılan yargılamasında :

Yukarıda adı geçen davalının adresi bilinmediğinden ilân yolu ile dava dilekçesi özetinin tebliği ile duruşmaya çağrılmasına karar verilmiştir.

18/2/1977 günü saat 9.45 de duruşmaya gelmesi veya kendisini kanunî bir vekille temsil ettirmesi ilân olunur.

362

1976/153

Maliye Hazinesi vekili tarafından Çemişgezek Kışlak Köyünden Nuri Özmen aleyhine açılan mülkiyetin tesbiti davasının duruşmasında davalı adresinin bulunamadığından ilânen davetiye tebliğine karar verilmiş olduğundan davalının 18/2/1977 Cuma günü saat 9.00 da mahkemeye gelmesi veya kendisini kanunî bir vekille temsil ettirmesi aksi halde adına gıyap davetiyesi çıkarılacağı davetiye yerine kaim olmak üzere ilânen tebliğ olunur.

363

1976/172

Maliye Hazinesi vekili tarafından Çemişgezek Kışlak Köyünden Hasan ve Abdülmetin Çelîk aleyhlerine açılan mülkiyetin tesbiti davasının duruşmasında davalı adresinin bulunamadığından ilânen davetiye tebliğine karar verilmiş olduğundan davalının 25/2/1977 Cuma günü saat 9.15 de mahkemeye gelmesi veya kendisini kanunî bir vekille temsil ettirmesi aksi halde adlarına gıyap davetiyesi çıkartılacağı davetiye yerine kaim olmak üzere ilânen tebliğ olunur.

364

1976/179

Maliye Hazinesi vekili tarafından Çemişgezek Koçlu Köyünden Mustafa Ergüzel aleyhine açılan mülkiyetin tesbiti davasının duruşmasında davalı adresinin bulunamadığından ilânen davetiye tebliğine karar verilmiş olduğundan davalının 25/2/1977 Cuma günü saat 9.10 da mahkemeye gelmesi veya kendisini kanunî bir vekille temsil ettirmesi aksi halde adına gıyap davetiyesi çıkartılacağı davetiye yerine kaim olmak üzere ilânen tebliğ olunur.

365

1975/265

Maliye Hazinesi tarafından davalılar İmam Doğan ve arkadaşları aleyhine açılan mülkiyetin tesbiti davasının yapılan duruşması sonunda : Davalılardan Haydar Doğan'ın tebliğe elverişli adresi bilinmediğinden adı geçene ilân yoluyla tebligat yapılmasına karar verilmiştir.

Adı geçenin 15/2/1977 günü saat 9.20 de mahkemede hazır bulunması veya kendisini kanunî bir vekille temsil ettirmesi ilân olunur.

366

1976/188

Maliye Hazinesi vekili tarafından Çemişgezek Koçlu Köyünden Mehmet Ergüzel aleyhine açılan mülkiyetin tesbiti davasının duruşmasında davalı adresinin bulunamadığından ilânen davetiye tebliğine karar verilmiş olduğundan davalının 18/2/1977 Cuma günü saat 10.20 de mahkemeye gelmesi veya kendisini kanunî bir vekille temsil ettirmesi aksi halde adına gıyap davetiyesi çıkarılacağı davetiye yerine kaim olmak üzere ilânen tebliğ olunur.

367

İnebolu Asliye Hukuk Hâkimliğinden :

1975/117

Davacı İnebolu Mal Müdürlüğü tarafından dâhili davalılardan Aynur Kevvet hakkında mahkemeye açmış olduğu istirdat davasının yapılan açık duruşmaları sırasında,

Dâhili davalı İnebolu'nun Yaztepe Köyünden Kadir Yılmaz verefelerinden 1952 doğumlu Aynur Kevvet bütün aramalara rağmen adresinin bulunamadığından duruşma gününü bildirir davetiye ile ilân edilmesine mahkemece karar verilmiş duruşmanın bırakıldığı 24/1/1977 Pazartesi günü saat 9.00 da mahkemede hazır bulunmanız veya kendinizi bir vekille temsil ettirmeniz davetiye yerine kaim olmak üzere ilân olunur.

444

Anamur Asliye Hukuk Hâkimliğinden :

1976/475

Davacı Anamur Kızılca K. den Havva Bal tarafından davalı Kızılca Köyünden olup Çubukkaya Köyünde mukim Mehmet oğlu Talip Bal aleyhine açılan boşanma davasında;

Davalı adresinden ayrılmış olup, davetiye tebliğ edilemediğinden, bu kere duruşmanın kaldığı 23/2/1977 günü saat 10.00 da hazır bulunması veya kendisini bir vekille temsil ettirmesi, davetiye ve dilekçe tebliğine kaim olmak üzere ilân olunur.

433

Şarköy Asliye Hukuk Hâkimliğinden :

1975/180

Şarköy Cumhuriyet Mahallesinden davacı Ahmet Başar vekili Avukat M. Salim Yamaner tarafından davalılar Saniye Gündoğan ve arkadaşları aleyhlerine açılan miktar, cins ve hudut tashihî davasının yapılan açık duruşmasında :

Davalılar Yaver Ekran, Mahmut Aksoy, Mustafa Aksu, Halit Kalkuyruk, ve Ali Özer adreslerinde bulunamamış davetiyelerinin ilân edilmiş olup giyap kararında ilân edilmesine karar verildiğinden yukarıda isimleri geçen davalıların duruşma günü olan 10/3/1977 Perşembe günü saat 9.00 da mahkememizde hazır bulunmaları veya kendilerini bir vekille temsil ettirmeleri, gelmedikleri takdirde davanın giyaplarında ceryan edeceği giyap kararı yerine kaim olmak üzere ilân edilmiş olup.

441

Aydın Asliye Ceza Hâkimliğinden :

E. No : 1976/429

K. No : 1976/632

Davacı : Güldane Bülbül, İsmail kızı, 1958 doğumlu, Aydın, Umurlu Bucağı Kocagür Köyünden.

Sanıklar : 1 — Şahin Güler, 2 — Elif Güler.

Suç : Madde tayini suretile hakaret.

Suç tarihi : 25/5/1976

Davacı tarafından sanıklar aleyhine ikame olunan hakaret davasının düşmesine müteadair (C.M.U.K. nun 361. TCK. nun 99, 489. maddeleri uyarınca) karar davacının gösterilen adreste bulunamadığından ve adres bırakmadan ayrılmış olması nedeni ile tebliğ edilememiş, 7201 sayılı Yasanın 28 ve 29. maddeleri uyarınca ilân edilmiş tebligat yapılmasına karar verilmiştir.

Bu sebeple kararın davacıya Resmî Gazete ile ilânı suretile tebliğine; 15 gün içinde kanun yoluna başvurulmadığı takdirde hükmün kesinleşmiş addine karar verildiği ilân edilmiş tebliğ olunur.

426

Aydın Asliye Ceza Hâkimliğinden :

E. No : 1976/490

K. No : 1976/601

C. Sav. E. No. : 1976/1140

Sanık : JORG ULRICH STALL - Jrog ve J. Hanna oğlu 1958 doğumlu, Celsingen Söler Kerner Str. 12 de nüfusa kayıtlı, Batı Almanya 7334 Söler Kerner Str. 12 numarada oturur, Türkiye'de Aydın Dalama Bucağı Bayramyeri Mahallesinde Mehmet Peyman yanında mukim.

Suç : 6136 sayılı Kanuna muhalefet.

Suç tarihi : 6/7/1976

Sanığın 6136 sayılı Kanunun 15, TCK. nun 59. maddesi uyarınca beş ay hapis ve 203,30 TL. ağır para ve hapis cezasının 647 sayılı Kanunun

4/1. maddesi uyarınca ağır para cezasına çevrilmesine dair verilen sanık hakkındaki karar, gösterilen ve aranan adreslerde sanık bugüne kadar bulunamadığından tebliğ edilememiş; 7201 sayılı Yasanın 28 ve 29. maddeleri uyarınca ilân edilmiş tebligat yapılmasına karar verilmiştir.

Bu sebeple kararın Resmî Gazete ile ilânı suretile tebliğine, 15 gün içinde kanun yoluna başvurulmadığı takdirde hükmün kesinleşmiş addine karar verildiği ilân edilmiş tebliğ olunur.

427

Karlıova Asliye Hukuk Hâkimliğinden :

Davacı hazine tarafından davalılar aleyhinde mahkememizde açılan tezyidi dönüm davasının duruşmaları sırasında davalı Mehmet Sait Kışlakçı'ya ilân edilmiş tebligat yapılmış ancak duruşmaya gelmediğinden mahkemenin bıraktığı 9/2/1977 günü saat 9.00 da mahkemede hazır bulunması gelmediği takdirde kesin giyabında karar verileceği giyap kararı yerine kaim olmamak üzere ilân edilmiş tebliğ olunur.

440

Trabzon İcra Tetkik Hâkimliğinden :

1974/118

Davacı Arif Şahinöz vekili Avukat Mustafa Ustaömeroğlu tarafından davalı borçlu Erkan Memişoğlu ve alacaklı Hüseyin Bayrak aleyhine açılan istihkak davasının 13/7/1976 tarihli 43 sayılı kararı ile dava konusu 61-AL-191 plakalı arabanın trafik kaydı davalı Erkan Memişoğlu üzerinde olmasına rağmen bu arabanın davacıya aidiyetine ve üzerinde ki hacizin kaldırılmasına, karar verilmiştir.

Adresi meçhul olan borçlu Erkan Memişoğlu'na bu kararın ilân tebliği yerine kaim olmak üzere tebliğ olunur.

428

Yozgat Asliye Hukuk Hâkimliğinden :

1969/942

Davacı İhsan Öge vekili Av. Kamuran Özkan'ın davalı Hacı Bekir Erdem aleyhine açtığı tazminat davasının yapılan açık duruşması sırasında verilen ara kararı gereğince :

Davalı Hacı Bekir Erdem'in açık adresinin belli olmaması nedeniyle ilân edilmiş tebliğine karar verilmiş olup, davalının vekili Av. Süleyman Kapisız vekilliğinden çekildiğinden duruşmanın atılı bulunduğu 9/3/1977 günü saat 9.20 de duruşmaya gelmesi veya kendisini başka bir vekille temsil ettirmesi gelmediği ve vekilde göndermediği takdirde hakkında giyap kararı çıkarılacağına dair iş bu ilân davetiye yerine kaim olmak üzere ilân olunur.

429

Yozgat Asliye Hukuk Hâkimliğinden :

1975/240

Davacı Yozgat Tiftik ve Yapağı Tarım Satış Kooperatifi vekili Av. Adnan Serbest'in davalılar İbrahim Çelikkaya, Hacı Ünlüsoy, Bahattin Bağcı, İsmail Kayaaslan, Saim Özdemir, ve Ali Topal aleyhine açtığı tazminat davasının yapılan açık duruşması sırasında verilen ara kararı gereğince :

Davalılardan Saim Özdemir'in adresinin bilinmemesi nedeniyle ilân edilmiş tebliğine karar verilmiş olduğundan davalı Saim Özdemir'in duruşmanın atılı bulunduğu 2/3/1977 günü saat 10.00 da duruşmada hazır bulunması veya kendisini bir vekille temsil ettirmesi, gelmediği ve vekilde göndermediği takdirde daha önce davetiye ilânı yapılmış olduğundan giyap yerine kaim olmak üzere ilân olunur.

430

Yozgat Asliye Hukuk Hâkimliğinden :

1975/242

Yozgat Tiftik Yapağı Tarım Satış Kooperatifi vekili Av. Adnan Serbest tarafından davalılar Saim Özdemir, İbrahim ve Hacı Ünlüsoy aleyhlerine açtığı tazminat davasının yapılan duruşması sırasında verilen ara kararı gereğince :

Davalılardan Saim Özdemir'in adresinin belli olmaması nedeniyle ilân edilmiş tebliğine karar verilmiş olup, davalının 2/3/1977 günü saat 9.55 de duruşmaya gelmesi veya kendisini bir vekille temsil ettirmesi, duruşmaya gelmediği gibi kendisini bir vekilde temsil ettirmediklerinden hakkında giyap kararı çıkarılacağına dair işbu ilân davetiye yerine kaim olmak üzere ilân olunur.

431

Zile Endüstri Meslek Lisesi Müdürlüğünden :

- 1 — Endüstrimiz 250.000,— bin lira keşif bedelli kalorifer tesisatı ikmal inşaatı 2490 sayılı Kanunun 31. ve müteakip maddeleri gereğince kapalı zarf usulü ile eksiltmeye konulmuştur.
- 2 — Muvakkat teminatı 13.750,— liradır.
- 3 — İhalesi 17/1/1977 Pazartesi günü saat 15.00 de Okulda toplanacak Komisyon huzurunda yapılacaktır.
- 4 — İhaleye ait keşif özeti mesai saatleri dahilinde Okulda görülebilir.
- 5 — İsteklilerin Bayındırlık Müdürlüğünden alacakları Giriş ve diğer kanunî belgeleri ile birlikte teklif mektuplarını ihale saatinden bir saat evvel Komisyona teslim etmeleri ilân olunur.

613 / 1-1

Nevşehir Pamuklu Dokuma Sanayi Anonim Şirketi Müdürlüğünden:

Fabrikamızda mevcut takriben 56 Ton muhtelif pamuk telef 7 Ton temiz çember, 3,5 Ton jüt kanaviçe 21/1/1977 Cuma günü saat 14.00 de Şirketimizde toplanacak Komisyon huzurunda satılacaktır.

Fabrikamız satışı yapıp yapmamakta veya dilediğine yapmaktada serbesttir. İlân olunur.

599 / 1-1

Elmadağ Asliye Hukuk Hâkimliğinden :

1976/203

Davacı Hamdi Aydın vekili Av. Cafer Çavdar tarafından davalılar Maliye Hazinesi, Karacahasan Köyü tüzel kişiliği aleyhine açılan tapu iptali ve tescil davasının Mahkememizde yapılan duruşmasında;

Elmadağ Karacahasan Köyünde kaim 842 parsel numaralı gayrimenkul de bir hak iddia edenler varsa ilân tarihinden itibaren bir ay içerisinde Mahkememizin 976/203 sayılı dosyasına itirazları ilân olunur.

262

Kadıköy 2 nci Sulh Ceza Hâkimliğinden :

E. No: 1976/599

K. No: 1976/882

Hâkim: Haydar Durlanık 9800

Başkâtip: Şekip Bursa

Sanık: Gülpaşa Cantekin: Hacı ve Münevver'den olma, 1959 doğumlu, Kemah Kazası nüfusunda kayıtlı, Erzincan 38. Sokak 23 numarada oturur.

Suç: Hırsızlık

Suç tarihi: 6/4/1976

Karar tarihi: 11/6/1976

Hüküm özü: Sanığın T. C. K. nun 491/3, 522, 523, 54/3, 647 S. K. nun 4. ile 1.600 TL. sı ağır para cezası ile mahkûmiyetine gıyaben karar verilmiş olup, kararın tebliği mümkün olmadığından, 7201 sayılı Kanunun 28, 29 ve 31 inci maddeleri uyarınca ilânen tebliğ olunur.

257

E. No: 1975/1806

K. No: 1976/527

Hâkim: Haydar Durlanık 9800

Başkâtip: Şekip Bursa

Sanık: Hüseyin Erkayacan, Mustafa oğlu, Hasibe'den olma, 1955 doğumlu, İzmir Gülbahçe nüfusunda kayıtlı, İzmir Yeşildere 1062. Sokak No. 22 de oturur.

Suç: Hırsızlık

Suç tarihi: 20/9/1975

Karar tarihi: 5/4/1976

Hüküm özü: Sanığın T. C. K. nun 491/4, 522, 59, 525 ile beş ay hapis o kadar Em. gözetim cezası ile mahkûmiyetine gıyaben karar verilmiş olup, kararın tebliği mümkün olmadığından 7201 S. K. nun 28, 29 ve 31 inci maddeleri uyarınca ilânen tebliğ olunur.

258

E. No: 1974/1815

K. No: 1975/293

Hâkim: Haydar Durlanık 9800

Başkâtip: Şekip Bursa

Sanık: Özan Çelik: Cemal ve Pantuş'dan 1945 doğumlu, Artvin Merkez nüfusunda kayıtlı, Üsküdar, Bağlarbaşı, Seyit Paşa Sok., No. 102 de oturur.

Suç: Alkolli vasıta kullanmak.

Suç tarihi: 5/12/1974

Karar tarihi: 18/12/1975

Kanun maddesi: 6085 S. K. nun 58/C, 72, 647 S. K. nun 4., T. C. K. nun 72. ile 350 lira hafif para cezası ile mahkûmiyetine gıyaben karar verilmiş olup, sanık bulunmadığı cihetle, kararın tebliği yapılamadığından, 7201 sayılı K. nun 28, 29 ve 31 inci maddeleri gereğince ilânen tebliğ olunur.

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Malkara Sulh Hukuk Hâkimliğinden :

1976/269

Davacı Ümmüş Günyak tarafından davalılar İsmail Günyak ve arkadaşları aleyhine açılan izale şuyuu davasının yapılmakta olan duruşması sırasında :

Davacı 6/5/1976 tarihli dava dilekçesinde murisi babası Hasan'dan istikal eden Malkara Belediye hudutları dahilinde ve muhtelif mevkiilerde kâin 9 parça gayrimenkulün hissedarlar arasında taksimi mümkün ise taksimine, değilse satılarak hissedarlar arasında payları oranından paylaştırılmak suretiyle ortaklığın giderilmesini istemiş ancak davalılardan Mustafa Günyak adına çıkartılan davetiyede de adı geçenin semti meçhule gittiğinden 6/5/1976 tarihli dava dilekçesinin Mustafa Günyak'a ilânen tebliğine karar verilmiş olduğundan duruşmanın bırakıldığı 1/2/1977 günü saat 9.00 da duruşmada hazır bulunmasına veya kendisini temsilen bir vekil göndermesine meşruhatlı davetiye yerine kaim olmak üzere ilânen tebliğ olunur.

7

Antalya Asliye İkinci Hukuk Hâkimliğinden :

1974/97

Davacılar Feridun Has ve Sinan Has vekilleri Avukat Bahri Cengaver tarafından davalı Mehmet Zorlu hakkında açılan 50.000.00,— liralık manevi tazminat davasında : davalının adresli yaptırılan tahkikat neticesinde adresinin meçhul olduğundan tebligatın ilânen yapılmasına karar verilmiş olup duruşmanın bırakıldığı 25/1/1977 günü saat 9.00 da duruşmada hazır bulunması veya bir vekille kendisini temsil ettirmesi aksi takdirde hakkında gıyap kararı çıkarıldığı hususu dava dilekçesinin tebliğine kaim olmak üzere ilânen tebliğ olunur.

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Köy İşleri Bakanlığı YSE. Genel Müdürlüğü Trabzon YSE. 10. Bölge Müdürlüğünden :

Aşağıda ismi yazılı iş 2490 sayılı Kanun hükümlerine göre kapalı zarf usulü ile Trabzon YSE. 10. Bölge Müdürlüğü binası ihale komisyonu odasında aşağıda yazılı gün ve saatte eksiltmeye konulmuştur.

İli: Artvin, Yapılacak İş: Sosyal Tesis ikmal inşaatı, Keşif bedeli TL.: 2.600.000, Banka referansı TL.: 325.000, Geçici teminatı TL.: 91.750, İhale Tarihi: 26/1/1977, İhale günü: Çarşamba, İhale saati: 10.30, Son Mür. günü: 24/1/1977.

1 — Evraklar YSE. 10. Bölge Müdürlüğünde ve YSE. Genel Müdürlüğü Tesisler Fen Heyeti Müdürlüğünde her gün mesai saati sonuna kadar görülebilir.

2 — İhale sarı mukavele olacaktır.

3 — Eksiltmeye girebilmek için :

a) İsteklilerin 1976 yılına ait Ticaret ve Sanayi Odası belgesi, bu iş için hisasında gösterilen teminatı Trabzon Defterdarlık Muhasebe Müdürlüğüne yatırmaları şarttır. (mektupsa limitli olacaktır.)

b) En geç müracaat son günü mesai sonuna kadar müracaat dilekçesi ile birlikte verecekleri eksiltme şartnamesinde belirtilen ve usulüne göre hazırlanmış olan plân ve teçhizat beyannamesi, sermaye ve kredi imkânlarını bildiren mali durum bildirgesi, teknik personel beyannamesi, taahhüt beyannamesi, Bayındırlık Bakanlığundan alınmış B grubundan keşif bedeli kadar için eksiltmesine girebileceklerini gösterir müteahhütlik karnesi veya 500.000 TL.'ya kadar olan işler için keşif bedellerinin % 80'i kadar benzer iş yaptığına dair resmî dairelerden alınmış belge ve ilân tarihinden sonra alınmış banka referansı mektubu eksiksiz olarak tanzim ederek Bölge Müdürlüğüne vermek suretiyle yeterlik belgeleri almaları şarttır.

Kapalı zarf usulüne göre hazırlayacakları teklif mektuplarını ihale saatinden bir saat öncesine kadar makbuz mukabilinde Komisyon Başkanlığına vermeleri lazımdır.

Telgrafla müracaatlar ve postada olacak gecikmeler kabul edilmez. Keyfiyet duyurulur.

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Makina ve Kimya Endüstrisi Kurumu Genel Müdürlüğünden :

1 — Kurumumuz Kayaş Kapsül ve İmla Fabrikası Müdürlüğünde tesis edilmekte olan elektrikli kapsül ve tavikli kapsül atelyelerini ve iki adet deponun ihale dosyasında belirtilen elektrik teçhizatının temini ve montajı işi yaptırılacaktır.

İş genel olarak Ex-proof malzeme ihtiva etmekte olup, bu malzemelerin imal veya temin ve montajını kapsamaktadır.

2 — Kapalı zarf usulü ile ihale edilecek olan işin keşif bedeli 1.493.060,— TL. olup gecici teminatı 68.541.80 TL. dir. Teklifler keşif raporuyla belirtilen malzemeler için montajsız ve montajlı olarak iki alternatif halinde verilecektir.

Bu işe ait dosya 13 Ocak 1977 tarihinden itibaren Kurumumuz Genel Müdürlüğü Yatırımlar Dairesi (Tandoğan/Ankara) adresinde görülebilir.

3 — Teklif mektupları 24 Ocak 1977 tarihine raslayan Pazartesi günü saat 14.00'de kadar Kurumumuz Genel Müdürlüğü Genel Evrakına verilmiş olacaktır. Postadaki gecikmeler nazarı itibare alınmaz.

4 — İhaleye katılmak için yeterlik belgesi almak şarttır.

5 — Yeterlik belgesi almak için 6 maddede yazılı belgelerle en geç 17 Ocak 1977 tarihinde saat 17.00 ye kadar Kurumumuz Yatırımlar Dairesi Başkanlığına müracaat edilecektir.

Yeterlik belgesi 20 Ocak 1977 tarihinde Kurumumuz Yatırımlar Dairesi Başkanlığından alınacak ve ihale günü diğer evraklarla birlikte teslim edilecektir.

6 — Yeterlik belgesi için isteklilerin :

a) En az keşif bedeli kadar C Grubu müteahhitlik karnelerini,

b) İlan tarihinden sonra alınmış banka referans mektuplarını,

c) 1976 senesi vizesini havi ticaret odası belgelerini ihtiva eden dilekçeleriyle müracaat edeceklerdir.

7 — İstekliler dosyada mevcut teklif şartnamesini okuyup kabul etmiş sayılacaklardır.

8 — Kurumumuz 2490 sayılı Kanuna tabi olmayıp yeterlik belgesi vermemekte işi dilediğine ihale etmekte veya ihaleyi iptal etmekte serbesttir. 20644 / 3-3

Enerji ve Tabii Kaynaklar Bakanlığından :

İli: Antalya, İlçesi: Akseki, Köyü veya mevki: Zilan, Madenin cinsi: Alüminyum, Ruhsatnamenin; Tarihi: 16/2/1962, Numarası: 5/202. Hudutları :

Kuzeyi: «C» Kesişme noktası, beton sütunundan Zilan Köyü İlkokuluna doğru hat.

Doğusu ve Güneyi: Zilan Köyü İlkokulundan, «D» kesişme noktasındaki beton sütuna doğru hat.

Batısı: «D» kesişme noktasındaki beton sütundan «C» kesişme noktasındaki beton sütuna doğru hat.

«C» Kesişme Noktası :

Akkuyu - Zilan Köyü İlkokulu hattı ile 1962,26 rakımlı Taşkopan Tepesi beton sütunu - 1409,95 rakımlı tepe hattının kesiştiği noktadaki beton sütun.

«D» Kesişme Noktası :

1962,26 rakımlı Taşkopan Tepesi beton sütunu - 1409,95 rakımlı Tepe hattı ile Büyük Hallaç Köyü Kuyusu - Zilan Köyü İlkokulu hattının kesiştiği noktadaki beton sütun.

Yukarıda mevki, cinsi ve hudutları yazılı bulunmuş Alüminyum madeni için Etibank Genel Müdürlüğü uhdesine 15 yıl müddetle işletme ruhsatı verilecektir.

İtiraz olanların bu ilânın gazetede ilk yayınlandığı tarihten itibaren onbeş gün içinde bir dilekçe ile Bakanlığımıza müracaat eylemeleri lâzım geldiği bu müddetin hitamından sonra vukubulacak itirazların kabul edilmeyeceği 6309 sayılı Maden K. nun 55 inci maddesi gereğince ilân olunur. 21027 / 2-2

Köy İşleri ve Kooperatifler Bakanlığı Y. S. E. Genel Müdürlüğü 7. Bölge Müdürlüğünden :

1. Konya Bölgesi mntıkasında bulunan 22.500.000,— TL. keşifli Konya Bozkır grup köyleri III. kısım içmesuyu inşaatı kapalı zarf usulü ile ihaleye konulmuştur.

2. İhale 21/1/1977 Cuma günü saat 15.30 da Konya'da Konya Fuarı batı güneyindeki YSE 7. Bölge Müdürlüğü binasında yapılacaktır.

3. İhale tasarısı ve ekleri Bölge İçmesuları Şefliğinde mesai saatleri dahilinde görülebilir.

4. Bu iş için lüzumlu borular ile motopomp grupları idarece verilecek olup, bunların bedelleri ihaleye esas keşifte dahil değildir.

5. İsteklilerin :

a) Teknik personel beyannamesi,

b) Plân ve teçhizat beyannamesi,

c) Taahhüdü altında bulunan işler beyannamesi,

d) Bayındırlık Baaknlığından alınmış asgari bu iş için keşif bedeli tutarında () grubundan müteahhitlik karnelerini, ihaleye iştirak belgesi olmak üzere verecekleri dilekçeye eklemeleri şarttır.

6. İhaleye girmek isteyen şahıs ve şirketlerin 18/1/1977 Salı günü mesai saati bitimine kadar, ekleri 5. maddede belirtilmiş olan bir dilekçe ile Bölge Müdürlüğüne müracaat ederek ihaleye iştirak belgesi istemeleri lâzımdır. Bu tarihten evvel ihale tasarısını ve eklerini dairede görüp, iş mahallini de gezip gördüğünü beyanla dilekçe ile müracaat etmemiş olanlara belge verilmez. İstekliler belge alıp almadıklarını 20/1/1977 Perşembe sabahından itibaren Bölge Müdürlüğüne müracaat ederek öğrenebilirler.

7. İhaleye girmek isteyen şahıs ve şirketlerin 688.750 TL. lık gecici teminat vermeleri ve Ticaret Odası belgesini tekliflerine eklemesi şarttır. İstekli şirket olduğu takdirde ayrıca idare merkezinin bulunduğu yer mahkemesinden veya siciline kayıtlı bulunduğu Ticaret Odasından veya sair resmî makamdan şirketin kayıtlı ve halen faaliyette olduğuna dair bu eksiltmenin ilân tarihinden sonra alınmış bir belgeyi ibraz etmesi; Şirketin sirkülerine veya şirket adına tekliflerde bulunacak kimşelerin bu şirketin vekili olduğunu gösterir noterlikten tasdikli vekâletnameyi haiz olması lâzımdır.

8. İsteklilerin teklif zarflarını 2. maddede yazılı saatten 30 dakika evveline kadar Bölgemiz İhale Komisyonu Başkanlığına makbuz mukabilinde teslim etmeleri şarttır.

9. Postada vaki gecikmeler ve telgrafla yapılacak müracaatlar kabul edilmez. 118 / 2-2

Türkiye Elektrik Kurumundan :

Kurumumuz Şebeke Tesis Dairesi Başkanlığına muhtelif cins ve eb'atta 222.000 metre NYAF ve NYY kablo satın alınacaktır.

Teklif vermek isteyenler tekliflerini en geç 24 Ocak 1976 Pazartesi saat 14.00 e kadar Başkanlığımızın Emek İş Hanı Kat : 16 Kızılay - Ankara adresindeki Muhaberat Servisine vermiş olmalıdır.

Postadaki gecikmeler nazara alınmaz.

Bu işe ait şartnameler yukarıdaki adresten alınabilir.

Kurumumuz 2490 sayılı Kanuna tabi değildir. 278 / 2-2

Ereğli Demir ve Çelik Fabrikaları Türk Anonim Şirketinden :

Şirketimizin fabrikalar sahasında cevher stok sahalarının doğu istikametinde büyütülmesi için 14.000 m³ düz saha hafriyat işi ihaleye çıkarılacaktır. Gerek bu ihale gerekse bundan sonraki bu tip ihaleler için yapılacak değerlendirmeye göre, seçilen firmalardan teklif istenileceğinden, taliplerin en geç 20 Ocak 1977 tarihine kadar;

a) Müteahhitlik karnesi suretlerini,

b) Teknik personel bildirisini,

c) Teknik araçlar bildirisini,

d) Mali durum bildirisini,

e) Tam olarak bitirdikleri işlerini,

f) Taahhüdü devam eden işlerini,

g) Ticaret ve Sanayi Odası belgesini,

ekleyecekleri bir yazı ile «Ereğli Demir ve Çelik Fabrikaları T. A. Ş. (Sözleşmeler Dairesi Başkanlığı) Kdz. Ereğli» adresine müracaat etmeleri rica olunur. 272 / 3-3

Daday Asliye Hukuk Hâkimliğinden :

1976/104

Davacı Daday'ın Kalem Mahallesinden Sührya Altınışık tarafından davalı Osman Erdemli aleyhine açılmış bulunan velayetin nez'i davasının yapılan duruşması sırasında :

Davalı Osman Erdemli'nin adresi meçhul olduğundan duruşma davetiyesinin Resmî Gazete ile ilânı tebliğ edildiği, davalı 29/12/1976 günlü celseye gelmediğinden ilânın gıyap kararı yerine kaim olmak üzere tebliğat yapılmasına karar verilmiş olduğundan davalı Osman Erdemlinin duruşmasını bırakıldığı 16/2/1977 günlü saat 9.40 da duruşmada hazır bulunmadığı davanın gıyabında devamına karar verileceği hususu gıyap kararı yerine kaim olmak üzere ilânı tebliğ olunur.

Köy İşleri Bakanlığı, Yol, Su ve Elektrik İşleri Genel Müdürlüğünden :

1 — Aşağıda yazılı malzemenin 2490 sayılı K. nun 31. maddesi gereğince kapalı zarf usulü ile eksiltmeye konulmuştur.

Sıra No : 1, Malzemenin cinsi : elektrikli el breyzi, Miktar : 100 adet, Tahmini bedeli : 350.000 TL., Geçici teminatı : 17.750 TL., İhalenin tarihi : 24/1/1977, Saati : 15.00

2 — Eksiltme ve ihalesi karşısında gösterilen tarih ve saatte Ankara'da Köy İşleri Bakanlığı binasının 10. katında YSE. Genel Müdürlüğü Teknik Hizmetler Dairesi Başkanlığında toplanacak Komisyon tarafından yapılacaktır.

3 — Şartname dilekçe karşılığında aynı yerden 17,— TL. bedelle verilir. Şartname bedelinin YSE. Genel Müdürlüğü adına ihale konusu belirtilerek Malmüdürlükleri ve Defterdarlık veznelere yatırılarak alınan makbuz aslının ve posta pulunun gönderilmesi halinde posta ile de arzu edildiği takdirde şartname gönderilir.

4 — İsteklilerin şartnamede istenilen vesail ile geçici teminat mektup veya makbuzlarını koymak suretiyle hazırlayacakları, teklif mektuplarını ihaleden bir saat evveline kadar makbuz mukabilinde Komisyon Başkanlığına teslim etmeleri şarttır. (9) No.lu Oda).

5 — Postadaki gecikmelerle telgrafla yapılacak teklifler'in kabul edilmeyeceği ilân olunur.

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Köy İşleri Bakanlığı Toprak Su Genel Müdürlüğü Bölge Toprak Su Araştırma Enstitüsü Müdürlüğünden : (URFA)

1 — Urfa Bölge Toprak Su Araştırma Enstitüsü Müdürlüğü 1. Grup Tesisleri inşaatı 1757 sayılı kanuna göre hazırlanan ve 18 Ağustos 1974 tarihli, 14980 sayılı Resmî Gazete'de yayınlanan Toprak ve Tarım Reformu Fonu Yönetmeliği hükümlerine göre kapalı zarf usulüyle eksiltmeye konulmuştur

2 — İşin keşif bedeli 13.616.077.20 liradır. (% 20 zamlı olarak.)

3 — Eksiltme Urfa Bölge Toprak Su Araştırma Enstitüsü Müdürlüğü İhale Komisyonunda 21/1/1977 Cuma günü saat 11.00 de yapılacaktır.

4 — Eksiltme şartnamesi ve diğer evrak mezkûr Müdürlükte görülebilir

5 — Eksiltmeye girebilmek için isteklilerin:

a) (418 482 32) lira geçici teminatını. (Ziraat Bankası Urfa Merkez Şubesi 640/263 Nolu hesabına) yatırması gerekir
b) 1977 yılına ait Ticaret veya Sanayi Odası belgesini,
c) Müraacaat dilekçeleriyle birlikte verecekleri (Eksiltme şartnamesinde belirtilen ve usulüne göre hazırlanacak) Teknik Personel bildirisi, plan ve teçhizat bildirisi, taahhüt bildirisi, mali durum bildirisi ve eki banka referans mektubu, Bayındırlık Bakanlıktan al-

mış oldukları (B) grubundan keşif bedeli kadar işin eksiltmesine girebileceklerini gösterir müteahhitlik karnesini (Aşlı) ibraz suretiyle, Urfa Bölge Toprak Su Araştırma Enstitüsü Müdürlüğünden alacakları yeterlik belgesini teklif mektupları ile birlikte zarfa koymaları lazımdır.

6 — İsteklilerin teklif mektuplarını 21/1/1977 Cuma günü saat 11.00 e kadar makbuz karşılığı İhale Komisyonu Başkanlığına vereceklerdir.

7 — Yeterlik belgesi alınması için son müracaat tarihi 19/1/1977 Çarşamba günü mesai saati sonuna kadardır.

8 — İdare yeterlik belgesi verip, vermemekte, ihaleyi yapıp, yapmamakta veya dilediğine yapmakta serbesttir.

Keyfiyet ilân olunur.

38 4-4

Bayındırlık Bakanlığı, Yapı İşleri Genel Müdürlüğü, 5. Bölge Müdürlüğünden : ANKARA

1 — Ankara İktisadi ve Ticarî İlimler Akademisi Gazetecilik ve Halkla İlişkiler Yüksek Okulunun 2. kat tadilatı işi 2490 sayılı Kanunun 31. maddesi gereğince kapalı zarf usulü ile eksiltmeye çıkarılmıştır.

2 — İşin keşif bedeli : 338.081,— liradır.

3 — Eksiltme Ankara'da 5. Bölge Müdürlüğü Eksiltme Komisyonunda 25/1/1977 Salı günü saat 11.00 de yapılacaktır.

4 — Eksiltme şartnamesi ve diğer evraklar 5. Bölge Müdürlüğü Eksiltme Komisyonunda görülebilir.

5 — Eksiltmeye girebilmek için isteklilerin :

A) 17.274,— liralık geçici teminatını,

B) 1976 yılına ait ticaret veya sanayi odası belgesini,

C) Müraacaat dilekçeleriyle birlikte verecekleri (Eksiltme şartnamesinde belirtilen ve usulüne göre hazırlanmış olan);

a - Sermaye ve kredi imkânlarını bildiren mali durum bildirisi ve bunu belirten banka referansını,

b - Teknik personel beyannamesini,

c - Taahhüt beyannamesini,

d - Yapı araçları bildirisini,

e - En az bu işin keşif bedeli kadar buna benzer bir işi başarmış ve kabulünü yaptırmış olduklarına dair belgeyi dilekçelerine ekliyerek Yapı İşleri 5. Bölge Müdürlüğü Belge Komisyonundan yeterlik belgelerini almalılar.

6 — İstekliler teklif mektuplarını 25/1/1977 Salı günü saat 10.00 a kadar makbuz mukabilinde Eksiltme Komisyonu Başkanlığına vereceklerdir.

7 — Yeterlik belgesi alınması için son müracaat tarihi 19/1/1977 Çarşamba günü mesai saati sonuna kadardır.

8 — Telgrafla müracaatlar ve postada vaki gecikmeler kabul edilmez.

Keyfiyet ilân olunur

20912 4-4

Köy İşleri Bakanlığı YSE. Genel Müdürlüğü 6. Bölge Müdürlüğünden :

İlin adı	İşin adı	1. keşif B. TL.	G. Tem. TL.	İhaleye iştirak belgesi için son müracaat tarihi	İst. Belg. Ver. tarihi	İhale günü	İhale saati	Karne grubu
1) K. Maraş	Merkez-Kemali Köp.	700.000	31.750	20/1/1977	24/1/1977	25/1/1977	9.30	C (*)
2) K. Maraş	Elbistan-Izgın Köp.	1.350.000	54.250	20/1/1977	24/1/1977	25/1/1977	11.30	B
3) K. Maraş	Afsin-Gözübel Köp.	476.000	22.790	20/1/1977	24/1/1977	25/1/1977	14.30	C (*)
4) Hatay	Hassa-Aş. Karafakılı Köp.	1.280.000	52.150	20/1/1977	24/1/1977	26/1/1977	9.30	B
5) Hatay	Reyhanlı-Davutpaşa Köp.	2.270.000	81.850	20/1/1977	24/1/1977	26/1/1977	11.30	B

1 — Yukarıda yerleri, 1. keşif bedelleri, geçici teminatları, ihale günleri ve saatleri yazılı köprülerin Adana YSE. 6. Bölge Müdürlüğü binasında Eksiltme Komisyonu tarafından, 2490 sayılı Arttırma, Eksiltme ve İhale Kanununun 31. maddesi hükümlerine göre kapalı zarf usulü ile yapılacaktır.

2 — İhale evrakları ve ekleri çalışma saatleri içerisinde YSE. Genel Müdürlüğü Köprüler Dairesi Başkanlığı (Ankara) Adana 6. Bölge Müdürlüğü ile ilgili YSE. Müdürlüğünde görülebilir.

3 — Bu işlerin yukarıda belirtilen geçici teminatı Adana Defterdarlık Muhasebe Müdürlüğü veznesine makbuz mukabilinde yatırılacaktır.

4 — İhaleye girmek isteyenler yukarıda tarihi belirtilen gün ve çalışma saati sonuna kadar ekleri 5. maddede belirtilmiş dilekçe ile Adana YSE. 6. Bölge Müdürlüğüne başvurarak ihaleye girme belgesi (Yeterlik belgesi) talep edeceklerdir. Ve iştirak belgesi yukarıda belirtilen gün içinde verilecektir.

5 — İsteklilerin Bayındırlık Bakanlıktan alınmış ve süresi dolmamış (B) grubundan ve en az bu işin 1. keşif bedeli kadar müteahhitlik karnesi, yapı araçları bildirisi, mali durum bildirisi, sözleşmeye esas ilk duyuru tarihinden sonra alınmış banka mektubu, teknik personel bildirisi, taahhüt bildirisi, isteklilerin işyerini görüp tetkik ettiklerine dair, işin ait olduğu YSE. 6. Bölge Müdürlüğünden alınmış tasdikli bir belge ve isteklilerin gerçek, tek kişi olması halinde imza sirküleri, şirket olması halinde şirket sirküleri, bahis konusu ihaleye iştirak belgesi almak üzere verecekleri dilekçeye eklemeleri şarttır.

6 — Eksiltmeye katılacakların yukarıda belirtilen geçici teminatı vermeleri, 1976 yılı ticaret odası belgesini teklifine eklemeleri ve teklif zarfının ihale saatinden bir saat oncesine kadar Kom. Bşk. na imza mukabilinde vermeleri şarttır.

7 — Postada vaki olabilecek gecikmeler ve telgrafla olan müracaatlar kabul edilmez. (*) Yük. Müh., Yük. Mim. Tek. gibi teknik elemanlar hariç en az o işin keşif bedelinin % 80 ni kadar iş yapmış olduklarına dair belge.

20701 / 4-4

Ankara Levazım Amirliği 1 No. lu Satın Alma Komisyonu Başkanlığından

Aşağıda cinsi, miktarı, muhammen bedel ve geçici teminatları yazılı (Dört) kalem (Yiyecek) kapalı zarfı eksiltmeleri hıızalarındaki gün ve saatlerde Komisyonumuzda yapılacaktır. Evsaf ve şartnamesi çalışma saatlerinde Komisyonunda ve İstanbul Levazım Amirliğinde görülebilir. İsteklilerin kanunî şekilde hazırlayacakları teklif mektuplarını ihale saatinden bir saat evveline kadar makbuz karşılığında Komisyon Başkanlığına vermeleri, postada geciken mektuplar kabul edilmez.

Cinsi	Miktarı	M. Bedeli Lira Kr.	G. Temin. Lira Kr.	İ h a l e Günü Saati
Çubuk Makarna No. 2	50.000 Kg.	402.500,—	19.850,—	
Çubuk makarna	40.000 Kg.	322.000,—	16.630,—	28 Ocak 1977
Fiyonk makarna	40.000 Kg.	316.000,—	16.390,—	Cuma
Fiyonk makarna	28.000 Kg.	221.200,—	12.310,—	11.00

TAMAMI

1.261.700,—

51.601,—

280 / 4-2

Ankara Dış Tedavi ve Protez Merkezi Baştabırlığından :

Müessesemiz ihtiyacı olan bir adet airtatör 2490 sayılı Kanunun 31-33. maddelerine göre kapalı zarf suretiyle satın alacaktır. Muhammen bedeli 26.400,— TL. olup geçici teminatı 1.980,— TL. İhalesi 31/1/1977 Perşembe günü saat 14.00'de Dış Tedavi ve Protez Merkezi binası içinde toplanacak Satın Alma Komisyonunca yapılacaktır. İhaleye iştirak edeceklerin 2490 sayılı Kanuna göre hazırlayacakları tekliflerini belirli saatten bir saat evvel Satın Alma Komisyonuna vermeleri ilân olunur.

Postada vaki gecikmeler kabul edilmez.

20988 / 4-2

Seydişehir Endüstri Meslek Lisesi Müdürlüğünden :

Muhammen Bedeli TL : 450.000,—, Geçici Teminatı TL : 21.750,—, İhale Tarihi : 28/1/1977, İhale Saati : 10.00, Yapılacak İşin Cinsi : Endüstri Meslek Lisesi Büyük Onarım.

Yukarıda yazılı Seydişehir Endüstri Meslek Lisesi Büyük Onarım ihalesi 1976 birim fiyatı tutarı olan 450.000,— liralık ihale % 25 zamlı olarak yeniden 2490 sayılı Kanunun 7. maddesine göre yapılacaktır.

Bu işe ait şartname mesai saatlerinde Endüstri Meslek Lisesi Müdürlüğünde görülebilir.

Taliplerin ihale saatinden bir saat evveline kadar istenilen belgelerle birlikte hazırlayacakları teklif mektuplarını Komisyon Başkanlığına vermeleri ilân olunur.

413 / 4-2

Bayındırlık Bakanlığı Karayolları Genel Müdürlüğünden :

Tahmini bedeli 3.581.450,— TL., geçici teminatı 121.193,— TL. olan 76-2514-1 dosya numaralı 7 kalemde 6600 metre konveyör kayışlarının imal ettirilerek satın alınması 2490 sayılı Kanunun 31. maddesi gereğince kapalı zarf usulü ile eksiltmeye konulmuştur.

Eksiltmesi 26/1/1977 Çarşamba günü saat 16.00 da Ankara'da Karayolları Genel Müdürlüğü Malzeme Şubesinde yapılacaktır. Şartnamesi aynı yerden bir dilekçe ile 25,— TL. bedelle alınabilir.

İstekliler, 1976 yılı vizesi yapılmış ticaret, sanayi odası veya esnaf belgesini, geçici teminat mektubu veya makbuzunu, teknik şartnamede istenilen belgeleri ve alınan şartnamenin her sahifesini imza ederek dış zarf içine koymak şartıyla hazırlayacakları teklif mektuplarını eksiltme saatinden bir saat evveline kadar makbuz mukabilinde Komisyon Başkanlığına vereceklerdir. Postadaki gecikmeler kabul edilmez. Duyurulur.

113 / 4-3

Bayındırlık Bakanlığı Demiryollar, Limanlar ve Hava Meydanları İnşaatı Genel Müdürlüğünden :

1 — Limanlar İnşaatı İstanbul Bölge Müdürlüğü hudutları içinde Tuzla Deniz Tarama Ekipmanı Bakım ve onarım tesisleri inşaatı işi 527, 6237 ve 7305 sayılı Kanunlar gereğince kapalı zarf içinde birim fiyatlar üzerinden eksiltme suretiyle, pazarlıkla ihaleye çıkarılmıştır.

2 — İşin tahmini keşif bedeli 20.000.000,— TL. dir.

3 — Eksiltme 4/2/1977 Cuma günü saat 15.00 de Demiryollar, Limanlar ve Hava Meydanları İnşaatı Genel Müdürlüğü Karayolları Sitesi

(B) Blok Yüce-tepe - Ankara adresinde toplanacak İhale Komisyonunda yapılacaktır.

4 — Eksiltme şartnamesi ve diğer evrak mezkûr Genel Müdürlükte (Müş. Tek. Hiz. D. Bşk. lığında) görülebilir.

5 — Eksiltmeye girebilmek için isteklilerin :

A. Bayındırlık Bakanlığı namına 613.000,— TL. lık geçici teminatlarını,

B. 1976 yılına ait Ticaret ve Sanayi Odası belgesini,

C. Müracaat dilekçeleri ile birlikte verecekleri (Eksiltme şartnamesinde belirtilen ve usulüne göre hazırlanmış olan)

c. 1 — Sermaye ve kredi imkânlarını bildiren mali durum bildirisi ve bunu belirten banka referansını,

c. 2 — Teknik Personel Beyannamesini,

c. 3 — Yapı araçları bildirisini,

c. 4 — Dilekçenin verilmiş tarihinde (İş bitirme belgeleri ile beyan edilen) bitirmiş olduğu işlerle elinde bulunan işleri durumları ile açıklayan taahhüt bildirisini,

c. 5 — Bayındırlık Bakanlığından alınmış (B) grubundan en az tahmini keşif bedeli kadar müteahhütlik karnesini,

İbraz etmeleri ve yukarıda c. 1 - c. 5 maddelerinde zikredilen belgelerin tetkik neticesinde Demiryollar, Limanlar ve Hava Meydanları İnşaatı Genel Müdürlüğü eksiltmeye girme belge komisyonundan alacakları eksiltmeye girme belgesini,

Aşağıda (8) inci maddede verileceği bildirilen eksiltme dosyasının her sahifesini inzalayarak,

Teklif mektupları ile birlikte kapalı zarfa koymaları lazımdır.

6 — Eksiltmeye girme belgesi alınması için son müracaat tarihi 20/1/1977 Perşembe günü mesai saati sonuna kadardır.

7 — İştirak belgesi benzer bir işi yapıp bitirme ve mali imkânları ile tecrübeleri bakımından Bakanlıkça yeterli görülen firmalara verilecektir.

8 — İhaleye iştiraki yeterli firmaların eksiltmeye girme belgesi ile bu işe ait ücretsiz verilecek eksiltme dosyası «Demiryollar, Limanlar ve Hava Meydanları İnşaatı Genel Müdürlüğü (Müşterek Teknik Hizmetler Daire Başkanlığından) Karayolları Sitesi (D) Blok Yüce-tepe - Ankara» adresinden 25/1/1977 Salı günü saat 10.00 dan itibaren müracaat üzerine verilecektir.

9 — İstekliler teklif mektuplarını 4/2/1977 Cuma günü saat 14.00 e kadar makbuz karşılığında İhale Komisyonu Başkanlığına vereceklerdir.

10 — Telgrafla müracaatlar ve postada vaki gecikmeler kabul edilmez.

Keyfiyet ilân olunur.

220 / 4-3

Millî Eğitim Bakanlığından :

1. Sağlık İşleri Genel Müdürlüğü Sağlık Merkezlerine alınacak 4 kalem tıbbi cihazlar 2490 sayılı Kanun hükümlerine göre kapalı zarf usulu ile eksiltmeye konulmuştur.

2. İşin muhammen bedeli 384.515 TL. geçici teminatı 19.130.60 TL. dir.

3. Eksiltme Millî Eğitim Bakanlığı Sağlık İşleri Genel Müdürlüğünde 27 Ocak 1977 tarihinde saat 14.30 da yapılacaktır.

4. Eksiltme şartnamesi Sağlık İşleri Genel Müdürlüğünde görülebilir.

5. Eksiltmeye girebilmek için isteklilerin 1977 yılı vizeli ticaret ve sanayi odası belgesi ile 2490 sayılı Kanunun 32. maddesinde istenilen belgelerin aynı madde hükümlerine göre hazırlanan teklif mektubu ile birlikte ihale saatinden bir saat öncesine kadar Satın Alma Komisyonu Başkanlığına vermeleri gerekir.

6. Telgrafla müracaatlar ve postada vaki gecikmeler kabul edilmez. İlan olunur.

158 / 4-2

Karaman Belediye Başkanlığından :

Belediyemiz evlenme salonuna bedeli 1977 mali yılı içerisinde ödenmek üzere 35.000 TL. bedelle M² si 180 TL. den Jaluzi perde taktıracaktır. 2490 sayılı K. nun 31. maddesi uyarınca kapalı zarfla eksiltme suretiyle satın alınacaktır.

İhalesi 25/1/1977 Salı günü saat 14.00 de Belediye Encümeni salonunda yapılacaktır.

Şartname Yazı İşleri Servisinde görülebilir.

İsteklilerin teklif mektuplarını en geç ihale saatinden bir saat önce Belediye Başkanlığına vereceklerdir.

Postadaki gecikmeler dikkate alınmaz.

185 / 4-4

Altındağ Aktepe Lisesi Müdürlüğünden :

1 — Altındağ - Aktepe Lisesi onarım inşaatı işi 2490 sayılı Kanunun 31 inci maddesi hükümlerine göre kapalı zarf usulü ile eksiltmeye konulmuştur.

2 — İşin keşif bedeli 298.600 liradır.

3 — Eksiltme Ankara'da Altındağ Aktepe Lisesi Müdürlüğü Eksiltme ve İhale Komisyonunda 28/1/1977 günü saat 15.00 de yapılacaktır.

4 — Eksiltme şartnamesi ve diğer evraklar Aktepe Lisesi Müdürlüğünde görülebilir.

5 — Eksiltmeye girebilmek için isteklilerin :

a) 1976 yılına ait Ticaret veya Sanayi Odası belgesini,

b) 15.694,— liralık geçici teminatını,

c) Müracaat dilekçelerine Bayındırlık Bakanlığında almış oldukları (c) grubdan en az 'bu işin keşif bedeli kadar işin eksiltmesine girebileceklerini gösterir müteahhitlik karnesini veya keşif bedelinin yarısı kadar işbitirme belgesini bağlamak suretiyle Ankara Valiliğine müracaatla Bayındırlık Müdürlüğü Belge Komisyonunda alacakları yeterlik belgesini teklif mektupları ile birlikte zarfa koymaları lazımdır.

6 — İsteklilerin teklif mektuplarını 28/1/1977 Cuma günü saat 14.00 de kadar makbuz mukabilinde İhale Komisyonu Başkanlığına vereceklerdir.

7 — Yeterlik belgesi almak için isteklilerin dilekçelerini ihale tarihinden üç gün evvel Bayındırlık Müdürlüğü kayıtlarına intikal ettirmeleri gerekir.

8 — Telgrafla müracaatlar ve postadaki vaki gecikmeler kabul edilmez.

Keyfiyet ilân olunur.

173 / 4-2

Kastamonu Valiliğinden :

Bayındırlık Bakanlığı Yapı İşleri Genel Müdürlüğünün;

1 — Kastamonu Bayındırlık Müdürlüğü hizmet binası inşaatı ikmal işi 2490 sayılı Kanunun 31. maddesi gereğince ve 527 sayılı Kanuna göre kapalı zarf usulü ile eksiltmeye konulmuştur. (1976 yılı inşaat ve tesisat birim fiyatları % 30 zamlıdır.)

2 — İşin keşif bedeli 3.636.073,29 liradır.

3 — Eksiltme Kastamonu Bayındırlık Müdürlüğünde İhale Komisyonu marifetiyle 27/1/1977 Perşembe günü saat 15'de yapılacaktır.

4 — Eksiltme şartnamesi ve diğer evraklar Kastamonu Bayındırlık Müdürlüğünde mesai saatleri dahilinde görülebilir.

5 — Eksiltmeye girebilmek için :

a) 122.832,20 liralık geçici teminatlarını,

b) 1976 yılına ait ticaret ve sanayi odası belgesini,

c) Müracaat dilekçeleri ile birlikte verecekleri eksiltme şartnamesinde belirtilen ve usulüne göre hazırlanmış olan plan ve teçhizat beyannamesini, sermaye ve kredi imkânlarını gösterir mali durum bildirisini, bunu belirten banka referansını, Teknik Personel beyannamesini, Bayındırlık Bakanlığından almış oldukları (C) grubundan bu işin keşif bedeli kadar işin eksiltmesine girebileceklerini gösterir Müteahhitlik karnesini ibrazı suretiyle Bayındırlık Müdürlüğü Belge Komisyonundan alacakları yeterlik belgesini, teklif mektupları ile birlikte zarfa koymaları lazımdır.

6 — İstekliler teklif mektuplarını 27/1/1977 Perşembe günü saat 14'e kadar makbuz karşılığında İhale Komisyonuna vereceklerdir.

7 — Yeterlik belgesinin alınması için son müracaat tarihi 25/1/1977 Salı günü mesai saati sonuna kadardır.

8 — Telgraflar ve postada vaki gecikmeler kabul edilmez.

Keyfiyet ilân olunur.

115 / 4-2

Urfa Valiliğinden :

Bayındırlık Bakanlığı Yapı İşleri Genel Müdürlüğünün

1 — Urfa - Hafeti 100 kişilik Halk ve Çocuk Kütüphanesi inşaatı işi 2490 ve 527 sayılı Kanunlar hükümlerine göre 1977 yılına sarf olarak kapalı zarf usulü ile eksiltmeye konulmuştur.

2 — İşin keşif bedeli 1976 yılı normal birim fiyatlarına % 20 ilavesi ile (960.000,—) liradır.

3 — Eksiltme Bayındırlık Müdürlüğünde İl İhale Komisyonunda 1/2/1977 Salı günü saat 15.00'de yapılacaktır.

4 — Eksiltme şartnamesi ve diğer evrak Bayındırlık Müdürlüğünde görülebilir.

5 — Eksiltmeye girebilmek için isteklilerin :

A — (42.150,—) liralık geçici teminatını,

B — 1976 yılı vızeli Ticaret ve Sanayi Odası belgesini,

C — Müracaat dilekçeleriyle birlikte verecekleri eksiltme şartnamesinde belirtilen ve usulüne göre hazırlanmış olan Yapı Araçları bildirisini, sermaye ve krdi imkânlarını açıklayan mali durum bildirisini, Teknik personel bildirisini, taahhüt bildirisini, Bayındırlık Bakanlığından almış oldukları (C) grubundan keşif bedeli kadar işin eksiltmesine girebileceklerini gösterir müteahhitlik karnesinin aslını ibraz suretiyle Bayındırlık Müdürlüğünden alacakları eksiltmeye girme belgesini teklif mektupları ile birlikte zarfa koymaları lazımdır.

6 — İstekliler teklif mektuplarını 1/2/1977 Salı günü saat 14.00'e kadar makbuz karşılığında İhale Komisyonu Başkanlığına vereceklerdir.

7 — Eksiltmeye girme belgesi alınması için son müracaat tarihi 28/1/1977 Cuma günü mesai saati sonuna kadardır.

Telgrafla müracaatlar ve postada vaki gecikmeler kabul edilmez.

Keyfiyet ilân olunur.

53 / 4-2

Devlet Üretim Çiftlikleri Genel Müdürlüğünden :

1 — Devlet Üretim Çiftlikleri Genel Müdürlüğü tarafından çiftliklerde yabancı ot mücadelesi için teklif alma usulüyle uçak ve helikopter kiralanaacaktır.

2 — Bu işe ait şartnameler Genel Müdürlük Ekonomi İşleri Müdürlüğünden temin edilebilir.

3 — İstekliler teklif mektuplarını en geç 1/2/1977 Salı günü saat 12.00'ye kadar Ekonomi İşleri Müdürlüğüne vermeleri şarttır.

4 — Postada vaki gecikmeler kabul edilmez.

5 — İdaremi 2490 sayılı Kanuna tabi olmayıp ihaleyi yapıp yapmamakta veya dilediğine yapmakta serbesttir.

300 / 3-2

1 — Devlet Üretim Çiftlikleri Genel Müdürlüğü tarafından, 40 ton 2,4-D Amin veya MCPA Amin terkipli ilaçlardan biri teklif alma usulü ile satın alınacaktır.

2 — Bu işe ait şartnameler Genel Müdürlük Ekonomi İşleri Müdürlüğünden temin edilebilir.

3 — İstekliler teklif mektuplarını en geç 26/1/1977 Çarşamba günü saat 12.00'ye kadar Ekonomi İşleri Müdürlüğüne vermeleri şarttır.

4 — Postada vaki gecikmeler kabul edilmez.

5 — İdaremi 2490 sayılı Kanuna tabi olmayıp ihaleyi yapıp yapmamakta veya dilediğine yapmakta serbesttir.

301 / 3-2

1 — Devlet Üretim Çiftlikleri Genel Müdürlüğü tarafından 100 ton 2,4-Dx 2,4,5-T veya MCPA + 2,4,5-T karışımı veya 2,4-D Ester terkipli ilaçlardan biri teklif alma usulü ile satın alınacaktır.

2 — Bu işe ait şartnameler Genel Müdürlük Ekonomi İşleri Müdürlüğünden temin edilebilir.

3 — İstekliler teklif mektuplarını en geç 26/1/1977 Çarşamba günü saat 12.00'ye kadar Ekonomi İşleri Müdürlüğüne vermeleri şarttır.

4 — Postada vaki gecikmeler kabul edilmez.

5 — İdaremi 2490 sayılı Kanuna tabi olmayıp ihaleyi yapıp yapmamakta veya dilediğine yapmakta serbesttir.

302 / 3-2

Gıda - Tarım ve Hayvancılık Bakanlığı Ankara Ziraî Mücadele Merkez Atölye ve İkmal Müdürlüğü Döner Sermaye İşletmesinden :

100 ton Amin ve 300 ton Ester terkipli yabancı ot ilacı alınacaktır.

1 — İşletmemiz ihtiyacı için 969 sayılı Kanun ve buna bağlı Yönetmeliğin 33. maddesinin (a) bendi gereğince teklif alma suretiyle 100 ton Amin ve 300 ton Ester terkipli yabancı ot ilacı satın alınacaktır.

2 — İdari ve teknik şartname mesai saatlerinde Ankara'da Müdürlüğümüzden (Keçören Yolu Fatih Caddesi No. 106), İstanbul'da Erenköy Bölge Ziraî Mücadele İlaç İkmal Müdürlüğünden 50,— TL karşılığında temin edilebilir.

3 — İsteklilerin hazırlacakları teklif mektuplarına asgari % 10 tutarında muvakkat teminat mektubu veya İşletmemiz veznesine yatırılmış nakit vezne alındısı ile idari şartnamede istenilen diğer belgelerin eklenmesi şarttır.

4 — İstekliler ilaçların tamamına teklif verebilecekleri gibi her kalem ilacın asgari 50 tonu içinde teklif verebilirler.

5 — Tekliflerin 20 Ocak 1977 Perşembe günü saat 14.00 de açılmak üzere Müessesemiz Satınalma Komisyonu Başkanlığında bulundurulması şarttır.

6 — İşletmemiz 2490 sayılı Kanuna tabi olmayıp, ihaleyi yapıp yapmamakta, dilediği ilacı almakta ve dilediğine vermekte serbesttir.

7 — Postada vaki gecikmeler nazarı itibare alınmaz.

112 / 2-2

Ankara Yenimahalle Mustafa Kemal Lisesi Müdürlüğünden :

- 1 — Lisemiz binası onarım inşaatı işi 2490 sayılı Kanunun 31. maddesi hükümlerine göre kapalı zarf usulü ile eksiltmeye konulmuştur.
- 2 — İşin keşif bedeli 138.229,— liradır.
- 3 — Eksiltme Ankara'da Yenimahalle Mustafa Kemal Lisesi Müdürlüğü eksiltme ve ihale komisyonunda 24/1/1977 Pazartesi günü saat 15.00 de yapılacaktır.
- 4 — Eksiltme şartnamesi ve diğer evraklar Mustafa Kemal Lisesinde görülebilir.
- 5 — Eksiltmeye girebilmek için isteklilerin :
a) 1976 yılına ait Ticaret veya Sanayi Odası belgesini,

b) 8.162,— liralık geçici teminatını,

c) Müracaat dilekçelerine Bayındırlık Bakanlığında veya Müdürlüğünden almış oldukları işin keşif bedeli kadar işin eksiltmesine girebileceklerini gösterir müteahhitlik karnesini, yeterlik belgesini teklif mektupları ile birlikte zarfa koymaları lazımdır.

6 — İsteklilerin teklif mektuplarını 24/1/1977 Pazartesi günü saat 14.00 de kadar makbuz mukabilinde ihale komisyonu başkanlığına vereceklerdir,

7 — Telgrafla müracaatlar ve postadaki vaki gecikmeler kabul edilmez.

Keyfiyet ilân olunur.

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Bayındırlık Bakanlığı Yapı İşleri Genel Müdürlüğü 5. Bölge Müdürlüğünden : ANKARA

- 1 — Aşağıda durumları yazılı bulunan inşaat işleri 2490 sayılı Kanunun 31 inci maddesi hükümlerine göre kapalı zarf usulüyle ayrı, ayrı eksiltmeye konulmuştur.
 - 2 — Eksiltme aşağıda yazılı günlerde Ankara'da Yapı İşleri 5. Bölge Müdürlüğü İhale Komisyonunda yapılacaktır.
 - 3 — Eksiltme şartnamesi ve diğer evraklar Ankara'da Yapı İşleri 5. Bölge Müdürlüğünde görülebilir. (1976 yılı birim fiyatları % 25 - % 30 zamlıdır.)
 - 4 — Eksiltmeye girebilmek için isteklilerin :
A — Bayındırlık Bakanlığı Yapı İşleri 5. Bölge Müdürlüğü namına her iş için aşağıda gösterilen geçici teminatlarını,
B — 1976 yılına ait ticaret veya sanayi odası belgesini,
C — (Her iş için ayrı ayrı olmak üzere müracaat dilekçeleriyle birlikte verecekleri eksiltme şartnamesinde belirtilen ve usulüne göre hazırlanmış olan yapı araçları bildirisi, sermaye ve kredi olanaklarını açıklayan mali durum bildirisi, banka referansını, teknik personel bildirisi, taahhüt bildirisi, Bayındırlık Bakanlığından almış oldukları aşağıda belirtilen müteahhitlik karnesi grubundan keşif bedeli kadar işin eksiltmesine girebileceklerini gösterir müteahhitlik karnelerinin asılları ibraz suretiyle Yapı İşleri 5. Bölge Müdürlüğü Belge Komisyonundan alacakları) eksiltmeye girme belgesini, teklif mektupları ile birlikte zarfa koymaları lazımdır.
 - 5 — İstekliler teklif mektuplarını aşağıda belirtilen ihale tarihi ve saatinden bir saat evvel makbuz karşılığında İhale Komisyonu Başkanlığına vereceklerdir.
 - 6 — Eksiltmeye girme belgesi alınması için son müracaat tarihi aşağıda gösterilen günlerin mesai saati sonuna kadardır.
 - 7 — Telgrafla müracaatlar ve postada vaki gecikmeler kabul edilmez.
- Keyfiyet ilân olunur.

İ ş i n a d ı	Keşif bedeli TL.	G. teminatı TL.	İhale tarihi	İhale saati	Son müracaat tarihi	Karne grubu
1 — Ankara Yüksek İhtisas Hastanesi (Laboratuvar, poliklinik ve ameliyathane) inşaatı	39.000.000,—	1.183.750,—	Perşembe 27/1/1977	11.00	Pazartesi 24/1/1977	B
2 — Ankara Gazi Eğitim Enstitüsü Resim - İş Atelyesi inşaatı	15.000.000,—	463.750,—	Perşembe 27/1/1977	11.30	Pazartesi 24/1/1977	B
3 — Ankara Doğumevi tevsii (Kat ilâvesi) inşaatı	7.915.635,—	251.220,—	Cuma 28/1/1977	11.00	Salı 25/1/1977	B
						21068 '4-3

Elazığ YSE. XI. Bölge Müdürlüğünden :

S. No.	İ Ş İ N A D I	Keşif Lira Kr.	Geçici Teminat Lira Kr.	İhale Tarihi	İhale Saati
1 —	Adıyaman - Sarıkaya - Ilıcak Köyü Göksoy Köprüsü inşaatı	5.411.000,—	176.080,—	4/2/1977	10.00
2 —	Adıyaman - Merkez - Kayatepe Köyünde Kayatepe Köprüsü inşaatı	680.000,—	30.950,—	4/2/1977	15.30
3 —	Bingöl - Kiğı - Açıkgüney Alapekmez Gr. Ky. Açıkgüney Köprüsü inşaatı	565.000,—	26.350,—	4/2/1977	16.30
4 —	Malatya - Arguvan - Asmaca Tatkinak Köyünde - Asmaca Köprüsü	850.000,—	37.750,—	7/2/1977	10.00
5 —	Malatya - Yeşilyurt - Taftacak Köyünde Taftacak Köprüsü inşaatı	670.000,—	30.550,—	7/2/1977	11.30
6 —	Malatya / Hekimhan - Akmağara Taşoluk Köyünde Akmağara Köprüsü inşaatı	565.000,—	26.350,—	7/2/1977	15.30
1 — Yukarıda isim, keşif bedelleri, muvakkat teminat miktarları, ihale günü ve saati bildirilen köprü işi 2490 sayılı Kanunun 31. maddesi gereğince kapalı zarf usulü ile eksiltmeye konulmuştur.					
2 — Eksiltme Y. S. E. XI. Bölge Müdürlüğünde yapılacaktır.					
3 — Taliplilerce işe ait eksiltme dosyası her gün mesai saatleri dahilinde Elazığ YSE. XI. Bölge Müdürlüğü, YSE. Genel Müdürlüğü ve Adıyaman - Malatya - Bingöl Y. S. E. Müdürlüklerinde görülebilir.					
4 — Eksiltmeye girebilmek için; a) Kanunî geçici teminat, b) 1977 yılına ait Ticaret Odası vesikası, c) Her işin ihale tarihinden 2 gün öncesi mesai saati sonuna kadar YSE. XI. Bölge Müdürlüğünden alacakları yeterlik belgesi (Yeterlik belgesi almak için Bayındırlık Bakanlığı İnşaat, Tesisat ve Onarım İşleri İhalesi İştirak Yönetmeliğinde yazılı belgeler ile Bayındırlık Bakanlığından alınmış en az işin keşif miktarı kadar Adıyaman - Sarıkaya - Ilıcak - Göksoy Köprüsü için B grubu diğer işler için C grubu müteahhitlik karnesi veya benzeri iş yaptığina dair işin keşif bedelinin % 80 ni kadar iş bitirme belgesi ekliyerek müracaat gereklidir.)					
5 — İstekliler eksiltme şartnamesinde verilen izahat dairesinde hazırlayacakları teklif mektuplarını mevzuata uygun şekilde ihale saatinin bir saat evveline kadar Komisyon Başkanlığına makbuz mukabilinde verilmesi lazımdır.					
Telgrafla müracaat ve postadaki gecikmeler nazara alınmaz.					
Keyfiyet ilân olunur.					

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Ankara Levazım Amirliği 4 No. lu Satın Alma Komisyonu Başkanlığından

Aşağıda cinsi, miktarı, muhammen bedel ve geçici teminatları yazılı (Bir) kalem galvanizli oluklu sac kapalı zarflı eksiltmeleri hıızalarındaki gün ve saatlerde Komisyonumuzda yapılacaktır. Evsaf ve şartnamesi çalışma saatlerinde Komisyonunda ve İstanbul Levazım Amirliğinde görülebilmektedir. İsteklilerin kanunî şekilde hazırlıyacakları teklif mektuplarını ihale saatinden bir saat evveline kadar makbuz karşılığı Komisyon Başkanlığına vermeleri, postada geciken mektuplar kabul edilmez.

Cinsi : Galvanizli oluklu sac, Miktarı : 9600 Kg., M. bedeli : 123.360,— TL., G. teminatı : 7.450,— TL., İhale günü saati : 31/1/1977 Pazartesi günü saat : 11,00 de 559 / 4-1

Hava Kuvvetleri Loj. Bşk. lığı Tedarik Şube Müdürlüğünden :

1. Hava Kuvvetleri Komutanlığı envanterinde mevcut akaryakıt tankerlerinin bakımında kullanılmak üzere 35 kalem Amerikan menşeli yedek parça, ihale yoluyla satın alınacaktır.

2. Satın alma muamelesi, 6246 sayılı Kanun ve 7/4284 sayılı Kararname uyarınca yapılacak ve teslimat FOR esasına istinat edecektir.

3. Yedek parçaların ihtiyacı İstisna Hk. K. K. Ted. Ş. Md. lüğünde mevcut olup, bu tip parçaların satıcı (İmalatçı) sı veya imalatçı fabrikadan belgeli mümessilliklerine ilânın ilk yayınından 15 gün zarfında verilir. Fabrika belgesini haiz olmayan isteklilere ihtiyacı listesi verilmaz.

4. Yedek parçalar IBM Kâğıtlarında yazılı olup, tip ve markaları ile parça numaraları hıızalarında yazılıdır. Bunun dışında teknik şartname yoktur. 2490 sayılı Kanuna tabi olmayan bu yedek parçalar için idari şartnamede yapılmamıştır. Teklifleri kabul edilecek firmalara idari şartname mahiyetini haiz olan teslimat sözleşmeleri tasarı halinde verilebilir.

5. Yapılacak tekliflere fabrika lisansı ile menşe şahadetnameleri ve sair teşhise yarıyacak prospektüsler de eklenecektir.

6. Teklif verme süresi, ilk yayının basıldığı tarihten itibaren iki ay olup en geç 18 Mart 1977 tarihine kadar devam edecek, bu tarihten sonra yapılacak müracaatlar kabul edilmiyecektir.

7. Yapılacak teklifler, herhangi bir taahhüdü tazammun etmiyeceği gibi, alıcı dairede yapacağı incelemelerde zamanla kayıtlı olmayıp muhayyer olacaktır.

8. Teklifler, iç içe iki zarf içerisinde; birinci zarfın içerisinde yedek parçaya ait teklif konacak ve zarfın üzeri mühürlenerek hangi ye-

dek parçaya ait teklif olduğu zarfın üzerine yazılacaktır. İkinci zarfın üzerine tekliftir ibaresi yazılacak ve zarfın üzeri mühürlenecektir. İlân olunur. 560 / 4-1

Demetevler Lisesi Müdürlüğünden :

ONARIM İLÂNI

1 — Ankara Demetevler Lisesinin 134.310 liralık keşif bedelinden okulun küçük onarımı işleri yapılacaktır.

2 — Bu işle ilgili şartname her gün mesai saatleri içinde Okul Müdürlüğünden görülebilmektedir.

3 — Eksiltme kapalı zarf usulü ile 1/2/1977 Salı günü saat 10.00 da Demetevler Lisesi'nde Komisyon önünde yapılacaktır.

4 — Muvakkat teminat miktarı 7.466 TL. olup, taliplerin en geç ihale gününden 3 gün evveline kadar Ankara Bayındırlık Müdürlüğünden alacakları yeterlilik belgeleri ile 1976 yılı tasdikli Ticaret Odası vesikası ve geçici teminat akçelerini yatırdıklarına dair Ankara Okullar Saymanlığından alacakları, makbuzlarla birlikte 2490 sayılı Kanunun 31. maddesinin tarifati dairesinde hazırlıyacakları teklif mektuplarını ihale saatinden 1 saat öncesine kadar Komisyon vermeleri (postada vaki gecikmeler kabul edilmez) ilân olunur. 561 / 4-1

Millet Meclisi Satınalma Komisyonu Başkanlığından :

Meclisimiz Teknik İşler Müdürlüğünün ihtiyacı için (Müfredatı dosyasında) kılma santralleri yedek parçaları 2490 sayılı Kanunun 31. maddesi gereğince kapalı zarf usulü ile satın alınacaktır.

Evsaf ve şartnamesi mesai saatleri dahilinde Meclisimiz Levazım Müdürlüğü ve Teknik İşler Müdürlüğü ile İstanbul'da Milli Saraylar Müdürlüğünde görülebilmektedir.

Muhammen bedeli 302.750,— lira, geçici teminatı 15.860, liradır. İhale 3 Şubat 1977 Perşembe günü saat 15.00 de Millet Meclisi Levazım Müdürlüğünde yapılacaktır.

İhaleye iştirak etmek isteyenlerin 2490 sayılı Kanuna göre hazırlıyacakları teklif mektuplarını ihale günü saat 14.00'e kadar makbuz mukabilinde Komisyon Başkanlığına vermeleri ve 1976 yılı Ticaret Odası belgesini ibraz etmeleri ilân olunur.

Postadaki gecikmeler kabul edilmez.

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İmar ve İskân Bakanlığından :

1 — Bakanlığımız Belediyeler Teknik Hizmetleri Genel Müdürlüğü için, aşağıda cinsi, miktarı, muhammen bedeli ve geçici teminatı yazılı 15 kalem malzemenin ihalesi 31/1/1976 Pazartesi günü saat 14.30 da Bakanlığımız İdari ve Mali İşler Genel Müdürlüğü, İdari İşler Dairesi Başkanlığı Levazım İşleri Müdürlüğünde yapılacaktır.

2 — İhale 2490 sayılı Kanunun 31. maddesine göre kapalı zarf usulü ile yapılacaktır.

3 — Şartnameler bedelsiz olarak Levazım İşleri Müdürlüğünden temin edilebilir.

4 — Malzeme, idarece satın alınmasının uygun görüldüğü firmaya bildirildiğinde; firma en geç 15 Şubat 1977 günü malzemeyi idareye teslim edecektir.

5 — Firma ihale muhteviyatının tamamına teklif vermiyebileceği gibi idare de bütün kalemleri bir firmadan almak zorunda değildir.

6 — Muhammen bedeli 567.525,— (Beşyüzaltmışyedibinbeşyüzirmibeş) liradır.

7 — Teklif mektupları en geç ihale saatinden bir saat evveline kadar Levazım İşleri Müdürlüğüne iç ve dış zarflar mühürlü olarak teslim edilmelidir. Postada vaki gecikmeler kabul edilmez.

Sıra No	Malzemenin Cinsi	Miktarı	Bedeli Lira Kr.	Geç. Tem. Lira Kr.	Muh. Bedeli Lira
1	Takeometre	5 Adet	65.000,—	16.750,—	325.000
2	Nivo	5 »	26.000,—	7.750,—	130.000
3	Planimetre	7 »	7.850,—	3.997,50	54.950
4	Trizma	8 »	1.800,—	1.080,—	14.400
5	Mira (Yerli)	18 »	600,—	810,—	10.800
6	Jalon (Madeni)	40 »	60,—	180,—	2.400
7	Tribl cetveli (30 cm)	16 »	37,50	45,—	600
8	Teftiş şablonu (Mobilya ve tesisat)	2 »	725,—	108,75	1.450
9	Minkole	10 »	15,—	11,25	150
10	Sakül	40 »	25,—	75,—	1.000
11	Rapido mürekkebi	50 »	17,—	63,75	850
12	Dr. Ing. Heins wkte'nin tabi trigonometrik değer cetveli	8 »	400,—	240,—	3.200
13	Rezer'in yatay ve düşey mesafe cetveli	8 »	320,—	192,—	2.560
14	Pistole (Değişik şekiller)	6 »	27,50	12,40	165
15	Elektronik hesap makinası	8 »	500,—	1.500,—	20.000
			32.815,65	567.525	

Türk Standardları Enstitüsü'nden :

a) Enstitümüz Teknik Kurulu 21 Ekim 1976 günü yapmış olduğu toplantıda aşağıdaki Türk Standardlarını kabul etmiştir (1).

No	Standardın Adı
TS 2419	Kırmızı Toz Biber
TS 2420	Hortumlar (Genel Amaçlar İçin Lastik Su Hortumları)
TS 2421	Kereste Buharlama Odaları
TS 2422	Kayın Kerestesi Buharlama Kuralları
TS 2423	Kesikler (Basıncılı Hava Tabancaları ve Demirciler İçin)
TS 2424	Sıkma Kovanları (Çelik)
TS 2425	Demir ve Çeliklerin Kimyasal Analiz Metotları - Tungsten Miktarı Tayini
TS 2426	Demir ve Çeliklerin Kimyasal Analiz Metotları - Ferro - Titan, Titan, Alüminyum, Silisyum ve Karbon Miktarları Tayini
TS 2427	Demir ve Çeliklerin Kimyasal Analiz Metotları - Arsenik Miktarı Tayini
TS 2428	Demir ve Çeliklerin Kimyasal Analiz Metotları - Azot Miktarı Tayini
TS 2429	Emniyet Şapkası
TS 2430	Gaz Türbinleri - Kabul Deneyleri

b) TSE Teknik Kurulu aynı tarihte yapmış olduğu toplantıda aşağıdaki Türk Standardlarının değişiklik ve düzeltme önerilerini görüşerek yeni metinlerini kabul etmiştir.

No	Standardın Adı
TS 520	Yaylık Çelik Lamalar (Sıcak Haddelenmiş)
TS 624	Polivinil Klorür (PVC) Yer Döşemeleri

İlgilere duyurulur.

- (1) Türk Standardları Enstitüsü'nce bugüne kadar kabul edilen ve yayımlanan 2400'den fazla Türk Etandardının numara, ad ve fiyatları hakkında ayrıntılı bilgi sağlamak için, TSE'den ücretsiz 1976 Türk Standardları Katalogunu isteyiniz. 463 / 1-1

Konya Selçuk Üniversitesi Edebiyat Fakültesi Dekanlığı'ndan :

Fakültemize, aşağıda adları yazılı bilim dallarına sınavla asistan alınacaktır. Sınava katılmak isteyenlerin en geç 2/2/1977 tarihine kadar mezuniyet belgesi, nüfus cüzdanı örneği ve hal tercümelerini havi dilekçeleri ile Dekanlığımıza başvurmaları duyurulur.

Bilim Dalı	Adet
Türk Dili ve Edebiyatı Bölümü	1
Tarih Bölümü	1
Alman Dili ve Edebiyatı Bölümü	1
Fransız Dili ve Edebiyatı Bölümü	1
İngiliz Dili ve Edebiyatı Bölümü	1
Sanat Tarihi ve Arkeoloji Bölümü	1

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Ankara Elektrik, Havagazı ve Otobüs İşletme Müessesesi Genel Müdürlüğünden :

(E. G. O.)

- 1 — Kuruluşumuzca,
16.000 Kg. Elektrolitik örgülü bakır tel 16 mm²
12.000 Kg. Elektrolitik örgülü bakır tel 25 mm²
17.000 Kg. Elektrolitik örgülü bakır tel 35 mm²
15.000 Kg. Elektrolitik örgülü bakır tel 50 mm²
önerge alma suretiyle satın alınacaktır.

2 — İlgililer hazırlıyacakları önergelerini % 7,5 tutarında geçici güvence ile birlikte 31/1/1977 günü saat 17.30'a dek Kuruluşumuz Yazı İşleri Müdürlüğüne vereceklerdir.

3 — Bu işle ilgili şartlaşmalar Kuruluşumuz Ticaret Müdürlüğünden ücretsiz alınabilir.

4 — Güvence verilmeyen önergeler değerlendirilmeyecektir.

5 — Kuruluşumuz isterse kısmi sipariş yapabilir.

6 — Her türlü gecikmeler ile telgrafla yapılacak önergeler kabul edilmez.

7 — Kuruluşumuz 2490 sayılı yasaya bağlı değildir.

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12 nci Piyade Tümen Komutanlığı, Askeri Mahkemesinden :
AĞRI

Evrak No : 1975/452

E. No : 1975/72

K. No : 1975/413

Suç : Üste fillen taarruz

Sanık : Mustafa Güneş, Halil oğlu 1953 doğumlu, Urfa İli, Tabakhane Mah. No. 4'te oturur. 34. P. A. 2. Tb. 6. Bl. ten terhisli Er.

Sanığın sabit olan üste fillen taarruz suçundan dolayı eylemine uyan As. C. K. nun 91/1 inci maddesi uyarınca verilen altı ay hapis cezası T. C. K. nun 59. maddesi uyarınca tenzilen beş ay hapis cezasına mahkûm edildiğine dair 3/11/1975 tarihinde temyizi kabli olmak üzere sanığın غيابında verilen karar kendisine tebliğ edilemediğinden işbu hüküm özet 7201 sayılı Tebligat Kanununun 28 ve müteakip maddeleri uyarınca Resmi Gazete'de neşrinden onbeş gün sonra tebliğ edilmiş olmak ve tebliğ yerine kaim olmak üzere ilân olunur. 556 / 1-1

Evrak No : 1975/317

E. No : 1975/406

K. No : 1975/235

Suç : İzin tecavüzü

Sanık : Kâmil Deryalı, Kâzım oğlu 1953 doğumlu, İstanbul İli, Beşiktaş İlçesi, Ortabahçe Cad., İhlamurdere Yolu Aydınlık Apt. No. 173/16 da oturur, Patnos, 966. Mühimmat Bl. den terhisli Onbaşı.

Sanığın sabit olan izin tecavüzü suçundan dolayı eylemine uyan As. C. K. nun 66/1-B maddesi uyarınca verilen altı ay hapis cezası T. C. K. nun 59 uncu maddesi uyarınca 1/6 sunun tenzili ile neticeten beş ay hapis cezasına mahkûm edildiğine dair 25/8/1975 tarihinde temyizi kabli olmak üzere sanığın غيابında verilen karar kendisine tebliğ edilemediğinden işbu hüküm özet 7201 sayılı Tebligat Kanununun 28 ve müteakip maddeleri uyarınca Resmi Gazete'de neşrinden onbeş gün sonra tebliğ edilmiş olmak ve tebliğ yerine kaim olmak üzere ilân olunur. 557 / 1-1

İstanbul Bayındırlık Müdürlüğünden :

1 — İstanbul - Feriköy Polis Karakolu inşaatı işi 2490 sayılı Yasa hükümlerine göre kapalı zarf usulü ile eksiltmeye konulmuştur.

2 — İşin keşif bedeli (3.000.000,—) liradır.

3 — Eksiltme İstanbul Bayındırlık Müdürlüğü'nde İhale Komisyonunda 27/1/1977 (Perşembe) günü saat 15.00'te yapılacaktır.

4 — Eksiltme şartnamesi ve diğer evrak İstanbul Bayındırlık Müdürlüğü'nde görülebilir.

5 — Eksiltmeye girebilmek için isteklilerin :

A — (103.750,—) liralık geçici teminatını,

B — 1976 yılına ait Ticaret veya Sanayi Odası belgesini,

C — Müraacaat dilekçeleriyle birlikte verecekleri (Eksiltme şartnamesinde belirtilen ve usulüne göre hazırlanmış olan) plan ve teçhizat beyannamesini, sermaye ve kredi imkânlarını bildiren mali durum bildirisini, teknik personel beyannamesini, taahhüt beyannamesini, Bayındırlık Bakanlığı'ndan almış oldukları (C) grubundan keşif bedeli kadar işin eksiltmesine girebileceklerini gösterir müteahhütlik karnesini ibraz suretiyle Vilayet belge komisyonundan alacakları yeterlik belgesini teklif mektupları ile birlikte zarfa koymaları lazımdır.

6 — İstekliler teklif mektuplarını 27/1/1977 (Perşembe) günü saat 14.00'e kadar makbuz karşılığında İhale Komisyonu Başkanlığına vereceklerdir.

7 — Yeterlik belgesi alınması için son müraacaat tarihi 24/1/1977 (Pazartesi) günü mesai saati sonuna kadardır.

Telgrafla müraacaatlar ve postada vakı gecikmeler kabul edilmez.

Keyfiyet ilân olunur.

191 / 1-1

İstanbul Telefon Başmüdürlüğünden :

1 — 10.000 adet 3 gözlü 67.500 adet 4 gözlü künk ve 20.000 adet 15. cm. lik biriket kapalı teklif alma sureti ile imal ettirilecektir.

2 — İhale konusu imalatın muhammen bedeli 2.989.650,— TL. dir.

3 — Bu imalatın geçici teminatı ise 103.439,50 TL. liradır.

Bu işe ait şartname Gayrettepe Yıldız Posta Caddesindeki Başmüdürlük Malzeme Müdürlüğünden temin edilebilir.

İstekli olanların kapalı teklif mektuplarını en geç 20/1/1977 Perşembe günü saat 14.00 e kadar Malzeme Müdürlüğüne vermeleri ilân olunur. 396 / 1-1

Bayındırlık Bakanlığı Karayolları Genel Müdürlüğü 4. Bölge Müdürlüğünden :

30 ton/saat kapasiteli asfalt betonu plenti için sulu toz tutucu satın alınacaktır. Şartname Malzeme Amirliğinde görülebilir.

İsteklilerin kapalı teklif mektuplarını 19/1/1977 Çarşamba günü saat 15'e kadar Malzeme Amirliğine vermeleri rica olunur.

573 / 1-1

1 inci Ordu Askeri Savcılığundan :

Fırar suçundan sanık ve gaip durumunda bulunması sebebiyle daha önce hakkında haciz kararı verilen Mehmet Sabri oğlu, 1943 doğumlu, Diyarbakır Silvan Kazası, Herşen Köyünde doğma ve nüfusa kayıtlı olup Diyarbakır Kartal Mah. No. 62'de mukim, 4 üncü Mknz. P. A. 2 nci Tb. 6 ncı Bl. erlerinden Beşir Ekti hakkında bu kere gaiplik durumu sona ermekle 1 inci Ordu As. Mahkemesinin 17/12/1976 gün ve 1976/60176 sayılı kararı ile haciz kararı kaldırılmıştır.

Keyfiyet 353 sayılı Kanunun 194 üncü maddesi gereğince ilân olunur.

558 / 1-1

Denizcilik Bankası T. A. O. dan :

1977/1002

Bankamız Şehir Hatları İşletmesinin 4500 Kişilik 3 Gemisi için Konvektör ve Konvektör muhafazası yapılacaktır.

Tekliflerin en geç 21/1/1977 tarihi mesai saati sonuna kadar Karaköy Yeni Yolcu Salonu Kat : 1 deki Satınalma Kuruluna verilmesi gerekmektedir. Belirli gün ve saatten sonra verilen tekliflerle postada vaki gecikmeler kabul edilmeyecektir. Şartnamesi Bahçekapı 27 Mayıs Hanı Kat : 3 deki İkmal Merkezi Müdürlüğü veznesinden temin edilebilir.

525 / 1-1

Türk Standardları Enstitüsü'nden :

İstanbul'da Floresan Lamba Balastlarını imal eden Nuri Akdemir Firması ile Türk Standardları Enstitüsü arasında aktedilen 30/3/1973 tarihli TSE Markası Sözleşmesi, Firmanın TSE Marka Talimat ve Sözleşmesinin tüm hükümlerine aykırı hareket etmesi nedeniyle fesh edilmiştir.

Bu tarihten itibaren, Standarda Uygunluk Beyannamesi ve Belgesinin hiçbir geçerliliği kalmadığı için kullanılamayacağı, TSE Markalı Floresan Lamba Balastlarının piyasaya sunulamayacağı, sunulmuş olanların çekilmesi gerektiği, aksine davranışın haksız rekabet hükümlerine göre ilgililerin sorumluluğuna sebep olacağı duyurulur.

462 / 1-1

Türkiye Süt Endüstrisi Kurumu Genel Müdürlüğünden :

1 — Kurumumuzun Erzincan/Kemah'da kuracağı Peynir ve Tereyağ Fabrikası inşaat işleri birim flat teklif alma esasına göre ihaleye çıkarılmıştır.

2 — İstekliler ihale evrakını 20 Ocak 31 Ocak 1977 tarihleri arasında Türkiye Süt Endüstrisi Kurumu Karanfil Sok. No. 20 de Genel Muhasebe Müdürlüğünden 500,— TL. mukabilinde satın alabilirler.

3 — Teğraf ile müracaatlar ve postada vaki gecikmeler nazarı dikkate alınmaz.

4 — Kurumumuz 2490 sayılı Kanuna tabi olmayıp ihaleyi yapıp, yapmamakta ve dilediğine vermekte serbestir.

325 / 1-1

Tapu ve Kadastro Genel Müdürlüğünden :

Çanakkale İlinin Bayramiç İlçesi Belediye sınırları içindeki taşınmaz malların 2613 sayılı Kanun uyarınca kadastro yapılacaktır. Keyfiyet sözü edilen kanunun 8. maddesi gereğince ilân olunur.

290 / 1-1

Tekel Genel Müdürlüğünden :

1 — 11.956.000,— TL. tahmini bedelli 16 adet çekici araç ve yarı remork mevcut şartnamesine göre 24/1/1977 Pazartesi günü saat 16.00 da İstanbul - Unkapanı'ndaki Merkez Satınalma Komisyonunda kapalı zarf yöntemi ile eksiltmeye çıkarılmıştır.

Geçici teminatı : 372.430,— TL. dir.

2 — Şartnamesi anılan Komisyon ile Ankara ve İzmir Tekel Başmüdürlüklerinde görülebilir.

3 — İsteklilerin, 2490 sayılı Yasanın 32. ve Eksiltme Şartnamesinin 29. maddesine göre hazırlıyacakları kapalı teklif zarfları ile;

- Geçici teminat makbuzlarını,
- Kanunî ikametgâhına ilişkin belgelerini,
- İstekli bir ortaklık ise;

aa) İdare Merkezinin bulunduğu yer mahkemesinden veya sicilne kayıtlı bulunduğu Ticaret Odasından veya sair resmi bir makamdan ortaklık sicilne kayıtlı ve halen faaliyette olduğunu gösterir ve bu eksiltmenin ilk ilân tarihinden sonra alınmış bir belgeyi,

bb) Ortaklığın sirküleri veya ortaklık adına teklifte bulunacak kimselerin bu ortaklığın vekili olduğunu gösterir noterden onanlı vekâletnameyi, ihale saatinden bir saat öncesine kadar 1. maddede belirtilen komisyona makbuz karşılığında vermeleri şarttır.

4 — Bu ihale ile ilgili belgelerin posta ile gönderilmesi halinde gecikme ve kaybolmalar kabul edilmez. Duyurulur.

120 / 1-1

Felahiye Asliye Hukuk Hâkimliğinden :

Felahiye İlçesi Çukur Nahiyesinden davacı Mehmet Şanlı tarafından davalılar vekili Avukat Ahmet Batur ve davalılar aynı yerden Osman Şanlı, Ahmet Şanlı, Ümüs Şanlı, Bekir Arğındoğan aleyhine ikame eylediği meni müdahale davasının 13/4/1976 tarihli duruşmasında davalılardan Ahmet Şanlı'nın adresi tesbit edilemediğinden ilânen gıyap tebliğine karar verilmiştir.

Bu defa 22/3/1977 Salı günü 9.50 deki duruşmaya gelmesi veya kendisini bir vekil ile temsil ettirmemesi halinde davacının bundan böyle gıyapta görüleceği hususu gıyap kararı yerine kaim olmak üzere 7201 sayılı Tebligat Kanununun 29 ve 31. maddeleri gereğince ilânen tebliğ olunur.

6484

Perşembe Sulh Hukuk Hâkimliğinden :

1976/34

Davacı Salme Üçer ve arkadaşları vekili Av. Birnur Kandemir tarafından davalılar Perşembe Beyli Köyünden Nuri Güller ve arkadaşları arasında devam eden taksim davasının yapılan duruşmaları sırasında : davalılardan Rabia Güller'in bütün aramalara rağmen adresinin meçhul olduğundan adı geçen'e ilânen tebligat yapılmasına karar verilmiş bulunduğundan karar gereğince 2/2/1977 günlü duruşmaya gelecek bütün davaya karşı delillerinin ve savunmalarının bildirmeniz, (duruşma günü gelerek bütün delillerinizi ibraz etmeniz, duruşmaya gelmediğiniz takdirde ayrıca gıyap kararı çıkarılmayıp H. U. M. K. nun 508 ve müteakip maddeleri gereğince duruşmanın gıyabınızda devam edeceği) husu tebliğ olunur.

69

Yumurtalık Sulh Hukuk Hâkimliğinden :

1976/33

Davacı Ali Kerim tarafından davalı Yumurtalık eski icra memuru Sinan Savaş aleyhine açılan 2400 TL. lık alacak davasının yapılan duruşmasında :

Davalıya 5/5/1976 günü saat 9.00 da duruşmada hazır bulunması bakımından 12/4/1976 tarihli dava dilekçesi meşruatlı olarak tebliğe çıkarılmış olup, adı geçenin adresi meçhul olduğu nedeniyle bila tebliğ iade edilmesi üzerine bu defa dava dilekçesinin 2/3/1977 tarihli duruşmada saat 9.00 da delilleri ile birlikte tebliğat yapılmasına ve duruşmasının 1976/33 sayılı dosyasına müracaat etmediği takdirde dava dilekçesinin gıyap çıkarılmaksızın tebliğ edilmiş sayılacağı ilân olunur.

71

Vakıfkebir Sulh Hukuk Hâkimliğinden :

1975/392

Davacı Çetrik Köyünden Asiye Çolak tarafından eşi Ziya Çolak aleyhine açılan nafaka davasının yapılan duruşması sırasında :

Davalı Çetrik Köyünden Ali Osman oğlu 1948 D. lu Ziya Çolak'ın aramalara rağmen adresi tesbit edilemediğinden meşruatlı davetiye yerine kaim olmak üzere kendisine ilânen tebligat yapılmasına ve duruşmanın 22/2/1977 günü saat 9.00'a bırakılmasına karar verildiği ilân olunur.

67

Gölcük Tersanesi Komutanlığı Döner Sermaye Genel Müdürlüğünden :

- 1 — Tersanemiz Döner Sermaye Genel Müdürlüğü ihtiyacı için (1) kalem boya hammaddesi satın alınacaktır.
 - 2 — Bu işe ait teknik ve idari şartnameler tersanemiz Döner Sermaye Satınalma Komisyonu Başkanlığı Ofisinden bedelsiz olarak alınabilir.
 - 3 — İhale 9 Şubat 1977 Çarşamba günü saat 14.00 de Döner Sermaye Satınalma Komisyonu Başkanlığı odasında yapılacaktır.
 - 4 — En son teklif verme aynı gün saat 12.00 ye kadardır.
 - 5 — Posta ile şartname gönderilmez ve postadaki vakı gecikmeler dikkate alınmaz.
 - 6 — Genel Müdürlüğümüz 2490 sayılı Kanuna tabi değildir.
- Malzemenin cinsi : Gliserin, Miktarı : 20 ton, Muhammen bedeli : 920.000 TL., Geçici teminat : 40.550 TL.

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Altındağ İkinci Asliye Hukuk Hâkimliğinden :

1976/1085

Kırıkkale Aşağı Karakısıık Köyü hane 27 de nüfusa kayıtlı 1946 doğumlu Bekir Baykol'un (Baykol) Soyadının Baykal olarak Değiştirilmesine karar verildiği ilân olunur.

265

Milas Asliye Hukuk Hâkimliğinden :

1975/73

Davacı Hatice Çevik vekili Avukat Abdurrahim Soykan tarafından Hüseyin Çevik aleyhine açılmış bulunan boşanma davasının yapılmakta olan duruşmasında : Milas Güntüslük Mahallesinden :

Davalının adresi tespit edilemediğinden davetiyenin ilânen tebliğine karar verilmiş ve Resmî Gazete ile davetiyeye ilânen tebliğ edilmiş olup davalı 21/9/1976 tarihli duruşmaya gelmediğinden hakkında gıyap kararı ilânen tebliğine karar verilmiş ve duruşma 31/1/1977 gününe bırakılmıştır. Tayin edilen gün ve saate davalı duruşmaya gelmediği takdirde duruşma gıyabında devam olunacağı gıyap kararı yerine kaim olmak üzere ilân olunur.

293

Yozgat Asliye Hukuk Hâkimliğinden :

1972/40

Davacı Cemile, Süleyman, Satı, Memduha ve Hüslü Öge vekilleri Av. Kamuran Özkan'ın davalılar Zeynep Bolışık ve H. Bekir Erdem aleyhine açtığı tazminat davasının yapılan duruşması sırasında verilen ara kararı gereğince :

Davalı Hacı Bekir Erdem'in açık adresinin belli olmaması nedeniyle ilânen tebliğine karar verilmiş olup, davalı Hacı Bekir Erdem'in vekili Av. Süleyman Kapısu'nun vekilliklerinden çekilmiş bulunduğu duruşmanın atılı bulunduğu 9/3/1977 günü saat 9.30 da duruşmaya gelmesi veya kendisini başka bir vekille temsil ettirmesi gelmediği ve vekilde göndermediği takdirde gıyap kararı çıkarılacağına dair iş bu ilân davetiyeye yerine kaim olmak üzere ilân olunur.

432

Ankara 14. Asliye Hukuk Hâkimliğinden :

1975/166

Davalı : Fatma Candan, Soğanymez Mahallesi Asri Marangoz Sokak No. 4 Edremit halen adresi meçhul.

Sağlık ve Yardım Bakanlığı vekili Avukat Cigdem Vural tarafından Vedia Candan ve Fatma Candan aleyhlerine açılan alacak davasının yapılan duruşması sonunda mahkememizden verilen 7/12/1976 tarihli karar davacı hazine vekili tarafından 29/12/1976 tarihli dilekçeyle temyiz edilmiş olduğundan yukarıda adresi yazılı davalıya temyiz dilekçesi yerine kaim olmak üzere tebliğ ve ilân olunur.

442

YSE 5. Bölge Müdürlüğünden :

1 — Bölgemize bağlı Eskişehir YSE Müdürlüğü ihtiyacı olan müh-telif cins sabit tesis yüksek gerilim elektrik malzemesi, 6200 sayılı Kanunun 34/4. maddesi esasları gereğince satın alınacaktır.

2 — Tahmini keşif bedeli 170.320,— (Yüzyetmişbintüçyüzümlü) TL. dir.

3 — İdari ve teknik şartname ile teklifnameler Bölgemiz İhale Komisyonundan alınabilir.

4 — Teklifler en geç 20/1/1977 günü saat 14.00 e kadar İhale Komisyonuna verilecektir.

5 — Muvakkat teminatı 7.500,— TL. dir.

6 — İhale 20/1/1977 günü saat 15.00 te İzmir Caddesi İzmir Pasajı ismi No. 8 de Bölge Merkezimizde yapılacaktır.

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Köy İşleri Bakanlığundan :

Kooperatifler Destekleme Genel Müdürlüğü'nün Merkez ve Taşra Kuruluşlarına Sınav ve Mülakatla naklen ve açıktan Teknik Eleman alınacaktır.

Sınıfı	Kadro Unvanı	Derecesi	Sayısı	Atama Yapılacak Yerler
T. H.	Etdüt-Arş. Pl. Pr. Müh. (İnşaat, Makine, Elektrik Yük. Müh. veya Müh.)	6	3	Genel Md. Hük. Merkez Teş.
T. H.	Etdüt-Plân Arş. Proje Müh. (Ziraat Yüksek Müh.)	8-7-5	12	» » » »
T. H.	İnşaat Teknisyeni	7	1	» » » »
T. H.	Teknik Ressam (Sanat Okulu Mez.)	8	1	» » » »
T. H.	Etdüt-Plân Arş. Proje Müh. (Ziraat Yüksek Müh.)	8-7-6	27	Taşra Teşkilatı
T. H.	Etdüt-Plân Arş. Proje Müh. (İnşaat Makine Yük. Müh. veya Müh.)	6	8	» » » »
T. H.	İnşaat Teknikeri	6	1	» » » »

1 — Ziraat Yüksek Mühendisine ihtiyaç duyulan iller öncelik sırasına göre;

Artvin (1), Urfa (2), Kars (2), Muş (2), Diyarbakır (2), Elâzığ (2), Van (2), Erzurum (2), Sivas (1), Kastamonu (2) Malatya (1), Yozgat (2), Hakkâri (2), Kırşehir (2), Erzincan (1), Giresun(1).

2 — İnşaat Yüksek Mühendisi veya Mühendisine ihtiyaç duyulan iller :

Diyarbakır (1), Van (1), Erzurum (1), Sivas (1).

3 — Makine Yüksek Mühendisi veya Mühendisine ihtiyaç duyulan iller :

Elâzığ (1), Van (1), Kastamonu (1), Diyarbakır (1).

4 — İnşaat Teknikeri Hakkâri (1)

ŞARTLAR

1. Sınavla girecekler 657 sayılı Devlet Memurları Kanununun değişik 48. maddesindeki şartları taşıyacaklardır.

2. 5. derece kadrolara müktesep hakları 5. derece olanlar atanabilecekler.

3. Yazılı sınavda başarı sağlayanlar ile naklen mülakatla alınacaklara mülakat tarihleri ayrıca bildirilecektir.

4. Sınav veya mülakata gireceklerin en geç 31/1/1977 tarihinde saat 12.00 ye kadar Genel Müdürlüğe baş vurmaları gerekir.

5. Sınav 31/1/1977 tarihinde saat 14.00 de Kavaklıdere Cinnah Caddesi 16 No. daki Genel Müdürlük binasının 7. katında yapılacaktır.

6. Başvuranlar Genel Müdürlükten alacakları iş isteme formunu dolduracak ve forma öğrenim belgesi veya Noterden onanmış sureti, nüfus cüzdanı veya yetkililerce onanmış sureti, Savcılıktan alınmış iyi hâl kâğıdı, iki fotoğraf ekliyeceklerdir. Formun üst köşesine de bir fotoğraf yapıştırılacaktır.

7. Duyuru tarihinden önce yapılan bütün müracaatlar dikkate alınmayacaktır.

8. Sınav ve mülakata girebilmek için giriş belgesi almak gereklidir.

9. Postadaki gecikmeler kabul edilmeyecektir.

10. Atama yapılacak yukarıda belirtilen pozisyonlara yan ödeme karamamesinde miktarlar üzerinden yan ödeme verilecektir.

11. Müracaatçılar duyurudaki tayin yerlerinden tayinlerini istedikleri iller dilekçelerinde belirteceklerdir.

12. Yarışma sınavı ihtiyaçtan fazla müracaat olduğu takdirde açılacaktır.

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Çemişgezek Asliye Hukuk Hâkimliğinden :

1976/181

Maliye Hazinesinin Çemişgezek Koçlu Köyünden Beyze Biçici aleyhine açmış olduğu Koçlu Köyü 55 parsel sayılı taşınmazın mülkiyetin tespiti davasının yapılan yargılamasında :

Yukarıda adı geçen davalı adresinde bulunamadığından ilân yolu ile dava dilekçesi özetinin ve duruşmaya çağırılmasına karar verilmiştir.

Yukarıda adı geçen davalının 25/2/1977 günü saat 10.15 de mahkemede hazır bulunması veya kendisine temsil edecek kanunî bir vekil göndermesi ilân olunur.

1976/342

Maliye Hazinesi tarafından Çemişgezek Koyunardı Köyünden Süder Çelik ve hissedarları aleyhine açılan mülkiyetin tespiti davasında,

Davalı adresinde bulunamadığından ilânen tebliğat yapılmasına karar verilmiştir.

Davalı Süder Çelik 25/3/1977 günü yapılacak olan duruşmada hazır bulunması veya kendisini kanunî bir vekille temsil ettirmesi aksi halde hakkında gıyap kararı çıkarılacağı ilân olunur. 340

1976/216

Maliye Hazinesinin davalılar Çemişgezek Koçlu Köyünden Ali Rıza Ergüzel, Kemal Ergüzel, Salık Ergüzel, Hıdır Ergüzel, Elif Ergüzel, haklarında Koçlu Köyü 69 parsel sayılı taşınmazın mülkiyetinin tespiti hakkında açmış olduğu davanın yapılan yargılamasında :

Davalılar adreslerini terk etmiş olduklarından dava dilekçesi özetinin ve duruşma gününün ilân yolu ile adı geçenlere tebliğine karar verilmiştir.

Yukarıda adı geçen davalıların 25/2/1977 günü saat 10.00 da mahkemeye gelmeleri ve kendilerini temsil edecek kanunî bir vekil göndermeleri ilân olunur. 341

1976/180

Maliye Hazinesi vekili tarafından Çemişgezek Koçlu Köyünden Halil Biçici aleyhlerine açılan mülkiyetin tespit davasının duruşmasında davalı adresinin bulunmadığından ilânen davetiye tebliğine karar verilmiş olduğundan davalının 18/2/1977 Cuma günü saat 10.00 da mahkemeye gelmesi veya kendisini kanunî bir vekille temsil ettirmesi aksi halde adına gıyap davetiyesi çıkarılacağı davetiye yerine kaim olmak üzere ilânen tebliğ olunur. 342

1976/211

Maliye Hazinesinin Çemişgezek Kışlak Köyünden Haşım, Hüseyin, İsmail, Veysel, Bezar, Besi, Elif Öztürk ve Hatice Kaya'ya ait Kışlak Köyü 71 ve 249 sayılı parsellerin mülkiyetin tespiti davasının yapılan yargılamasında :

Yukarıda adı geçen davalıların adresleri bilinemediğinden ilân yolu ile dava dilekçesinin tebliğine vedurushmaya çağrılmalarına karar verilmiştir.

25/2/1977 günü saat 9.45 de mahkemeye gelmeleri veya kendilerini kanunî bir vekille temsil ettirmeleri ilân olunur. 343

1976/290

Maliye Hazinesinin davalılar Sakyol Köyünden Salim Bayrak, Mustafa Özcan, Rifat Özcan, Sabiha Öztürk aleyhlerine açmış olduğu mülkiyetin tespiti davasının yapılan yargılamasında :

İlân yolu ile davetiye tebliği yapılan davalıların duruşmaya gelmedikleri ve kendilerini temsil edecek kanunî bir vekilde göndermedikleri nedeniyle adı geçen davalılara ilân yolu ile gıyap davetiyesi tebliğine karar verilmiştir.

8/2/1977 günü saat 9.40 da mahkemeye gelmeleri veya kendilerini kanunî bir vekille temsil ettirmeleri aksi halde duruşmanın gıyablarında yürütüleceği gıyap kararı yerine kaim olmak üzere ilân olunur. 344

1976/178

Maliye Hazinesinin Çemişgezek Koçlu Köyünden İbrahim Ergüzel hakkında Mahkememize açmış olduğu Koçlu Köyü 3 ve 251 parsel sayılı taşınmazların mülkiyetinin tespiti davasının yapılan duruşmasında :

Yukarıda adı geçen davalı adresinde bulunmadığından ilân yolu ile davadilekçesi özetinin tebliği ile duruşmaya çağırılmasına karar verilmiştir.

Adı geçen davalının 18/2/1977 günü saat 10.30 da mahkemeye gelmesi veya kendisini kanunî bir vekille temsil ettirmesi ilân olunur. 345

Çemişgezek Asliye Hukuk Hâkimliğinden :

1976/184

Maliye Hazinesinin davalı Çemişgezek Koçlu Köyünden Hasan Basri İşmiş aleyhine açmış olduğu Koçlu Köyü 196 ve 369 parsel sayılı taşınmazların mülkiyetinin tespiti hakkındaki davanın yapılan duruşmasında :

Yukarıda adı geçen davalının adresi bilinmediğinden ilân yoluyla dava dilekçesi özetinin tebliği ve duruşmaya çağırılmasına karar verilmiştir.

18/2/1977 günü saat 10.05 de mahkemeye gelmesi veya kendisini kanunî bir vekille temsil ettirmesi ilân olunur. 346

1976/215

Maliye Hazinesi vekili tarafından Çemişgezek Koçlu Köyünden Hasan Turabi, Yetir Beçici, Güllü Ertürk aleyhlerine açılan mülkiyetin tespit davasının duruşmasında davalılar adreslerinde bulunmadığından ilânen davetiye tebliğine karar verilmiş olduğundan davalıların 25/2/1977 günü saat 9.25 de mahkemeye gelmeleri veya kendilerini kanunî bir vekille temsil ettirmeleri aksi halde adlarına gıyap davetiyesi çıkarılacağı davetiye yerine kaim olmak üzere ilânen tebliğ olunur. 347

1976/213

Maliye Hazinesinin davalılar Çemişgezek Koçlu Köyünden Beyze Aydın, İbrahim Aydın, Niyazi Aydın, Hasan Aydın aleyhlerine Koçlu Köyü 17 sayılı parselin mülkiyetinin tespiti hakkında açmış olduğu davanın yapılan yargılamasında :

Davalıların adresleri bilinemediğinden ilân yolu ile dava dilekçesi özetinin tebliğine ve duruşmaya çağrılmalarına karar verilmiştir.

18/2/1977 günü saat 10.25 de duruşmaya gelmeleri veya kendilerini kanunî bir vekille temsil ettirmeleri ilân olunur. 348

1976/177

Maliye Hazinesi vekili tarafından Çemişgezek Koçlu Köyünden İsmail Ergüzel aleyhine açılan mülkiyet tespit davasının duruşmasında davalı adresinin bulunmadığından ilânen davetiye tebliğine karar verilmiş olduğundan davalının 25/2/1977 günü saat 9.00 da mahkemeye gelmesi veya kendisini kanunî bir vekille temsil ettirmesi aksi halde adına gıyap davetiyesi çıkarılacağı davetiye yerine kaim olmak üzere ilânen tebliğ olunur. 349

1975/295

Maliye Hazinesinin Çemişgezek Koyunardı Köyünden Cemile, Nazır, Necati, Güllü, Mürtüvvet, Emine, Behiye Özer, Fahriye Özsan, M. Kemalettin Alaşık aleyhlerine açmış olduğu mülkiyetin tespiti davasının yapılan duruşmasında :

Adı geçen davalılara ilân yolu ile gıyap davetiyesinin tebliğine karar verilmiştir.

8/2/1977 günü saat 9.30 da mahkemeye gelmeleri veya kendilerini temsil edecek bir vekil göndermeleri aksi halde duruşmaların gıyablarında yürütüleceği ilân olunur. 350

1975/285

Maliye Hazinesinin davalı Çemişgezek Sakyol Köyünden İbrahim Öztürk aleyhine açılan mülkiyetin tespiti davasının yapılan duruşmasında : Adresi bilinmeyen davalıya ilân yolu ile gıyap davetiyesi tebliğine karar verilmiştir.

Yukarıda adı geçenin 8/2/1977 günü saat 9.40 da mahkemeye gelmesi veya kendisini kanunî bir vekille temsil ettirmesi aksi halde gıyabında duruşmaya devam edileceği ilân olunur. 351

1975/337

Maliye Hazinesi vekili tarafından Çemişgezek Koyunardı Köyünden Ahmet Ekici, Afife Aslan ve müşterekleri aleyhine açılan mülkiyetin tespiti davasında :

Adı geçen davalılar adreslerinde bulunamamış davetiye ilânen tebliğine rağmen duruşmaya gelmemiş olduklarından adlarına gıyap davetiyesi çıkarılmasına karar verilmiştir.

Adı geçen davalılar 18/2/1977 Cuma günü saat 9.25 de mahkemeye gelmeleri veya kendilerini kanunî bir vekille temsil ettirmeleri aksi halde gıyaplarında duruşmaya devam olunacağı gıyap davetiyesi yerine kaim olmak üzere ilân olunur. 352

Türkiye Cumhuriyet Merkez Bankası A. Ş. :

7 Ocak 1977 Vaziyeti					
A K T İ F			P A S İ F		
	T. Lirası	T. Lirası		T. Lirası	T. Lirası
Altın mevcudu (Uluslararası standartta)			Tedavüldeki Banknotlar :		53.891.705.337,5
Serbest Safi Kg.	107.821.314	2.048.997.433,30	Döviz alacaklıları (Konvertibl) :		1.894.520.190,2
Merhun » »	—	2.048.997.433,30	Mevduat :		
Döviz borçluları (Konvertibl) :		15.604.632.517,08	A-Resmî mevduat :		
Ufaklık para :		64.791.408,81	a) Hazine ve genel bütçeli		
Dahildeki muhabirler :			İdareler	329.408.223,12	
Resmî bankalar	7.865.227,21		b) Kat. Büt. İda.	806.097.124,08	
Diğer bankalar	33.122,11	7.898.349,32	c) İktis. devlet teşekkülleri	140.755.365,73	
Reeskont ve senet üzerine avans :			d) Diğer amme müesseseleri	235.453.500,98	
A- Hazine kefaletini haiz bo-			e) Sair	277.360.158,41	1.789.074.372,32
nolar :			B- Bankalar :		
a) Katma bütçeli idareler ...	7.000.000.000,—		a) Resmî bankalar	442.415.624,26	
b) İktisadi devlet teşekkülleri:			b) Diğer bankalar	2.747.326.505,66	
1 — Toprak Mahsulleri Ofisi			c) Yurt dışındaki Ban.	152.882,95	
Hububat alımları finans 12.025.000.000,—			d) Bankalar tasfiye fonu (153	—,—	
2 — Diğer	16.551.301.679,92	35.576.301.679,92	S. Kanun)		
B- Ticarî senetler :			e) Mevduat karşılıkları (1211		
a) İktisadi devlet teşekkülleri:	879.833.809,13		'S. Kanun Mad. 40)	35.521.185.579,56	38.711.080.592,43
b) Özel sektör senetleri			C- Muhtelif :		
1 — T. C. Ziraat Bankası'na			a)	366.613.279,98	
ibraz edilen Tarım Satış			b) Diğer	515.263.875,53	881.877.155,51
Kooperatifleri Birlikleri			D- Milletlerarası müesseseler		
senetleri	14.405.574.385,89		ve dış yardım karşılıkları:		
2 — Bankalarca ibraz edilen			Milletlerarası müesseseler	2.379.654.017,69	
diğer senetler	14.726.569.834,48	30.011.978.029,50	Dış yardım karşılıkları :		
C- Ziraî senetler :			a) Amerikan yardım karşı-		
a) T. C. Ziraat Bankası'na			lıkları	7.365.207,95	
ibraz edilen senetler			b) Diğer yardım karşılıkları	—,—	2.387.019.225,64
1 — Tarım Kredi Kooperatif-			Altın alacaklıları :		
leri senetleri	2.247.056.730,40		Hazine Safi Kg.	97,467	1.852.227,
2 — Diğer ziraî senetler	132.823.672,35		Sermaye :		25.000.000,—
b) Diğer bankalarca ibraz			İhtiyat akçesi :		
edilen senetler	181.988.242,88	2.561.868.645,63	Adi ve fevkalâde	2.267.720.214,02	
Diğer avanslar :			Husulî (Bankamız Kanunu		
A- Hazineye kısa vadeli avans	23.767.300.000,—		madde 59)	6.381.945,57	
B- Tahvil üzerine avans			İleride vuku muhtemel za-		
a) Resmî bankalarca	5.695.203.800,—		rar. karşılığı (Bankalar Ka-		
b) Özel bankalara	16.639.343,75	5.711.843.143,75	nunu madde 35)	25.000.000,—	2.299.102.159,5
C- Altın ve döviz üzerine			Provizyonlar :		583.732.483,6
avans :			Muhtelif :		
a) Resmî sektör	—,—		a) Ödenecek senet ve hava-		
b) Özel sektör	142.360,59	142.360,58	leler	89.233.680,28	
D- Bankalar Tasfiye Fonu			b) Muhtelif karşılıklar (Ak-		
İkrazları (153 sayılı K.)		104.482.817,23	reditif ve iç istikraz kar.)	372.831.922,90	
E- Mevduat karşılıklarından :			c) Muhtelif mahiyette depo-		
a) Ziraî finansman (1211 S.			zitolar	11.736.878.246,—	
K. Mad. 40)	6.399.943.677,29		d) Döviz :		
b) Özel finansman (1789 S.			Hariçteki muhabirler	148.022.912,42	
K. M. 11 ve 1823 S. K. M.			Diğer döviz hesapları	70.083.029.641,04	70.231.052.553,46
70)	7.461.473.453,62	13.861.417.130,91	e) Sair hesaplar	9.574.349.456,37	92.004.345.859,0
Tahviller çizdani :			Yekûn		194.469.309.602,3
Devlet tahvilleri	59.804.100,—				
Diğer resmî tahviller	1.061.890,41				
Resmî bankalar tahvilleri	2.000.000,—				
Husulî bankalar tahvilleri	—,—	62.865.990,41			
İtfaya tabi hesaplar :					
Tahkim olunan alacaklarımız					
karşılığı Hazine tahvilleri					
(154 S. K. ve 1902 S. K. lar)		19.590.236.186,16			
Değerlendirme farkı karşılığı					
Hazine bonusu (65 S. K.					
madde 5)	94.212.318,66				
Tasfiyeye tabi tutulan alacak-					
larımız (1211 S. K. G. Mad. 5)		330.479.395,50			
1211 S. K. nun 61 Mad. Ger.					
değerlendirme farkı	417.040.000,—	20.431.967.900,32			
Gayrimenkuller ve demirbaş :		191.657.498,95			
Muhtelif :					
a) Altın : Uluslararası stan-					
dartta olmayan) Safi Kg.	3.208,327	60.969.885,17			
b) Döviz :					
Hariçteki muhabirler	224.566.765,84				
Diğer döviz hesapları	5.630.852.222,55	5.855.418.988,39			
c) Dahildeki özel bankalarla					
yapılan rûp. muameleleri	—,—				
d) Sair hesaplar	38.544.775.823,58	44.461.164.697,14			
Yekûn		194.469.309.602,85			

1 Ekim 1974 tarihinden itibaren :

Reeskont haddiyle avans işlemlerinde uygulanacak faiz oranları :

1 — Genel olarak	% 9,0
2 — İhracat, küçük sanayici, sanatkâr, esnaf ve esnaf teşekkülleri, belgeli ihracat hazırlık ve imalat, tarım kredilerinde	% 8,0
3 — Orta vadeli kredilerde :	
a) Genel olarak	% 10,5
b) Tarım kredilerinde	% 8,0
4 — Tahvil üzerine avans işlemlerinde	% 11,0
5 — Altın üzerine avans işlemlerinde	% 7,0

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PROJECT SUPPORT AGREEMENT

Between

THE REPUBLIC OF AUSTRIA

represented by

THE FEDERAL MINISTER OF ECONOMY, FAMILY AND YOUTH

and

NABUCCO GAS PIPELINE INTERNATIONAL GMBH

and

NABUCCO GAS PIPELINE AUSTRIA GMBH

Concerning

THE NABUCCO PIPELINE SYSTEM

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THIS AGREEMENT is entered into in the city of Kayseri in Turkey on 8 June 2011 between:

THE REPUBLIC OF AUSTRIA, represented by the Federal Minister of Economy, Family and Youth (the "**State**")

and

NABUCCO GAS PIPELINE INTERNATIONAL GMBH, a company organised and existing under the laws of Austria ("**Nabucco International Company**")

and

NABUCCO GAS PIPELINE AUSTRIA GMBH a company organised and existing under the laws of Austria ("**Nabucco National Company**")

(each a "**Party**" and together the "**Parties**").

WHEREAS, this Agreement is entered into in furtherance of the Intergovernmental Agreement between the states of the Republic of Turkey, the Republic of Bulgaria, Romania, the Republic of Hungary and the Republic of Austria, dated 13 July 2009;

WHEREAS, the Companies wish to employ in the Nabucco Pipeline System generally recognised international technical and environmental standards for the Transmission of Natural Gas in and across the Territory;

WHEREAS, the Companies intend to invest in the construction of the Nabucco Pipeline System, as well as to operate and utilise Capacity in the Nabucco Pipeline System, on the terms and conditions of inter alia this Agreement;

WHEREAS, the Nabucco National Company of Austria (which is a 100% subsidiary of Nabucco International Company) will own and, together with Nabucco International Company, be responsible for operating and maintaining the Nabucco Pipeline System within the Territory and shall transfer all Capacity rights in the Nabucco Pipeline System within the Territory to Nabucco International Company for onward sale and marketing;

WHEREAS, the State enters into this Agreement to promote the Nabucco Pipeline System and as far as possible protect investment in the Nabucco Pipeline System and in the Territory;

WHEREAS, with the intent to increase energy security by diversifying the routes of natural gas supply the State will support the Project not only within Austria but also in the region and in appropriate European forum;

WHEREAS, the State shall undertake all reasonable endeavours foreseen in this agreement in accordance with its legislation;

WHEREAS, the current legislation of the Republic of Austria already gives the Companies the possibility to satisfy certain requirements they have for the implementation of the Project to the extent described below.

THE PARTIES HAVE AGREED that they shall implement and comply with the provisions of the Intergovernmental Agreement and the further terms set out as follows:

PART I DEFINITIONS AND SCOPE OF THE AGREEMENT

ARTICLE 1 DEFINITIONS AND INTERPRETATION

Capitalised terms used in this Agreement (including the Preamble), and not otherwise defined herein, shall have the following meaning:

"Affiliate" shall mean, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with that Person. For the purposes of this definition, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of a majority or other controlling interest in the voting securities, equity or other ownership interest in an Entity, by law, or by agreement between Persons conferring such power or voting rights, or by any other lawful means.

"Agreed Interest Rate" shall mean for each day of an Interest Period with respect to any amount due and payable under or pursuant to this Agreement, interest at the rate per annum equal to 2% (two percent) plus EURIBOR for the relevant currency in effect on the Business Day immediately preceding the first day of the Interest Period. For the purposes of this definition, "Interest Period" shall mean a period of thirty (30) days, beginning the first day after the date on which any such amount becomes due and payable and ending thirty (30) days thereafter, with each succeeding Interest Period beginning on the first day after the last day of the Interest Period it succeeds unless this would be contrary to National Laws in respect of compound interest, in which case it shall mean interest (calculated on a daily basis from the first day after the date on which any such amount becomes due and payable but not compounded) at the rate per annum equal to 2.5% (two point five percent) plus EURIBOR for the relevant currency in effect on the Business Day before date on which any such amount becomes due and payable.

"Agreement" shall mean this Project Support Agreement, including any appendices attached hereto, as the same may be amended or otherwise modified or replaced at any given moment in time in accordance with its terms.

"Business Day" shall mean any day on which clearing banks are customarily open for business in Vienna.

"Capacity" shall mean capacity in all or a portion of the Nabucco Pipeline System for the Transmission of Natural Gas.

"Change of Law" shall mean, in relation to the Republic of Austria, any of the following which arises or comes into effect after the date of this Agreement:

- (i) any international or domestic legislation, directive, order, enactment, decree, or regulation (including any which relate to Taxes); or
- (ii) any change to any of the foregoing (including changes resulting from amendment, repeal, withdrawal, termination, expiration or any change in the generally applied interpretation of any of the foregoing).

"Companies" shall mean both the Nabucco International Company and the Nabucco National Company, and "Company" shall mean either of them.

"Company Representative(s)" shall mean the representative(s) appointed by the Companies pursuant to Article 24.2.

"Construction Corridor" shall for the purposes of this Agreement mean an area of land extending from the border between the Republic of Austria and the Republic of Hungary to

Baumgarten, within which the centreline of the Pipeline Corridor will be located, and such other areas determined by Nabucco National Company as reasonably as necessary to conduct the Project Activities in accordance with the National Laws. The Construction Corridor will be defined with respect to certain width (in metres) and along a specified preferred route, as notified by the Nabucco National Companies and approved by the State.

"Contractor" shall mean any Person supplying directly or indirectly, whether by contract or subcontract, goods, work, technology or services, including financial services (including inter alia, credit, financing, insurance or other financial accommodations) to the Operating Company, Companies, or their Affiliates in connection with the Nabucco Pipeline System to an annual or total contract value of at least €100,000, excluding however any natural person acting in his or her role as an employee of any other Person.

"Contractual Congestion" shall mean a situation where the level of firm Capacity demand exceeds the technical Capacity (all technical Capacity is booked as firm Capacity).

"Convertible Currency" shall mean a currency which is widely traded in international foreign exchange markets.

"Costs" shall mean, in relation to any Discriminatory Change of Law, any new or increased cost or expense, or any reduction in revenue or return, directly resulting from, or otherwise directly attributable to, that Change of Law, which is incurred or suffered (whether directly or through the intermediary of any Operating Company) in connection with the Project by any Company or any Project Participant. Such costs or expenses may include:

- (i) capital costs;
- (ii) costs of operation and maintenance; or,
- (iii) costs of taxes, royalties, duties, imposts, levies or other charges imposed on or payable by the Company.

"Discriminatory Change of Law" shall mean any Change of Law which:

- (i) discriminates against any of the Companies or its business or operations in relation to the Nabucco Project;
- (ii) applies to the Nabucco Project and not to similar projects;
- (iii) applies to any of the Companies and not to other similar companies;
- (iv) applies to businesses financed in a similar way to the Nabucco Project and not to other businesses;
- (v) affects businesses carrying out activities in the transit pipeline sector to a greater extent than it affects other businesses; or
- (vi) renders any material obligation of the State under this Agreement or any Project Agreement void or unenforceable,

provided that there is no reasonable cause for the Change of Law on the basis of the general constitutional principles of the Republic of Austria.

"Dispute" shall have the meaning ascribed at Article 35.1.

"Economic Equilibrium" shall mean the economic value to either Company or the Companies (as applicable) of the relative balance established under Project Agreements at the applicable date between the rights, interests, exemptions, privileges, protections and other similar benefits provided or granted to such Person and the concomitant burdens, costs, obligations, restrictions, conditions and limitations agreed to be borne by such Person.

"Energy Charter Treaty" shall mean the Energy Charter Treaty as opened for signature in Lisbon on 17 December 1994.

"Entity" shall mean any company, corporation, limited liability company, joint stock company, partnership, limited partnership, enterprise, joint venture, unincorporated joint venture, association, trust or other juridical entity, organisation or enterprise duly organised under the laws of any country.

"EURIBOR" shall mean on any day when banks are customarily open for business in Vienna the percentage rate per annum determined by the Banking Federation of the European Union for twelve (12) months Euro deposits displayed on the appropriate page of the Reuters screen as of 12.00 (Central European Time) on the relevant date; or, if the Reuter's EURIBOR page ceases to be available or ceases to quote such a rate, then as quoted in the London Financial Times, or if neither such source is available or both cease to quote such a rate, then such other source, publication or rate selected by the Parties.

"EURO" shall mean the currency of the Member States participating in the European Economic Monetary Union.

"Expropriation" shall have the meaning ascribed at Article 30.1.

"Force Majeure" shall have the meaning ascribed at Article 28.

"Freely Convertible Currency" shall mean any freely convertible currency (other than the Local Currency) which is widely traded in international foreign exchange markets and widely used in international transactions, including but not limited to EURO/US Dollar.

"Initial Entry Points" shall mean the starting points of the Project at any three points on the eastern or southern land borders of the Republic of Turkey as selected by Nabucco International Company, and, subject to agreement by the Nabucco Committee in consultation with Nabucco International Company, any other point at the eastern or southern Turkish border. The exact location of the Initial Entry Points at the respective borders is subject to the standard permitting and related authorisation procedures of the Republic of Turkey.

"Initial Operation Period" shall mean the period of twenty-five (25) Years from the date on which the Nabucco Pipeline System is complete and enters commercial operation.

"Insurer" shall mean any insurance company or other Person providing insurance cover for all or a portion of the risks in respect of the Nabucco Pipeline System, Project Activities, or any Project Participant, and any successors or permitted assignees of such insurance company or Person.

"Interest Holder" shall mean, at any time: (i) any Company or any Other NNC; (ii) any Person holding any form of equity or other ownership interest in any Company or Other NNC or Operating Company, together with all Affiliates of any Person referred to in (i) and (ii) above.

"Intergovernmental Agreement" shall mean that Agreement among the Republic of Austria, the Republic of Bulgaria, the Republic of Hungary, Romania and the Republic of Turkey regarding the Project, dated 13 July 2009, together with its appendices as set forth therein, including as such agreement may be extended, renewed, replaced, amended or otherwise modified at any given moment in time in accordance with its terms.

"Land Rights" shall mean all those rights, licences, consents, permits, authorisations or exemptions in accordance with the applicable legislation with respect to land in the Territory of the Republic of Austria which grant such free and unrestricted rights, access and title which may include but not be limited to examination, testing, evaluation, analysis, inspection, ownership, construction, use, possession, occupancy, control, assignment and enjoyment with respect to land in the Territory as are required to carry out the Project Activities. The term is used in its broadest sense to refer not only to the Pipeline Corridor within, over or under which the Nabucco Pipeline System, as completed, will be located, but also such other and additional lands and land rights within the Territory as either Company as the case may be may reasonably require for purposes of evaluating and choosing the particular routing and location(s) desired by the Companies for the Nabucco Pipeline System.

"Lender" shall mean any financial institution or other Person providing any indebtedness, loan, financial accommodation, extension of credit or other financing to any Interest Holder, in connection with the Nabucco Pipeline System (including any refinancing thereof).

"Local Currency" shall mean any currency which is legal tender within the territory of Austria.

"Loss or Damage" shall mean any loss, cost, injury, liability, obligation, expense (including interest, penalties, attorneys' fees and disbursements), litigation, proceeding, claim, charge, penalty or damage suffered or incurred by a Person.

"Nabucco Committee" shall mean the committee established pursuant to Article 12.1 of the Intergovernmental Agreement.

"Nabucco Pipeline System" shall mean the expressly constructed Natural Gas pipeline system (including in respect of each Territory, the pipeline and laterals for the transportation of Natural Gas within and/or across the Territory, and all below and above ground or seabed installations and ancillary equipment, together with any associated land, pumping, measuring, testing and metering facilities, communications, telemetry and similar equipment, all pig launching and receiving facilities, all pipelines, and other related equipment, including power lines, used to deliver any form of liquid or gaseous fuel and/or power necessary to operate compressor stations or for other system needs, cathodic protection devices and equipment, all monitoring posts, markers and sacrificial anodes, all port, terminalling, and all associated physical assets and appurtenances (including roads and other means of access and operational support) required at any given moment in time for the proper functioning of any and all thereof), that connects the Initial Entry Points to Baumgarten in the Republic of Austria and with a maximum designed Capacity of 31 bcm/a, which will be constructed, owned and operated in accordance with private law agreements concluded between the Nabucco International Company and the Nabucco National Companies or by any of these companies inter se or with third parties (together with any arrangements for the use by the Nabucco International Company of other Capacity which are contemplated under Article 9 of the Intergovernmental Agreement and the Annex thereto and in the appendix to this Agreement), and the transportation Capacity of which in all cases will be marketed and managed by Nabucco International Company, subject to the terms of this Agreement and the applicable Project Agreements.

"National Laws" shall mean the laws applicable in the Territory of the Republic of Austria.

"Natural Gas" shall mean any hydrocarbons or mixture of hydrocarbons and other gases consisting primarily of methane which at a temperature of 15 degrees Celsius and at atmospheric pressure (1.01325 bar absolute) are or is predominantly in gaseous state.

"Nomination" shall mean the prior reporting by the Shippers to Nabucco International Company or Operating Company of the amount of their Reserved Capacity that they wish to use in the Nabucco Pipeline System.

"One-Stop-Shop Shipper Access" shall mean a situation where Shippers have only one contractual relationship with Nabucco International Company for Natural Gas Transmission services between the relevant entry point and exit point.

"Open Season" shall mean the process adopted by Nabucco International Company to allocate to the Shippers the Capacity in the Nabucco Pipeline System and that is consistent with Article 8 of this Agreement.

"Operating Company" shall mean, pursuant to Article 25, the Person or Persons responsible at any given moment in time for the operation and maintenance of all or any portion of the Nabucco Pipeline System, whether as an agent for or Contractor to the Companies or their Affiliates or otherwise, and any successor or permitted assignee of any such Person. For the avoidance of doubt, where no Person or Persons has or have been appointed by the Companies or their Affiliates in this capacity, the Nabucco National Company shall be the Operating Company.

"Other NNC" shall mean one of the four subsidiaries of Nabucco International Company established or to be established in one of the Other States which enters into a project support agreement with that state pursuant to Article 3.5 of the Intergovernmental Agreement.

"Other States" shall mean all states mentioned in the first recital other than the Republic of Austria.

"Permanent Establishment" shall have the meaning set out in the relevant Double Tax Treaty. If no such treaty exists then "Permanent Establishment" shall have the same meaning as in the most recent version as at the date of execution hereof of the Model Tax Convention on Income and Capital of the Organisation for Economic Co-operation and Development.

"Person" shall mean any natural person or Entity, whether of a public or private nature.

"Pipeline Corridor" shall mean an area of land within the Construction Corridor that is 12 metres wide (but shall widen to the extent necessary to accommodate ancillary pipeline facilities), all to be notified by the Companies and approved by the State.

"Project" shall mean the development, evaluation, design, acquisition, construction, installation, ownership, financing, insuring, commercial exploitation, repair, replacement, refurbishment, maintenance, expansion, extension, operation, (including Transmission), protection and decommissioning and activities associated or incidental thereto, all in respect of the Nabucco Pipeline System (which shall not include any subsequent separate pipeline system constructed by the Companies or the Shareholders).

"Project Activities" shall mean the activities conducted by the Project Participants in connection with the Project.

"Project Agreement" shall mean any agreement, contract, licence, consent, permit, authorisation, exemption, lease, concession or other document, other than this Agreement and the Intergovernmental Agreement, to which, on the one hand, the State, any State Authority or State Entity and, on the other hand, any Project Participant, are, or later become, a party, which is in writing and which is relating to the Project Activities, as any such agreement, contract or other document may be extended, renewed, replaced, amended or otherwise modified at any given moment in time in accordance with its terms.

"Project Land" shall mean any interest in land, required by or granted to the Nabucco National Company for the conduct of Project Activities.

"Project Participant" shall mean any and all of each Company and each Other NNC, any Interest Holder, the Operating Companies, the Contractors, the Shippers, the Lenders and the Insurers.

"Reserved Capacity" shall mean the maximum flow, expressed in normal cubic meters per time unit, to which the Shipper is entitled in accordance with the provisions of the Transportation Contract.

"Shareholders" shall mean those Persons owning shares in Nabucco International Company at any given moment in time.

"Shipper" shall mean any Person (other than the Nabucco National Company or any Other NNC) which has a Transportation Contract with the Nabucco International Company for transportation of Natural Gas through all or any section of the Nabucco Pipeline System at any given moment in time.

"State" shall mean the Republic of Austria in its capacity as a contractor under private law, represented by the Federal Minister of Economy, Family and Youth (the latter referred to as the **"Federal Minister"**).

"states" shall mean collectively the Republic of Austria, the Republic of Bulgaria, the Republic of Hungary, Romania, and the Republic of Turkey.

"State Authority" shall mean any organ of the Republic of Austria at each level of authority, whether the organ exercises legislative, executive, judicial or any other state functions, and including, without limitation, all central, regional, municipal, local and judicial organs or any constituent element of such organs having the power to govern, adjudicate, regulate, levy or collect taxes, duties or other charges, grant licences, consents, permits, authorisations or exemptions or otherwise affect the rights and obligations of any Project Participants, their successors and permitted assignees, in respect of Project Activities.

"State Entity" shall mean any Entity in which, directly or indirectly, the Republic of Austria has a controlling equity or ownership interest or similar economic interest, or which the Republic of Austria directly or indirectly controls. For purposes of this definition, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of a majority or other controlling interest in the voting securities, equity or other ownership interest in an Entity, by law, or by agreement between Persons conferring such power or voting rights.

"Taxes" shall mean all existing and future levies, imposts, payments, fees, assessments, taxes, and charges payable to or imposed by the Republic of Austria, any organ or any subdivision of the Republic of Austria, whether central or local, or any other public body having the effective power to levy any such charges within the Territory, and "Tax" shall mean any one of them.

"Technical Capacity" shall mean the maximum firm Capacity that Nabucco International Company can offer to the Shippers, taking account of system integrity and operational requirements.

"Territory" shall mean, with respect to the Republic of Austria, the land territory of the Republic of Austria, and the air space above it over which the Republic of Austria has jurisdiction or exercises sovereign rights in accordance with public international law (and **"Territories"** shall mean such territory in respect of all of the states).

"Transmission" shall mean carriage of Natural Gas through the Territory of the State, that is effected subject to relevant domestic and international obligations either: (i) pursuant to the rules relating to "transit" as defined in Article 7(10)(a) of the Energy Charter Treaty; or (ii) pursuant to the Gas Directive 2003/55/EC / Directive 2009/73/EC respectively (in the territory of the State Parties that are member states of the EU).

"Transportation Contract" shall mean any commercial agreement (and any agreement or document entered into pursuant thereto) between Nabucco International Company and a Shipper for the Transmission of Natural Gas through the Nabucco Pipeline System.

"Year" shall mean a period of twelve (12) consecutive months, according to the Gregorian calendar, starting on 1 January, unless another starting date is indicated in the relevant provisions of this Agreement.

Unless the context otherwise requires, reference to the singular includes a reference to the plural, and vice-versa, and reference to either gender includes a reference to both genders. Reference to any Person under this Agreement shall include reference to any successors or permitted assignees of Person.

Unless otherwise stated herein, a reference to any agreement, treaty, statute, statutory provision, subordinate legislation, regulation or other instrument is a reference to it as it is in force at any given moment in time in the Republic of Austria, taking account of any amendment, replacement or re-enactment. All references to the "knowledge" or "awareness" and synonymous terms shall, unless the contrary is expressed, be deemed to refer to actual rather than to constructive or imputed knowledge. *Amtshaftungsgesetz, Ausländerbeschäftigungsgesetz, Burgenländisches Feuerwehrgesetz, Burgenländisches Katastrophenhilfegesetz, Gaswirtschaftsgesetz, Niederlassungsgesetz- und Aufenthaltsgesetz, Niederösterreichisches Feuerwehrgesetz, Niederösterreichisches Katastrophenhilfegesetz, and Staatsgrundgesetz* mean the statutes of the same name promulgated in the Republic of Austria.

ARTICLE 2 EFFECTIVE DATE AND DURATION

1. Provided this Agreement has been signed, it shall enter into force on 8 June 2011.
2. Subject to earlier termination in accordance with Article 31, this Agreement shall terminate upon the expiration of all Project Agreements and the conclusion of all activities thereunder in accordance with their terms, subject to a maximum term of fifty (50) Years (unless extended by an additional term of ten (10) Years by mutual agreement of the Parties).

ARTICLE 3 AUTHORITY

Each of the State and the Companies has the necessary legal authority to make all commitments contained in this Agreement.

ARTICLE 4 RELATIONSHIP TO OTHER AGREEMENTS

1. The Parties agree that each Company shall be regarded as an "Investor" in the sense of Article 1(7) of the Energy Charter Treaty and that the Project shall be regarded as an "Investment" in the sense of Article 1(6) of the Energy Charter Treaty.
2. Nothing in this Agreement or any of the Project Agreements shall deprive any Party or the Shareholders of its rights or any remedy to which it may be entitled under the Energy Charter Treaty or any other international treaties.

ARTICLE 5 GENERAL COMMITMENT

1. Nothing in this Agreement shall oblige the State to take any measures or enact any laws or decrees (or to refrain from doing so) or to take any other steps or to maintain the benefits conferred on the Project Participants under this Agreement to the extent that it can demonstrate that this would be incompatible with its obligations under national and international laws, treaties or the European Community legal framework, and that it has used all reasonable endeavours within its powers to avoid, obtain an exception from or otherwise overcome the incompatibility, or to achieve the required result by other permitted means.
2. In addition, the State will not take any initiatives that may jeopardise the Project.
3. Furthermore and given the Parties' shared interest the State will undertake all reasonable endeavours to support the Project.
4. The State shall in so doing have due regard, where relevant, to the Companies' need to satisfy the specific requirements set out in this Agreement.
5. The State hereby for the purposes of this Agreement acknowledges the commitments of the Republic of Austria under the relevant Articles of the Intergovernmental Agreement specified in this Agreement.

PART II GENERAL OBLIGATIONS

ARTICLE 6 COOPERATION

1. The Parties shall cooperate fully in connection with the Project Activities.
2. The State agrees that such cooperation shall include engaging in such discussions within Austria as it considers appropriate with representatives of Lenders, export credit agencies (and other providers of loan finance or guarantees) about the development of the Project and the process of securing financing for the Project. This Article 6.2 imposes no obligations on the State regarding the outcome of any such discussions.
3. For the avoidance of doubt, this Article does not oblige the State to finance the Nabucco Project or to accept financial liabilities with regard to the Nabucco Project.

ARTICLE 7 COMMITMENTS WITH RESPECT TO PROJECT AGREEMENTS

The Companies require the timely performance of the obligations arising from any Project Agreements entered into by the State, and the State notes that the provisions of the National Laws give the Companies the possibility (in accordance with the requirements of those laws) to enforce this.

ARTICLE 8 REGULATORY DETAILS AND FREEDOM OF TRANSIT

1. The Parties acknowledge the exemption¹ from the provisions under National Law implementing Articles 18 and 25 (2), (3) and (4) of the Directive 2003/55/EC granted by the State Authority and approved by the European Commission to the Nabucco International Company.

In accordance with the exemption referred to above, for a period of 25 Years from the date where the first construction stage of the Nabucco Pipeline System is put into initial operation, in respect of the Nabucco Pipeline System the relevant State Authority has, in that exemption, given effect to the two following regulatory permissions on the basis of the requirements set out in Articles 8.1.1 to 8.1.3 below, which permissions and requirements are as detailed in the appendix to this Agreement, namely:

- a. fifty percent (50%) of the maximum available total technical annual Transmission Capacity in the Nabucco Pipeline System, but not more than 15 bcm/Year in the event of a final expansion of Capacity to 31 bcm/Year, shall initially be offered to, and if accepted, reserved by the Shareholders, or their Affiliates or transferees provided that the remaining Capacity will be offered in a transparent, objective and non-discriminatory procedure for Shipper access; and
- b. pursuant to the tariff methodology defined in the appendix to this Agreement, Nabucco International Company may determine a stable tariff to attract financing and Shippers' commitments; the determination of the applicable tariffs derived from such methodology shall be in the discretion of Nabucco International Company.

Having regard to the fact that exemptions from Articles 18 and 25 (2), (3) and (4) of the Directive 2003/55/EC of the European Parliament and of the Council of 26 June 2003 concerning common rules for the internal market in natural gas and repealing Directive

¹ Decree by Energie Control Kommission dated 9 April 2008, K NIS G 1/07, modified by decree dated 26 Nov 2008, K NIS G 1/08.

98/30/EC have been requested from the Republic of Austria before the entry into force of the Intergovernmental Agreement, and noting that the Republic of Austria has, in accordance with that Directive, granted the respective exemptions and notified them to the European Commission, the State will have entirely satisfied its obligations under this Article 8.1.

1. The Capacity in the Nabucco Pipeline System shall be allocated by way of an Open Season or other transparent, objective and non-discriminatory allocation procedures. Further to the allocation procedures, the relevant State Authority shall be informed of the results of these procedures.
2. A mechanism for the release of unutilised Capacity shall be implemented in order to prevent the hoarding of such Capacity by Shippers, in accordance with the exemption referred to above.
3. Long-term binding Capacity requests for the Nabucco Pipeline System, necessitating the build-up of the Project up to its final maximum Transmission Capacity, are to be satisfied provided that this build-up is technically possible, economically feasible and that the binding Capacity requests amount to at least 1.0 bcm/Year. The Companies require that the State facilitates the compliance of Nabucco International Company with possible regulatory obligations foreseen by relevant State Authorities to build additional Capacity.

The Companies require that the Capacity of the Nabucco Pipeline System within the State, including any Capacity leased by Nabucco International Company or made available to it, is marketed on the basis of a One-Stop-Shop Shipper Access.

2. The State acknowledges the commitment of the Republic of Austria under Article 5 of the Intergovernmental Agreement to use its best endeavours to extend the protections set out in Article 7 of the Intergovernmental Agreement to any pipelines and attendant technical facilities to be used by Shippers for the Transmission of Natural Gas within the Territory to the Nabucco Pipeline System and that the Nabucco Committee may determine, where necessary, which pipelines are covered by this Article. The State notes that the provisions of the National Laws already apply in relation to this and will notify the Companies of any further measures that it may decide are necessary pursuant thereto.
3. The State acknowledges the commitment of the Republic of Austria under Article 4.1 of the Intergovernmental Agreement that no discriminatory requirements or obligations will be applied to pipeline owners or operators who obtain or seek to obtain connections for their Natural Gas pipelines to the Nabucco Pipeline System or to Shippers who obtain or seek to obtain transportation services via the Nabucco Pipeline System and notes that the State may establish a limit to the application of Article 8.3 in order to address duly substantiated national security concerns which shall be presented to the Nabucco Committee. The State notes that the provisions of the National Laws already apply in relation to this and will notify the Companies of any further measures that it may decide are necessary pursuant thereto.
4. The State acknowledges the commitment of the Republic of Austria under Articles 7.2 to 7.6 of the Intergovernmental Agreement and in particular, confirms pursuant thereto that except as specifically provided otherwise in writing, including in this Agreement, any Project Agreement, the State shall not, and shall neither permit nor require any State Entity or State Authority to, interrupt, curtail, delay or impede the freedom of transit of Natural Gas in, across, and/or exiting from the Territory through the Nabucco Pipeline System and shall take all measures and actions which may be necessary or required to avoid and prevent any interruption, curtailment, delay, or impediment of such freedom of transit (and any such event shall be an "interruption" for the purposes of this article, and

"interrupt" shall be construed accordingly) and the State shall not interrupt the Project Activities in the Territory, except as permitted under the Intergovernmental Agreement, provided always that:

- a. where there are reasonable grounds to believe that the continuation of the Project Activities in the Territory creates or would create an unreasonable danger or hazard to public health and safety, property or the environment, the State may interrupt Project Activities in its Territory but only to the extent and for the length of time necessary to remove such danger or hazard (and the Companies' obligations in respect of such removal shall be as established in accordance with the National Laws);
- b. save for any event or situation which is a consequence of operational maintenance or a consequence of any failure by a Company if any event occurs or any situation arises which there are reasonable grounds to believe threatens to interrupt Project Activities in the Territory (a "threat" for the purpose of this Article), the State shall use all lawful and reasonable endeavours to eliminate the threat; or
- c. save for any event or situation which is a consequence of operational maintenance or a consequence of any failure by a Company if any event occurs or any situation arises which interrupts Project Activities in the Territory the State shall immediately give notice to the Companies of the interruption, give all available details of the reasons, therefore, and shall use all lawful and reasonable endeavours to eliminate the reasons underlying such interruption and to promote restoration of such Project Activities at the earliest possible opportunity.

ARTICLE 9 POWERS AND EXECUTION OF AGREEMENT

The State notes that the Companies are entering into this Agreement on the basis that:

1. it has the power to make, enter into and carry out this Agreement and to perform its obligations under this Agreement and all such actions have been duly authorised by all necessary procedures on its part;
2. the execution, delivery and performance of this Agreement will not as far as the State is aware conflict with, result in the material breach of or constitute a material default under any of the terms of any treaty, agreement, decree or order to which it is a party or by which it or any of its assets is bound or affected; and
3. this Agreement has been duly and validly executed and delivered by it and constitutes a legal, valid and binding obligation upon it, enforceable in accordance with its terms.

ARTICLE 10 COMPANIES' REPRESENTATIONS AND WARRANTIES

Each Company represents and warrants severally and in respect of itself only that:

1. it is duly organised, validly existing and in good standing in accordance with the legislation of the jurisdiction of its formation or organisation, has the lawful power to engage in the business it presently conducts and contemplates conducting, and is duly licensed (or to the best of its knowledge is capable of being duly licensed and will in due course become duly licensed) or qualified and in good standing as a national or foreign corporation (as the

case may be) in each jurisdiction wherein the nature of the business transacted by it makes such licensing or qualification necessary;

2. it has the power to make, enter into and carry out this Agreement and to perform its obligations under this Agreement and all such actions have been duly authorised by all necessary procedures on its part;
3. the execution, delivery and performance of this Agreement will not conflict with, result in the breach of, constitute a default under or accelerate performance required by any of the terms of its formation or organisational documents or any agreement, decree or order to which it is a party or by which it or any of its assets is bound or affected;
4. this Agreement has been duly and validly executed and delivered by it and constitutes a legal, valid and binding obligation upon it, enforceable in accordance with its terms, except and to the extent that its enforceability may be limited by bankruptcy, insolvency, or other similar legal process affecting the rights of creditors generally;
5. there are no actions, suits, proceedings or investigations pending or, to its knowledge, threatened against it or any of its Affiliates, before any court, arbitral tribunal or any governmental body which individually or in the aggregate may result in any material adverse effect on its business or assets or its condition, financial or otherwise, or in any impairment of its ability to perform its obligations under this Agreement. Such Company has no knowledge of any violation or default with respect to any order, decree, writ or injunction of any court, arbitral tribunal or any governmental body which may result in any such material adverse effect or such impairment;
6. it has complied with all laws applicable to it such that it has not been subject to any fines, penalties, injunctive relief or criminal liabilities which, to its knowledge, in the aggregate have materially affected or may materially affect its business operations or financial condition or its ability to perform its obligations under this Agreement;
7. it keeps copies of books of account, originals or copies of contracts and copies of other files and records reasonably necessary to the Project Activities. Such files and records shall be available for inspection and audit by representatives of the State, unless otherwise mutually agreed, at the respective Company's principal office giving thirty (30) days' notice, on an annual basis for such period as may be required by National Law. All such books or accounts and other records shall be maintained in the currency of account for the relevant transaction and in accordance with generally accepted international accounting standards and the generally accepted accounting principles of the State.

ARTICLE 11 INSURANCE

1. With regard to insurance, each Company shall effect and maintain insurances as required by the *Gaswirtschaftsgesetz* and shall cause the Contractors and Operating Companies to effect and maintain insurance in such amounts and in respect of such risks related to the Project as are in accordance with the internationally accepted standards and business practices of the Natural Gas industry having due regard to the location, size and technical specifications of the Project Activities, subject at all times to availability, at commercially reasonable terms. Where available on such terms, such insurance shall, without prejudice to the generality of the foregoing, cover:
 - a. physical loss of or physical damage to all installations, equipment and other assets used in or in connection with the Project Activities;

- b. loss, damage or injury caused by seepage, pollution or contamination or adverse environmental impact in the course of or as a result of the Project Activities;
 - c. the cost of removing debris or wreckage and cleaning-up operations (including seeping, polluting or contaminating substances) following any accident in the course of or as a result of the Project Activities;
 - d. loss or damage of property or bodily injury suffered by any third party in the course of or as a result of the Project Activities; and
 - e. risks required to be covered by law or for which there is a contractual requirement.
2. Prior to the commencement of construction of the Nabucco Pipeline System, each Company shall provide the State with copies of certificates of insurance and other statements from brokers or Insurers confirming any applicable insurance in place at that time and shall do likewise at the renewal of each insurance. If such insurances outlined in Article 11.1 above are not available at commercially reasonable terms, notice shall be given as soon as practical to the State together with details of reasonable alternative measures to cover the risk such as guarantees or self-insurance mechanisms and the commercial insurance market shall be tested by the applicable Company on a regular basis in case the position has changed.
 3. Subject to Article 11.1 above, insurance for physical loss or physical damage to installations, equipment and other assets used in or in connection with the Project Activities and third party liabilities shall name the State as an additional insured and contain a waiver of subrogation from Insurers under each insurance. Such insurances shall also contain non-vitiation provisions and notice of materially adverse alterations or cancellation or non-renewal shall be supplied to the State by the Insurer(s) or via any broker through whom insurance is arranged.

ARTICLE 12 STATE FACILITATION

1. The State acknowledges the commitments of the Republic of Austria under the second and third sentences of Article 3.2 of the Intergovernmental Agreement. Without prejudice to Article 5, the State notes that the Companies may suggest that proposals are made to the relevant legislative body, to consider taking such legislative steps as are necessary to enable the Companies to implement the terms of this Agreement and all Project Agreements and to authorise, enable and support the Project Activities and the activities and transactions contemplated by this Agreement and all Project Agreements.
2. The State notes that the Companies will require such rights, visas, approvals, certificates, licences, consents, permits, authorisations or exemptions and permissions as are necessary or appropriate for the Nabucco Project with respect to jurisdictions and authorities outside the Territory, including in respect of:
 - a. linepipe, materials, equipment and other supplies destined for or exiting from the Territory; and
 - b. the import and/or export or re-export of any goods, works, services or technology necessary for the Nabucco Project.

The State notes that provisions of EU law and National Laws, in particular Article 34 of the Treaty on the Functioning of the European Union and Regulation (EC) 3285/94 give the Companies the possibility to apply for these and to obtain them subject to satisfying the applicable criteria.

3. The State notes that the Companies will require all licences, consents, permits, authorisations, exemptions, visas, certificates, approvals and permissions necessary in accordance with National Laws or appropriate in the opinion of the Companies to enable them and all other designated Project Participants to carry out all Project Activities to be obtained in a timely, secure and efficient manner and/or to exercise their rights and fulfil their obligations in accordance with the Project Agreements, including but not limited to:
 - a. use and enjoyment of the Land Rights (subject to the provisions of Article 13 and the appendix to this Agreement;
 - b. customs clearances;
 - c. import and export licences;
 - d. visas, residence permits and work permits;
 - e. rights to lease or, where appropriate, acquire office space and employee accommodations;
 - f. rights to open and maintain bank accounts;
 - g. rights and licences, to operate communication and telemetry facilities (including the dedication of a sufficient number of exclusive radio and telecommunication frequencies as requested by either Company to allow the uniform and efficient operation of the Nabucco Pipeline System within and without the Territory) for the secure and efficient conduct of Project Activities;
 - h. rights to establish such branches, Permanent Establishments, Affiliates, subsidiaries, offices and other forms of business or presence in the Territory as may be reasonably necessary in the opinion of any Project Participant to properly conduct Project Activities, including the right to lease or, where appropriate, purchase or acquire any real or personal property required for Project Activities or to administer the businesses or interests in the Project; and
 - i. rights to operate vehicles and other mechanical equipment, and in accordance with relevant State law, the right to operate aircraft, ships and other water craft in the Territory.
4. The State acknowledges the commitment of the Republic of Austria under the first sentence of Article 3.2 of the Intergovernmental Agreement and notes the importance of any relevant applications made by the Companies being considered by the relevant State Authorities, subject to due compliance with National Laws.

ARTICLE 13 LAND RIGHTS

1. The Parties emphasise their shared interest in the Nabucco Project. The State expects the necessary applications by Nabucco International Company/Nabucco National Company in line with the *Gaswirtschaftsgesetz* which will be processed accordingly.
2. The State acknowledges the provisions of Article 10 of the Intergovernmental Agreement and notes that in order to implement the Project the Nabucco National Company will have a requirement for the acquisition and exercise of Land Rights to the extent set out in this Article, subject always to observing the rights of any other entity in respect of any pipeline which pre-exists the Nabucco Pipeline System.

ARTICLE 14 QUALITY ASSURANCE

1. The State notes that the provisions of Article 19, paragraph 1 subparagraph 5 (§ 19 Absatz 1 Ziffer 5) of the *Gaswirtschaftsgesetz* (in the version applicable at the date of signature of this Agreement) provides that network access can be refused for Natural Gas whose technical qualities are incompatible with and cannot reasonably be made compatible with other Natural Gas to be transported in accordance with the specification of the pipeline.
2. The State notes that, consistently with the provisions of National Laws, if the Republic of Austria or any State Authority causes, without the consent of the Operating Company, the transmission in any part of the Nabucco Pipeline System, of any Natural Gas of a quality that is incompatible with the above technical specifications the Companies can be compensated by the State or the relevant State Authority.

ARTICLE 15 ENVIRONMENTAL PROTECTION AND SAFETY AND SOCIAL IMPACT STANDARDS

1. The environmental, safety and social impact standards relating to the Project under any applicable licences, consents, permits, authorisations or exemptions and otherwise required in accordance with the National Laws shall be established by Nabucco International Company and shall take due account of the results of the environmental and social impact assessment to be conducted in respect of the Nabucco Pipeline System on a basis consistent with the Equator Principles and the other environmental requirements of prospective Lenders to the Project. After they have been established they shall be recorded in written form and submitted to the State.
2. The State notes that if a spillage or release of Natural Gas occurs from the Nabucco Pipeline System, or any other event occurs which is causing or likely to cause material environmental damage or material risk to health and safety, National Laws specify the extent to which labour, materials and equipment not otherwise immediately available are made available to assist in any remedial or repair effort in respect of any event to which National Laws apply. The State notes that in particular provisions of the *Burgenländisches Katastrophenhilfegesetz*, the *Burgenländisches Feuerwehrgesetz*, the *Niederösterreichisches Katastrophenhilfegesetz* and the *Niederösterreichisches Feuerwehrgesetz* deal with this issue.

ARTICLE 16 PERSONNEL

The State notes that the National Laws shall be applicable to the employment of personnel for the purposes of conducting the Project Activities, and that no requirements are imposed in addition to those applicable to similar projects. The State notes that in particular provisions of the *Niederlassungs- und Aufenthaltsgesetz* and the *Ausländerbeschäftigungsgesetz* apply in this regard.

ARTICLE 17 LABOUR STANDARDS

The State notes that the National Laws of employment and employment practices or standards shall be applicable to the Project.

ARTICLE 18 TECHNICAL STANDARDS

The Companies shall be entitled to apply a uniform set of technical standards for the Project and the Project Activities. Such technical standards shall be prepared by the Companies according to the *Gaswirtschaftsgesetz* and shall be submitted to the State. The State notes that any official approval required by National Laws, will be granted in accordance with applicable National Laws and in accordance with the timescales provided for in those laws.

ARTICLE 19 ACCESS TO RESOURCES AND FACILITIES

The Companies have a requirement to be able to access all goods, works and services as may be necessary or appropriate for the Project in the reasonable opinion of the requesting Company and which may be of use for Project Activities including but not limited to information regarding geology, hydrology and land drainage, archaeology and ecology. The State notes that the Companies are at liberty to obtain these on the open market within the Republic of Austria in accordance with National Laws.

ARTICLE 20 SECURITY

1. The State notes that, commencing with the initial Project Activities relating to route identification and evaluation and continuing throughout the life of the Project, the Companies require the preservation of the security of the Project Land, the Nabucco Pipeline System and all Persons involved in the Project Activities within the Territory. The State notes that responsibility for matters of national security within the Territory lies with the Federal Ministry of Interior and other relevant State Authorities and that the Companies may address requests for any necessary assistance to the relevant State Authority for consideration by it.
2. Notwithstanding the provisions of Article 20.1 above, each Company shall also exert all reasonable endeavours to ensure the security of works in progress and material storage yards within the Territory.
3. Any supplemental requirement in respect to additional security measures for the Project shall be carried out by each Company at its own respective cost and in line with the legislation of the Republic of Austria.

PART III FINANCIAL PROVISIONS

ARTICLE 21 IMPORT AND EXPORT

1. The State notes that EU law and National Laws accord Natural Gas and other goods and services associated, directly or indirectly, with the Project Activities, a treatment no less favourable in connection with their import into and/or export out of the Republic of Austria (as the case may be) than that which would be accorded to like goods and services of like origin which are not associated with the Project.
2. The State notes that no prohibitions or restrictions, irrespective of their names and origin, other than the duties, taxes or other charges provided for under EU law and the National Laws, whether made effective through quotas, import or export licences or other measures, are (without prejudice to Article 29) applicable on the importation or on the exportation of Natural Gas, other goods or services with respect to Project Activities.
3. The State notes the commitments of the Republic of Austria under Article 7.1 of the Intergovernmental Agreement and notes that the provisions of EU law and National Laws, in particular Article 28 of the Treaty on the Functioning of the European Union and Regulations (EC) 2603/69 and 3285/94, regulate these matters.

ARTICLE 22 TAXES

The Parties note that further provisions giving effect to relevant taxation matters referred to in the Intergovernmental Agreement will be dealt with by separate agreement to be signed following negotiation of the terms thereof.

ARTICLE 23 FREELY CONVERTIBLE CURRENCY

1. The State note that the Companies require, for the duration of and in order to conduct Project Activities, that each Company and any other Project Participants have the right with respect to Project Activities and the State notes that Article 63 paragraph 2 of the Treaty on the Functioning of the European Union gives the Companies the possibility to meet their requirements in this regard:
 - a. to bring into or take out of the Territory Freely Convertible Currency and to utilise, without restriction, Freely Convertible Currency accounts in the Territory and to exchange any currency at market rates;
 - b. to open, maintain and operate Local Currency bank and other accounts inside the Territory and Freely Convertible Currency bank and other accounts both inside and outside the Territory;
 - c. to purchase and/or convert Local Currency with and/or into Freely Convertible Currency;
 - d. to transfer, hold and retain Freely Convertible Currency outside the Territory;
 - e. to be exempt from all mandatory conversions, if any, of Freely Convertible Currency into Local Currency or other currency;

- f. to pay abroad, directly or indirectly, in whole or in part, in Freely Convertible Currency, the salaries, allowances and other benefits received by any foreign employees;
 - g. to pay contractors and foreign contractors abroad, directly or indirectly, in whole or in part, in Freely Convertible Currency, for their goods, works, technology or services supplied to the Project (subject to any generally applicable restrictions on making payments within the Territory in Freely Convertible Currency); and
 - h. to make any payments provided for under any Project Agreement in Freely Convertible Currency.
2. Where it is necessary for the purposes of this Agreement that a monetary value or amount be converted from one currency to another, the Company requires that the conversion rate of exchange to be used is based, for each currency involved, on the par value as established pursuant to the Articles of Agreement of the International Monetary Fund.

PART IV IMPLEMENTATION

ARTICLE 24 AUTHORISED REPRESENTATIVES

1. The Federal Minister shall appoint promptly upon entry into force of this Agreement by written notice to the Companies a representative by or through which the Companies may with respect to the Project, subject to the regulations of the Republic of Austria, facilitate the flow of information between the Parties in connection with the development of the Project.
2. Each Company shall appoint one or more representatives, committees, or other organisational or functional bodies by or through whom that Company may act, which will facilitate the method and manner of each Company's timely and efficient exercise of its rights and/or performance of its obligations hereunder (the "Company Representative(s)").
3. Upon the appointment of the Company Representative(s), the State shall be entitled to rely upon the communications, actions, information and submissions of a Company Representative, in respect of that Company Representative's notified area of authority, as being the communications, actions, information and submissions of the respective Company. The Parties further acknowledge that each Company shall have the right, upon reasonable written notice to the State, to remove, substitute or discontinue the use of one or more specified Company Representative(s).
4. Each Company and the representative of the Federal Minister shall, at the request of either of them, request their representatives to review with best endeavours at any given moment in time the status of Project Activities and confer together on any issues arising with respect thereto.

ARTICLE 25 OPERATING COMPANY

1. Subject only to any requirement under National Laws that any Operating Company register to conduct business and be authorised and licensed in accordance with National Laws within the Territory, the Companies shall have the right to establish, own and control and/or appoint or select one or more Operating Companies (which may include, in the Nabucco National Company's sole discretion, a Shareholder or an Affiliate of a Shareholder) that have been organised in any jurisdiction, whether inside or outside the Territory.
2. The State acknowledges the commitment of the Republic of Austria under Article 8 of the Intergovernmental Agreement.

PART V LIABILITY

ARTICLE 26 LIMITATION OF LIABILITY OF THE PARTIES

1. No Party shall be liable to any other Party for any punitive or exemplary damages for breach of this Agreement. Liability for loss of profit shall only arise in the case of an intentional breach by that Party or a breach caused by the gross negligence of that Party.
2. No Party shall be liable to any other Party in respect of a breach of this Agreement that is caused by the fault or breach of legal obligations by that other Party, or by an Affiliate of it (or, where that other Party is the Republic of Austria, by a public body).
3. Liability for Loss or Damage caused by a breach of this Agreement shall be reduced to the extent that the Party suffering such Loss or Damage fails to take all reasonable steps, having regard to all the circumstances, to minimise such Loss or Damage.

ARTICLE 27 LIABILITY OF PUBLIC BODIES

The State notes that, pursuant to Section 1 paragraph 1 *Amtshaftungsgesetz*, public bodies such as the Bund are liable under the provisions of civil law for any damage to any person or any property caused by unlawful acts of persons at fault (negligently or intentionally) when carrying out the law on behalf of the above mentioned legal entities. This Clause is without prejudice to any applicable provisions of the *Amtshaftungsgesetz*.

ARTICLE 28 FORCE MAJEURE

1. Force majeure, including the definition thereof, shall be governed by the general principles of Swiss law.
2. In addition to the general definition of force majeure event under Swiss law, the Parties agree that the following shall also constitute events of Force Majeure:
 - a. natural disasters (extreme weather, accidents or explosions, earthquakes, landslides, cyclones, floods, fires, lightning, tidal waves, volcanic eruptions, supersonic pressure waves, nuclear contamination, epidemic or plague and other similar natural events or occurrences);
 - b. structural shift or subsidence affecting generally a part or parts of the Nabucco Pipeline System (despite all proper construction methods having been deployed);
 - c. acts of war (between sovereign states where the Republic of Austria has not initiated the war under the principles of international law), invasion, armed conflict, act of foreign enemy or blockade;
 - d. acts of rebellion, riot, civil disruption, act of terrorism, insurrection or sabotage;
 - e. international boycotts, sanctions, international embargoes against sovereign states other than the Republic of Austria; and

- f. expropriatory acts by the Republic of Austria or a State Authority.
3. Inability to pay monies shall not be considered to be a Force Majeure event.
 4. If a Party is prevented or delayed from carrying out its obligations or any part thereof under this Agreement as a result of Force Majeure, it shall promptly notify in writing the other Party or Parties to whom performance is owed.
 5. Following the notice given under Article 28.4 above, and for so long as the Force Majeure continues, any obligations or parts thereof which cannot be performed because of the Force Majeure shall be suspended. None of the Parties may terminate this Agreement on the ground of Force Majeure.
 6. Any Party that is prevented from carrying out its obligations or parts thereof (other than an obligation to pay money) as a result of Force Majeure shall take such actions as are reasonably available to it and expend such funds as necessary and reasonable to remove or remedy the Force Majeure and resume performance of its obligations and all parts thereof as soon as reasonably practicable.
 7. Any Party that is prevented from carrying out its obligations or parts thereof (other than an obligation to pay money) as a result of Force Majeure shall take such action as is reasonably available to it or them to mitigate any loss suffered by the other Parties or other Project Participants during the continuance of the Force Majeure and as a result thereof.

PART VI FINAL PROVISIONS

ARTICLE 29 NON-DISCRIMINATION

1. The State notes the commitments of the Republic of Austria under Article 7.1 of the Intergovernmental Agreement.
2. The State shall exercise its discretions and otherwise act in such a way as to avoid any discrimination subsequent to the signature of this Agreement that would adversely affect the Project. In doing so the State will take due account of the Economic Equilibrium established under this Agreement and any other Project Agreement.

ARTICLE 30 EXPROPRIATION

1. The State notes that the provisions of National Laws (in accordance with Art. 5 *Staatsgrundgesetz*) apply in relation to the requirements of the Companies regarding expropriation as set out below. The relevant requirements are that no Investment (within the meaning of the Energy Charter Treaty) owned or enjoyed, directly or indirectly, by any Project Participant in relation to the Project shall be nationalised, expropriated or subjected to a measure or measures having effect equivalent to nationalisation or expropriation (hereinafter referred to as "Expropriation") except where such Expropriation is:
 - a. for a purpose which is in the public interest;
 - b. not discriminatory;
 - c. carried out under due process of law; and
 - d. accompanied by the payment of adequate compensation according to National Laws.

ARTICLE 31 TERMINATION

1. Except as may be expressly provided in this Article 31, neither Party shall amend, rescind, terminate, declare invalid or unenforceable, elect to treat as repudiated, or otherwise seek to avoid or limit this Agreement or any Project Agreement without the prior written consent of the other Parties.
2. If neither Company has taken steps to put the Nabucco Pipeline System into operation by not later than 31 December 2016 (or the expiry date of any extension of the exemption from the provisions under National Law implementing Articles 18 and 25 (2), (3) and (4) of the Directive 2003/55/EC granted by the State Authority) for any reason other than Force Majeure, or failure by the State or any State Authority or State Entity to perform any of their obligations in a timely manner, the State shall have the right to give written notice to the Companies of the termination of this Agreement. Such termination shall become effective one hundred and eighty (180) days after receipt by the Companies of such termination notice, unless within said one hundred and eighty (180) day period either Company takes steps to commence the construction phase of the Nabucco Pipeline System. If within thirty (30) days after the above referenced date the State has not given any such termination notice, the State's right to terminate hereunder shall expire and this Agreement shall continue in full force and effect in accordance with its terms. In addition,

- the date of 31 December 2016 (or the expiry date of any extension of the exemption from the provisions under National Law implementing Articles 18 and 25 (2), (3) and (4) of the Directive 2003/55/EC granted by the State Authority) shall be extended if and to the extent of any delays caused by the failure or refusal of any State Authority or State Entity to perform in a timely fashion any obligations they may have respecting Project Activities.
3. At any time before 31 December 2016 (or the expiry date of any extension of the exemption from the provisions under National Law implementing Articles 18 and 25 (2), (3) and (4) of the Directive 2003/55/EC granted by the State Authority), either of the Companies may, if it concludes that there is no longer any reasonable prospect of successfully developing, financing, constructing and marketing the Capacity in the Nabucco Pipeline System on commercially acceptable terms, terminate this Agreement on no less than one hundred and eighty (180) days' written notice.
 4. Any Party may by written notice (a Notice) to the other Parties terminate this Agreement if, after the end of the Initial Operation Period, another Party commits a material breach of its obligations to that Party under this Agreement and the Party in breach fails, within one hundred and eighty (180) days of receiving such Notice, either:
 - a. to remedy the breach and its effects to the reasonable satisfaction of the Party giving notice (or to commence and diligently comply with appropriate measures to do so); or
 - b. (in the case of a breach that cannot itself be remedied) to put in place and diligently comply with measures reasonably satisfactory to the other Party to prevent a recurrence of such breach, provided that doing so shall not prevent termination if the Party in breach has previously failed to comply with such measures in relation to an earlier similar breach.
 5. No Party shall be entitled to terminate this Agreement in respect of a material breach under Article 31.4, unless it can demonstrate reasonable grounds for considering that damages due in respect of such breach would not constitute an adequate remedy for that breach or that the Party in breach has failed to pay such damages after they have been finally determined to be due.
 6. Notwithstanding the provisions of this Article 31, no Party shall be entitled to terminate this Agreement if the breach by the other Party is caused by or arises from a separate breach by the terminating Party or any of its Affiliates of their obligations to the other Party or any of its Affiliates under this Agreement or any other Project Agreement (which, for the avoidance of doubt, excludes the Intergovernmental Agreement).
 7. The Parties shall consult for a period of sixty (60) days from such Notice (or such longer period as they may agree) as to what steps could be taken to avoid termination.
 8. This Article is subject to any arrangements entered into between the State and Lenders pursuant to Article 6.2 of this Agreement, provided always that the Lenders fulfil all rights and obligations on them pursuant to any such arrangements and cure the breach by the Company within one hundred and eighty (180) days of the occurrence of the breach or within such other reasonable period of time as might be agreed by the Lenders and the State.
 9. The expiry or termination of this Agreement shall not of itself affect the Companies' (or their permitted successors or transferees) ownership of the Land Rights or of the Nabucco Pipeline System or the continuation of their rights to operate the pipeline and market its Capacity (including the rights granted under or referred to under Article 8 and the

appendix to this Agreement) subject to due compliance with other generally applicable requirements under the National Laws.

10. Termination of this Agreement shall be without prejudice to:
 - a. the rights of the Parties respecting the full performance of all obligations accruing prior to termination; and
 - b. the survival of all waivers and indemnities provided herein in favour of a Party (or former Party).

ARTICLE 32 SUCCESSORS AND PERMITTED ASSIGNEES

1. The rights and obligations of each Company under this Agreement include the right to transfer its rights under this Agreement in accordance with the provisions of this Article 32.
2. Further to any arrangements entered into pursuant to Article 6.2, each Company shall have the right to assign by way of security to any Lender the whole of its rights and obligations under this Agreement provided that the Lenders have previously undertaken that upon enforcement by such Lender of its rights pursuant to such assignment, the Lender will accept, in respect of the State, all of the obligations of the Company pursuant to this Agreement.
3. Each Company shall have the right to assign in whole its rights under this Agreement to an Affiliate provided that such Affiliate has the necessary financial and technical capability to perform that Company's obligations under this Agreement. Each such transfer to an Affiliate shall be effective upon the State's receipt of written notification (subject always to the Parties complying with any formalities required by National Law in respect of the transfer, including the execution of any necessary agreement, which they undertake to do promptly and without withholding any requisite consent). In these circumstances, the transferring Company will remain liable for its obligations under this Agreement after the effective date of the assignment.
4. Each Company can only transfer its rights and obligations under this Agreement to any entity whether or not an Affiliate with the prior written consent of the State, such written consent of the State not to be unreasonably withheld or delayed. Each such transfer shall be effective upon the issuance by the State of its written consent (subject always to the Parties complying with any formalities required by applicable law in respect of the assignment, including the execution of any necessary agreement, which they undertake to do promptly and without withholding any requisite consent). In these circumstances, the transferring Company shall cease to have any liability for its obligations under this Agreement after the effective date of the transfer (other than with respect to any existing breach of such obligations).
5. Any right granted or made available under this Agreement is granted in relation to the carrying out of the Project and Project Activities by the Companies. The State agrees that any Project Participants, by their participation in the Project, shall have the benefit of all rights as are provided under any Project Agreement it enters into.

ARTICLE 33 NOTIFICATION BY THE COMPANY AND COMPLIANCE WITH CHANGES IN LAW

1. If any Change of Law is proposed or enacted which would have an effect on the Costs of the Companies, the Companies shall take all reasonable efforts to give written notice to the State of such Change of Law within three (3) months of the date when they could with reasonable diligence have become aware of its effects.
2. The Companies shall not be liable for any breach of this Agreement that is caused by them complying with their obligations under any Change of Law which affects this Agreement, subject to them using all reasonable endeavours to take such steps as are necessary to enable them to perform their obligations under this Agreement in a manner that will comply with the relevant Change of Law as soon as is reasonably practicable. This Article 33.2 only applies to the liability of the Companies under this Agreement and is without prejudice to any sanctions that may arise under applicable National Laws for any failure to comply with any relevant Change of Law.

ARTICLE 34 DECOMMISSIONING

1. The obligations of the each Company in relation to decommissioning the Nabucco Pipeline System after the end of its technical and economically useful life shall be as specified under the National Laws. Each Company shall be entitled to upgrade, modify, extend the useful technical and economical life of and/or replace the Nabucco Pipeline System subject to due compliance with any such requirements as are generally applicable at the relevant time. No requirements shall be imposed on either Company in relation to decommissioning of the Nabucco Pipeline System that go beyond or differ in nature from those that would apply under the National Laws to other pipeline systems, except to the extent objectively necessary to take due account of the respective physical characteristics of the pipelines and routes involved.
2. The Companies' rights under this Article shall survive the expiry or termination of this Agreement.

ARTICLE 35 SETTLEMENT OF DISPUTES

1. Any Dispute arising under this Agreement, or in any way connected with this Agreement, and/or arising from Project Activities (including this Agreement's formation and any questions regarding arbitrability or the existence, validity or termination of this Agreement) ("Dispute") may be finally settled by arbitration pursuant to this Article 35 to the exclusion of any other remedy.
2. If any Dispute is not resolved through correspondence or negotiation within twenty (20) days, then unless otherwise agreed between the parties, such Dispute shall be referred to the Court of Arbitration of the International Chamber of Commerce and settled under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules. Each Party shall nominate in the request for arbitration and the answer to the request for arbitration, respectively, one arbitrator. If a Party fails to nominate an arbitrator, the appointment shall be made by the International Court of Arbitration. The two arbitrators shall jointly designate, within thirty days from the confirmation of the second arbitrator, a third arbitrator who shall act as the presiding arbitrator of the arbitral tribunal. If the Parties fail to nominate the presiding arbitrator within the aforementioned deadline, the appointment of the presiding arbitrator shall be made by the International Court of Arbitration.

3. The seat of the arbitration shall be Zurich, Switzerland. The language of arbitration shall be English.
4. The Parties' respective rights and obligations under this Agreement shall continue after any Dispute has arisen and during the arbitration proceedings.
5. The Parties expressly authorise the arbitral tribunal to order specific performance of obligations under this agreement, in particular obligations of "best endeavours" or "all reasonable endeavours" or similar obligations requiring the cooperation of the obligor.
6. All payments due under a final award shall be made in any Convertible Currency and, in accordance with the terms of this Agreement as related to amounts due and payable, shall include interest calculated at the Agreed Interest Rate from the date of the event, breach, or other violation giving rise to the Dispute to the date when the award is paid in full.
7. The provisions of this Article 35 shall be valid and enforceable notwithstanding the illegality, invalidity, or unenforceability of any other provisions of this Agreement.

ARTICLE 36 APPLICABLE LAW

This Agreement (including its formation and any questions regarding the existence, validity or termination of this Agreement) and any Disputes under it shall be governed by and construed in accordance with the laws of Switzerland, except for Swiss and Austrian rules of conflicts of laws. Provisions of the laws of the Republic of Austria which are referred to in this Agreement shall be interpreted in accordance with the laws of the Republic of Austria.

ARTICLE 37 NOTICES

1. A notice, approval, consent or other communication given under or in connection with this Agreement (in this clause known as a "Notice"):
 - a. shall be in writing in the English language and also in any other language required by National Laws;
 - b. shall be deemed to have been duly given or made when it is delivered by hand, or by internationally recognised courier delivery service, or sent by facsimile transmission to the Party to which it is required or permitted to be given or made at such Party's address or facsimile number specified below and marked for the attention of the person so specified, or at such other address or facsimile number and/or marked for the attention of such other person as the relevant Party may at any given moment in time specify by Notice given in accordance with this Article; and
 - c. for the avoidance of doubt, a Notice sent by electronic mail will not be considered as valid.

The relevant details of each Party at the date of this Agreement are:

The Republic of Austria

Name: Federal Ministry for Economy, Family and Youth

Address: Stubenring 1, A 1010 Vienna, Austria

Facsimile: +43 1 71100 15252

Attention: Federal Minister Dr. Reinhold Mitterlehner

NABUCCO Gas Pipeline International GmbH

Address: Floridotower, Floridsdorfer Hauptstraße 1, 1210 Vienna, Austria

Facsimile: +43 (1) 27 777 5211

Attention: Managing Director

NABUCCO Gas Pipeline Austria GmbH

Address: Floridotower, Floridsdorfer Hauptstraße 1, 1210 Vienna, Austria

Facsimile: +43 (1) 27 777 5411

Attention: Managing Director

2. In the absence of evidence of earlier receipt, any Notice shall take effect from the time that it is deemed to be received in accordance with Article 37.3 below.
3. Subject to Article 37.4 below, a Notice is deemed to be received:
 - a. in the case of a Notice delivered by hand at the address of the addressee, upon delivery at that address;
 - b. in the case of internationally recognised courier delivery service, when an internationally recognised courier has delivered such communication or document to the relevant address and collected a signature confirming receipt; or
 - c. in the case of a facsimile, on production of a transmission report from the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient. Any Notice by fax shall be followed by written Notice given not later than three (3) Business Days in the form of a letter addressed as set forth below for such Party.
4. A Notice received or deemed to be received in accordance with Article 37.3 above on a day which is not a Business Day or after 5 p.m. on any Business Day, according to local time in the place of receipt, shall be deemed to be received on the next following Business Day.
5. A Notice given or document supplied to such person as is nominated by a Party (by Notice in accordance with this Article) shall be deemed to have been given or supplied to the that Party.
6. Each Party undertakes to notify the other Party by Notice served in accordance with this Article if the address specified herein is no longer an appropriate address for the service of Notice.

ARTICLE 38 MISCELLANEOUS

1. Any modification of, amendment of and/or addition to this Agreement shall only be in force and effective if made in writing and agreed and signed by all Parties.
2. If any provision of this Agreement is or becomes ineffective or void, the effectiveness of the other provisions shall not be affected. The Parties undertake to substitute for any ineffective or void provision an effective provision, which achieves economic results as close as possible to those of the ineffective or void provision.
3. No waiver of any right, benefit, interest or privilege under this Agreement shall be effective unless made expressly and in writing. Any such waiver shall be limited to the particular circumstances in respect of which it is made and shall not imply any future or further waiver.
4. The headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement.
5. Unless the context otherwise requires, references to Articles are references to Articles of this Agreement.

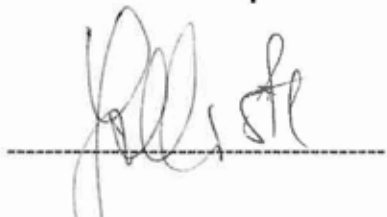
Done in the city of Kayseri on 8 June 2011 in three originals each in the English language.



Federal Minister for Economy, Family and Youth Dr. Reinhold Mitterlehner
in the name and on behalf of
The Republic of Austria



Mag. Reinhard Mitschek, Managing Director
in the name and on behalf of
NABUCCO Gas Pipeline International GmbH



Johann Gallistl, Managing Director
in the name and on behalf of
NABUCCO Gas Pipeline Austria GmbH

APPENDIX**Expanded Principles of Article 8.1 of the Agreement in accordance with the exemption from the provisions under National Law ²****1. 50% reserved capacity for Shareholders (expanding the permission set out in Article 8.1 of the Agreement)**

The State shall permit that in its Territory Nabucco International Company will release its capacity on a long-term basis, leaving, however, parts of the capacity also for short-term contracts. The State shall permit that Nabucco International Company will enter into capacity contracts with both: (i) Shareholders, their affiliated companies or their assignees; and/or (ii) third party entities.

2. Capacity allocation procedures (expanding the principle set out in Article 8.1.1 of the Agreement)**1. General Principles**

The State shall permit Nabucco International Company to implement and publish mechanisms to allocate capacity both to Shareholders and third parties on a transparent and non discriminatory basis in order to give effect, inter alia, to the following objectives:

- a) facilitating the development of competition and liquid trading of capacity;
- b) providing appropriate economic signals for efficient and maximum use of technical capacity and facilitating investment in new infrastructure; and
- c) avoiding undue barriers to entry and impediments to market participants, including new entrants and small players.

Without prejudice to the capacity expansion requirements of Article 8.1.3 of the Agreement, the State shall permit that transportation capacity will be offered through an Open Season under which qualifying Shippers will be able to bid to book capacity.

Shippers will have the right to book Reserved Capacity from entry points to defined exit points on the Nabucco Pipeline System. Nabucco International Company's determination of entry and/or exit points shall, among other things, take into account economic, financial and technical feasibility.

2. Open Season

The State shall permit that the Open Season is performed pursuant to procedures published by Nabucco International Company on its website ahead of the start of the Open Season, and such Open Season shall ensure that objective, transparent and non-discriminatory conditions apply to all Shippers (including third party entities and Shareholders, their affiliated companies and/or their assignees) that qualify to take part in the Open Season.

The invitation to tender would stipulate the available technical total capacity to be allocated, the number and size of lots, as well as the allocation procedure in case of an excess of demand over supply. Both firm and interruptible transportation capacity would be offered on an annual and monthly basis. The invitation to tender would be published, at the cost of Nabucco International Company, in the Official Gazette of the Republic of Austria and the Official Journal of the European Union and the allocation process would be fair and non-discriminatory.

² Decree by Energie Control Kommission dated 9 April 2008, K NIS G 1/07, modified by decree dated 26 Nov 2008, K NIS G 1/08.

The Open Season shall be carried out in two steps. In a first step, only the Shareholders, their affiliated companies and their assignees can apply. In the second step, all market participants, including the Shareholders, their affiliated companies and their assignees can apply. If after the second step not all capacity has been allocated, there will be a third Open Season to allocate the remaining capacity. After each step of the Open Season Nabucco International Company shall provide to all relevant State Authorities a list of the companies which have reserved capacities of the Project.

3. **Release of unutilised capacity (expanding the principle set out in Article 8.1.2 of the Agreement)**

The State shall permit that in its Territory Nabucco International Company re-utilises unused Reserved Capacity by allowing Shippers who wish to re-sell or sublet their unused Reserved Capacity on the secondary market to do so in accordance with their contracts.

Where Reserved Capacity remains unused and Contractual Congestion occurs, this unused Reserved Capacity shall be made available to the primary market in accordance with "Use-it-or-lose-it principles" ("UIOLI"). Detailed procedures to be applied for re-utilisation of unused Reserved Capacities shall be included in the Transportation Contracts that Nabucco International Company offers to Shippers. These shall be devised in co-operation with and submitted for prior approval to the relevant State Authority.

Starting from the completion of the first full calendar Year of operation of the Nabucco Pipeline System onwards. The State shall permit that in its Territory Nabucco International Company sells a portion of the Technical Capacity as interruptible capacity, via a bulletin board on the internet, pursuant to the historical flow and nomination data, provided that:

- (1) there is Contractual Congestion of Reserved Capacity which has been sold on a firm basis but which is not being used; and
- (2) the probability of non-interruption of capacity sold on an interruptible basis for the upcoming calendar Year is at least ninety (90) percent.

The sale of Reserved Capacity on the bulletin board shall not affect the original Reserved Capacity holder's obligation under the Transportation Contracts to pay Nabucco International Company for that Reserved Capacity. The original Reserved Capacity holder shall not lose his Reserved Capacity rights and shall still be entitled to use his Reserved Capacity contracted for in full, via the Nomination process. The revenues generated by any marketing of the UIOLI-capacity on an interruptible basis shall be entirely for Nabucco International Company.

The State shall permit that Nabucco International Company, which shall estimate expected flows based on the Nomination process, to make available the difference between the firm capacity committed and the nominated capacity to the market as interruptible capacity, on a short-term day-ahead basis.

If the original Reserved Capacity holder nominates capacity which Nabucco International Company has remarketed, Shippers who have purchased such UIOLI-interruptible capacity shall be interrupted.

Any Shipper which has contracted for capacity on an interruptible basis shall be informed in advance by Nabucco International Company if it is to be subject to interruption because the original Reserved Capacity holder has nominated some or all of its contractually committed capacity. An interruptible Shipper shall have no right to reject this interruption.

4. Tariff methodology (expanding the Permission set out in Article 8.1 of the Agreement)

1. Principles for tariffs

The State shall permit that for the capacity sold Nabucco International Company will enter into Transportation Contracts with Shippers under which Shippers pay monthly capacity payments (in Euro) which are determined according to the following methodology. Each Transportation Contract will apply that methodology to the volume, distance, time, duration, seasonality involved and to the firm, interruptible and other characteristics of the services provided. The Transportation Contract will also specify other adjustments to the charges payable by Shippers in case of late payment, early termination, change in law etc.

The following tariff methodology shall be applied:

- 1) *Capacity payments:* shall be calculated as the relevant tariff stipulated for the relevant Year, multiplied by the volume of Reserved Capacity that such Shipper has contracted (expressed as (Nm³(0°C)/h)), multiplied by the distance of such capacity booking (distance is calculated as the distance (in km) between the entry point on the pipeline that the Shipper has committed to deliver gas to, and the exit point on the pipeline that the Shipper has requested Nabucco International Company to deliver the gas to). For clarification, the following formula defines the monthly capacity payment:

$$P_m = \frac{fr * T_n * d}{12}, \text{ where:}$$

- | | | |
|----|---|---|
| fr | = | Shipper contracted capacity volume (expressed as hourly flow rate of gas) |
| d | = | distance expressed in km (between Shipper contracted entry and exit point) |
| Pm | = | Payment for Transmission services in Euro/Month |
| Tn | = | the adjusted transportation tariff for Year "n", in EURO / ((Nm/h)*km) / y. |

Further details of the current version of the tariff formula are set out below and Nabucco International Company and the National Nabucco Companies shall apply these for use in the Open Season, other capacity allocation procedures and in the definitive Transportation Contracts:

- 2) *Tariff:* The tariff shall be distance-related and (expressed in EUR / ((Nm³(0°C)/h)*km) / y.), which means that the tariff shall be uniform and apply for all sections of the pipeline. Once the tariff is defined, it shall be escalated on 1st October of every Year against a defined tariff escalation formula to be set out in the long-term Transportation Contracts between Nabucco International Company and Shippers.

The tariff shall exclude any Taxes, duties or levies of a similar nature. These shall be levied by Nabucco International Company on the Shipper if the same are levied on Nabucco International Company for the provision of the Transmission services.

- 3) *Tariff calculation:* The final tariff paid by the individual Shippers shall be derived from a tariff methodology. In formulating the tariff methodology, and therefore the final tariff, the following factors and objectives shall be observed:

- a. recovery of efficiently incurred costs, including appropriate return on investment; facilitate efficient gas trade and competition while at the same time avoiding cross-subsidies between Shippers; promote efficient use of the network and provide for appropriate incentives on new investments;
- b. taking into account the amount of capacity contracted for by Shippers which shall reflect the duration of Transportation Contracts, the load factor, the distance of transportation (expressed in $\text{EUR} / ((\text{Nm}^3(0^\circ\text{C})/\text{h}) \cdot \text{km}) / \text{y.}$), the capital investment per capacity unit and volumes etc.;
- c. that reverse flows shall be defined by reference to the direction of the predominant physical flows in the Nabucco Pipeline System. In case of Contractual Congestion, specific tariffs shall be applied for reverse flows; Nabucco International Company may not adopt any charging principles and/or tariff structures that in any way restrict market liquidity or distort the market or trading across borders of different Transmission System Operator systems or hamper system enhancements and integrity of any system to which the Nabucco Pipeline System is connected.

2. Tariff Methodology for Calculation of the Tariff

The State shall permit Nabucco International Company to receive capacity payments from Shippers for offering Transmission services that will inter alia allow it to recover the following types of investment and operating costs that it will incur by constructing, operating and maintaining the Nabucco Pipeline System:

- Capital Expenditure ("**CAPEX**") incurred by Nabucco International Company in constructing the pipeline, such as raw material costs (e.g. steel), equipment costs (e.g. compressor costs), appropriate depreciation and capital costs reflecting the investment cost (on the assumption that CAPEX is depreciated over 25 Years);
- Operating Expenditure ("**OPEX**") will include a mixture of fixed and variable costs reflecting Nabucco International Company's on-going operation of the pipeline. Additionally, OPEX such as fuel gas costs, associated environmental costs (such as the purchase of any applicable carbon emission permit allowances, or equivalent cost, that may be levied on Nabucco International Company in any of the transit states), and any rental expenditures incurred by Nabucco International Company for the use of any other pipeline systems that could be connected to the Project to enable earlier operation of the Project;
- Economic costs incurred by Nabucco International Company in managing its business such as inflation, wage inflation, interest rates and other costs related to the financing of the Project.

For calculation of tariffs the capacities sold on a long term (i.e. 25 Years) shall be used as basis.

The State shall permit that the tariff methodology takes in particular into consideration the fact that the investment costs for constructing the Nabucco Pipeline System will be funded from a mixture of equity contributions from Shareholders, and debt by means of receiving loans from lenders and other financial institutions providing debt finance.

3. Further considerations concerning Capacity Payments, Tariff

The tariff shall give effect to the following additional factors:

Duration of Transportation Contract and incentives: For tariff setting the duration of the Transportation Contract shall be taken into account. Given the importance to the economic feasibility of the project of ensuring that capacity is booked by Shippers for as long a contractual period as possible, an incentive structure shall be included in the capacity payment calculation to incentivise Shippers to book capacity long-term (e.g. scaled reduction to capacity payment to reward contracts of longer duration). Time factors shall be calculated on a 25 Years contracts term basis. The time factors (for off peak-period) shall be: 1 for the standard term of 25 Years contract, then increase linearly up to a factor of 1.20 for the contract duration of 10 Years, then increase linearly up to a factor of 4 for a one day contract.

Impact of seasonal gas demand on short-term Transportation Contracts: For short-term Transportation Contracts (i.e. duration of one day up to one Year less one day), capacity payments shall also reflect seasonal demand for shorter-term Transmission and the resulting load factors for the pipeline such that there shall, for example, be transparent and pre-defined surcharges for daily Transportation Contracts concluded during winter months where demand can be expected to be higher (so that there will be a higher load factor on the pipeline), and lower surcharges for daily Transportation Contracts concluded during the summer months (where demand can be expected to be lower so that there will be a lower load factor on the pipeline). Seasonality factors shall be: 150% surcharge for daily contracts per day for the period November – March (peak season) and 75% surcharge for October and for April (shoulder season) and no surcharge for off peak period (May – September).

PROJECT SUPPORT AGREEMENT

Between

THE REPUBLIC OF BULGARIA

and

NABUCCO GAS PIPELINE INTERNATIONAL GMBH

and

NABUCCO GAS PIPELINE BULGARIA EOOD

Concerning

THE NABUCCO PIPELINE SYSTEM

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THIS AGREEMENT is entered into in the city of Sofia in the Republic of Bulgaria as of [] between:

THE REPUBLIC OF BULGARIA (the “**State**”)

and

NABUCCO GAS PIPELINE INTERNATIONAL GMBH, a company organised and existing under the laws of Austria (“**Nabucco International Company**”)

and

NABUCCO GAS PIPELINE BULGARIA EOOD, a company organised and existing under the laws of Bulgaria (“**Nabucco National Company**”)

(each a “**Party**” and together the “**Parties**”)

WHEREAS, this Agreement is entered into in furtherance of the Intergovernmental Agreement between the states of the Republic of Turkey, the Republic of Bulgaria, Romania, the Republic of Hungary and the Republic of Austria, dated 13 July 2009;

WHEREAS, the Companies wish to employ in the Nabucco Pipeline System generally recognised international technical and environmental standards for the Transmission of Natural Gas in and across the Territory;

WHEREAS, the Companies intend to invest in the construction of the Nabucco Pipeline System, as well as to operate and utilise capacity in the Nabucco Pipeline System, on the terms and conditions of inter alia this Agreement;

WHEREAS, by Resolution No. 616 dated 14th July 2009 of the Council of Ministers of the Republic of Bulgaria, it was announced that the section of the Nabucco Pipeline System to be developed on the territory of Bulgaria will be a site of national importance;

WHEREAS the Nabucco National Company (which is a 100% subsidiary of Nabucco International Company) will own and be responsible for operating and maintaining the Nabucco Pipeline System within the Territory and shall transfer all capacity rights in the Nabucco Pipeline System within the Territory to Nabucco International Company for onward sale and marketing;

WHEREAS, the State enters into this Agreement to promote and protect investment in the Nabucco Pipeline System and in the Territory.

THE PARTIES HAVE AGREED that they shall implement and comply with the provisions of the Intergovernmental Agreement and the further terms set out as follows:

PART I DEFINITIONS AND SCOPE OF THE AGREEMENT

ARTICLE 1 DEFINITIONS AND INTERPRETATION

Capitalised terms used in this Agreement (including the Preamble), and not otherwise defined herein, shall have the following meaning:

“Affiliate” shall mean, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with that Person. For purposes of this definition, “control” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of a majority or other controlling interest in the voting securities, equity or other ownership interest in an Entity, by law, or by agreement between Persons conferring such power or voting rights, or by any other lawful means.

“Agreed Interest Rate” shall mean for each day of an Interest Period with respect to any amount due and payable under or pursuant to this Agreement, interest at the rate per annum equal to 2% (two percent) plus LIBOR for the relevant currency in effect on the Business Day immediately preceding the first day of the Interest Period. For the purposes of this definition, “Interest Period” shall mean a period of thirty (30) days, beginning the first day after the date on which any such amount becomes due and payable and ending thirty (30) days thereafter, with each succeeding Interest Period beginning on the first day after the last day of the Interest Period it succeeds unless this would be contrary to National Laws in respect of compound interest, in which case it shall mean interest (calculated on a daily basis from the first day after the date on which any such amount becomes due and payable but not compounded) at the rate per annum equal to 2.5% (two point five percent) plus LIBOR for the relevant currency in effect on the date on which any such amount becomes due and payable.

“Agreement” shall mean this project support agreement, including any appendices attached hereto, as the same may be amended or otherwise modified or replaced at any given moment in time in accordance with its terms.

“Application Requirements” shall have the meaning ascribed at Article 26.1.

“Best Available Terms” shall mean, at any time with respect to any goods, works, services or technology to be rendered or provided at any location, the commercially competitive cost-based terms reasonably obtainable in the relevant market, except where the State or a State Entity or State Authority is the sole provider of such goods, works, services or technology in the Territory, in which case it shall be a price equal to that which that Entity charges other entities whether State or private.

“Business Day” shall mean any day on which clearing banks are customarily open for business in Sofia, Bulgaria and Vienna, Austria.

“Change of Law” shall mean, in relation to the State, any of the following which arises or comes into effect after the Effective Date:

- (A) any international or domestic legislation, regulation, directive, act, law-decree, decree, resolution or instruction, of the State, a State Authority or a State Entity (including any which relate to Taxes);
- (B) any change to any of the foregoing (including changes resulting from amendment, repeal, withdrawal, termination, expiration or any change in the generally applied interpretation of any of the foregoing).

“Change of Law Costs” shall mean any new or increased cost or expense, or any reduction in revenue or return, directly resulting from or attributable to a Discriminatory Change of Law, which is incurred or suffered in connection with the Project by any Company (whether directly or through any Operating Company) or any Project Participant. Such costs or expenses may include, *inter alia*, capital costs, costs of operation and maintenance, and costs of taxes, royalties, duties, imposts, levies or other charges imposed on or payable by the Company.

“Companies” shall mean both the Nabucco International Company and the Nabucco National Company, and **“Company”** shall mean either of them, unless it is required otherwise by the context.

“Company Representative(s)” shall have the meaning ascribed at Article 24.2.

“Construction Corridor” shall mean an area of land extending from the Initial Entry Point of the Nabucco Pipeline System to Baumgarten within which the centreline of the Pipeline Corridor will be located, and such other areas determined by Nabucco National Company as reasonably necessary to conduct the Project Activities in accordance with National Laws. The Construction Corridor will be defined with respect to certain width (in metres) and along a specified preferred route, as notified by the Nabucco National Companies and approved by the State in accordance with the terms of Article 12.

“Contractor” shall mean any Person supplying directly or indirectly, whether by contract or sub-contract, goods, work, technology or services, including financial services (including *inter alia*, credit, financing, insurance or other financial accommodations) to the Operating Company, Companies, or their Affiliates in connection with the Nabucco Pipeline System to an annual or total contract value of at least €100,000, excluding however any Person acting in his or her role as an employee of any other Person.

“Contractual Congestion” shall mean a situation where the level of firm capacity demand exceeds the technical capacity (all technical capacity is booked as firm).

“Convertible Currency” shall mean a currency which is widely traded in international foreign exchange markets.

“Costs” shall have the meaning ascribed at Article 29.6.

“Discriminatory Change of Law” shall mean any Change of Law which:

- (A) discriminates against any of the Companies or its business or operations in relation to the Project;
- (B) applies to the Project and not to similar projects;
- (C) applies to any of the Companies and not to other similar companies;
- (D) applies to businesses financed in a similar way to the Project and not to other businesses;
- (E) affects businesses carrying out activities in the transit pipeline sector to a greater extent than it affects other businesses; or
- (F) renders any material obligation of the State, under this Agreement or any Project Agreement void or unenforceable,

provided that there is no reasonable cause for the Change of Law on the basis of the general constitutional principles of the State.

“Dispute” shall have the meaning ascribed at Article 35.1.

“Economic Equilibrium” shall mean the economic value to either Company or the Companies (as applicable) of the relative balance established under Project Agreements at the applicable date between the rights, interests, exemptions, privileges, protections and other similar benefits provided or granted to such Person and the concomitant burdens, costs, obligations, restrictions, conditions and limitations agreed to be borne by such Person.

“Effective Date” shall have the meaning ascribed at Article 2.1.

“Energy Charter Treaty” shall mean the Energy Charter Treaty as opened for signature in Lisbon on 17 December 1994 as amended or supplemented from time to time.

“Entity” shall mean any company, corporation, limited liability company, joint stock company, partnership, limited partnership, enterprise, joint venture, unincorporated joint venture, association, trust or other juridical Entity, organisation or enterprise duly organised under the laws of any country.

“Environmental Standards” shall have the meaning ascribed at Article 14.1.

“EURO” shall mean the currency of the member states participating in the European Economic Monetary Union.

“Expropriation” shall have the meaning ascribed at Article 30.1.

“Foreign Currency” shall mean any freely convertible currency (other than the Local Currency) which is widely traded in international foreign exchange markets and widely used in international transactions, including but not limited to EURO/US Dollar.

“Initial Entry Points” shall mean the starting points of the Project at any three points on the eastern or southern land borders of the Republic of Turkey as selected by Nabucco International Company, and, subject to agreement by the Nabucco Committee in consultation with Nabucco International Company, any other point at the eastern or southern Turkish border.

“Initial Operation Period” shall mean the period of twenty-five (25) Years from the date on which the Nabucco Pipeline System is complete and enters commercial operation.

“Insurer” shall mean any insurance company or other Person providing insurance cover for all or a portion of the risks in respect of the Nabucco Pipeline System, Project Activities, or any Project Participant, and any successors or permitted assignees of such insurance company or Person.

“Interest Holder” shall mean, at any time, (i) any Company or any Other NNC; (ii) any Person holding any form of equity or other ownership interest in any Company or Other NNC or Operating Company, together with all Affiliates of any Person referred to in (i) and (ii) above.

“Intergovernmental Agreement” shall mean that Agreement among the Republic of Austria, the Republic of Bulgaria, the Republic of Hungary, Romania and the Republic of Turkey regarding the Project, dated 13 July 2009, together with its appendices as set forth therein, including as such agreement may be extended, renewed, replaced, amended or otherwise modified at any given moment in time in accordance with its terms.

“Land Rights” shall mean all those rights, licences, consents, permits, authorisations or exemptions in accordance with the applicable legislation with respect to land in the Territory of the State which grant such free and unrestricted rights, access and title which may include but not be limited to examination, testing, evaluation, analysis, inspection, ownership, construction, use, possession, occupancy, control, assignment and enjoyment with respect to land in the Territory as are required to carry out the Project Activities. The term is used in its broadest sense to refer

not only to the Pipeline Corridor within, over or under which the Nabucco Pipeline System, as completed, will be located, but also such other and additional lands (including sea beds) and land rights within the Territory as either Company as the case may be may reasonably require for purposes of evaluating and choosing the particular routing and location(s) desired by the Companies for the Nabucco Pipeline System.

“Lender” shall mean any financial institution or other Person providing any indebtedness, loan, financial accommodation, extension of credit or other financing to any Interest Holder, in connection with the Nabucco Pipeline System (including any refinancing thereof).

“LIBOR” shall mean, for any day on which clearing banks are customarily open for business in London, the London interbank fixing rate for twelve (12) months EURO deposits, as quoted on Reuter’s LIBOR page on that day or, if the Reuter’s LIBOR page ceases to be available or ceases to quote such a rate, then as quoted in the London Financial Times, or if neither such source is available or both cease to quote such a rate, then such other source, publication or rate selected by the Parties.

“Local Currency” means any currency which is legal tender within the Territory of State.

“Loss or Damage” shall mean any loss, cost, injury, liability, obligation, expense (including interest, penalties, attorneys’ fees and disbursements), litigation, proceeding, claim, charge, penalty or damage suffered or incurred by a Party, but excluding any indirect or consequential losses and loss of profit (except as stated in Article 27.1).

“Nabucco Committee” shall mean the committee established pursuant to Article 12.1 of the Intergovernmental Agreement.

“Nabucco Pipeline System” shall mean the expressly constructed Natural Gas pipeline system (including in respect of each Territory, the pipeline and laterals for the transportation of Natural Gas within and/or across the Territory, and all below and above ground or seabed installations and ancillary equipment, together with any associated land, pumping, measuring, testing and metering facilities, communications, telemetry and similar equipment, all pig launching and receiving facilities, all pipelines, and other related equipment, including power lines, used to deliver any form of liquid or gaseous fuel and/or power necessary to operate compressor stations or for other system needs, cathodic protection devices and equipment, all monitoring posts, markers and sacrificial anodes, all port, terminalling, and all associated physical assets and appurtenances (including roads and other means of access and operational support) required at any given moment in time for the proper functioning of any and all thereof), that connects the Initial Entry Points to Baumgarten in the Republic of Austria and with a maximum designed capacity of 31 bcm/Year, which will be constructed, owned and operated in accordance with private law agreements concluded between the Nabucco International Company and the Nabucco National Companies or by any of these companies inter se or with third parties (together with any arrangements for the use by the Nabucco International Company of other capacity which are contemplated under Article 5 of the Intergovernmental Agreement and the Annex thereto and in the appendix to this Agreement), and the transportation capacity of which in all cases will be marketed and managed by Nabucco International Company, subject to the terms of this Agreement and the applicable Project Agreements.

“National Laws” shall mean the laws applicable in the Territory of the State.

“Natural Gas” shall mean any hydrocarbons or mixture of hydrocarbons and other gases consisting primarily of methane which at a temperature of 15 degrees Celsius and at atmospheric pressure (1.01325 bar absolute) are or is predominantly in gaseous state.

“Nomination” shall mean the prior reporting by the Shippers to Nabucco International Company of the actual capacity that they wish to use in the Nabucco Pipeline System.

“Non-State Land” shall mean any land in the Territory, and any right or privilege with respect thereto, of any kind or character, however arising, and however characterised, other than State Land.

“One-Stop-Shop Shipper Access” shall mean a situation where Shippers have only one contractual relationship with Nabucco International Company for Natural Gas Transmission services between the relevant entry point and exit point.

“Open Season” shall mean the process adopted by Nabucco International Company to allocate to the Shippers the capacity in the Project and that is consistent with Article 7 of this Agreement.

“Operating Company” shall mean, pursuant to Article 25.2, the Person or Persons responsible at any given moment in time for the operation and maintenance of all or any portion of the Nabucco Pipeline System, whether as an agent for or Contractor to the Companies or their Affiliates or otherwise, and any successor or permitted assignee of any such Person. For the avoidance of doubt, where no Person or Persons has or have been appointed by the Companies or their Affiliates in this capacity, the Nabucco National Company shall be the Operating Company.

“Other NNC” shall mean one of the four subsidiaries of Nabucco International Company established or to be established in one of the Other States which enters into a project support agreement with that state pursuant to article 3.5 of the Intergovernmental Agreement.

“Other States” shall mean all states mentioned in the first recital other than the State.

“Permanent Establishment” shall have the meaning set out in the relevant double tax treaty. If no such treaty exists then “Permanent Establishment” shall have the same meaning as in the most recent version as at the date of execution hereof of the Model Tax Convention on Income and Capital of the Organisation for Economic Co-operation and Development.

“Person” shall mean any natural person or Entity, whether of a public or private nature.

“Pipeline Corridor” shall mean an area of land within the Construction Corridor that is 12 metres wide (but shall widen to the extent necessary to accommodate ancillary pipeline facilities), all to be notified by the Companies and approved by the State in accordance with Article 12.

“Project” shall mean the development, evaluation, design, acquisition, construction, installation, ownership, financing, insuring, commercial exploitation, repair, replacement, refurbishment, maintenance, expansion, extension, operation, (including Transmission), protection and decommissioning and activities associated or incidental thereto, all in respect of the Nabucco Pipeline System (which shall not include any subsequent separate pipeline system constructed by the Companies or the Shareholders).

“Project Activities” shall mean the activities conducted by the Project Participants in connection with the Project.

“Project Agreement” shall mean any agreement, contract, licence, consent, permit, authorisation, exemption, lease, concession or other document, other than this Agreement and the Intergovernmental Agreement, to which, on the one hand, the State, any State Authority or State Entity and, on the other hand, any Project Participant, are, or later become, a party, which is in writing and which is relating to the Project Activities, as any such agreement, contract or other document may be extended, renewed, replaced, amended or otherwise modified at any given moment in time in accordance with its terms.

“Project Land” shall mean any interest in land, either State Land or Non-State Land, required by or granted to the Nabucco National Company for the conduct of Project Activities.

“Project Participant” shall mean any and all of each Company and each Other NNC, any Interest Holder, the Operating Companies, the Contractors, the Shippers, the Lenders and the Insurers, as periodically and duly notified in writing by Nabucco International Company in accordance with Article 37 herein to the authorised representative of the State as defined in Article 24.

“Reserved Capacity” shall mean the maximum flow, expressed in normal cubic meters per time unit, to which the Shipper is entitled in accordance with the provisions of the Transportation Contract.

“Shareholders” shall mean those Persons owning shares in Nabucco International Company at any given moment in time.

“Shipper” shall mean any Person (other than the Nabucco National Company or any Other NNC) which has a Transportation Contract with the Nabucco International Company for transportation of Natural Gas through all or any section of the Nabucco Pipeline System at any given moment in time.

“State” shall mean the State of the Republic of Bulgaria and **“States”** shall mean collectively the Republic of Austria, the Republic of Bulgaria, the Republic of Hungary, Romania, and the Republic of Turkey.

“State Authority” shall mean any organ of the State at each level of authority, whether the organ exercises legislative, executive, judicial or any other state functions, and including, without limitation, all central, regional, municipal, local and judicial organs or any constituent element of such organs having the power to govern, adjudicate, regulate, levy or collect taxes, duties or other charges, grant licences, consents, permits, authorisations or exemptions or otherwise affect the rights and obligations of any Project Participants, their successors and permitted assignees, in respect of Project Activities.

“State Entity” shall mean any Entity in which, directly or indirectly, the State has a controlling equity or ownership interest or similar economic interest, or which that State directly or indirectly controls. For purposes of this definition, “control” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of a majority or other controlling interest in the voting securities, equity or other ownership interest in an Entity, by law, or by agreement between Persons conferring such power or voting rights.

“State Land” shall mean any lands in the Territory, and any and all rights and privileges of every kind and character, however arising, and however characterised with respect thereto, which are owned, controlled, used, possessed, enjoyed or claimed by the State including any State Authority.

“Technical Capacity” shall mean the maximum firm capacity that Nabucco International Company can offer to the Shippers, taking account of system integrity and operational requirements.

“Territory” shall mean, with respect to the State, the land territory of such State and its territorial sea, and the air space above each of them, as well as the maritime areas over which the State has jurisdiction or exercises sovereign rights in accordance with public international law.

“Transmission” shall mean carriage of Natural Gas through the Territory of the State, that is effected subject to relevant domestic and international obligations either (1) pursuant to the rules relating to “transit” as defined in Article 7(10)(a) of the Energy Charter Treaty, or (2) pursuant to the Gas Directive 2003/55/EC (in the territory of the State Parties that are member states of the EU).

“Transportation Contract” shall mean any commercial agreement between Nabucco International Company and Shippers for the Transmission of Natural Gas through the Nabucco Pipeline System.

“Year” shall mean a period of twelve (12) consecutive months, according to the Gregorian calendar, starting on 1 January, unless another starting date is indicated in the relevant provisions of this Agreement.

Unless the context otherwise requires, reference to the singular includes a reference to the plural, and vice-versa, and reference to either gender includes a reference to both genders. Reference to any Person under this Agreement shall include reference to any successors or permitted assignees of Person.

A reference to any agreement, treaty, statute, statutory provision, subordinate legislation, regulation or other instrument is a reference to it as it is in force at any given moment in time in the State, taking account of any amendment, replacement or re-enactment.

All references to the “knowledge” or “awareness” and synonymous terms shall, unless the contrary is expressed, be deemed to refer to actual rather than to constructive or imputed knowledge.

ARTICLE 2 EFFECTIVE DATE AND DURATION

1. Provided this Agreement has been signed, it shall be implemented from the date on which the Intergovernmental Agreement has entered into force in accordance with its Article 14 (the “Effective Date”). This Agreement is subject to ratification and shall enter into force when the ratification procedure is completed by the State.
2. Subject to earlier termination in accordance with Article 31, this Agreement shall terminate upon the expiration of all Project Agreements and the conclusion of all activities thereunder in accordance with their terms, subject to a maximum term of fifty (50) Years (unless extended by an additional term of ten (10) Years by mutual agreement of the Parties).

ARTICLE 3 AUTHORITY

Each of the undersigned representatives of the State and the Companies has separately represented and warranted that he or she has the necessary legal authority to make all commitments contained in this Agreement.

ARTICLE 4 RELATIONSHIP TO OTHER AGREEMENTS

1. The Parties agree that each Company shall be regarded as an “Investor” in the sense of Article 1(7) of the Energy Charter Treaty and that the Project shall be regarded as an “Investment” in the sense of Article 1(6) of the Energy Charter Treaty.
2. Nothing in this Agreement or any of the Project Agreements shall deprive any Party or the Shareholders of its rights or any remedy to which it may be entitled under the Energy Charter Treaty or any other international treaties.

PART II GENERAL OBLIGATIONS

ARTICLE 5 COOPERATION

1. The State shall make maximum reasonable efforts to co-operate fully in connection with all Project Activities and shall, if requested by either Company, consult with the Companies and with the Other States concerning any measures (including measures taken in conjunction with either or both of the Companies and/or the Other States) by which the State may make cross-border Project Activities more effective, timely and efficient.
2. The State agrees to take all reasonable steps to discuss with representatives of Lenders, export credit agencies (and other providers of loan finance or guarantees) the provision of appropriate assurances that those entities will have an opportunity to step in and attempt to cure any breach of the terms of this Agreement or other licences, consents, permits, authorisations, exemptions or obligations in respect of the Project to which either of the Companies is a party, beneficiary or recipient, so that the Project can retain the necessary rights to continue its activities. Nothing in this Article 5.2 shall affect Article 31 save as expressly set out in Article 31.
3. Nothing in this Agreement shall oblige the State to take any measures or enact any laws or decrees (or to refrain from doing so) or to take any other steps or to maintain the benefits conferred on the Parties under this Agreement to the extent that it can demonstrate that this would be incompatible with its obligations under international laws, treaties or the European Union legal framework and National Laws and that it has used all reasonable endeavours to avoid, obtain an exception from or otherwise overcome the incompatibility, or to achieve the required result by other permitted means.
4. Without prejudice and subject to the rights granted to Nabucco Gas Pipeline Bulgaria EOOD under this Agreement, to avoid doubt the relationship between Nabucco Gas Pipeline Bulgaria EOOD and the State be governed by National Laws.

ARTICLE 6 COMMITMENTS WITH RESPECT TO PROJECT AGREEMENTS ENTERED INTO BY STATE ENTITIES AND/OR STATE AUTHORITIES

1. The State shall use all reasonable endeavours to procure the timely performance of the obligations arising from any Project Agreements entered into by the State.
2. The State shall, in a timely fashion, use all reasonable endeavours (to the extent permitted by National Laws) to issue, give or cause to be given, in writing, all decrees, enactments, orders, regulations, rules, interpretations, approvals, licences, consents, permits, authorisations and exemptions necessary or appropriate to evidence and perform the foregoing obligation.
3. The State shall take all reasonable endeavours to ensure that State Authorities and/or State Entities make the payment in a timely manner of any and all sums of money which may become due and owing by such State Authorities and/or State Entities under or pursuant to any indemnification provisions agreed to by a State Authority or State Entity within any relevant Project Agreement.
4. The privatisation, insolvency, liquidation, reorganisation or any change in the viability, ownership, organisational structure or legal existence of any State Authority or State Entity party to any Project Agreements shall not affect the obligations of the State hereunder.

ARTICLE 7 DETAILS AND FREEDOM OF TRANSIT

1. For a period of 25 Years from the date where the first construction stage of the Nabucco Pipeline System is put into initial operation, in respect of the Nabucco Pipeline System the State shall ensure that its relevant State Authority gives effect to the two following regulatory permissions on the basis of the requirements set out in Articles 7.1.1 to 7.1.3 below, which permissions and requirements are as detailed in the appendix to this Agreement, namely:
 - a. fifty percent (50%) of the maximum available total technical annual Transmission capacity in the Nabucco Pipeline System, but not more than 15 bcm/Year in the event of a final expansion of capacity to 31 bcm/Year, shall initially be offered to, and if accepted, reserved by the Shareholders, or their Affiliates or transferees provided that the remaining capacity will be offered in a transparent, objective and non-discriminatory procedure for Shipper access; and
 - b. pursuant to the tariff methodology defined in the appendix to this Agreement, Nabucco International Company may determine a stable tariff to attract financing and Shippers' commitments; the determination of the applicable tariffs derived from such methodology shall be in the sole discretion of Nabucco International Company.
 - 1.1 The capacity in the Nabucco Pipeline System shall be allocated by way of an Open Season or other transparent, objective and non-discriminatory allocation procedures. Further to the allocation procedures, the relevant State Authority shall be informed of the results of these procedures;
 - 1.2 A mechanism for the release of unutilised capacity shall be implemented in order to prevent the hoarding of such capacity by Shippers. The relevant State Authority shall be informed of the mechanism;
 - 1.3 Long-term binding capacity requests for the Nabucco Pipeline System, necessitating the build-up of the Project up to its final maximum Transmission capacity, are to be satisfied provided that this build-up is technically possible, economically feasible and that the binding capacity requests amount to at least 1.0 bcm/Year. The State shall facilitate the compliance of Nabucco International Company with possible regulatory obligations foreseen by relevant State Authorities to build additional capacity.

The State shall be entitled to require, and shall permit the Companies to ensure that the capacity of the Nabucco Pipeline System within the State, including any capacity leased by Nabucco International Company or made available to it, is marketed on the basis of a One-Stop-Shop Shipper Access.
2. Having regard to the fact that exemptions from Articles 18 and 25 (2), (3) and (4) of the Directive 2003/55/EC of the European Parliament and of the Council of 26 June 2003 concerning common rules for the internal market in natural gas and repealing Directive 98/30/EC have been requested from the State before the entry into force of the Intergovernmental Agreement and noting that the State has, in accordance with that Directive, granted the respective exemptions and notified them to the European Commission, the State will have entirely satisfied its obligations under Article 7.1 above. This Article 7 is without prejudice to any obligations of the Companies pursuant to the terms of these exemptions.
3. The State shall use its best endeavours to extend the protections set out in Article 7 of the Intergovernmental Agreement to any pipelines and attendant technical facilities to be used by Shippers for the Transmission of Natural Gas within the territory to the Nabucco Pipeline System. The Nabucco Committee may determine, where necessary, which

pipelines are covered by this Article after receiving the opinion of the gas transmission network operator and/or of the respective feeder pipeline operator regarding the loading capacity of the system, as well as receiving any respective approval by the National Regulatory Authority which is required under National Laws.

4. The State agrees that no discriminatory requirements or obligations will be applied to pipeline owners or operators who obtain or seek to obtain connections for their Natural Gas pipelines to the Nabucco Pipeline System or to Shippers who obtain or seek to obtain transportation services via the Nabucco Pipeline System. The State may establish a limit to the application of the forgoing in order to address duly substantiated national security concerns, which shall be presented to the Nabucco Committee.
5. The State agrees with the Companies that it shall perform its obligations under Articles 7.2 to 7.6 of the Intergovernmental Agreement and in particular, except as specifically provided otherwise in writing, including in this Agreement or any Project Agreement, the State shall not, and shall neither permit nor require any State Entity or State Authority to, interrupt, curtail, delay, prohibit, restrict or impede the freedom of transit of Natural Gas in, across, and/or exiting from the Territory through the Nabucco Pipeline System and shall take all measures and actions which may be necessary or required to avoid and prevent any interruption, curtailment, delay, prohibition, restriction or impediment of such freedom of transit (and any such event shall be an “interruption” for the purposes of this article, and “interrupt” shall be interpreted accordingly) and the State shall not interrupt the Project Activities in the Territory, provided always that:
 - a. where there are reasonable grounds to believe that the continuation of the Project Activities in the Territory creates or would create an unreasonable danger or hazard to public health and safety, property or the environment, the State may interrupt Project Activities in its Territory but only to the extent and for the length of time necessary to remove such danger or hazard;
 - b. if any event occurs or any situation arises which there are reasonable grounds to believe threatens to interrupt Project Activities in the Territory (a “threat” for the purpose of this article), the State shall use all lawful and reasonable endeavours to eliminate the threat; or
 - c. if any event occurs or any situation arises which interrupts Project Activities in the Territory the State shall immediately give notice to the Companies of the interruption, give all available details of the reasons therefor and shall use all lawful and reasonable endeavours to eliminate the reasons underlying such interruption and to promote restoration of such Project Activities at the earliest possible opportunity.

ARTICLE 8 STATE’S PERFORMANCE OF THE AGREEMENT

The State confirms that as at the Effective Date:

1. it has the power to make, enter into and carry out this Agreement and to perform its obligations under this Agreement and all such actions have been duly authorised by all necessary procedures on its part;
2. the execution, delivery and performance of this Agreement will not conflict with, result in the material breach of or constitute a material default under any of the terms of any treaty, agreement, decree or order to which it is a party or by which it or any of its assets is bound or affected;
3. this Agreement has been duly and validly executed and delivered by it and constitutes a legal, valid and binding obligation upon it, enforceable in accordance with its terms;

4. no representation or warranty by it contained in this Agreement omits to state a material fact necessary to make such representation or warranty not misleading in light of the circumstances under which it was made, which material fact, at the date of execution hereof, is known or should reasonably be known to the State.

ARTICLE 9 COMPANIES' PERFORMANCE OF THE AGREEMENT

Each Company confirms severally and in respect of itself only that as at the Effective Date:

1. it is duly organised, validly existing and in good standing in accordance with the legislation of the jurisdiction of its formation or organisation, has the lawful power to engage in the business it presently conducts and contemplates conducting, and is duly licensed (or to the best of its knowledge is capable of being duly licensed and will in due course become duly licensed) or qualified and in good standing as a national or foreign corporation (as the case may be) in each jurisdiction wherein the nature of the business transacted by it makes such licensing or qualification necessary;
2. it has the power to make, enter into and carry out this Agreement and to perform its obligations under this Agreement and all such actions have been duly authorised by all necessary procedures on its part;
3. the execution, delivery and performance of this Agreement will not conflict with, result in the breach of, constitute a default under or accelerate performance required by any of the terms of its formation or organisational documents or any agreement, decree or order to which it is a party or by which it or any of its assets is bound or affected;
4. this Agreement has been duly and validly executed and delivered by it and constitutes a legal, valid and binding obligation upon it, enforceable in accordance with its terms, except and to the extent that its enforceability may be limited by bankruptcy, insolvency, or other similar legal process affecting the rights of creditors generally;
5. there are no actions, suits, proceedings or investigations pending or, to its knowledge, threatened against it or any of its Affiliates, before any court, arbitral tribunal or any governmental body which individually or in the aggregate may result in any material adverse effect on its business or assets or its condition, financial or otherwise, or in any impairment of its ability to perform its obligations under this Agreement. Such Company has no knowledge of any violation or default with respect to any order, decree, writ or injunction of any court, arbitral tribunal or any governmental body which may result in any such material adverse effect or such impairment;
6. it has complied with all laws applicable to it such that it has not been subject to any fines, penalties, injunctive relief or criminal liabilities which, to its knowledge, in the aggregate have materially affected or may materially affect its business operations or financial condition or its ability to perform its obligations under this Agreement;
7. no representation or warranty by it contained in this Agreement contains any untrue statement of material fact or omits to state a material fact necessary to make such representation or warranty not misleading in light of the circumstances under which it was made;
8. it keeps copies of books of account, originals or copies of contracts and copies of other files and records reasonably necessary to the Project Activities. Such files and records shall be available for inspection and audit by representatives of the State in accordance with the relevant National Laws. All such books or accounts and other records shall be maintained in the currency of account for the relevant transaction and in accordance with generally accepted international accounting standards and the generally accepted accounting principles of the state in which the relevant Company is incorporated.

ARTICLE 10 INSURANCE

1. With regard to insurance, each Company shall effect and maintain insurances and shall cause the Contractors and Operating Companies to effect and maintain insurance in such amounts and in respect of such risks related to the Project as are in accordance with the internationally accepted standards and business practices of the Natural Gas industry having due regard to the location, size and technical specifications of the Project Activities, subject at all times to availability, at commercially reasonable terms. Where available on such terms, such insurance shall, without prejudice to the generality of the foregoing, cover:
 - a. physical loss of or physical damage to all installations, equipment and other assets used in or in connection with the Project Activities;
 - b. loss, damage or injury caused by seepage, an explosion or other mechanical impacts, pollution or contamination or adverse environmental impact in the course of or as a result of the Project Activities;
 - c. the cost of removing debris or wreckage and cleaning-up operations (including seeping, polluting or contaminating substances and materials) following any accident in the course of or as a result of the Project Activities;
 - d. loss or damage of property or bodily injury suffered by any third party in the course of or as a result of the Project Activities; and
 - e. risks required to be covered by law or for which there is a contractual requirement.
2. Prior to the commencement of construction of the Nabucco Pipeline System, each Company shall provide the State with copies of certificates of insurance and other statements from brokers or Insurers confirming any applicable insurance in place at that time and shall do likewise at the renewal of each insurance. If such insurances outlined in Article 10.1 above are not available at commercially reasonable terms, notice shall be given as soon as practical to the State together with details of reasonable alternative measures to cover the risk such as guarantees or self-insurance mechanisms and the commercial insurance market shall be tested by the applicable Company on a regular basis in case the position has changed.
3. Subject to Article 10.1 above, insurance for physical loss or physical damage to installations, equipment and other assets used in or in connection with the Project Activities and third party liabilities shall name the State as an additional insured and contain a waiver of subrogation from Insurers under each insurance. Such insurances shall also contain non-vitiation provisions and notice of materially adverse alterations or cancellation or non-renewal shall be supplied to the State by the Insurer(s) or via any broker through whom insurance is arranged.

ARTICLE 11 STATE FACILITATION

1. Without prejudice to Article 6.2, the State shall, to the extent permitted by the constitutional laws applicable to it, give favourable consideration to, develop and propose to the relevant legislative body, and support the making, passage and enactment of, any laws, decrees or other legislative steps as are necessary to enable the Project Participants to implement the terms of this Agreement and all Project Agreements and to authorise, enable and support the Project Activities and the activities and transactions contemplated by this Agreement and all Project Agreements within its Territory.
2. The State shall to the extent possible (and, where appropriate, through a representative in accordance with Article 24) consult with and keep the Companies informed in respect of

the development of any necessary laws or regulations and the status of all actions which are or may be necessary in order to comply with Article 11.1 above.

3. The State shall take all reasonable endeavours to assist the Companies at the request of the Companies in obtaining on Best Available Terms with respect to the Project those rights, visas, approvals, certificates, licences, consents, permits, authorisations or exemptions and permissions necessary or appropriate for the Project, including in respect of:
 - a. pipeline, materials, equipment and other supplies destined for or exiting from the Territory; and
 - b. the import and/or export or re-export of any goods or services necessary for the Project.

ARTICLE 12 LAND RIGHTS

1. The State shall assist the Nabucco National Company with the acquisition and exercise of Land Rights to the extent set out in this Article, subject always to observing the rights of any other Entity in respect of any pipeline which pre-exists the Nabucco Pipeline System.
2. The State shall perform the obligations under this Article within the limits of its authority and in accordance with its obligations under public international law and, its National Laws and regulations, provided always that where the State is able to expedite the process in respect of Land Rights or to facilitate the grant thereof, all in accordance with such obligations laws and regulations, then the State shall use all reasonable endeavours in this respect.
3. The obligations of the State under this Article are conditional on the Nabucco National Company meeting all appropriate costs and expenses in relation to the acquisition of the Land Rights which shall include:
 - a. paying costs and expenses arising as a result of any additional obligations and requirements generated from the application of any international standards and/or Lender requirements relating to the manner and terms of the acquisition of the Land Rights;
 - b. being responsible under the terms of the National Laws for settling or paying compensation for the acquisition of all Project Land to the Persons from whom the Land Rights were acquired (whether State Authorities or other Persons or Entities); and
 - c. indemnifying the State against any such costs and expenses and any and all claims.
4. In respect of Project Land and subject to Articles 12.2 and 12.3 of this Article the State shall:
 - a. in the case of State Land, use all reasonable endeavours to make Land Rights within the Pipeline Corridor available to the Nabucco National Company when necessary, or to support requests to other relevant State Authorities to do so (subject in each case to overriding considerations of national interest);
 - b. in the case of Non-State Land, use all reasonable endeavours to assist the Nabucco National Company in acquiring Land Rights within the Pipeline Corridor when necessary in accordance with the procedures that are established under the National Laws;
 - c. where the State or any State Authority has the established capability and expertise to conduct or manage the process of acquiring Land Rights on behalf of third parties, the

State shall use all reasonable endeavours to ensure that an offer is made to the Nabucco National Company to do so on its behalf on reasonable cost based terms;

- d. use all reasonable endeavours to assist the Nabucco National Company in identifying any Persons who have or have claimed any form of ownership or other property, occupancy, construction or possessory interest in any Project Land which is to be subject to the Land Rights, and notify them of the Land Rights granted to the Nabucco National Company and of the authorisation of the Project Participants to conduct Project Activities on such land;
 - e. exercise or assist the Nabucco National Company in exercising, to the extent possible, any applicable powers of taking, compulsory acquisition, eminent domain or other similar sovereign powers to enable the Nabucco National Company to acquire and exercise the Land Rights in all the Project Land as provided in this Article; and
 - f. use all reasonable endeavours (to the extent permitted by the National Laws) to issue, or support applications for the issuing of, all necessary licences, consents, permits, authorisations or exemptions and land registration certificates required under applicable National Laws and regulations for the Nabucco National Company to acquire and exercise the Land Rights in all Project Land and to provide public notice of the rights of the Nabucco National Company to such Land Rights.
5. The State shall, in fulfilling its obligations, endeavour, to the extent permitted by law, to ensure that the Land Rights confer on the Nabucco National Company: (i) the exclusive and unrestricted right to use, occupy, possess, own, control and construct upon and/or under the land within the Construction Corridor and/or Pipeline Corridor (as appropriate) for the purpose of conducting the Project Activities; and (ii) the exclusive and unrestricted right (subject to Article 12.7 below) to restrict or allow at the Nabucco National Company's sole discretion use, ownership, occupation, possession and control of, and construction upon and/or under, the Construction Corridor and/or Pipeline Corridor (as appropriate) by any other Persons.
 6. The State shall use its best endeavours to assist, and procure that the relevant State Authorities assist the Nabucco National Company in exercising the Land Rights obtained under this Article (subject to the Nabucco National Company meeting any appropriate costs incurred in doing so).
 7. The State shall not, without the prior written consent of the Companies (such consent not to be unreasonably withheld) grant to any Person other than the Nabucco National Company any rights (of occupation, ownership, use or otherwise) that are inconsistent or conflict with, or that may interfere with, the lawful exercise or enjoyment by the Companies of the rights granted under this Article.
 8. Subject to this Agreement, the Nabucco National Company shall share with the State any graphic and non-graphic data collected while exercising the Land Rights and in the course of identifying the Construction Corridor.
 9. The Nabucco National Company shall be entitled to propose a Construction Corridor and Pipeline Corridor for the construction of the Nabucco Pipeline System and the subsequent conduct of the Project Activities. Such Construction Corridor and Pipeline Corridor shall be designated by the Nabucco National Company and be submitted to the State for its approval, which shall not be unreasonably withheld or delayed.

ARTICLE 13 QUALITY ASSURANCE

1. The Companies shall not be required to accept any Natural Gas to be transported in the Nabucco Pipeline System if the Natural Gas is of a quality that is incompatible with

technical specifications laid down in writing in the general terms and conditions for the use of the Nabucco Pipeline System promulgated by Nabucco International Company.

2. In the event that the State, any State Authority and/or any State Entity causes, without the consent of the Operating Company, the transmission in any part of the Nabucco Pipeline System, of any Natural Gas of a quality that is incompatible with technical specifications as agreed in writing between the Parties, the State shall ensure that the Companies are indemnified for all Loss or Damage resulting therefrom.

ARTICLE 14 ENVIRONMENTAL PROTECTION AND SAFETY

1. The environmental and safety standards relating to the Project under any applicable licences, consents, permits, authorisations or exemptions and otherwise required in accordance with the National Laws shall be established by Nabucco International Company and the National Nabucco Company taking due account of the results of the environmental impact assessment (EIA), including the compatibility assessment (CA), where applicable, to be conducted in respect of the Nabucco Pipeline System. EIA and CA shall be based on and consistent with national law of the State, European and international law, the Equator Principles and the other environmental requirements of prospective Lenders to the Project. After the environmental and safety standards have been established they shall be recorded in written form (to be prepared by the Companies for approval by the State, such approval to be given in accordance with National Laws and not to be unreasonably withheld) (the "Environmental Standards").
2. If a spillage or release of Natural Gas occurs from the Nabucco Pipeline System, or any other event occurs which is causing or likely to cause material environmental damage or material risk to health and safety, on request from the Companies and at the Companies' cost and expense, the State shall, in addition to any obligations the State Authority and/or the State Entity may have under the Project Agreements, use all lawful and reasonable endeavours to make available promptly and in reasonable quantities, any labour, materials and equipment not otherwise immediately available to the Companies to assist in any remedial or repair effort in respect of any event to which National Laws apply.

ARTICLE 15 PERSONNEL

1. The State shall to the extent permitted by applicable National Laws ensure that each Company, subject to Articles 15.2 and 15.3, has the right to employ or enter into contracts with, for the purposes of conducting the Project Activities on its Territory, such natural or legal Persons and their respective personnel (including citizens of the State, other EU/EEA States and other Persons with similar rights on the Territory of the State) who, in the opinion of such Company, demonstrate the requisite knowledge, qualifications and expertise to conduct such activities.
2. Except as otherwise provided in this Agreement and subject to National Laws, the State shall permit the free movement within its Territory of the Persons referred to in Article 15.1, of their property intended for their private use and of all other assets of such Persons relating to the Project Activities, observing the terms and conditions of the EU agreements and the international agreements to which the State is a party.
3. The State shall, to the extent permitted by applicable laws, support the State Authorities in preventing or eliminating any restriction on the entry or exit of any key personnel with respect to the Project, subject only to the enforcement of immigration (including visa and residence permit regulations), customs, criminal and other relevant laws of the State.

ARTICLE 16 LABOUR STANDARDS

1. The employment laws and practices or standards applicable to the Project shall be the normal rules that are established pursuant to the national legislation of the State. No requirements in this regard shall be imposed on the Project Participants in addition to those standards applicable to similar projects.
2. All employment programmes and practices applicable to citizens of the State working on the Project on the Territory of the State, including hours of work, leave, remuneration, fringe benefits and occupational health and safety standards, shall not be less beneficial than is provided by the State's labour legislation generally applicable to its citizens.

ARTICLE 17 SOCIAL IMPACT STANDARDS

The social impact standards relating to the Project under any applicable licences, consents, permits, authorisations or exemptions and other requirements in accordance with National Laws shall be established by Nabucco International Company pursuant to and taking due account of the results of the social impact assessment to be conducted in respect of the Nabucco Pipeline System on a basis consistent with the Equator Principles and the other social policy requirements of prospective Lenders to the Project. After they have been established they shall be recorded in written form (to be prepared by the Companies for approval by the State, such approval to be given in accordance with National Laws and not to be unreasonably withheld).

ARTICLE 18 TECHNICAL STANDARDS

1. The Companies shall be entitled to apply a uniform set of technical standards for the Project and the Project Activities. Such technical standards shall be prepared by the Companies and submitted to the State for its approval (including any official approval required by National Laws), which shall not be unreasonably withheld or delayed (and shall not be withheld if the technical standards are consistent with generally accepted international pipeline standards).
2. The State shall (without prejudice to the provisions of Article 11) use its best endeavours to: (i) take all measures and issue all laws and decrees within its legislative competence; (ii) ensure the taking of all other measures; and (iii) promote the enactment of all laws (where these may be enacted by an Entity other than the State), and (iv) ensure the taking of all measures other than legislative measures that (in each case) are necessary to enable the adoption of the technical standards referred to in Article 18.1.
3. The State shall use its best endeavours to ensure that it does not do any act or thing (including the issuing of any law or decree) which would prevent or hinder any relevant Person from being able to comply with any of the technical standards referred to in Article 18.1.

ARTICLE 19 ACCESS TO RESOURCES AND FACILITIES

1. The State shall use its best endeavours to provide and/or make available to each Company, pursuant to the National Laws, at its cost and expense, and to any other Project Participant on its reasonable request, on Best Available Terms all goods, works and services as may be necessary or appropriate for the Project in the reasonable opinion of the requesting Company and that are owned or controlled by State Authority (including but not limited to raw materials, electricity, water (other than the water referred to in Article 19.2(a)), gas, communication facilities, other utilities, onshore construction and fabrication facilities, supply bases, vessels, import facilities for goods and equipment, warehousing and means of transportation, and information which may be of use for Project Activities including but not limited to information regarding geology, hydrology and land drainage, archaeology and ecology all with respect to the Project.

2. The State shall ensure that the applicable State Authorities exercise all lawful and reasonable endeavours to assist the Companies at the request of the Companies and at their cost in obtaining with respect to the Project on Best Available Terms and pursuant to the National Laws:
 - a. readily available water of sufficient quality and quantity located proximate to the Nabucco Pipeline System in order to perform hydrostatic and other testing of the Nabucco Pipeline System, together with the right to dispose of same at location(s) proximate to said Nabucco Pipeline System upon completion of such testing in line with Environmental Standards; and
 - b. all goods, works, services and technology as may be necessary or appropriate for the Project in the reasonable opinion of the requesting Companies that are not owned, controlled or customarily provided by the State Authority and/or State Entity (including raw materials, electricity, water (other than the water referred to in Article 19.2(a) above), gas, communication facilities, other utilities, onshore construction and fabrication facilities, supply bases, vessels, import facilities for goods and equipment, warehousing and means of transportation).

ARTICLE 20 SECURITY

1. Commencing with the initial Project Activities relating to route identification and evaluation and continuing throughout the life of the Project, the State shall endeavour to ensure the security of the Project Land, the Nabucco Pipeline System and all Persons involved in the Project Activities within the Territory.
2. In order to avoid or mitigate harm to the Project, the State shall, on request by and in consultation with each Company, exert all lawful and reasonable endeavours to enforce any relevant provisions of its law relating to threatened and/or actual instances of Loss or Damage caused by third parties (other than Project Participants) to the Project Land, the Nabucco Pipeline System or loss or injury to Persons within the Territory involved in the Project Activities within the Territory which shall include but not be limited to protecting the Nabucco Pipeline System against civil war, sabotage, vandalism, blockade, revolution, riot, insurrection, civil disturbance, terrorism, kidnapping, commercial extortion, organised crime or other similar destructive events and shall use their security forces to the extent necessary to comply with such obligation.
3. Notwithstanding the provisions of Articles 20.1 and 20.2 above, each Company shall also exert all reasonable endeavours to ensure the security of works in progress and material storage yards within the Territory.
4. Any supplemental requirement in respect to additional security measures for the Project shall be carried out by each Company at its own respective cost and in line with legislation of the State.

PART III TAXES, IMPORT & EXPORT AND CURRENCY

ARTICLE 21 TAXES

The Parties note that separate agreements relating to taxation matters are to be entered into pursuant to Article 11 of the Intergovernmental Agreement. The Parties shall, in consultation with the Other States, use all reasonable endeavours to enter into those agreements as soon as possible.

ARTICLE 22 IMPORT AND EXPORT

1. The State shall accord Natural Gas and other goods and services associated, directly or indirectly, with the Project Activities, treatment no less favourable in connection with their import into and/or export out of the State (as the case may be) than that which would be accorded to like goods and services of like origin which are not associated with the Project.
2. No prohibitions or restrictions, irrespective of their names and origin, other than the duties, taxes or other charges provided for under the National Laws, whether made effective through quotas, import or export licences or other measures, shall (without prejudice to Article 29) be instituted or maintained by the State on the importation or on the exportation of Natural Gas, other goods or services with respect to Project Activities.
3. No fees, charges or other levies of whatever character imposed by the State on or in connection with importation or exportation with respect to Natural Gas, other goods or services with respect to any part of Project Activities may be imposed by way of an indirect protection to domestic products or services or a taxation of imports or exports for fiscal purposes. No such fees shall be imposed except to the extent that they are a fair approximation of the actual cost of conducting the administrative procedures that are generally adopted by States in respect of importation and exportation of goods.
4. The provisions of this Article shall extend to fees, charges, formalities and requirements imposed by the State and/or State Authorities and/or State Entities in connection with importation and exportation with respect to any Project Activities, including, but not limited to those relating to consular transactions, such as consular invoices and certificates; quantitative restrictions; licensing; exchange control; statistical services; documents, documentation and certification; analysis and inspection; and quarantine, sanitation and fumigation.

ARTICLE 23 FOREIGN CURRENCY

1. The State confirms that, for the duration of and in order to conduct Project Activities, each Company and any other Project Participants shall have the right with respect to Project Activities:
 - a. to bring into or take out of the Territory Foreign Currency and to utilise, without restriction, Foreign Currency accounts in the Territory and to exchange any currency at market rates;
 - b. to open, maintain and operate Local Currency bank and other accounts inside the Territory and Foreign Currency bank and other accounts both inside and outside the Territory;
 - c. to purchase and/or convert Local Currency with and/or into Foreign Currency;
 - d. to transfer, hold and retain Foreign Currency outside the Territory;
 - e. to be exempt from all mandatory conversions, if any, of Foreign Currency into Local Currency or other currency;

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- f. to pay abroad, directly or indirectly, in whole or in part, in Foreign Currency, the salaries, allowances and other benefits received by any foreign employees;
 - g. to pay contractors and foreign contractors abroad, directly or indirectly, in whole or in part, in Foreign Currency, for their goods, works, technology or services supplied to the Project; and
 - h. to make any payments provided for under any Project Agreement in Foreign Currency.
2. Where it is necessary for the purposes of this Agreement that a monetary value or amount be converted from one currency to another, the conversion rate of exchange to be used shall be based, for each currency involved, on the par value as established pursuant to the Articles of Agreement of the International Monetary Fund ("IMF").

PART IV IMPLEMENTATION

ARTICLE 24 AUTHORISED REPRESENTATIVES

1. The State shall appoint promptly upon entry into force of this Agreement by written notice to the Companies an authorised representative, agency or other body by or through which the Companies may with respect to the Project, subject to the regulations of the State, request, secure and facilitate in general the flow of information between the Parties in connection with the development of the Project and in particular:
 - a. issuance of any and all rights, visas, certificates, approvals, licences, consents, permits, authorisations, exemptions and permissions provided in this Agreement;
 - b. information, documentation, data and other materials specified by this or any other Project Agreement or appropriate to evidence any grants of rights hereunder or under any other Project Agreement in form sufficient and appropriate to facilitate the carrying out of the Project or Project Activities or any part thereof;
 - c. the submission and receipt of notifications, certifications and other communications provided herein; and
 - d. the taking of such other actions with respect to the State Authorities appropriate to facilitate the implementation of the Project.
2. Each Company shall appoint one or more representatives, committees, or other organisational or functional bodies by or through whom that Company may act, which will facilitate the method and manner of each Company's timely and efficient exercise of its rights and/or performance of its obligations hereunder (the "Company Representative(s)").
3. Upon the appointment of the Company Representative(s), the State shall be entitled to rely upon the communications, actions, information and submissions of a Company Representative, in respect of that Company Representative's notified area of authority, as being the communications, actions, information and submissions of the respective Company. The Parties further acknowledge that each Company shall have the right, upon reasonable written notice to the State, to remove, substitute or discontinue the use of one or more specified Company Representative(s).
4. Upon the appointment of the State's authorised representative, agency or other body in accordance with Article 24.1, each Company shall be entitled to rely upon the communications, actions, information and submissions of such authorised representative, agency or other body of the State as being the communications, actions, information and submissions of the State. The Parties further acknowledge that the State shall have the right, upon reasonable written notice to the Companies, to remove, substitute or discontinue the use of such authorised representative, agency or other body.
5. Each Company and the State shall, at the request of either of them, request their representatives to review at any given moment in time the status of Project Activities and confer together on any issues arising with respect thereto.
6. This Article is without prejudice to the rights of the Companies under National Laws, including (without limitation) the Bulgarian Investment Promotion Act (Promulgated, State Gazette No 97/24.10.1997). The provisions of Articles 24.1 to 24.4 above apply to the extent that National Laws do not confer substantially similar rights.

ARTICLE 25 OPERATING COMPANY

1. Subject only to any requirement under National Laws that any Operating Company register to conduct business within the Territory, the Nabucco National Company shall have the right to establish, own and control and/or appoint or select one or more Operating Companies (which may include, in the Nabucco National Company's sole discretion, a Shareholder or an Affiliate of a Shareholder) that have been organised in any jurisdiction, whether inside or outside the Territory, in conformity with the prevailing National Laws.
2. The Companies shall have the right to appoint any Operating Company (which may include, in the Nabucco National Company's sole discretion, a Shareholder or an Affiliate of a Shareholder) to exercise as directed by the Nabucco National Company any or all rights of the Companies arising under any Project Agreement or provide services in that respect including (subject to the explicit approval of the Nabucco National Company) any right to initiate dispute resolution proceedings, and to enforce as directed by the Companies any or all obligations of the State Authority and/or any State Entity under any Project Agreement.
3. The State agrees with the Companies to comply with its obligations under Article 8 of the Intergovernmental Agreement.

ARTICLE 26 APPLICATION REQUIREMENTS

1. Upon request by either Company or such other Project Participants as the Companies may designate, the State shall provide or cause the relevant State Authorities to provide a complete and proper list of all documentation necessary to obtain a specific license, consent, permit, authorisation, exemption, visa, certificate, approval or permission (the "Application Requirements") on the part of either Company and such other Project Participants as the Companies may designate in order to carry out Project Activities.
2. Subject only to the submission of the Application Requirements the State shall provide or use its best endeavours (subject to meeting all objective requirements normally applied) to cause the relevant State Authorities to provide, on a priority basis (but in accordance with relevant National Laws), all licences, consents, permits, authorisations, exemptions, visas, certificates, approvals and permissions necessary or appropriate in the opinion of the Companies to enable them and all other designated Project Participants to carry out all Project Activities in a timely, secure and efficient manner and/or to exercise their rights and fulfil their obligations in accordance with the Project Agreements, including but not limited to:
 - a. use and enjoyment of the Land Rights (subject to the provisions of Article 12 and the appendix to this Agreement;
 - b. customs clearances;
 - c. import and export licences;
 - d. visas, residence permits and work permits;
 - e. rights to lease or, where appropriate, acquire office space and employee accommodations;
 - f. rights to open and maintain bank accounts;
 - g. rights and licences, to operate communication and telemetry facilities (including the dedication of a sufficient number of exclusive radio and telecommunication frequencies as requested by either Company to allow the uniform and efficient operation of the Nabucco

Pipeline System within and without the Territory) for the secure and efficient conduct of Project Activities;

- h. rights to establish such branches, Permanent Establishments, Affiliates, subsidiaries, offices and other forms of business or presence in the Territory as may be reasonably necessary in the opinion of any Project Participant to properly conduct Project Activities, including the right to lease or, where appropriate, purchase or acquire any real or personal property required for Project Activities or to administer the businesses or interests in the Project;
- i. rights to operate vehicles and other mechanical equipment, and in accordance with relevant State law, the right to operate aircraft, ships and other water craft in the Territory; and
- j. environmental and safety approvals.

PART V LIABILITY

ARTICLE 27 LIMITATION OF LIABILITY OF THE PARTIES

1. No Party shall be liable to any other Party for any punitive or exemplary damages for breach of this Agreement. Liability for indirect or consequential losses or loss of profit shall, however, only arise in the case of an intentional breach by that Party or a breach caused by the gross negligence of that Party.
2. No Party shall be liable to any other Party in respect of a breach of this Agreement that is caused by the fault or breach of legal obligations by that other Party, or by an Affiliate of it (or, where that other Party is the State, by a public body).
3. Liability for Loss or Damage caused by a breach of this Agreement shall be reduced to the extent that the Party suffering such Loss or Damage fails to take all reasonable steps, having regard to all the circumstances, to minimise such Loss or Damage.
4. Any liability that the Companies may have for any breach of National Laws shall be as prescribed by National Laws.

ARTICLE 28 FORCE MAJEURE

1. Any Party liable for non-performance or delay in performance on the part of any Party with respect to any obligation or any part thereof under this Agreement, other than an obligation to pay money, shall be excused liability for such non-performance or delay to the extent that it is caused or occasioned by Force Majeure, as defined in this Agreement.
2. Force Majeure shall be limited to those Force Majeure Events and any resulting effects that prevent or delay the performance of the obligations of the Party concerned or any part thereof and which are beyond its reasonable control, concerning events or causes which are not caused or contributed to by the negligence of the Party concerned (or, where that Party is that State, any State Authority) or by the breach by any such Person of this Agreement or any Project Agreement. Force Majeure Events shall be the following events:
 - a. natural disasters (extreme weather, , earthquakes, landslides, cyclones, floods, fires, lightning, tidal waves, volcanic eruptions, supersonic pressure waves, nuclear contamination, epidemic or plague and other similar natural events or occurrences), which have been caused by natural forces;
 - b. industrial accidents or explosions affecting the Nabucco Pipeline System which represent unforeseen or difficult to predict occurrences and which are limited in time and space and are marked by high intensity of force or are the result of human activity or action, threatening the life or health of humans, property or the environment;
 - c. structural shift or subsidence affecting generally a part or parts of the Nabucco Pipeline System;
 - d. strike or go slow;
 - e. inability to obtain necessary goods, materials or services, the inability to obtain or maintain any necessary means of transportation which occurs despite the exercise of all reasonable efforts by the affected Party; and the affected Party shall give prompt notification on becoming aware that such inability may occur and all requisite substantiation thereof;

- f. acts of war (between sovereign states where the State has not initiated the war under the principles of international law), invasion, armed conflict, act of foreign enemy or blockade;
 - g. acts of rebellion, riot, civil commotion, strikes of a political nature, act of terrorism, insurrection or sabotage;
 - h. international boycotts, sanctions, international embargoes against sovereign states other than the State; and
 - i. changes in law and expropriatory acts.
3. If a Party is prevented or delayed from carrying out its obligations or any part thereof under this Agreement as a result of Force Majeure, it shall promptly notify in writing the other Party or Parties to whom performance is owed. The notice shall:
 - a. specify the obligations or part thereof that the Party cannot perform;
 - b. fully describe the event of Force Majeure;
 - c. estimate the time during which the Force Majeure will continue; and
 - d. specify the measures proposed to be adopted by it (or them) to remedy or abate the Force Majeure.
 4. Following the notice given under Article 28.3 above, and for so long as the Force Majeure continues, any obligations or parts thereof which cannot be performed because of the Force Majeure, other than the obligation to pay money, shall be suspended.
 5. Any Party that is prevented from carrying out its obligations or parts thereof (other than an obligation to pay money) as a result of Force Majeure shall take such actions as are reasonably available to it and expend such funds as necessary and reasonable to remove or remedy the Force Majeure and resume performance of its obligations and all parts thereof as soon as reasonably practicable.
 6. Where the State is prevented from carrying out its obligations or any part thereof (other than an obligation to pay money) as a result of Force Majeure, it shall take, and shall also procure that relevant State Authority and/or State Entity take, such action as is reasonably available to it or them to mitigate any loss suffered by any Company or other Project Participant during the continuance of the Force Majeure and as a result thereof.
 7. Any Company that is prevented from carrying out its obligations or any part thereof (other than an obligation to pay money) as a result of Force Majeure shall take such action as is reasonably available to it to mitigate any loss suffered by the State, any State Authority, State Entity or Project Participant during the continuance of the Force Majeure and as a result thereof.

PART VI FINAL PROVISIONS

ARTICLE 29 DISCRIMINATORY CHANGE OF LAW

1. Pursuant to Article 7.1 of the Intergovernmental Agreement, the State will indemnify the Companies on the terms of this Article 29 against the consequences of any Discriminatory Change in Law which has the effect of (i) impairing, conflicting or interfering with the implementation of the Project, (ii) limiting, abridging or adversely affecting the value of the Project or the Economic Equilibrium or any of the rights, indemnifications or protections granted or arising under this Agreement or any Project Agreement, or (iii) imposing (directly or indirectly) any Change of Law Costs on any Company or Project Participant.
2. If any Discriminatory Change of Law is enacted in the circumstances envisaged in Article 29.1 above, either Company shall, within three (3) months of the date when it could with reasonable diligence have become aware of the effect of the Discriminatory Change of Law as aforesaid, give notice thereof in writing to the State. During the ninety (90) days following the State's receipt of this notice, each Company and the State shall endeavour to resolve the matter through amicable negotiations.
3. Following completion of the negotiations referred to in Article 29.2 above, if the Companies and the State are unable to resolve the matter amicably, the State shall indemnify the affected Companies in accordance with Article 29.1 above. In this case, such payments shall bear interest at a reasonable market rate which is not less than the rate at which the recipient is able itself to borrow funds. Such interest shall accrue from the date(s) when the relevant effects occurred to the date(s) when payments are received from the State.
4. The State shall not be required to indemnify the Companies pursuant to this Article 29 to the extent that it ensures that the Companies are protected against the material adverse consequences of such Discriminatory Change in Law.
5. Notwithstanding anything else in this Article 29, the State shall have no liability hereunder in relation to any Change of Law that relates to environmental, social or technical standards and that would be a Discriminatory Change of Law by reason that it affects businesses carrying out activities of the same kind as the Project Activities to a greater extent than it affects other businesses.
6. The State shall not be responsible under this Article in respect of any Discriminatory Change of Law that is enacted upon the initiative of Companies, Company Representative(s), Contractor(s) or their Affiliates or that is caused by any unlawful conduct of the above mentioned entities.
7. This Agreement shall not impose any obligations on the courts or judicial organs of the State or require the State or any State Authority to take any action that would adversely affect the independent operation of the courts or judicial organs of the State or that would otherwise infringe National Laws relating to them.

ARTICLE 30 EXPROPRIATION

1. No Investment (within the meaning of the Energy Charter Treaty) owned or enjoyed, directly or indirectly, by any Project Participant in relation to the Project shall be nationalised, expropriated or subjected to a measure or measures having effect equivalent to nationalisation or expropriation (hereinafter referred to as "Expropriation") except where such Expropriation is:
 - a. for a purpose which is in the public interest;

- b. not discriminatory;
 - c. carried out under due process of law; and
 - d. accompanied by the payment of prompt, adequate and effective compensation.
2. Such compensation shall amount to the fair market value of the Investment expropriated at the time immediately before the Expropriation or impending Expropriation became known in such a way as to affect the value of the Investment.
 3. The Parties shall in due course elaborate and from time to time update a specification of the Companies' investment costs and their amortisation in constructing and operating the Nabucco Pipeline System.
 4. Such fair market value shall at the request of the Project Participant be expressed in Convertible Currency. Compensation shall also include interest at a commercial rate established on a market basis from the date of Expropriation until the date of payment.
 5. Any dispute in respect of this Article may be submitted at any time by the relevant Project Participants or any of them for resolution pursuant to Article 35 (which Article shall for the purposes of disputes in respect of this Article be read as if every reference to Party were a reference to "Project Participant").

ARTICLE 31 TERMINATION

1. Except as may be expressly provided in this Article 31, neither Party shall amend, rescind, terminate, declare invalid or unenforceable, elect to treat as repudiated, or otherwise seek to avoid or limit this Agreement without the prior written consent of the other Parties.
2. If neither Company has taken steps to put the Nabucco Pipeline System into operation by not later than 31 December 2016 (or the expiry date of any extension of the exemption from the provisions under National Law implementing Articles 18 and 25 (2), (3) and (4) of the Directive 2003/55/EC granted by the State Authority) for any reason other than Force Majeure, or failure by the State or any State Authority or State Entity to perform any of their obligations in a timely manner, the State shall have the right to give written notice to the Companies of the termination of this Agreement. Such termination shall become effective one hundred and eighty (180) days after receipt by the Companies of such termination notice, unless within said one hundred and eighty (180) day period either Company takes steps to commence the construction phase of the Nabucco Pipeline System. In addition, the date of 31 December 2016 (or the expiry date of any extension of the exemption from the provisions under National Law implementing Articles 18 and 25 (2), (3) and (4) of the Directive 2003/55/EC granted by the State Authority) shall be extended if and to the extent of any delays caused by the failure or refusal of any State Authority or State Entity to perform in a timely fashion any obligations they may have respecting Project Activities.
3. At any time before 31 December 2016 (or the expiry date of any extension of the exemption from the provisions under National Law implementing Articles 18 and 25 (2), (3) and (4) of the Directive 2003/55/EC granted by the State Authority), either of the Companies may, if it concludes that there is no longer any reasonable prospect of successfully developing, financing, constructing and marketing the capacity in the Nabucco Pipeline System on commercially acceptable terms, terminate this Agreement on no less than one hundred and eighty (180) days' written notice.
4. Any Party may by written notice (a Notice) to the other Parties terminate this Agreement if, after the end of the Initial Operation Period, another Party commits a material breach of its

obligations to that Party under this Agreement and the Party in breach fails, within one hundred and eighty (180) days of receiving such Notice, either:

- a. to remedy the breach and its effects to the reasonable satisfaction of the Party giving notice (or to commence and diligently comply with appropriate measures to do so); or
 - b. (in the case of a breach that cannot itself be remedied) to put in place and diligently comply with measures reasonably satisfactory to the other Party to prevent a recurrence of such breach, provided that doing so shall not prevent termination if the Party in breach has previously failed to comply with such measures in relation to an earlier similar breach.
5. No Party shall be entitled to terminate this Agreement in respect of a material breach under Article 31.4, unless it can demonstrate reasonable grounds for considering that damages due in respect of such breach would not constitute an adequate remedy for that breach or that the Party in breach has failed to pay such damages after they have been finally determined to be due.
 6. Notwithstanding any of the foregoing, no right to termination shall arise hereunder to the extent that the breach in question is caused by or arises from any breach of any Project Agreement by the Party seeking to terminate this Agreement (or, if that Party is the State, by any State Authority or State Entity).
 7. The Parties shall consult for a period of sixty (60) days from such Notice (or such longer period as they may agree) as to what steps could be taken to avoid termination.
 8. This clause is subject to any arrangements entered into between the State and Lenders pursuant to Article 5.2 of this Agreement, provided always that the Lenders fulfil all rights and obligations on them pursuant to any such arrangements and cure the breach by the Company within 180 days of the occurrence of the breach or within such other reasonable period of time as might be agreed by the Lenders and the State.
 9. The expiry or termination of this Agreement shall not of itself affect the Companies' (or their permitted successors or transferees) ownership of the Land Rights or of the Nabucco Pipeline System or the continuation of their rights to operate the pipeline and market its capacity (including the rights granted under or referred to under Article 7 and the appendix to this Agreement) subject to due compliance with other generally applicable requirements under the National Laws.
 10. Termination of this Agreement shall be without prejudice to:
 - a. the rights of the Parties respecting the full performance of all obligations accruing prior to termination; and
 - b. the survival of all waivers and indemnities provided herein in favour of a Party (or former Party).

ARTICLE 32 SUCCESSORS AND PERMITTED ASSIGNEES

1. The State agrees that the rights and obligations of each Company under this Agreement include the right to transfer its rights under this Agreement in accordance with the provisions of this Article 32.
2. Further to any arrangements entered into pursuant to Article 5.2, each Company shall have the right to assign by way of security to any Lender the whole of its rights under this Agreement provided that the Lenders have previously undertaken that upon enforcement by such Lender of its rights pursuant to such assignment, the Lender will accept, in respect of the State, all of the obligations of the Company pursuant to this Agreement.

3. Each Company shall have the right to assign in whole its rights under this Agreement to an Affiliate provided that such Affiliate has the necessary financial and technical capability to perform that Company's obligations under this Agreement. Each such assignment to an Affiliate shall be effective upon the State's receipt of written notification (subject always to the Parties complying with any formalities required by National Law in respect of the assignment, including the execution of any necessary agreement, which they undertake to do promptly and without withholding any requisite consent). In these circumstances, the transferring Company will remain liable for its obligations under this Agreement after the effective date of the assignment.
4. Each Company can only transfer its rights and obligations under this Agreement to any Entity whether or not an Affiliate with the prior written consent of the State, such written consent of the State not to be unreasonably withheld or delayed. Each such transfer shall be effective upon the issuance by the State of its written consent (subject always to the Parties complying with any formalities required by National Law in respect of the assignment, including the execution of any necessary agreement, which they undertake to do promptly and without withholding any requisite consent). In these circumstances, the transferring Company shall cease to have any liability for its obligations under this Agreement after the effective date of the transfer (other than with respect to any existing breach of such obligations).
5. Any right granted or made available under this Agreement is granted by the State in relation to the carrying out of the Project and Project Activities by the Companies.

ARTICLE 33 WAIVER OF IMMUNITY

To the extent that the State may in any jurisdiction or before any judicial, quasi-judicial or arbitral body be entitled to claim for itself, its assets, its revenues or its property immunity from suit, jurisdiction, enforcement, execution, attachment or any other legal process in relation to this Agreement, the State hereby agrees irrevocably not to claim and hereby irrevocably waives such immunity to the fullest extent permitted under National Laws.

ARTICLE 34 DECOMMISSIONING

1. The obligations of the each Company in relation to decommissioning the Nabucco Pipeline System after the end of its technical and economically useful life shall be as specified under the National Laws. Each Company shall be entitled to upgrade, modify, extend the useful technical and economical life of and / or replace the Nabucco Pipeline System subject to due compliance with any such requirements as are generally applicable at the relevant time. No requirements shall be imposed on either Company in relation to decommissioning of the Nabucco Pipeline System that go beyond or differ in nature from those that would apply under the National Laws to other pipeline systems, except to the extent objectively necessary to take due account of the respective physical characteristics of the pipelines and routes involved.
2. The Companies' rights under this Article shall survive the expiry or termination of this Agreement.

ARTICLE 35 SETTLEMENT OF DISPUTES

1. Any dispute arising under this Agreement, or in any way connected with this Agreement, and/or arising from Project Activities (including this Agreement's formation and any questions regarding arbitrability or the existence, validity or termination of this Agreement) ("Dispute") may be finally settled by arbitration pursuant to this Article 35 to the exclusion of any other remedy.

2. If any Dispute is not resolved through correspondence or negotiation within ninety (90) days, then unless otherwise agreed between the parties, such Dispute shall be referred to the Court of Arbitration of the International Chamber of Commerce and settled under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules.
3. The seat of the arbitration shall be Geneva, Switzerland. The language of arbitration shall be English.
4. The Parties' respective rights and obligations under this Agreement shall continue after any Dispute has arisen and during the arbitration proceedings.
5. The Parties expressly authorise the arbitral tribunal to order specific performance of obligations under this Agreement, in particular obligations of "best endeavours" or "all reasonable endeavours" or similar obligations requiring the cooperation of the obligor.
6. All payments due under a final award shall be made in any Convertible Currency and, in accordance with the terms of this Agreement as related to amounts due and payable, shall include interest calculated at the Agreed Interest Rate from the date of the event, breach, or other violation giving rise to the Dispute to the date when the award is paid in full.
7. The provisions of this Article 35 shall be valid and enforceable notwithstanding the illegality, invalidity, or unenforceability of any other provisions of this Agreement.

ARTICLE 36 APPLICABLE LAW

1. This Agreement (including its formation and any questions regarding the existence, validity or termination of this Agreement) and any Disputes under it shall be governed by and construed in accordance with the substantive civil law of Switzerland, except for Swiss rules of conflict of laws.
2. Provisions of the National Laws shall be interpreted in accordance with the laws of the State.

ARTICLE 37 NOTICES

1. A notice, approval, consent or other communication given under or in connection with this Agreement (in this clause known as a "Notice"):
 - a. shall be in writing in the English language and also in any other language required by National Laws;
 - b. shall be deemed to have been duly given or made when it is delivered by hand, or by internationally recognised courier delivery service, or sent by facsimile transmission to the Party to which it is required or permitted to be given or made at such Party's address or facsimile number specified below and marked for the attention of the Person so specified, or at such other address or facsimile number and/or marked for the attention of such other Person as the relevant Party may at any given moment in time specify by Notice given in accordance with this Article; and
 - c. for the avoidance of doubt, a Notice sent by electronic mail will not be considered as valid.

The relevant details of each Party at the date of this Agreement are:

The Government of the Republic of Bulgaria
Address:

Facsimile:
Attention:

Nabucco Gas Pipeline International GmbH
Address: Floridotower, Floridsdorfer Hauptstraße 1, 1210 Vienna, Austria
Facsimile:
Attention:

Nabucco Gas Pipeline Bulgaria EOOD
Address:
Facsimile:
Attention:

2. In the absence of evidence of earlier receipt, any Notice shall take effect from the time that it is deemed to be received in accordance with Article 37.3 below.
3. Subject to Article 37.4 below, a Notice is deemed to be received:
 - a. in the case of a Notice delivered by hand at the address of the addressee, upon delivery at that address;
 - b. in the case of internationally recognised courier delivery service, when an internationally recognised courier has delivered such communication or document to the relevant address and collected a signature confirming receipt; or
 - c. in the case of a facsimile, on production of a transmission report from the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient. Any Notice by fax shall be followed by written Notice given not later than three (3) Business Days in the form of a letter addressed as set forth below for such Party.
4. A Notice received or deemed to be received in accordance with Article 37.3 above on a day which is not a Business Day or after 5 p.m. on any Business Day, according to local time in the place of receipt, shall be deemed to be received on the next following Business Day.
5. A Notice given or document supplied to such Person as is nominated by a Party (by Notice in accordance with this Article) shall be deemed to have been given or supplied to that Party.
6. Each Party undertakes to notify the other Party by Notice served in accordance with this Article if the address specified herein is no longer an appropriate address for the service of Notice.

ARTICLE 38 MISCELLANEOUS

1. Any modification of, amendment of and/or addition to this Agreement shall only be in force and effective if made in writing and agreed and signed by all Parties.
2. If any provision of this Agreement is or becomes ineffective or void, the effectiveness of the other provisions shall not be affected. The Parties undertake to substitute for any ineffective or void provision an effective provision, which achieves economic results as close as possible to those of the ineffective or void provision.
3. No waiver of any right, benefit, interest or privilege under this Agreement shall be effective unless made expressly and in writing. Any such waiver shall be limited to the particular

circumstances in respect of which it is made and shall not imply any future or further waiver.

4. The headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement.
5. Unless the context otherwise requires, references to Articles are references to Articles of this Agreement.

Done in the city of _____ on _____ 2010 in two originals each in the English language.

[...]
in the name and on behalf of
The Republic of Bulgaria

Mag. Reinhard Mitschek, Managing Director,
in the name and on behalf of
Nabucco Gas Pipeline GmbH

[...]
in the name and on behalf of
Nabucco Gas Pipeline Bulgaria EOOD

APPENDIX

Expanded Principles of Article 7.1 of the Agreement

1. **50% reserved capacity for Shareholders (expanding the permission set out in Article 7.1 of the Agreement)**

The State shall permit that in its Territory Nabucco International Company will release its capacity on a long-term basis, leaving, however, parts of the capacity also for short-term contracts. The State shall permit that Nabucco International Company will enter into capacity contracts with both (i) Shareholders, their Affiliated companies or their assignees; and/or (ii) third party entities.

2. **Capacity allocation procedures (expanding the principle set out in Article 7.1.1 of the Agreement)**

2.1 **General Principles**

The State shall permit Nabucco International Company to implement and publish mechanisms to allocate capacity both to Shareholders and third parties on a transparent and non discriminatory basis in order to give effect, *inter alia*, to the following objectives:

- a) facilitating the development of competition and liquid trading of capacity,
- b) providing appropriate economic signals for efficient and maximum use of technical capacity and facilitating investment in new infrastructure, and
- c) avoiding undue barriers to entry and impediments to market participants, including new entrants and small players.

Without prejudice to the capacity expansion requirements of Article 7.1.3 of the Agreement, the State shall permit that transportation capacity will be offered through an Open Season under which qualifying Shippers will be able to bid to book capacity.

Shippers will have the right to book Reserved Capacity from entry points to defined exit points on the Nabucco Pipeline System. Nabucco International Company's determination of entry and/or exit points shall, among other things, take into account economic, financial and technical feasibility.

2.2 **Open Season**

The State shall permit that the Open Season is performed pursuant to procedures published by Nabucco International Company on its website ahead of the start of the Open Season, and such Open Season shall ensure that objective, transparent and non-discriminatory conditions apply to all Shippers (including third party entities and Shareholders, their Affiliated companies and/or their assignees) that qualify to take part in the Open Season.

The invitation to tender would stipulate the available technical total capacity to be allocated, the number and size of lots, as well as the allocation procedure in case of an excess of demand over supply. Both firm and interruptible transportation capacity would be offered on an annual and monthly basis. The invitation to tender would be published, at the cost of Nabucco International Company, in the Official Gazette of State and the Official Journal of the European Union and the allocation process would be fair and non-discriminatory.

The Open Season shall be carried out in two steps. In a first step, only the Shareholders, their Affiliated companies and their assignees can apply. In the second step, all market participants, including the Shareholders, their Affiliated companies and their assignees can apply. If after the second step not all capacity has been allocated, there will be a third Open Season to allocate the remaining capacity. After each step of the Open Season Nabucco International Company shall provide to all relevant State Authorities a list of the companies which have reserved capacities of the Project.

3. **Release of unutilised capacity (expanding the principle set out in Article 7.1.2 of the Agreement)**

The State shall permit that in its Territory Nabucco International Company re-utilises unused Reserved Capacity by allowing Shippers who wish to re-sell or sublet their unused Reserved Capacity on the secondary market to do so in accordance with their contracts.

Where Reserved Capacity remains unused and Contractual Congestion occurs, this unused Reserved Capacity shall be made available to the primary market in accordance with “Use-it-or-lose-it principles” (“UIOLI”). Detailed procedures to be applied for re-utilisation of unused Reserved Capacities shall be included in the Transportation Contracts that Nabucco International Company offers to Shippers. These shall be devised in co-operation with and submitted for prior approval to the relevant State Authority.

Starting from the completion of the first full calendar Year of operation of the Nabucco Pipeline System onwards, The State shall permit that in its Territory Nabucco International Company sells a portion of the Technical Capacity as interruptible capacity, via a bulletin board on the internet, pursuant to the historical flow and nomination data, provided that:

- (1) There is Contractual Congestion of Reserved Capacity which has been sold on a firm basis but which is not being used; and
- (2) The probability of non-interruption of capacity sold on an interruptible basis for the upcoming calendar Year is at least ninety (90) percent.

The sale of Reserved Capacity on the bulletin board shall not affect the original Reserved Capacity holder's obligation under the Transportation Contracts to pay Nabucco International Company for that Reserved Capacity. The original Reserved Capacity holder shall not lose his Reserved Capacity rights and shall still be entitled to use his Reserved Capacity contracted for in full, via the Nomination process. The revenues generated by any marketing of the UIOLI-capacity on an interruptible basis shall be entirely for Nabucco International Company.

The State shall permit that Nabucco International Company, which shall estimate expected flows based on the Nomination process, to make available the difference between the firm capacity committed and the nominated capacity to the market as interruptible capacity, on a short-term day-ahead basis.

If the original Reserved Capacity holder nominates capacity which Nabucco International Company has remarketed, Shippers who have purchased such UIOLI-interruptible capacity shall be interrupted.

Any Shipper which has contracted for capacity on an interruptible basis shall be informed in advance by Nabucco International Company if it is to be subject to interruption because the original Reserved Capacity holder has nominated some or all of its contractually committed capacity. An interruptible Shipper shall have no right to reject this interruption.

4. **Tariff methodology (expanding the Permission set out in Article 7.1 of the Agreement)**

4.1 Principles for tariffs

The State shall permit that for the capacity sold Nabucco International Company will enter into Transportation Contracts with Shippers under which Shippers pay monthly capacity payments (in Euro) which are determined according to the following methodology. Each Transportation Contract will apply that methodology to the volume, distance, time, duration, seasonality involved and to the firm, interruptible and other characteristics of the services provided. The Transportation Contract will also specify other adjustments to the charges payable by Shippers in case of late payment, early termination, change in law etc.

The following tariff methodology shall be applied:

- 1) *Capacity payments:* shall be calculated as the relevant tariff stipulated for the relevant Year, multiplied by the volume of Reserved Capacity that such Shipper has contracted (expressed as (Nm³(0°C)/h)), multiplied by the distance of such capacity booking (distance is calculated as the distance (in km) between the entry point on the pipeline that the Shipper has committed to deliver gas to, and the exit point on the pipeline that the Shipper has requested Nabucco International Company to deliver the gas to). For clarification, the following formula defines the monthly capacity payment:

$$P_m = \frac{fr * T_n * d}{12}, \text{ where:}$$

fr = Shipper contracted capacity volume (expressed as hourly flow rate of gas)

d = distance expressed in km (between Shipper contracted entry and exit point)

P_m = Payment for Transmission services in Euro/Month

T_n = the adjusted transportation tariff for Year "n", in EURO / ((Nm³/h)*km) / y.

Further details of the current version of the tariff formula are set out below and Nabucco International Company and the National Nabucco Companies shall apply these for use in the Open Season, other capacity allocation procedures and in the definitive Transportation Contracts:

- 2) *Tariff:* The tariff shall be distance-related and (expressed in EUR / ((Nm³(0°C)/h)*km) / y.), which means that the tariff shall be uniform and apply for all sections of the pipeline. Once the tariff is defined, it shall be escalated on 1st October of every Year against a defined tariff escalation formula to be set out in the long-term Transportation Contracts between Nabucco International Company and Shippers.

The tariff shall exclude any Taxes, duties or levies of a similar nature. These shall be levied by Nabucco International Company on the Shipper if the same are levied on Nabucco International Company for the provision of the Transmission services.

- 3) *Tariff calculation:* The final tariff paid by the individual Shippers shall be derived from a tariff methodology. In formulating the tariff methodology, and therefore the final tariff, the following factors and objectives shall be observed:

- a. recovery of efficiently incurred costs, including appropriate return on investment; facilitate efficient gas trade and competition while at the same time avoiding cross-subsidies between Shippers; promote efficient use of the network and provide for appropriate incentives on new investments;
- b. taking into account the amount of capacity contracted for by Shippers which shall reflect the duration of Transportation Contracts, the load factor, the distance of transportation (expressed in EUR / ((Nm³(0°C)/h)*km) / y.), the capital investment per capacity unit and volumes etc.;
- c. that reverse flows shall be defined by reference to the direction of the predominant physical flows in the Nabucco Pipeline System. In case of Contractual Congestion, specific tariffs shall be applied for reverse flows; Nabucco International Company may not adopt any charging principles and/or tariff structures that in any way restrict market liquidity or distort the market or trading across borders of different Transmission System Operator systems or hamper system enhancements and integrity of any system to which the Nabucco Pipeline System is connected.

4.2 Tariff Methodology for Calculation of the Tariff

The State shall permit Nabucco International Company to receive capacity payments from Shippers for offering Transmission services that will inter alia allow it to recover the following types of investment and operating costs that it will incur by constructing, operating and maintaining the Nabucco Pipeline System:

- Capital Expenditure (“CAPEX”) incurred by Nabucco International Company in constructing the pipeline, such as raw material costs (e.g. steel), equipment costs (e.g. compressor costs), appropriate depreciation and capital costs reflecting the investment cost (on the assumption that CAPEX is depreciated over 25 Years);
- Operating Expenditure (“OPEX”) will include a mixture of fixed and variable costs reflecting Nabucco International Company’s on-going operation of the pipeline. Additionally, OPEX such as fuel gas costs, associated environmental costs (such as the purchase of any applicable carbon emission permit allowances, or equivalent cost, that may be levied on Nabucco International Company in any of the transit states), and any rental expenditures incurred by Nabucco International Company for the use of any other pipeline systems that could be connected to the Project to enable earlier operation of the Project;
- Economic costs incurred by Nabucco International Company in managing its business such as inflation, wage inflation, interest rates and other costs related to the financing of the Project.

For calculation of tariffs the capacities sold on a long term (i.e. 25 Years) shall be used as basis. The State shall permit that the tariff methodology takes in particular into consideration the fact that the investment costs for constructing the Nabucco Pipeline System will be funded from a mixture of equity contributions from Shareholders, and debt by means of receiving loans from lenders and other financial institutions providing debt finance.

4.3 Further considerations concerning Capacity Payments, Tariff

The tariff shall give effect to the following additional factors:

Duration of Transportation Contract and incentives: For tariff setting the duration of the Transportation Contract shall be taken into account. Given the importance to the economic feasibility of the project of ensuring that capacity is booked by Shippers for as long a contractual

period as possible, an incentive structure shall be included in the capacity payment calculation to incentivise Shippers to book capacity long-term (e.g. scaled reduction to capacity payment to reward contracts of longer duration). Time factors shall be calculated on a 25 Years contracts term basis. The time factors (for off peak-period) shall be: 1 for the standard term of 25 Years contract, then increase linearly up to a factor of 1.20 for the contract duration of 10 Years, then increase linearly up to a factor of 4 for a one day contract.

Impact of seasonal gas demand on short-term Transportation Contracts: For short-term Transportation Contracts (i.e. duration of one day up to one Year less one day), capacity payments shall also reflect seasonal demand for shorter-term Transmission and the resulting load factors for the pipeline such that there shall, for example, be transparent and pre-defined surcharges for daily Transportation Contracts concluded during winter months where demand can be expected to be higher (so that there will be a higher load factor on the pipeline), and lower surcharges for daily Transportation Contracts concluded during the summer months (where demand can be expected to be lower so that there will be a lower load factor on the pipeline). Seasonality factors shall be: 150% surcharge for daily contracts per day for the period November – March (peak season) and 75% surcharge for October and for April (shoulder season) and no surcharge for off peak period (May – September).

PROJECT SUPPORT AGREEMENT

Among

THE STATE OF HUNGARY

represented by

**THE MINISTER RESPONSIBLE FOR
SUPERVISING STATE ASSETS**

and

NABUCCO GAS PIPELINE INTERNATIONAL GMBH

and

NABUCCO NATIONAL COMPANY OF HUNGARY

Concerning

THE NABUCCO PIPELINE SYSTEM



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THIS AGREEMENT is entered into in the city of Kayseri_ in Turkey on 08. 06. 2011. among:

THE STATE OF HUNGARY, represented by the Minister Responsible for Supervising State Assets (the “**State**”)

and

NABUCCO GAS PIPELINE INTERNATIONAL GMBH, a company organised and existing under the laws of Austria (“**Nabucco International Company**”)

and

NABUCCO NATIONAL COMPANY OF HUNGARY a company organised and existing under the laws of Hungary (“**Nabucco National Company**”)

(each a “**Party**” and together the “**Parties**”)

WHEREAS, this Agreement is entered into in furtherance of the Agreement among the Republic of Austria, the Republic of Bulgaria, the Republic of Hungary, Romania and the Republic of Turkey regarding the Nabucco Project, dated 13 July 2009 (the “**Nabucco States Agreement**”);

WHEREAS, the Companies intend to invest in the construction of the Nabucco Pipeline System, as well as to operate and utilise Capacity in the Nabucco Pipeline System, on the terms and conditions of inter alia this Agreement;

WHEREAS, the Companies wish to employ in the Nabucco Pipeline System generally recognised international technical and environmental standards for the Transmission of Natural Gas in and across the Territory;

WHEREAS the Nabucco National Company of Hungary (which is a wholly owned subsidiary of Nabucco International Company) will own and be responsible for operating and maintaining the Nabucco Pipeline System within the Territory and shall transfer all Capacity rights in the Nabucco Pipeline System within the Territory to Nabucco International Company for onward sale and marketing;

WHEREAS, the State enters into this Agreement to promote the Nabucco Pipeline System and as far as possible protect investment in the Nabucco Pipeline System and in the Territory.

THE PARTIES HAVE AGREED to implement and comply with the provisions of the Nabucco States Agreement and the further terms set out as follows:

PART I DEFINITIONS

ARTICLE 1 DEFINITIONS AND INTERPRETATION

Capitalised terms used in this Agreement (including the Preamble), and not otherwise defined herein, shall have the following meanings:

“Affiliate” shall mean, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with that Person. For the purposes of this definition, “control” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of a majority or other controlling interest in the voting securities, equity or other ownership interest in an Entity, by law, or by agreement between Persons conferring such power or voting rights, or by any other lawful means.

“Agreed Interest Rate” shall mean for each day of an Interest Period with respect to any amount due and payable under or pursuant to this Agreement, interest at a rate per annum equal to 2% (two percent) plus EURIBOR for the relevant currency in effect on the Business Day immediately preceding the first day of the Interest Period. For the purposes of this definition, “Interest Period” shall mean a period of thirty (30) days, beginning the first day after the date on which any such amount becomes due and payable and ending thirty (30) days thereafter, with each successive Interest Period beginning on the first day after the last day of the Interest Period it succeeds unless this would be contrary to National Laws in respect of compound interest, in which case it shall mean interest (calculated on a daily basis from the first day after the date on which any such amount becomes due and payable but not compounded) at a rate per annum equal to 2.5% (two point five percent) plus EURIBOR for the relevant currency in effect on the Business Day before the date on which any such amount becomes due and payable.

“Agreement” shall mean this Project Support Agreement, including any Appendices attached hereto, as the same may be amended or otherwise modified or replaced at any given moment in time in accordance with its terms.

“Arbitral Tribunal” shall mean the court of arbitration as defined in Article 35.

“Business Day” shall mean any day on which clearing banks are customarily open for business in Budapest, Hungary and Vienna, Austria.

“Capacity” shall mean capacity in all or a portion of the Nabucco Pipeline System for the Transmission of Natural Gas.

“CAPEX” shall have the meaning ascribed to it in Article 4.2 of the Appendix.

“Change of Law” shall mean, in relation to the State, any of the following which arises or comes into effect after the Effective Date:

- a. any international or domestic legislation, directive, order, enactment, decree, or regulation of the State, a State Authority or a State Entity (including any which relate to Taxes);
- b. any change to any of the foregoing (including changes resulting from amendment, repeal, withdrawal, termination, expiration or any change in the generally applied interpretation of any of the foregoing).

“Change of Law Costs” shall mean any new or increased cost or expense, or any reduction in revenue or return, directly resulting from or attributable to a Discriminatory Change of Law, which is incurred or suffered in connection with the Nabucco Project by any Company (whether directly

or through any Operating Company) or any Project Participant. Such costs or expenses may include, *inter alia*, capital costs, costs of operation and maintenance, and costs of taxes, royalties, duties, imposts, levies or other charges imposed on or payable by the Company.

“Companies” shall mean both the Nabucco International Company and the Nabucco National Company, and **“Company”** shall mean either of them.

“Company Representative(s)” shall have the meaning ascribed at Article 24.2.

“Construction Corridor” shall, for the purposes of this Agreement, mean an area of land extending from the border between Romania and Hungary to the border between Hungary and the Republic of Austria within which the centreline of the Pipeline Corridor will be located, and such other areas determined by Nabucco National Company as reasonably necessary to conduct the Project Activities in accordance with National Laws. The Construction Corridor will be defined with respect to a certain width (in metres) and along a specified preferred route, as notified by the Nabucco National Companies and approved by the State.

“Contractor” shall mean any Person supplying directly or indirectly, whether by contract, sub-contract, goods, work, technology or services, including financial services (including *inter alia*, credit, financing, insurance or other financial accommodations) to the Operating Company, Companies, or their Affiliates in connection with the Nabucco Pipeline System to an annual or total contract value of at least EUR100,000, excluding however any private individual acting in his or her role as an employee of any other Person.

“Contractual Congestion” shall mean a situation where the level of firm Capacity demand exceeds the Technical Capacity (all technical Capacity is booked as firm).

“Convertible Currency” shall mean a currency which is widely traded in international foreign exchange markets.

“Discrimination” means any form of discrimination that would be prohibited under National Laws or that would constitute a Discriminatory Change of Law.

“Discriminatory Change of Law” shall mean any Change of Law which:

- a. discriminates against any of the Companies or its business or operations in relation to the Nabucco Project;
- b. applies to the Nabucco Project and not to similar projects;
- c. applies to any of the Companies and not to other similar companies;
- d. applies to businesses financed in a similar way to the Nabucco Project and not to other businesses;
- e. affects businesses carrying out activities in the transit pipeline sector to a greater extent than it affects other businesses; or
- f. renders any material obligation of the State, under this Agreement or any Project Agreement void or unenforceable;

provided that there is no reasonable cause for the Change of Law on the basis of the general constitutional principles of Hungary.

“Dispute” shall have the meaning ascribed at Article 35.1.

“Double Tax Treaty” shall mean any treaty or convention, to which the State is a party, with respect to Taxes for the avoidance of double taxation of income or capital.

“Economic Equilibrium” shall mean the economic value to either Company or the Companies (as applicable) of the relative balance established under Project Agreements at the applicable date between the rights, interests, exemptions, privileges, protections and other similar benefits provided or granted to such Person and the concomitant burdens, costs, obligations, restrictions, conditions and limitations agreed to be borne by such Person.

“Effective Date” shall have the meaning ascribed at Article 2.1.

“Energy Charter Treaty” shall mean the Energy Charter Treaty as opened for signature in Lisbon on 17 December 1994 and in force as of 16 April 1998.

“Entity” shall mean any company, corporation, limited liability company, joint stock company, partnership, limited partnership, enterprise, joint venture, unincorporated joint venture, association, trust or other juridical entity, organisation or enterprise duly organised under the laws of any country.

“EURIBOR” shall mean, for any day on which clearing banks are customarily open for business in Budapest, the percentage rate per annum determined by the Banking Federation of the European Union for twelve (12) months EUR deposits displayed on the appropriate page of the Reuters screen as of 12:00 (Central Europe Time) on the relevant date or, if the Reuters EURIBOR page ceases to be available or ceases to quote such a rate, then as quoted in the London Financial Times, or if neither such source is available or both cease to quote such a rate, then such other source, publication or rate selected by the Parties.

“EUR” shall mean the currency of the Member States participating in the European Economic Monetary Union.

“Expropriation” shall have the meaning ascribed at Article 30.1.

“Force Majeure” shall have the meaning ascribed at Article 28.2.

“Force Majeure Event” shall have the meaning ascribed at Article 28.2.

“Freely Convertible Currency” shall mean any freely convertible currency (other than the Local Currency) which is traded on international foreign exchange markets and used in international transactions, including, but not limited to, EUR/US Dollar.

“Hungary” shall mean the Hungarian state acting in its public law capacity.

“Initial Entry Points” shall mean the starting points of the Nabucco Project at any three points on the eastern or southern land borders of the Republic of Turkey as selected by Nabucco International Company, and, subject to agreement by the Nabucco Committee in consultation with Nabucco International Company, any other point at the eastern or southern Turkish border.

“Initial Operation Period” shall mean the period of twenty-five (25) Years from the date on which the Nabucco Pipeline System is complete and enters commercial operation.

“Insurer” shall mean any insurance company or other Person providing insurance cover for all or a portion of the risks in respect of the Nabucco Pipeline System, Project Activities, or any Project Participant, and any successors or permitted assignees of such insurance company or Person.

“Interest Holder” shall mean, at any time, (i) any Company or any Other NNC; or (ii) any Person holding any form of equity or other ownership interest in any Company or Other NNC or Operating Company, together with all Affiliates of any Person referred to in (i) and (ii) above.

“Land Rights” shall mean all those rights, licences, consents, permits, authorisations or exemptions in accordance with the applicable legislation with respect to land in the Territory of the State which grant such free and unrestricted rights, access and title which may include, but not be limited to examination, testing, evaluation, analysis, inspection, ownership, construction, use, possession, occupancy, control, assignment and enjoyment with respect to land in the Territory as are required to carry out the Project Activities. The term is used in its broadest sense to refer not only to the Pipeline Corridor within, over or under which the Nabucco Pipeline System, as completed, will be located, but also such other and additional lands and land rights within the Territory as either Company as the case may be may reasonably require for purposes of evaluating and choosing the particular routing and location(s) desired by the Companies for the Nabucco Pipeline System.

“Lender” shall mean any financial institution or other Person providing any indebtedness, loan, financial accommodation, extension of credit or other financing to any Interest Holder, in connection with the Nabucco Pipeline System (including any refinancing thereof).

“Local Currency” shall mean any currency which is legal tender within the territory of Hungary.

“Loss or Damage” shall mean any loss, cost, injury, liability, obligation, expense (including interest, penalties, attorneys’ fees and disbursements), litigation, proceeding, claim, charge, penalty or damage suffered or incurred by a Person, but excluding any indirect or consequential losses and loss of profit other than in case of intentional breach by a Party of its obligations under this Agreement or in case of a breach by a Party of its obligations under this Agreement caused by that Party’s gross negligence.

“Nabucco Committee” shall mean the committee established pursuant to Article 12.1 of the Nabucco States Agreement.

“Nabucco International Company” shall mean NABUCCO Gas Pipeline GmbH (registered seat: AT – 1210 Wien, Floridsdorfer Hauptstrasse 1., company registration number: FN-24-7767P, represented by Mag. Reinhard Mitschek, managing director

“Nabucco National Company” means NABUCCO Magyarország Gázvezeték Korlátolt Felelősségű Társaság (English name: NABUCCO Hungary Gas Pipeline Limited Liability Company, registered seat: Hungary, 1117 Budapest, Október 23-a u. 18., company registration number: Cg. 01-09-883429, represented by Péter Leskó, managing director).

“Nabucco Pipeline System” shall mean the expressly constructed Natural Gas pipeline system (including in respect of each Territory, the pipeline and laterals for the transportation of Natural Gas within and/or across the Territory, and all below and above ground or seabed installations and ancillary equipment, together with any associated land, pumping, measuring, testing and metering facilities, communications, telemetry and similar equipment, all pig launching and receiving facilities, all pipelines, and other related equipment, including power lines, used to deliver any form of liquid or gaseous fuel and/or power necessary to operate compressor stations or for other system needs, cathodic protection devices and equipment, all monitoring posts, markers and sacrificial anodes, all port, terminalling, and all associated physical assets and appurtenances (including roads and other means of access and operational support) required at any given moment in time for the proper functioning of any and all thereof), that connects the Initial Entry Points to Baumgarten in the Republic of Austria and with a maximum designed Capacity of 31 bcm/a, which will be constructed, owned and operated in accordance with private law agreements entered into between the Nabucco International Company and the Nabucco National Companies or by any of these companies inter se or with third parties (together with any

arrangements for the use by the Nabucco International Company of other Capacity which are contemplated under Article 9 of the Nabucco States Agreement and the Annex thereto and in the Appendix to this Agreement), and the transportation Capacity of which in all cases will be marketed and managed by Nabucco International Company, subject to the terms of this Agreement and the applicable Project Agreements.

“Nabucco Project” shall mean the development, evaluation, design, acquisition, construction, installation, ownership, financing, insuring, commercial exploitation, repair, replacement, refurbishment, maintenance, expansion, extension, operation, (including Transportation), protection and decommissioning and activities associated or incidental thereto, all in respect of the Nabucco Pipeline System (which shall not include any subsequent separate pipeline system constructed by the Companies or the Shareholders).

“Nabucco States Agreement” shall mean that Agreement among the Republic of Austria, the Republic of Bulgaria, the Republic of Hungary, Romania and the Republic of Turkey regarding The Nabucco Project, dated 13 July 2009, together with its appendices as set forth therein, including as such agreement may be extended, renewed, replaced, amended or otherwise modified at any given moment in time in accordance with its terms which shall be directly applicable as part of National Laws pursuant to Act No CV of 2009 on the promulgation of the Nabucco States Agreement.

“National Laws” shall mean the laws applicable in the Territory of the State.

“Natural Gas” shall mean any hydrocarbons or mixture of hydrocarbons and other gases consisting primarily of methane which at a temperature of 15 degrees Celsius and at atmospheric pressure (1.01325 bar absolute) are or is predominantly in gaseous state.

“Nomination” shall mean the prior reporting by the Shippers to Nabucco International Company of the actual Capacity that they wish to use in the Nabucco Pipeline System.

“Non-State Land” shall mean any land in the Territory, and any right or privilege with respect thereto, of any kind or character, however arising, and however characterised, other than State Land.

“Notice” shall have the meaning ascribed at Article 37.1.

“One-Stop-Shop Shipper Access” shall mean a situation where the Shippers have only one contractual relationship with Nabucco International Company for Natural Gas Transmission services between the relevant entry point and exit point.

“Open Season” shall mean the process adopted by Nabucco International Company to allocate to the Shippers the Capacity in the Nabucco Pipeline System and that is consistent with Article 8 of this Agreement.

“Operating Company” shall mean, pursuant to Article 25.2, the Person or Persons responsible at any given moment in time for the operation and maintenance of all or any portion of the Nabucco Pipeline System, whether as an agent for or Contractor to the Companies or their Affiliates or otherwise, and any successor or permitted assignee of any such Person. For the avoidance of doubt, where no Person or Persons has or have been appointed by the Companies or their Affiliates in this capacity, the Nabucco National Company shall be the Operating Company.

“OPEX” shall have the meaning ascribed to it in Article 4.2 of the Appendix.

“Other NNC” shall mean one of the four subsidiaries of Nabucco International Company established or to be established in one of the Other States which enters into a project support agreement with that state pursuant to article 3.5 of the Nabucco States Agreement.

“Other States” shall mean all States mentioned in the first recital other than the State.

“Permanent Establishment” shall have the meaning set out in the relevant Double Tax Treaty. If no such treaty exists then “Permanent Establishment” shall have the same meaning as in the most recent version as at the date of execution hereof of the Model Tax Convention on Income and Capital of the Organisation for Economic Co-operation and Development, as amended.

“Person” shall mean any natural person or Entity, the State, and any State Entity, whether of a public or private nature.

“Pipeline Corridor” shall mean an area of land within the Construction Corridor that is twelve (12) metres wide (but shall widen to the extent necessary to accommodate ancillary pipeline facilities), all to be notified by the Nabucco National Companies and approved by the States in accordance with Article 13.

“Project Activities” shall mean the activities conducted by the Project Participants in connection with the Nabucco Project.

“Project Agreement” shall mean any agreement, contract, licence, consent, permit, authorisation, exemption, lease, concession or other document, other than this Agreement and the Nabucco States Agreement, to which, on the one hand, the State, any State Authority or State Entity and, on the other hand, any Project Participant, are, or later become, a party, which is in writing and which relates to the Project Activities, as any such agreement, contract or other document may be extended, renewed, replaced, amended or otherwise modified at any given moment in time in accordance with its terms.

“Project Land” shall mean any interest in land, either State Land or Non-State Land, required by or granted to the Nabucco National Company for the conduct of Project Activities.

“Project Participant” shall mean any and all of each Company and each Other NNC, any Interest Holder, the Operating Companies, the Contractors, the Shippers, the Lenders and the Insurers, provided that prior written notification has been made to the authorised representative of the State pursuant to Article 24.

“Reasonable Endeavours” shall mean those endeavours available to the State, in its capacity as a private contracting party and not as a public entity, which are reasonable and appropriate in respect of the Nabucco Project in the relevant circumstances, in particular as regards the costs involved and resources at the disposal of the State. For the avoidance of doubt, “Reasonable Endeavours” shall not be interpreted so as to require the State to exhaust all possible courses of action available, to incur disproportionate and unreasonable liabilities and costs or to provide financing.

“Reserved Capacity” shall mean the maximum flow, expressed in normal cubic meters per time unit, to which the Shipper is entitled in accordance with the provisions of the Transportation Contract.

“Shareholders” shall mean those Persons owning shares in Nabucco International Company at any given moment in time.

“Shipper” shall mean any Person (other than the Nabucco National Company or any Other NNC) which has a contract with the Nabucco International Company for transportation of Natural Gas through all or any section of the Nabucco Pipeline System at any given moment in time.

“State” shall mean the State of Hungary in its capacity as a contracting party under private law, represented pursuant to Section 28(1) of Act IV of 1959 on the Civil Code by the Minister responsible for supervising state assets. Pursuant to section 2 (1) of Act XLII of 2010 on

the list of the ministries of the Republic of Hungary, the minister responsible for supervising state assets is the minister of national development..

“State Authority” shall mean any organ of the State at each level of authority, whether the organ exercises legislative, executive or any other state functions, and including, but not limited to, all central, regional or local State organs or any constituent element of such organs having the power to govern, regulate, levy or collect taxes, duties or other charges, grant licences, consents, permits, authorisations or exemptions or otherwise affect the rights and obligations of any Project Participants, their successors and permitted assignees, in respect of Project Activities.

“State Entity” shall mean any Entity in which, directly or indirectly, the State has a controlling equity or ownership interest or similar economic interest, or which that State directly or indirectly controls. For the purposes of this definition, “control” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of a majority or other controlling interest in the voting securities, equity or other ownership interest in an Entity, by law, or by agreement between Persons conferring such power or voting rights.

“State Land” shall mean any lands in the Territory, and any and all rights and privileges of every kind and character, however arising, and however characterised with respect thereto, which are owned, controlled, used, possessed, enjoyed or claimed by the State including any State Authority or State Entity.

“States” shall mean collectively the Republic of Austria, the Republic of Bulgaria, Hungary, Romania, and the Republic of Turkey.

“Taxes” shall mean all existing and future levies, imposts, payments, fees, assessments, taxes, and charges payable to or imposed by the State, any organ or any subdivision of the State, whether central or local, or any other public body having the effective legal power to levy any such charges within the Territory, and **“Tax”** shall mean any one of them.

“Technical Capacity” shall mean the maximum firm Capacity that Nabucco International Company can offer to the Shippers, taking account of system integrity and operational requirements.

“Territory” shall mean, with respect to the State, the land territory of the State and the air space above it over which the State has jurisdiction or exercises sovereign rights in accordance with public international law (and “Territories” shall mean such territory in respect of all of the States).

“Transmission” shall mean carriage of Natural Gas through the Territory of the State, that is effected subject to relevant domestic and international obligations pursuant to the Gas Directive 2009/73/EC (in the territory of the State Parties that are Member States of the EU).

“Transportation Contract” shall mean any commercial agreement (and any agreement or document entered into pursuant thereto) between Nabucco International Company and a Shipper for the Transmission of Natural Gas through the Nabucco Pipeline System.

“UIOLI” shall have the meaning ascribed to it in Article 3 of the Appendix.

“Year” shall mean a period of twelve (12) consecutive months, according to the Gregorian calendar, commencing on 1 January, unless another starting date is indicated in the relevant provisions of this Agreement.

Unless the context otherwise requires, reference to the singular includes a reference to the plural, and vice-versa, and reference to either gender includes a reference to all genders. Reference to

any Person under this Agreement shall include reference to any successors or permitted assignees of such Person.

A reference to any agreement, treaty, statute, statutory provision, subordinate legislation, regulation or other instrument is a reference to it as it is in force at any given moment in time in the State, taking account of any amendment, replacement or re-enactment.

Unless the context otherwise requires, references to Articles are references to Articles of this Agreement.

All references to the “knowledge” or “awareness” and synonymous terms shall, unless the contrary is expressed, be deemed to refer to actual rather than to constructive or imputed knowledge.

ARTICLE 2 EFFECTIVE DATE AND DURATION

1. Provided this Agreement has been executed, it shall enter into force on 08.06.2011. (the “Effective Date”).
2. Subject to earlier termination in accordance with Article 32, this Agreement shall terminate upon the expiration of all Project Agreements and the conclusion of all activities thereunder in accordance with their terms, subject to a maximum term of fifty (50) Years (unless extended by an additional term of ten (10) Years by mutual agreement of the Parties).

ARTICLE 3 AUTHORITY

Each of the undersigned representatives of the State and the Companies has the necessary legal authority to make all commitments contained in this Agreement.

ARTICLE 4 RELATIONSHIP TO OTHER AGREEMENTS

1. The Parties agree that each Company shall be regarded as an “Investor” in the sense of Article 1(7) of the Energy Charter Treaty and that the Nabucco Project shall be regarded as an “Investment” in the sense of Article 1(6) of the Energy Charter Treaty.
2. Nothing in this Agreement or any of the Project Agreements shall deprive any Party or the Shareholders of its rights or any remedy to which it may be entitled under the Energy Charter Treaty or any other international treaties.

ARTICLE 5 GENERAL COMMITMENT

1. The State will not undertake any initiatives that jeopardise the Project.
2. Given the Parties’ shared interests, the State will use Reasonable Endeavours to support the Nabucco Project. In so doing, the State will have due regard, where relevant, to the Companies’ need to satisfy the specific requirements set out in this Agreement.
3. For the purposes of this Agreement, the State hereby acknowledges the commitments of Hungary under the relevant articles of the Nabucco States Agreement as specified in this Agreement.

PART II GENERAL OBLIGATIONS

ARTICLE 6 COOPERATION

1. The State shall co-operate fully in connection with all Project Activities and shall, if reasonably requested by either Company, consult with the Companies and with the Other States concerning any measures (including measures taken in conjunction with either or both of the Companies and/or the Other States) by which the State may make cross-border Project Activities more effective, timely and efficient.
2. The State agrees to use Reasonable Endeavours to discuss with representatives of Lenders, export credit agencies (and other providers of loan finance or guarantees) the provision of appropriate assurances that those entities will have an opportunity to step in and attempt to cure any breach of the terms of this Agreement or other licences, consents, permits, authorisations, exemptions or obligations in respect of the Nabucco Project to which either of the Companies is a party, beneficiary or recipient, so that the Nabucco Project can retain the necessary rights to continue its activities. Nothing in this Article 6.2 shall affect Article 32 save as expressly set out in Article 32. For the avoidance of doubt, this Article 6.2 imposes no obligation on the State regarding the outcome of any such discussions.
3. For the avoidance of doubt, this Article does not oblige the State to finance the Nabucco Project or to accept financial liabilities with regard to the Nabucco Project.

ARTICLE 7 COMMITMENTS WITH RESPECT TO PROJECT AGREEMENTS ENTERED INTO BY STATE ENTITIES AND/OR STATE AUTHORITIES

1. The State shall, to the extent permitted under National Laws and constitutional provisions, use all Reasonable Endeavours to procure the timely performance of the obligations arising from any Project Agreements entered into by the State.
2. The State shall use Reasonable Endeavours to assist the Companies in discussions with the relevant State Authorities and/or State Entities to provide that such State Authorities and/or State Entities make the payment in a timely manner of any and all sums of money which may become due and owing by such State Authorities and/or State Entities under or pursuant to any indemnification provisions agreed to by a State Authority or State Entity within any relevant Project Agreement. For the avoidance of doubt, this Article 7.2 imposes no obligation on the State regarding the outcome of any such assistance and discussions.
3. The privatisation, insolvency, liquidation, reorganisation or any change in the viability, ownership, organisational structure or legal existence of any State Authority or State Entity party to any Project Agreements shall not affect the obligations of the State hereunder.

ARTICLE 8 DETAILS AND FREEDOM OF TRANSIT

1. For a period of 25 Years from the date where the first construction stage of the Nabucco Pipeline System is put into initial operation, in respect of the Nabucco Pipeline System the two following regulatory permissions shall have effect on the basis of the requirements set out in Articles 8.1.1 to 8.1.3 below, which permissions and requirements are as detailed in the Appendix to this Agreement, namely:
 - a. fifty percent (50%) of the maximum available total technical annual Transmission Capacity in the Nabucco Pipeline System, but not more than 15 billion cubic meters per Year in the event of a final expansion of Capacity to 31 billion cubic meters per Year, shall initially be offered to, and if accepted, reserved by the Shareholders, or their affiliates or transferees provided that the remaining Capacity will be offered in a transparent, objective and non-discriminatory procedure for Shipper access; and

- b. pursuant to the tariff methodology defined in the Appendix to this Agreement, Nabucco International Company may determine a stable tariff to attract financing and Shippers' commitments; the determination of the applicable tariffs derived from such methodology shall be in the sole discretion of Nabucco International Company.

Having regard to the fact that exemptions from the provisions of, and from the National Laws that implement, Articles 18 and 25 (2), (3) and (4) of the Directive 2003/55/EC of the European Parliament and of the Council of 26 June 2003 concerning common rules for the internal market in natural gas and repealing Directive 98/30/EC have been requested from the relevant State Authority before the entry into force of the Nabucco States Agreement, and noting that the relevant State Authority has, in accordance with that Directive, granted the respective exemptions and notified them to the European Commission, the provisions under this Article 8.1 will have been entirely satisfied.

1.1 The Capacity in the Nabucco Pipeline System shall be allocated by way of an Open Season or other transparent, objective and non-discriminatory allocation procedures. Further to the allocation procedures, the relevant State Authority shall be informed of the results of these procedures;

1.2 A mechanism for the release of unutilised Capacity shall be implemented in order to prevent the hoarding of such Capacity by Shippers. The relevant State Authority shall be informed of the mechanism;

1.3 Long-term binding Capacity requests for the Nabucco Pipeline System, necessitating the build-up of the Nabucco Project up to its final maximum Transmission Capacity, are to be satisfied provided that this build-up is technically possible, economically feasible and that the binding Capacity requests amount to at least 1.0 bcm/Year. The State shall use Reasonable Endeavours to assist the Nabucco International Company in complying with possible regulatory obligations foreseen by relevant State Authorities to build additional Capacity.

The State acknowledges the Companies' right to ensure that the Capacity of the Nabucco Pipeline System within the Territory, including any Capacity leased by Nabucco International Company or made available to it, is marketed on the basis of a One-Stop-Shop Shipper Access.

2. The State acknowledges the commitment of Hungary under Article 5 of the Nabucco States Agreement to use its best endeavours to extend the protections set out in Article 7 of the Nabucco States Agreement to any pipelines and attendant technical facilities to be used by Shippers for the Transmission of Natural Gas within the Territory to the Nabucco Pipeline System. The Nabucco Committee may determine, where necessary, which pipelines are covered by this Article.
3. The State acknowledges the commitment of Hungary under Article 4.1 of the Nabucco States Agreement that no discriminatory requirements or obligations will be applied to pipeline owners or operators who obtain or seek to obtain connections for their Natural Gas pipelines to the Nabucco Pipeline System or to Shippers who obtain or seek to obtain transportation services via the Nabucco Pipeline System. The State further acknowledges that under Article 4.2 of the Nabucco States Agreement Hungary may establish a limit to the application of the forgoing in order to address duly substantiated national security concerns, which shall be presented to the Nabucco Committee.
4. The State acknowledges the commitment of Hungary under Articles 7.2 to 7.6 of the Nabucco States Agreement and in particular acknowledges pursuant thereto that, except as specifically provided otherwise in writing, including in this Agreement or any Project Agreement, Hungary shall not, and shall neither permit nor require any State Entity or State Authority to, interrupt, curtail, delay, prohibit, restrict or impede the freedom of transit of Natural Gas in, across,

and/or exiting from the Territory through the Nabucco Pipeline System and shall take all measures and actions which may be necessary or required to avoid and prevent any interruption, curtailment, delay, prohibition, restriction or impediment of such freedom of transit (and any such event shall be an "interruption" for the purposes of this article, and "interrupt" shall be interpreted accordingly) and Hungary shall not interrupt the Project Activities in the Territory, provided always that:

- a. where there are reasonable grounds to believe that the continuation of the Project Activities in the Territory creates or would create an unreasonable danger or hazard to public health and safety, property or the environment, Hungary may interrupt Project Activities in its Territory but only to the extent and for the length of time necessary to remove such danger or hazard (and the Companies' obligations in respect of such removal shall be as established in accordance with National Laws);
- b. if any event occurs or any situation arises which there are reasonable grounds to believe threatens to interrupt Project Activities in the Territory (a "threat" for the purpose of this article), Hungary shall use all lawful and reasonable endeavours to eliminate the threat; or
- c. if any event occurs or any situation arises which interrupts Project Activities in the Territory Hungary shall immediately give notice to the Companies of the interruption, give all available details of the reasons therefor and shall use all lawful and reasonable endeavours to eliminate the reasons underlying such interruption and to promote restoration of such Project Activities at the earliest possible opportunity.

ARTICLE 9 STATE'S PERFORMANCE OF THE AGREEMENT

The State acknowledges that the Companies are entering into this Agreement on the basis that:

1. it has the power to make, enter into and carry out this Agreement and to perform its obligations under this Agreement and all such actions have been duly authorised by all necessary procedures on its part;
2. the execution, delivery and performance of this Agreement will not conflict with, result in the material breach of or constitute a material default under any of the terms of any treaty, agreement, decree or order to which it is a party or by which it or any of its assets is bound or affected;
3. this Agreement has been duly and validly executed and delivered by it and constitutes a legal, valid and binding obligation upon it, enforceable in accordance with its terms;

ARTICLE 10 COMPANIES' PERFORMANCE OF THE AGREEMENT

Each Company confirms severally and in respect of itself only that as at the Effective Date:

1. it is duly organised, validly existing and in good standing in accordance with the legislation of the jurisdiction of its formation or organisation, has the lawful power to engage in the business it presently conducts and contemplates conducting, and is duly licensed (or to the best of its knowledge is capable of being duly licensed and will in due course become duly licensed) or qualified and in good standing as a national or foreign corporation (as the case may be) in each jurisdiction wherein the nature of the business transacted by it makes such licensing or qualification necessary;
2. it has the power to make, enter into and carry out this Agreement and to perform its obligations under this Agreement and all such actions have been duly authorised by all necessary procedures on its part;

3. the execution, delivery and performance of this Agreement will not conflict with, result in the breach of, constitute a default under or accelerate performance required by any of the terms of its formation or organisational documents or any agreement, decree or order to which it is a party or by which it or any of its assets is bound or affected;
4. this Agreement has been duly and validly executed and delivered by it and constitutes a legal, valid and binding obligation upon it, enforceable in accordance with its terms, except and to the extent that its enforceability may be limited by bankruptcy, insolvency, or other similar legal process affecting the rights of creditors generally;
5. there are no actions, suits, proceedings or investigations pending or, to its knowledge, threatened against it or any of its Affiliates, before any court, arbitral tribunal or any governmental body which individually or in the aggregate may result in any material adverse effect on its business or assets or its condition, financial or otherwise, or in any impairment of its ability to perform its obligations under this Agreement. Such Company has no knowledge of any violation or default with respect to any order, decree, writ or injunction of any court, arbitral tribunal or any governmental body which may result in any such material adverse effect or such impairment;
6. it has complied with all laws applicable to it such that it has not been subject to any fines, penalties, injunctive relief or criminal liabilities which, to its knowledge, in the aggregate have materially affected or may materially affect its business operations or financial condition or its ability to perform its obligations under this Agreement;
7. it keeps copies of books of account, originals or copies of contracts and copies of other files and records reasonably necessary to the Project Activities. Such files and records shall be available for inspection and audit by representatives of the State, unless otherwise mutually agreed, at the respective Company's principal office giving thirty (30) days' notice, on an annual basis for such period as may be required by National Law. All such books or accounts and other records shall be maintained in the currency of account for the relevant transaction and in accordance with generally accepted international accounting standards and, in the case of books, accounts and other records of the Nabucco National Company, the generally accepted accounting principles of the State.

ARTICLE 11 INSURANCE

1. With regard to insurance, each Company shall effect and maintain insurance and shall cause the Contractors and Operating Companies to effect and maintain insurance in such amounts and in respect of such risks related to the Nabucco Project as are in accordance with i) the internationally accepted standards and business practices of the Natural Gas industry having due regard to the location, size and technical specifications of the Project Activities, subject at all times to availability, at commercially reasonable terms and ii) the provisions of National Law. Where available on such terms, such insurance shall, without prejudice to the generality of the foregoing, cover:
 - a. physical loss of or physical damage to all installations, equipment and other assets used in or in connection with the Project Activities;
 - b. loss, damage or injury caused by seepage, pollution or contamination or adverse environmental impact in the course of or as a result of the Project Activities;
 - c. the cost of removing debris or wreckage and clean-up operations (including seeping, polluting or contaminating substances) following any accident in the course of or as a result of the Project Activities;

- d. loss or damage of property or bodily injury suffered by any third party in the course of or as a result of the Project Activities; and
 - e. risks required to be covered by law or for which there is a contractual requirement.
2. Prior to the commencement of construction of the Nabucco Pipeline System, each Company shall provide the State with copies of certificates of insurance and other statements from brokers or Insurers confirming any applicable insurance in place at that time and shall do likewise at the renewal of each insurance. If such insurance outlined in Article 11.1 above is not available at commercially reasonable terms, notice shall be given as soon as practical to the State together with details of reasonable alternative measures to cover the risk such as guarantees or self-insurance mechanisms and the commercial insurance market shall be tested by the applicable Company on a regular basis in case the position has changed.
 3. Subject to Article 11.1 above, insurance for physical loss or physical damage to installations, equipment and other assets used in or in connection with the Project Activities and third party liabilities shall name the State as an additional insured Person, and contain a waiver of subrogation from the Insurers under each insurance. Such insurance shall also contain non-vitiation provisions and notice of materially adverse alterations or cancellation or non-renewal shall be supplied to the State by the Insurer(s) or via any broker through whom insurance is arranged.

ARTICLE 12 STATE FACILITATION

1. Without prejudice to Articles 5 and 6.2, the State shall, to the extent permitted by National Laws applicable to it, assist in and promote the proposal to the relevant legislative body, and support the making, passage and enactment of, any laws, decrees or other legislative steps as are necessary to enable the Project Participants to implement the terms of this Agreement and all Project Agreements and to authorise, enable and support the Project Activities and the activities and transactions contemplated by this Agreement and all Project Agreements within its Territory. The Parties acknowledge that the State cannot ensure the actual passage and enactment of any laws, decrees or other legislative steps.
2. The State shall, to the extent possible and to the extent it is aware (and, where appropriate, through a representative in accordance with Article 24) consult with and keep the Companies informed in respect of the development of any necessary laws or regulations and the status of all actions which are or may be necessary in order to comply with Article 12.1 above.
3. The State (to the extent permitted by applicable National Laws) shall use Reasonable Endeavours to assist the Companies at the reasonable request of the Companies in obtaining with respect to the Nabucco Project those rights, visas, approvals, certificates, licences, consents, permits, authorisations or exemptions and permissions necessary or appropriate for the Nabucco Project, including in respect of:
 - a. pipeline, materials, equipment and other supplies destined for or exiting from the Territory; and
 - b. the import and/or export or re-export of any goods or services necessary for the Nabucco Project.
4. In particular, it is agreed that, to the fullest extent permitted by National Laws, any available margin of discretion that exists in dealing with such matters will be exercised in support of the applications or proposals made by the Companies.

ARTICLE 13 LAND RIGHTS

1. The State shall use Reasonable Endeavours to assist the Nabucco National Company in discussions with State Authorities and/or State Entities regarding the acquisition and exercise of Land Rights. For the avoidance of doubt, this Article 13.1 imposes no obligation on the State regarding the outcome of any such discussions.
2. The Parties acknowledge that the administrative procedures concerning the implementation and management of the Nabucco Project in the territory of Hungary is qualified as a high priority project under Government Decree No. 174/2010. (V.13.) (*"Kormányrendelet a Nabucco Gas Pipeline International GmbH. által megvalósítandó, a Nabucco gázvezeték magyarországi szakaszának kiépítéséhez és a vezetékek üzemszerű működtetéséhez kapcsolódó beruházással összefüggő közigazgatási hatósági ügyek kiemelt jelentőségű üggyé nyilvánításáról"*).

ARTICLE 14 QUALITY ASSURANCE

1. The Companies shall not be required to accept any Natural Gas to be transported in the Nabucco Pipeline System if the Natural Gas is of a quality that is incompatible with technical specifications laid down in writing in the general terms and conditions for the use of the Nabucco Pipeline System promulgated by Nabucco International Company.
2. The State acknowledges that, consistently with the provisions of National Laws, in the event that Hungary, any State Authority and/or any State Entity causes, without the consent of the Operating Company, the transmission in any part of the Nabucco Pipeline System, of any Natural Gas of a quality that is incompatible with technical specifications as agreed in writing between the Parties, the Companies can be entitled to compensation.

ARTICLE 15 ENVIRONMENTAL PROTECTION, SAFETY AND SOCIAL IMPACT STANDARDS

1. The environmental protection, safety and social impact standards relating to the Nabucco Project under any applicable licences, consents, permits, authorisations or exemptions and otherwise required in accordance with National Laws shall be established by Nabucco International Company and shall take due account of the results of the environmental and social impact assessments to be conducted in respect of the Nabucco Pipeline System on a basis consistent with the Equator Principles and the other environmental and social requirements of prospective Lenders to the Nabucco Project. After they have been established they shall be recorded in written form and submitted to the State and the relevant State Authorities.
2. If a spillage or release of Natural Gas occurs from the Nabucco Pipeline system, or any other event occurs which is causing or likely to cause material environmental damage or material risk to health and safety, on reasonable request from the Companies and at the Companies' cost and expense, the State shall, in addition to any obligations the State Authority and/or the State Entity may have under the Project Agreements or otherwise under applicable National Laws, use Reasonable Endeavours to assist the Companies to achieve that any labour, materials and equipment not otherwise immediately available to the Companies are made available promptly and in reasonable quantities, and to assist in any remedial or repair effort in respect of any event to which National Law applies.

ARTICLE 16 PERSONNEL

1. To the extent permitted by applicable National Laws, each Company, subject to Article 16.2, shall have the right to employ or enter into contracts with, for the purposes of conducting the Project Activities, such Persons and their respective personnel (including citizens of the State and of countries other than the State) who, in the opinion of such Company, demonstrate the requisite knowledge, qualifications and expertise to conduct such activities.
2. The State shall, to the extent permitted by applicable laws, support the State Authorities in preventing or eliminating any restriction on the entry or exit of any key personnel with respect to the Nabucco Project, subject only to the enforcement of immigration (including visa and residence permit regulations), customs, criminal and other relevant laws of the State.

ARTICLE 17 LABOUR STANDARDS

1. The employment laws and practices or standards applicable to the Nabucco Project shall be the normal rules that are established pursuant to the National Laws.
2. All employment programmes and practices applicable to citizens of the State working on the Nabucco Project in the Territory, including hours of work, leave, remuneration, fringe benefits and occupational health and safety standards, shall not be less beneficial than is provided by the State's labour legislation generally applicable to its citizenry.

ARTICLE 18 TECHNICAL STANDARDS

1. The Companies shall be entitled to apply a uniform set of technical standards for the Nabucco Project and the Project Activities. Such technical standards shall be consistent with generally accepted international and EU pipeline standards and shall be prepared by the Companies and submitted to the State and the competent State Authorities. The Parties acknowledge that any official approval required by National Laws shall be administered and granted in accordance with applicable National Laws.
2. The State shall (to the extent permitted by National Laws) use Reasonable Endeavours to support the Companies in achieving that measures are taken that are necessary to enable the adoption of the technical standards referred to in Article 18.1.
3. The State shall (to the extent permitted by National Laws) use Reasonable Endeavours not to do any act or thing which would prevent or hinder any relevant Person from being able to comply with any of the technical standards referred to in Article 18.1.

ARTICLE 19 ACCESS TO RESOURCES AND FACILITIES

The Companies have requirements to be able to access all goods, works and services as may be necessary or appropriate for the Nabucco Project in the reasonable opinion of the requesting Company and which may be of use for Project Activities including, but not limited to, information regarding geology, hydrology and land drainage, archaeology and ecology. The Companies are at liberty to obtain these on the open market within Hungary in accordance with National Laws.

ARTICLE 20 SECURITY

1. The State acknowledges that, commencing with the initial Project Activities relating to route identification and evaluation and continuing throughout the life of the Nabucco Project, the Companies require the preservation of the security of the Project Land, the Nabucco Pipeline System and all Persons involved in the Project Activities within the Territory. The State acknowledges that responsibility for matters of security within the Territory lies with the

competent State Authorities and that the Companies may address requests for any necessary assistance to the relevant State Authority for consideration.

2. Notwithstanding the provisions of Articles 20.1 above, each Company shall also exert all reasonable endeavours to ensure the security of works in progress and material storage yards within the Territory.
3. Any supplemental requirement in respect to additional security measures for the Nabucco Project shall be carried out by each Company at its own respective cost and in line with applicable National Laws.

PART III FINANCIAL PROVISIONS

ARTICLE 21 TAXES

The Parties acknowledge that separate agreements relating to taxation matters are to be entered into pursuant to Article 11 of the Nabucco States Agreement.

ARTICLE 22 IMPORT AND EXPORT

1. Natural Gas and other goods and services associated, directly or indirectly, with the Project Activities, shall be accorded treatment no less favourable in connection with their import into and/or export out of the State (as the case may be) than that which would be accorded to like goods and services of like origin which are not associated with the Nabucco Project.
2. No prohibitions or restrictions, irrespective of their names and origin, other than the duties, taxes or other charges provided for under the National Laws, whether made effective through quotas, import or export licences or other measures, shall (without prejudice to Article 30) be instituted or maintained by Hungary on the importation or on the exportation of Natural Gas, other goods or services with respect to Project Activities.
3. No fees, charges or other levies of whatever character imposed by Hungary on or in connection with importation or exportation with respect to Natural Gas, other goods or services with respect to any part of the Project Activities may be imposed by way of an indirect protection to domestic products or services or a taxation of imports or exports for fiscal purposes. No such fees shall be imposed except to the extent that they are a fair approximation of the actual cost of conducting the administrative procedures that are generally adopted by States in respect of importation and exportation of goods.
4. The State, to the full extent of its powers and as permitted by National Laws, shall act in conformity with and shall not behave in a way that is incompatible with or contrary to, the obligations set out in Articles 22.1, 22.2, and 22.3.

ARTICLE 23 FREELY CONVERTIBLE CURRENCY

1. The State confirms that, for the duration of and in order to conduct Project Activities, each Company and any other Project Participants shall have the right with respect to Project Activities and in conformity with the laws and regulations of the State:
 - a. to bring into or take out of the Territory Freely Convertible Currency and to utilise, without restriction, Freely Convertible Currency accounts in the Territory and to exchange any currency at market rates;
 - b. to open, maintain and operate Local Currency bank and other accounts inside the Territory and Freely Convertible Currency bank and other accounts both inside and outside the Territory;
 - c. to purchase and/or convert Local Currency with and/or into Freely Convertible Currency;
 - d. to transfer, hold and retain Freely Convertible Currency outside the Territory;
 - e. to be exempt from all mandatory conversions, if any, of Freely Convertible Currency into Local Currency or other currency;
 - f. to pay abroad, directly or indirectly, in whole or in part, in Freely Convertible Currency, the salaries, allowances and other benefits received by any foreign employees;



- g. to pay contractors and foreign contractors abroad, directly or indirectly, in whole or in part, in Freely Convertible Currency, for their goods, works, technology or services supplied to the Nabucco Project; and
 - h. to make any payments provided for under any Project Agreement in Freely Convertible Currency.
- 2. Where it is necessary for the purposes of this Agreement that a monetary value or amount be converted from one currency to another, the conversion rate of exchange to be used shall be based, for each currency involved, on the par value as established pursuant to the Articles of Agreement of the International Monetary Fund.

PART IV IMPLEMENTATION

ARTICLE 24 AUTHORISED REPRESENTATIVES

1. The State shall appoint promptly upon entry into force of this Agreement by written notice to the Companies an authorised representative, agency or other body by or through which the Companies may with respect to the Nabucco Project, and subject to the regulations of the State, facilitate the exchange of information among the Parties in connection with the development of the Nabucco Project.
2. Each Company shall appoint one or more representatives, committees, or other organisational or functional bodies by or through whom that Company may act, which will facilitate the method and manner of each Company's timely and efficient exercise of its rights and/or performance of its obligations hereunder (the "Company Representative(s)").
3. Upon the appointment of the Company Representative(s), the State shall be entitled to rely upon the communications, actions, information and submissions of a Company Representative, in respect of that Company Representative's notified area of authority, as being the communications, actions, information and submissions of the respective Company. The Parties further acknowledge that each Company shall have the right, upon reasonable written notice to the State, to remove, substitute or discontinue the use of one or more specified Company Representative(s).
4. The Parties acknowledge that the State shall have the right, upon reasonable written notice to the Companies, to remove, substitute or discontinue the use of the authorised representative, agency or other body referred to in Article 24.1.
5. Each Company and the State shall, at the request of either of them, request their representatives to review at any given moment in time the status of the Project Activities and confer together on any issues arising with respect thereto.

ARTICLE 25 OPERATING COMPANY

1. Subject only to any requirement under National Laws that any Operating Company register to conduct business and be authorised and licensed in accordance with National Laws within the Territory, the Nabucco National Company shall have the right to establish, own and control and/or appoint or select one or more Operating Companies (which may include, in the Nabucco National Company's sole discretion, a Shareholder or an Affiliate of a Shareholder) that have been organised in any jurisdiction, whether inside or outside the Territory, in conformity with the prevailing National Laws.
2. The State, to the full extent of its powers as such, respects the provisions of Article 8.6 of the Nabucco States Agreement.

PART V LIABILITY

ARTICLE 26 LIMITATION OF LIABILITY OF THE PARTIES

1. No Party shall be liable to any other Party for any punitive or exemplary damages for breach of this Agreement. Liability for indirect or consequential losses or loss of profit shall only arise in the case of an intentional breach by a Party or a breach caused by the gross negligence of a Party.
2. No Party shall be liable to any other Party in respect of a breach of this Agreement that is caused by the fault or breach of legal obligations by another Party, or by an Affiliate of it (or, where such other Party is Hungary, by a State Entity or State Authority).
3. Liability for Loss or Damage caused by a breach of this Agreement shall be reduced to the extent that the Party suffering such Loss or Damage fails to take all reasonable steps, having regard to all the circumstances, to mitigate such Loss or Damage.

ARTICLE 27 LIABILITY OF THE STATE

1. The State acknowledges that it can, to the extent provided in National Laws, be liable under the provisions of civil law for any damage to any person or any property caused by unlawful acts or persons at fault (negligently or intentionally) acting on behalf of the State.
2. This Article is without prejudice to any contractual liability (subject to Article 27 above).

ARTICLE 28 FORCE MAJEURE

1. Any Party liable for non-performance or delay in performance on the part of any Party with respect to any obligation or any part thereof under this Agreement, other than an obligation to pay money, shall be excused liability for such non-performance or delay to the extent that it is caused or occasioned by Force Majeure, as defined in this Agreement.
2. Force Majeure shall be limited to those Force Majeure Events and any resulting effects that prevent or delay the performance of the obligations of the Party concerned or any part thereof and which are beyond its reasonable control, concerning events or causes which are not caused or contributed to by the negligence of the Party concerned (or, where that Party is that State, any State Entity or State Authority) or by the breach by any such Person of this Agreement or any Project Agreement. Force Majeure Events shall be the following events:
 - a. natural disasters (extreme weather, accidents or explosions, earthquakes, landslides, cyclones, floods, fires, lightning, tidal waves, volcanic eruptions, supersonic pressure waves, nuclear contamination, epidemic or plague and other similar natural events or occurrences);
 - b. structural shift or subsidence affecting generally a part or parts of the Nabucco Pipeline System;
 - c. strike or any other labour disputes;
 - d. inability to obtain necessary goods, materials, services or technology, the inability to obtain or maintain any necessary means of transportation;
 - e. acts of war (between sovereign states where the State has not initiated the war under the principles of international law), invasion, armed conflict, act of foreign enemy or blockade;

- f. acts of rebellion, riot, civil commotion, strikes of a political nature, act of terrorism, insurrection or sabotage;
 - g. international boycotts, sanctions, international embargoes against sovereign states other than the State; and
 - h. changes in law, expropriatory acts or any other action or failure to act by a governmental authorisation.
3. If a Party is prevented or delayed from carrying out its obligations or any part thereof under this Agreement as a result of Force Majeure, it shall promptly notify in writing the other Party or Parties to whom performance is owed.
 4. Following this notice given under Article 28.3 above, and for so long as the Force Majeure continues, any obligations or parts thereof which cannot be performed because of the Force Majeure, other than the obligation to pay money, shall be suspended.
 5. Any Party that is prevented from carrying out its obligations or parts thereof (other than an obligation to pay money) as a result of Force Majeure shall take such actions as are reasonably available to it and expend such funds as necessary and reasonable to remove or remedy the Force Majeure and resume performance of its obligations and all parts thereof as soon as reasonably practicable.
 6. Where the State is prevented from carrying out its obligations or any part thereof (other than an obligation to pay money) as a result of Force Majeure, it shall take such action as is reasonably available to it to mitigate any loss suffered by any Company or other Project Participant during the continuance of the Force Majeure and as a result thereof.
 7. Any Company that is prevented from carrying out its obligations or any part thereof (other than an obligation to pay money) as a result of Force Majeure shall take such action as is reasonably available to it to mitigate any loss suffered by the State, any State Authority, State Entity or Project Participant during the continuance of the Force Majeure and as a result thereof.

PART VI FINAL PROVISIONS

ARTICLE 29 NON-DISCRIMINATION

1. The State acknowledges the commitments of Hungary under Article 7.1 of the Nabucco States Agreement.
2. To the extent permitted by National Laws, the State shall exercise its discretion and otherwise act so as to avoid any Discrimination subsequent to the signature of this Agreement having an adverse effect on the Nabucco Project. In doing so the State will take due account of the Economic Equilibrium established under this Agreement and any other Project Agreement.

ARTICLE 30 EXPROPRIATION

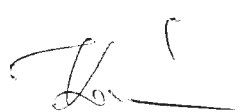
1. The Parties acknowledge that the provisions of National Laws apply in relation to the requirements of the Companies regarding expropriation as set out below. The relevant requirements are that no Investment (within the meaning of the Energy Charter Treaty) owned or enjoyed, directly or indirectly, by any Project Participant in relation to the Nabucco Project will be nationalised, expropriated or subjected to a measure or measures having effect equivalent to nationalisation or expropriation (hereinafter referred to as "Expropriation") except for specific cases laid down in the provisions of the National Laws, under which Expropriation is:
 - a. for a purpose which is in the public interest;
 - b. exceptional;
 - c. carried out under due process of law; and
 - d. accompanied by the payment of immediate, unconditional, and adequate compensation.
2. Any dispute in respect of this Article may be submitted at any time by the relevant Project Participants or any of them for resolution pursuant to Article 35, except for disputes where arbitration is precluded according to the applicable provisions of the National Laws, the laws of the European Union or international law.

ARTICLE 31 TERMINATION

1. Except as may be expressly provided in this Article 32, none of the Parties shall amend, rescind, terminate, declare invalid or unenforceable, elect to treat as repudiated, or otherwise seek to avoid or limit this Agreement without the prior written consent of the other Parties.
2. If neither Company has taken steps to commence the construction phase in respect of the Nabucco Pipeline System by not later than 31 December 2016 (or the expiry date of any extension of the exemption from the provisions under National Law implementing Articles 18 and 25 (2), (3) and (4) of Directive 2003/55/EC granted by the State Authority) for any reason other than Force Majeure, or failure by the State or any State Authority or State Entity to perform any of their obligations in a timely manner, the State shall have the right to give written notice to the Companies of the termination of this Agreement. Such termination shall become effective one hundred and eighty (180) days after receipt by the Companies of such termination notice, unless within said one hundred and eighty (180) day period either Company takes steps to commence the construction phase of the Nabucco Pipeline System. In addition, the date of 31 December 2016 (or the expiry date of any extension of the exemption from the provisions under National Law implementing Articles 18 and 25 (2), (3)

and (4) of Directive 2003/55/EC granted by the State Authority) shall be extended if and to the extent of any delays caused by the failure or refusal of any State Authority or State Entity to perform in a timely fashion any obligations they may have respecting Project Activities.

3. At any time before 31 December 2016 (or the expiry date of any extension of the exemption from the provisions under National Law implementing Articles 18 and 25 (2), (3) and (4) of Directive 2003/55/EC granted by the State Authority), Nabucco International Company may, if it concludes that there is no longer any reasonable prospect of successfully developing, financing, constructing and marketing the Capacity in the Nabucco Pipeline System on commercially acceptable terms, terminate this Agreement with no less than one hundred and eighty (180) days' written notice.
4. Any Party may by written notice to the other Parties terminate this Agreement if, after the end of the Initial Operation Period, another Party commits a material breach of its obligations to that Party under this Agreement and the Party in breach fails, within one hundred and eighty (180) days of receiving such Notice, either;
 - a. to remedy the breach and its effects to the reasonable satisfaction of the Party giving notice (or to commence and diligently comply with appropriate measures to do so); or
 - b. (in the case of a breach that cannot itself be remedied) to put in place and diligently comply with measures reasonably satisfactory to the other Party to prevent a recurrence of such breach, provided that doing so shall not prevent termination if the Party in breach has previously failed to comply with such measures in relation to an earlier similar breach.
5. No Party shall be entitled to terminate this Agreement in respect of a material breach under Article 32.4, unless it can demonstrate reasonable grounds for considering that damages due in respect of such breach would not constitute an adequate remedy for that breach or that the Party in breach has failed to pay such damages after they have been finally determined to be due.
6. Notwithstanding the provisions of this Article 32, no Party shall be entitled to terminate this Agreement if the breach by another Party is caused by or arises from a separate breach by the terminating Party or any of its Affiliates (or if that Party is the State, by any State Authority or State Entity) of their obligations to the other Parties or any of their Affiliates under this Agreement or any other Project Agreement (which, for the avoidance of doubt, excludes the Nabucco States Agreement).
7. The Parties shall consult for a period of sixty (60) days from such Notice (or such longer period as they may agree) as to what steps could be taken to avoid termination.
8. This Article is subject to any arrangements entered into between the State and Lenders pursuant to Article 6.2 of this Agreement, provided always that the Lenders fulfil all rights and obligations on them pursuant to any such arrangements and cure the breach by the Company within one hundred and eighty (180) days of the occurrence of the breach or within such other reasonable period of time as might be agreed by the Lenders and the State.
9. The expiry or termination of this Agreement shall not of itself affect the Companies' (or their permitted successors or transferees) ownership of the Land Rights or of the Nabucco Pipeline System or the continuation of their rights to operate the pipeline and market its Capacity (including the rights referred to under Article 8 and the Appendix to this Agreement) subject to due compliance with other generally applicable requirements under the National Laws.
10. Termination of this Agreement shall be without prejudice to:



- a. the rights of the Parties respecting the full performance of all obligations accruing prior to termination; and
- b. the survival of all waivers and indemnities provided herein in favour of a Party (or former Party).

ARTICLE 32 SUCCESSORS AND PERMITTED ASSIGNEES

1. The State agrees that the rights and obligations of each Company under this Agreement include the right to transfer its rights under this Agreement in accordance with the provisions of this Article 33 and the provisions of the National Laws.
2. Each Company shall have the right to assign by way of security to any Lender its rights under this Agreement.
3. Each Company shall have the right to assign in whole its rights under this Agreement to an Affiliate provided that such Affiliate has the necessary financial and technical capability to perform that Company's obligations under this Agreement. Each such assignment to an Affiliate shall be effective upon the State's receipt of written notification (subject always to the Parties complying with any formalities required by National Law in respect of the assignment, including the execution of any necessary agreement, which they undertake to do promptly and without withholding any requisite consent). In these circumstances, the transferring Company will remain liable for its obligations under this Agreement after the effective date of the assignment.
4. Each Company can only transfer its rights and obligations under this Agreement to any entity whether or not an Affiliate with the prior written consent of the State, such written consent of the State not to be unreasonably withheld or delayed. Each such transfer shall be effective upon the issuance by the State of its written consent (subject always to the Parties complying with any formalities required by National Law in respect of the assignment, including the execution of any necessary agreement, which they undertake to do promptly and without withholding any requisite consent). In these circumstances, the transferring Company shall cease to have any liability for its obligations under this Agreement after the effective date of the transfer (other than with respect to any existing breach of such obligations).
5. Any right granted or made available under this Agreement is granted by the State in relation to the carrying out of the Nabucco Project and Project Activities by the Companies.

ARTICLE 33 NOTIFICATION BY THE COMPANY

AND COMPLIANCE WITH CHANGES IN LAW

1. If any Change of Law is proposed or enacted which would have an effect on the Change of Law Costs of the Companies, the Companies shall take all reasonable efforts to give written Notice to the State of such Change of Law within three (3) months of the date when they could with reasonable diligence have become aware of its effects.
2. The Companies shall not be liable for any breach of this Agreement that is caused by them complying with their obligations under any Change of Law which affects this Agreement, subject to them using all reasonable endeavours to take such steps as are necessary to enable them to perform their obligations under this Agreement in a manner that will comply with the relevant Change of Law as soon as is reasonably practicable. This Article 33.2 only applies to the liability of the Companies under this Agreement and is without prejudice to any sanctions that may arise under applicable National Laws for any failure to comply with any relevant Change of Law.

ARTICLE 34 DECOMMISSIONING

1. The obligations of the each Company in relation to decommissioning the Nabucco Pipeline System after the end of its technical and economically useful life shall be as specified under National Laws. Each Company shall be entitled to upgrade, modify, extend the useful technical and economical life of and / or replace the Nabucco Pipeline System subject to due compliance with any such requirements generally applicable at the relevant time. No requirements shall be imposed on either Company in relation to decommissioning of the Nabucco Pipeline System that go beyond or differ in nature from those that would apply under the National Laws to other pipeline systems, except to the extent objectively necessary to take due account of the respective physical characteristics of the pipelines and routes involved.
2. The Companies' rights under this Article shall survive the expiry or termination of this Agreement.

ARTICLE 35 SETTLEMENT OF DISPUTES

1. Any dispute arising between the Parties under this Agreement, or in any way connected with this Agreement, and/or arising from Project Activities (including this Agreement's formation and any questions regarding arbitrability or the existence, validity or termination of this Agreement) ("Dispute") may be finally settled under the Rules of Arbitration of the International Chamber of Commerce by arbitration pursuant to this Article 35.
2. If any Dispute is not resolved through correspondence or negotiation within ninety (90) days, then unless otherwise agreed between the parties, such Dispute shall be referred to the Court of Arbitration of the International Chamber of Commerce and settled under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules (the "Arbitral Tribunal").
3. The seat of the arbitration shall be Zurich, Switzerland. The language of arbitration shall be English.
4. The Parties' respective rights and obligations under this Agreement shall continue after any Dispute has arisen and during the arbitration proceedings.
5. The Parties expressly authorise the Arbitral Tribunal to order specific performance of obligations under this Agreement, in particular obligations of "Reasonable Endeavours" or similar obligations requiring the cooperation of the obligor.
6. All payments due under a final award shall be made in any Convertible Currency and, in accordance with the terms of this Agreement as related to amounts due and payable, shall include interest calculated at the Agreed Interest Rate from the date of the event, breach, or other violation giving rise to the Dispute to the date when the award is paid in full.

ARTICLE 36 APPLICABLE LAW

This Agreement (including its formation and any questions regarding the existence, validity or termination of this Agreement) shall be governed by and construed in accordance with the substantive civil law of Switzerland. Provisions of the National Laws referred to herein shall be interpreted in accordance with such National Laws.

ARTICLE 37 NOTICES

1. A notice, approval, consent or other communication given under or in connection with this Agreement (in this clause known as a "Notice"):

- a. shall be in writing in the English language and also in any other language required by National Laws;
- b. shall be deemed to have been duly given or made when it is delivered by hand or by internationally recognised courier delivery service to the Party to which it is required or permitted to be given or made at such Party's address specified below and marked for the attention of the person so specified, or at such other address number and/or marked for the attention of such other person as the relevant Party may at any given moment in time specify by Notice given in accordance with this Article; and
- c. for the avoidance of doubt, a Notice sent by electronic mail will not be considered as valid.

The relevant details of each Party at the date of this Agreement are:

State

Attention: Minister responsible for supervising state assets
Dr. Tamás Fellegi
Address: Hungary
1440 Budapest, Pf. 1
e-mail: tamas.fellegi@nfm.gov.hu

With a copy to:

Attention: Administrative State Secretary of National Development
Dr. Mariann Vizkelety
Address: Hungary
1440 Budapest, Pf. 1
e-mail: mariann.vizkelety@nfm.gov.hu

Nabucco Gas Pipeline International GmbH

Address: Floridotower, Floridsdorfer Hauptstraße 1, 1210 Vienna, Austria
Attention:

(Party 3)
Address:
Attention:

2. In the absence of evidence of earlier receipt, any Notice shall take effect from the time that it is deemed to be received in accordance with Article 37.3 below.
3. Subject to Article 37.4 below, a Notice is deemed to be received:
 - a. in the case of a Notice delivered by hand at the address of the addressee, upon delivery at that address; or
 - b. in the case of internationally recognised courier delivery service, when an internationally recognised courier has delivered such communication or document to the relevant address and collected a signature confirming receipt.
4. A Notice received or deemed to be received in accordance with Article 37.3 above on a day which is not a Business Day or after 5 p.m. on any Business Day, according to local time in the place of receipt, shall be deemed to be received on the next following Business Day.

5. A Notice given or document supplied to such person as is nominated by a Party (by Notice in accordance with this Article) shall be deemed to have been given or supplied to the that Party.
6. Each Party undertakes to notify the other Party by Notice served in accordance with this Article if the address specified herein is no longer an appropriate address for the service of Notice.

ARTICLE 38 MISCELLANEOUS

1. Any modification of, amendment of and/or addition to this Agreement shall only be in force and effective if made in writing and agreed and signed by all Parties.
2. If any provision of this Agreement is or becomes ineffective or void, the effectiveness of the other provisions shall not be affected. The Parties undertake to substitute for any ineffective or void provision an effective provision, which achieves economic results as close as possible to those of the ineffective or void provision.
3. No waiver of any right, benefit, interest or privilege under this Agreement shall be effective unless made expressly and in writing. Any such waiver shall be limited to the particular circumstances in respect of which it is made and shall not imply any future or further waiver.
4. The headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement.

Done in the city of Kayseri, Turkey on 08 06 2011 in
three originals each in the English language.

Dr. Tamás Fellegi

in the name and on behalf of
For The State of Hungary

Mag. Reinhard Mitschek, Managing Director

in the name and on behalf of
Nabucco Gas Pipeline International GmbH

Péter Leskó, Managing Director

in the name and on behalf of
NABUCCO Magyarország Gázvezeték Korlátolt Felelősségű Társaság

APPENDIX

Expanded Principles of Article 8.1 of the Agreement

1. **50% reserved capacity for Shareholders (expanding the permission set out in Article 8.1 of the Agreement)**

The State shall permit that in its Territory Nabucco International Company will release its capacity on a long-term basis, leaving, however, parts of the capacity also for short-term contracts. The State shall permit that Nabucco International Company will enter into capacity contracts with both (i) Shareholders, their affiliated companies or their assignees; and/or (ii) third party entities.

2. **Capacity allocation procedures (expanding the principle set out in Article 8.1.1 of the Agreement)**

2.1 **General Principles**

The State shall permit Nabucco International Company to implement and publish mechanisms to allocate capacity both to Shareholders and third parties on a transparent and non discriminatory basis in order to give effect, *inter alia*, to the following objectives:

- a) facilitating the development of competition and liquid trading of capacity,
- b) providing appropriate economic signals for efficient and maximum use of technical capacity and facilitating investment in new infrastructure, and
- c) avoiding undue barriers to entry and impediments to market participants, including new entrants and small players.

Without prejudice to the capacity expansion requirements of Article 8.1.3 of the Agreement, the State shall permit that transportation capacity will be offered through an Open Season under which qualifying Shippers will be able to bid to book capacity.

Shippers will have the right to book Reserved Capacity from entry points to defined exit points on the Nabucco Pipeline System. Nabucco International Company's determination of entry and/or exit points shall, among other things, take into account economic, financial and technical feasibility.

2.2 **Open Season**

The State shall permit that the Open Season is performed pursuant to procedures published by Nabucco International Company on its website ahead of the start of the Open Season, and such Open Season shall ensure that objective, transparent and non-discriminatory conditions apply to all Shippers (including third party entities and Shareholders, their affiliated companies and/or their assignees) that qualify to take part in the Open Season.

The invitation to tender would stipulate the available technical total capacity to be allocated, the number and size of lots, as well as the allocation procedure in case of an excess of demand over supply. Both firm and interruptible transportation capacity would be offered on an annual and monthly basis. The invitation to tender would be published, at the cost of Nabucco International Company, in the Official Gazette of State and the Official Journal of the European Union and the allocation process would be fair and non-discriminatory.

The Open Season shall be carried out in two steps. In a first step, only the Shareholders, their affiliated companies and their assignees can apply. In the second step, all market participants, including the Shareholders, their affiliated companies and their assignees can apply. If after the

second step not all capacity has been allocated, there will be a third Open Season to allocate the remaining capacity. After each step of the Open Season Nabucco International Company shall provide to all relevant State Authorities a list of the companies which have reserved capacities of the Nabucco Project.

3. **Release of unutilised capacity (expanding the principle set out in Article 8.1.2 of the Agreement)**

The State shall permit that in its Territory Nabucco International Company re-utilises unused Reserved Capacity by allowing Shippers who wish to re-sell or sublet their unused Reserved Capacity on the secondary market to do so in accordance with their contracts.

Where Reserved Capacity remains unused and Contractual Congestion occurs, this unused Reserved Capacity shall be made available to the primary market in accordance with "Use-it-or-lose-it principles" ("UIOLI"). Detailed procedures to be applied for re-utilisation of unused Reserved Capacities shall be included in the Transportation Contracts that Nabucco International Company offers to Shippers. These shall be devised in co-operation with and submitted for prior approval to the relevant State Authority.

Starting from the completion of the first full calendar Year of operation of the Nabucco Pipeline System onwards, The State shall permit that in its Territory Nabucco International Company sells a portion of the Technical Capacity as interruptible capacity, via a bulletin board on the internet, pursuant to the historical flow and nomination data, provided that:

- (1) There is Contractual Congestion of Reserved Capacity which has been sold on a firm basis but which is not being used; and
- (2) The probability of non-interruption of capacity sold on an interruptible basis for the upcoming calendar Year is at least ninety (90) percent.

The sale of Reserved Capacity on the bulletin board shall not affect the original Reserved Capacity holder's obligation under the Transportation Contracts to pay Nabucco International Company for that Reserved Capacity. The original Reserved Capacity holder shall not lose his Reserved Capacity rights and shall still be entitled to use his Reserved Capacity contracted for in full, via the Nomination process. The revenues generated by any marketing of the UIOLI-capacity on an interruptible basis shall be entirely for Nabucco International Company.

The State shall permit that Nabucco International Company, which shall estimate expected flows based on the Nomination process, to make available the difference between the firm capacity committed and the nominated capacity to the market as interruptible capacity, on a short-term day-ahead basis.

If the original Reserved Capacity holder nominates capacity which Nabucco International Company has remarketed, Shippers who have purchased such UIOLI-interruptible capacity shall be interrupted.

Any Shipper which has contracted for capacity on an interruptible basis shall be informed in advance by Nabucco International Company if it is to be subject to interruption because the original Reserved Capacity holder has nominated some or all of its contractually committed capacity. An interruptible Shipper shall have no right to reject this interruption.

4. Tariff methodology (expanding the Permission set out in Article 8.1 of the Agreement)

4.1 Principles for tariffs

The State shall permit that for the capacity sold Nabucco International Company will enter into Transportation Contracts with Shippers under which Shippers pay monthly capacity payments (in Euro) which are determined according to the following methodology. Each Transportation Contract will apply that methodology to the volume, distance, time, duration, seasonality involved and to the firm, interruptible and other characteristics of the services provided. The Transportation Contract will also specify other adjustments to the charges payable by Shippers in case of late payment, early termination, change in law etc.

The following tariff methodology shall be applied:

- 1) *Capacity payments*: shall be calculated as the relevant tariff stipulated for the relevant Year, multiplied by the volume of Reserved Capacity that such Shipper has contracted (expressed as $(\text{Nm}^3(0^\circ\text{C})/\text{h})$), multiplied by the distance of such capacity booking (distance is calculated as the distance (in km) between the entry point on the pipeline that the Shipper has committed to deliver gas to, and the exit point on the pipeline that the Shipper has requested Nabucco International Company to deliver the gas to). For clarification, the following formula defines the monthly capacity payment:

$$P_m = \frac{fr * T_n * d}{12}, \text{ where:}$$

- fr = Shipper contracted capacity volume (expressed as hourly flow rate of gas)
d = distance expressed in km (between Shipper contracted entry and exit point)
 P_m = Payment for Transmission services in Euro/Month
 T_n = the adjusted transportation tariff for Year "n", in EURO / $((\text{Nm}^3/\text{h}) * \text{km}) / \text{y}$.

Further details of the current version of the tariff formula are set out below and Nabucco International Company and the National Nabucco Companies shall apply these for use in the Open Season, other capacity allocation procedures and in the definitive Transportation Contracts:

- 2) *Tariff*: The tariff shall be distance-related and (expressed in EUR / $((\text{Nm}^3(0^\circ\text{C})/\text{h}) * \text{km}) / \text{y}$), which means that the tariff shall be uniform and apply for all sections of the pipeline. Once the tariff is defined, it shall be escalated on 1st October of every Year against a defined tariff escalation formula to be set out in the long-term Transportation Contracts between Nabucco International Company and Shippers.

The tariff shall exclude any Taxes, duties or levies of a similar nature. These shall be levied by Nabucco International Company on the Shipper if the same are levied on Nabucco International Company for the provision of the Transmission services.

- 3) *Tariff calculation*: The final tariff paid by the individual Shippers shall be derived from a tariff methodology. In formulating the tariff methodology, and therefore the final tariff, the following factors and objectives shall be observed:
 - a. recovery of efficiently incurred costs, including appropriate return on investment; facilitate efficient gas trade and competition while at the same time avoiding cross-subsidies between Shippers; promote efficient use of the network and provide for appropriate incentives on new investments;
 - b. taking into account the amount of capacity contracted for by Shippers which shall reflect the duration of Transportation Contracts, the load factor, the distance of

transportation (expressed in EUR / ((Nm³(0°C)/h)*km) / y.), the capital investment per capacity unit and volumes etc.;

- c. that reverse flows shall be defined by reference to the direction of the predominant physical flows in the Nabucco Pipeline System. In case of Contractual Congestion, specific tariffs shall be applied for reverse flows; Nabucco International Company may not adopt any charging principles and/or tariff structures that in any way restrict market liquidity or distort the market or trading across borders of different Transmission System Operator systems or hamper system enhancements and integrity of any system to which the Nabucco Pipeline System is connected.

4.2 Tariff Methodology for Calculation of the Tariff

The State shall permit Nabucco International Company to receive capacity payments from Shippers for offering Transmission services that will inter alia allow it to recover the following types of investment and operating costs that it will incur by constructing, operating and maintaining the Nabucco Pipeline System:

- Capital Expenditure ("CAPEX") incurred by Nabucco International Company in constructing the pipeline, such as raw material costs (e.g. steel), equipment costs (e.g. compressor costs), appropriate depreciation and capital costs reflecting the investment cost (on the assumption that CAPEX is depreciated over 25 Years);
- Operating Expenditure ("OPEX") will include a mixture of fixed and variable costs reflecting Nabucco International Company's on-going operation of the pipeline. Additionally, OPEX such as fuel gas costs, associated environmental costs (such as the purchase of any applicable carbon emission permit allowances, or equivalent cost, that may be levied on Nabucco International Company in any of the transit states), and any rental expenditures incurred by Nabucco International Company for the use of any other pipeline systems that could be connected to the Nabucco Project to enable earlier operation of the Nabucco Project;
- Economic costs incurred by Nabucco International Company in managing its business such as inflation, wage inflation, interest rates and other costs related to the financing of the Nabucco Project.

For calculation of tariffs the capacities sold on a long term (i.e. 25 Years) shall be used as basis. The State shall permit that the tariff methodology takes in particular into consideration the fact that the investment costs for constructing the Nabucco Pipeline System will be funded from a mixture of equity contributions from Shareholders, and debt by means of receiving loans from lenders and other financial institutions providing debt finance.

4.3 Further considerations concerning Capacity Payments, Tariff

The tariff shall give effect to the following additional factors:

Duration of Transportation Contract and incentives: For tariff setting the duration of the Transportation Contract shall be taken into account. Given the importance to the economic feasibility of the project of ensuring that capacity is booked by Shippers for as long a contractual period as possible, an incentive structure shall be included in the capacity payment calculation to incentivise Shippers to book capacity long-term (e.g. scaled reduction to capacity payment to reward contracts of longer duration). Time factors shall be calculated on a 25 Years contracts term basis. The time factors (for off peak-period) shall be: 1 for the standard term of 25 Years contract, then increase linearly up to a factor of 1.20 for the contract duration of 10 Years, then increase linearly up to a factor of 4 for a one day contract.

Impact of seasonal gas demand on short-term Transportation Contracts: For short-term Transportation Contracts (i.e. duration of one day up to one Year less one day), capacity

payments shall also reflect seasonal demand for shorter-term Transmission and the resulting load factors for the pipeline such that there shall, for example, be transparent and pre-defined surcharges for daily Transportation Contracts concluded during winter months where demand can be expected to be higher (so that there will be a higher load factor on the pipeline), and lower surcharges for daily Transportation Contracts concluded during the summer months (where demand can be expected to be lower so that there will be a lower load factor on the pipeline). Seasonality factors shall be: 150% surcharge for daily contracts per day for the period November – March (peak season) and 75% surcharge for October and for April (shoulder season) and no surcharge for off peak period (May – September).

PROJECT SUPPORT AGREEMENT

Between

ROMANIA

and

NABUCCO GAS PIPELINE INTERNATIONAL GMBH

and

NABUCCO GAS PIPELINE ROMANIA S.R.L.

Concerning

THE NABUCCO PIPELINE SYSTEM



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THIS AGREEMENT is entered into in the city of Kayseri in Turkey on 8 June 2011 between:

ROMANIA (the "State")

and

NABUCCO GAS PIPELINE INTERNATIONAL GMBH, a company organised and existing under the laws of Austria ("**Nabucco International Company**")

and

NABUCCO GAS PIPELINE ROMANIA S.R.L., a company organised and existing under the laws of Romania ("**Nabucco National Company**")

(each a "**Party**" and together the "**Parties**")

WHEREAS, this Project Support Agreement is entered into in furtherance of the Agreement among the Republic of Austria, the Republic of Bulgaria, the Republic of Hungary, Romania and the Republic of Turkey regarding the Nabucco Project, signed in Ankara on 13 July 2009;

WHEREAS, the Companies wish to employ in the Nabucco Pipeline System generally recognised international technical and environmental standards for the Transmission of Natural Gas in and across the Territory;

WHEREAS, the Companies intend to invest in the construction of the Nabucco Pipeline System, as well as to operate and utilise capacity in the Nabucco Pipeline System, on the terms and conditions of this Project Support Agreement;

WHEREAS the Nabucco National Company (which is a 100% subsidiary of Nabucco International Company) will own and, in conjunction with Nabucco International Company, will be responsible for procurement/constructing the Nabucco Pipeline System within the Territory, will be in charge of operating and maintaining the Nabucco Pipeline System within the Territory, and will transfer all capacity rights in the Nabucco Pipeline System within the Territory to Nabucco International Company for onward sale and marketing;

WHEREAS, the State enters into this Project Support Agreement to promote as far as possible and protect investment in the Nabucco Pipeline System and in the Territory.

THE PARTIES HAVE AGREED that, pursuant to the Nabucco Agreement, they shall implement and comply with the provisions of the Nabucco Agreement and the further terms set out as follows:

PART I DEFINITIONS AND SCOPE OF THE PROJECT SUPPORT AGREEMENT

ARTICLE 1 DEFINITIONS AND INTERPRETATION

Capitalised terms used in this Project Support Agreement (including the Preamble) shall have the following meaning:

"Affiliate" shall mean, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with that Person. For purposes of this definition, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of a majority or other controlling interest in the voting securities, equity or other ownership interest in an Entity, by law, or by agreement between Persons conferring such power or voting rights, or by any other lawful means.

"Agreed Interest Rate" shall mean for each day of an Interest Period with respect to any amount due and payable under or pursuant to this Project Support Agreement, interest at the rate per annum equal to 2% (two percent) plus LIBOR for the relevant currency in effect on the Business Day immediately preceding the first day of the Interest Period. For the purposes of this definition, "Interest Period" shall mean a period of thirty (30) days, beginning the first day after the date on which any such amount becomes due and payable and ending thirty (30) days thereafter, with each succeeding Interest Period beginning on the first day after the last day of the Interest Period it succeeds unless this would be contrary to National Laws in respect of compound interest, in which case it shall mean interest (calculated on a daily basis from the first day after the date on which any such amount becomes due and payable but not compounded) at the rate per annum equal to 2.5% (two point five percent) plus LIBOR for the relevant currency in effect on the date on which any such amount becomes due and payable.

"Application Requirements" shall have the meaning ascribed at Article 26.1.

"Best Available Terms" shall mean, at any time with respect to any goods, works, services or technology to be rendered or provided at any location, the commercially competitive cost-based terms reasonably obtainable in the relevant market, except where the State or a State Entity or State Authority is the sole provider of such goods, works, services or technology in the Territory, in which case it shall be a price equal to that which that entity charges other entities whether State or private.

"Business Day" shall mean any day on which clearing banks are customarily open for business in Bucharest.

"Change of Law" shall mean, in relation to the State, any of the following which arises or comes into effect after the Effective Date:

- a. any international or domestic agreement, legislation, directive, order, promulgation, issuance, enactment, decree, regulation, commitment, policy, pronouncement, permission, licence, consent, permit, authorisation, exemption or similar act of the State, a State Authority or a State Entity (including any which relate to Taxes);
- b. any change to any of the foregoing (including changes resulting from amendment, repeal, withdrawal, termination or expiration);
- c. any interpretation or application, by executive or legislative authorities, or administrative or regulatory bodies, of any of the foregoing; and/or
- d. any decision, policy, other similar action, or failure or refusal to take action, exercise authority or enforce, by a State Authority, in relation to any of the foregoing.

"Change of Law Costs" shall mean any new or increased cost or expense, or any reduction in revenue or return, directly resulting from or attributable to a Discriminatory Change of Law, which is incurred or suffered in connection with the Nabucco Project by any Company (whether directly or through any Operating Company) or any Project Participant. Such costs or expenses may include, *inter alia*, capital costs, costs of operation and maintenance, and costs of taxes, royalties, duties, imposts, levies or other charges imposed on or payable by the Company.

"Companies" shall mean both the Nabucco International Company and the Nabucco National Company, and **"Company"** shall mean either of them.

"Company Representative(s)" shall have the meaning ascribed at Article 24.2.

"Construction Corridor" shall mean an area of land extending from the Initial Entry Point of the Nabucco Pipeline System to Baumgarten within which the centreline of the Pipeline Corridor will be located, and such other areas determined by Nabucco National Company as reasonably necessary to conduct the Project Activities in accordance with the National Laws. The Construction Corridor will be defined with respect to certain width (in metres) and along a specified preferred route, as notified by the Nabucco National Companies and approved by the State in accordance with the terms of Article 12.

"Contractor" shall mean any Person supplying directly or indirectly, whether by contract, sub-contract, goods, work, technology or services, including financial services (including, without limitation, credit, financing, insurance or other financial accommodations) to the Operating Company, Companies, or their Affiliates in connection with the Nabucco Pipeline System to an annual or total contract value of at least €100,000, excluding however any physical person acting in his or her role as an employee of any other Person.

"Contractual Congestion" shall mean a situation where the level of firm capacity demand exceeds the technical capacity (all technical capacity is booked as firm).

"Convertible Currency" shall mean a currency which is widely traded in international foreign exchange markets.

"Discriminatory Change of Law" shall mean any Change of Law which:

- a. discriminates against any of the Companies or its business or operations in relation to the Project;
- b. applies to the Project and not to similar projects;
- c. applies to any of the Companies and not to other similar companies;
- d. applies to businesses financed in a similar way as the Project and not to other businesses;
- e. affects businesses carrying out activities of the same kind as the Project Activities to a greater extent than it affects other businesses; or
- f. renders any material obligation of the State, any State Authority or State Entity, or any specific rights conferred on any of the Companies under this Project Support Agreement or any Project Agreement void or unenforceable.

"Dispute" shall have the meaning ascribed at Article 37.1.

"Double Tax Treaty" shall mean any treaty or convention, to which the State is a party, with respect to Taxes for the avoidance of double taxation of income or capital.

“Economic Equilibrium” shall mean the economic value to either Company or the Companies (as applicable) of the relative balance established under Project Agreements at the applicable date between the rights, interests, exemptions, privileges, protections and other similar benefits provided or granted to such Person and the concomitant burdens, costs, obligations, restrictions, conditions and limitations agreed to be borne by such Person.

“Effective Date” shall have the meaning ascribed at Article 2.1.

“Energy Charter Treaty” shall mean the Energy Charter Treaty as opened for signature in Lisbon on 17 December 1994.

“Entity” shall mean any company, corporation, limited liability company, joint stock company, partnership, limited partnership, enterprise, joint venture, unincorporated joint venture, association, trust or other juridical entity, organisation or enterprise duly organised under the laws of any country.

“Environmental Standards” shall have the meaning ascribed at Article 14.1.

“EURO” shall mean the currency of the Member States participating in the European Economic Monetary Union.

“Expropriation” shall have the meaning ascribed at Article 32.1.

“Foreign Currency” shall mean any freely convertible currency (other than the Local Currency) which is widely traded in international foreign exchange markets and widely used in international transactions, including but not limited to EURO/US Dollar.

“Initial Entry Points” shall mean the starting points of the Project at any three points on the eastern or southern land borders of the Republic of Turkey as selected by Nabucco International Company, and, subject to agreement by the Nabucco Committee in consultation with Nabucco International Company, any other point at the eastern or southern Turkish border. The exact location of the Initial Entry Points at the respective borders is subject to the standard permitting and related authorisation procedures.

“Initial Operation Period” shall mean the period of twenty-five (25) Years from the date on which the Nabucco Pipeline System is complete and enters commercial operation.

“Insurer” shall mean any insurance company or other Person providing insurance cover for all or a portion of the risks in respect of the Nabucco Pipeline System, Project Activities, or any Project Participant, and any successors or permitted assignees of such insurance company or Person.

“Interest Holder” shall mean, at any time, (i) any Company or any Other Nabucco National Company; (ii) any Person holding any form of equity or other ownership interest in any Company or Other Nabucco National Company or Operating Company, together with all Affiliates of any Person referred to in (i) and (ii) above.

“Land Rights” shall mean all those rights and permits in accordance with the applicable legislation with respect to land in the Territory which grant such free and unrestricted rights, access and title as are necessary for the Project Activities, which may include but not be limited to use, possession, ownership, occupancy, control, assignment and enjoyment of such land.

“Lender” shall mean any financial institution or other Person providing any indebtedness, loan, financial accommodation, extension of credit or other financing to any Interest Holder, in connection with the Nabucco Pipeline System (including any refinancing thereof).

“LIBOR” shall mean, for any day on which clearing banks are customarily open for business in London, the London interbank fixing rate for twelve (12) months EURO deposits, as quoted on

Reuter's LIBOR page on that day or, if the Reuter's LIBOR page ceases to be available or ceases to quote such a rate, then as quoted in the London Financial Times, or if neither such source is available or both cease to quote such a rate, then such other source, publication or rate selected by the Parties.

"Local Currency" means any currency which is legal tender within the territory of State and **"Foreign Currency"** means any currency which is issued by any authority not constituted solely by the State. Under these definitions, the EURO would be both a Local Currency and a Foreign Currency in Eurozone countries.

"Loss or Damage" shall mean any loss, cost, injury, liability, obligation, expense (including interest, penalties, attorneys' fees and disbursements), litigation, proceeding, claim, charge, penalty or damage suffered or incurred by a Person, but excluding any indirect or consequential losses.

"Nabucco Agreement" shall mean the Agreement among the Republic of Austria, the Republic of Bulgaria, the Republic of Hungary, Romania and the Republic of Turkey regarding the Nabucco Project, signed in Ankara on 13 July 2009, together with its appendix as set forth therein, including any such Agreement that may extend, renew, replace, amend or otherwise modify it at any given moment in time in accordance with its terms.

"Nabucco Committee" shall mean the committee established pursuant to Article 12.1 of the Nabucco Agreement.

"Nabucco Pipeline System" shall mean the expressly constructed Natural Gas pipeline system (including in respect of each Territory, the pipeline and laterals for the transportation of Natural Gas within and/or across the Territory, and all below and above ground or seabed installations and ancillary equipment, together with any associated land, pumping, measuring, testing and metering facilities, communications, telemetry and similar equipment, all pig launching and receiving facilities, all pipelines, and other related equipment, including power lines, used to deliver any form of liquid or gaseous fuel and/or power necessary to operate compressor stations or for other system needs, cathodic protection devices and equipment, all monitoring posts, markers and sacrificial anodes and all associated physical assets and appurtenances (including roads and other means of access and operational support) required at any given moment in time for the proper functioning of any and all thereof), that connects the Initial Entry Points to Baumgarten in the Republic of Austria and with a maximum designed capacity of 31 bcm/a, which will be constructed, owned and operated in accordance with private law agreements concluded between the Nabucco International Company and the Nabucco National Companies or by any of these companies inter se or with third parties (together with any arrangements for the use by the Nabucco International Company of other capacity which are contemplated under Article 9 of the Nabucco Agreement and the Annex thereto and in the Appendix to this Project Support Agreement), and the transportation capacity of which in all cases will be marketed and managed by Nabucco International Company, subject to the terms of this Project Support Agreement and the applicable Project Agreements.

"National Law" or **"National Laws"** shall mean the laws or other piece or legislation applicable in the Territory of the State.

"Natural Gas" shall mean any hydrocarbons or mixture of hydrocarbons and other gases consisting primarily of methane which at a temperature of 15 degrees Celsius and at atmospheric pressure (1.01325 bar absolute) are or is predominantly in gaseous state.

"Nomination" shall mean the prior reporting by the Shippers to Nabucco International Company of the actual capacity that they wish to use in the Nabucco Pipeline System.

"Non-State Land" shall mean any land in the Territory, and any right or privilege with respect thereto, of any kind or character, however arising, and however characterised, other than State Land.

"One-Stop-Shop Shipper Access" shall mean a situation where Shippers have only one contractual relationship with Nabucco International Company for Natural Gas Transmission services between the relevant entry point and exit point.

"Open Season" shall mean the process adopted by Nabucco International Company to allocate to the Shippers the capacity in the Project and that is consistent with Article 7 of this Project Support Agreement.

"Operating Company" shall mean, pursuant to Article 25.2, the Person or Persons responsible at any given moment in time for the operation and maintenance of all or any portion of the Nabucco Pipeline System, whether as an agent for or Contractor to the Companies or their Affiliates or otherwise, and any successor or permitted assignee of any such Person. Where no Person or Persons has or have been appointed by the Companies or their Affiliates in this capacity, the Nabucco National Company shall be the Operating Company.

"Other Nabucco National Company" shall mean the following Project Participants: Nabucco Gas Pipeline Bulgaria EOOD, Nabucco Hungary Gas Pipeline Limited Liability Company, Nabucco Gas Pipeline Austria GmbH and Nabucco Doğal Gaz Boru Hattı İnşaatı ve İşletmeciliği Limited Şirketi.

"Other States" shall mean all States mentioned in the first recital other than the State.

"Permanent Establishment" shall have the meaning set out in the relevant Double Tax Treaty. If no such treaty exists then "Permanent Establishment" shall have the same meaning as in the most recent version as at the date of execution hereof of the Model Tax Convention on Income and Capital of the Organisation for Economic Co-operation and Development.

"Person" shall mean any natural person or Entity, whether of a public or private nature.

"Pipeline Corridor" shall mean an area of land within the Construction Corridor that is 12 metres wide, extended if necessary to accommodate ancillary pipeline facilities, all to be notified by the Companies and approved by the State in accordance with Article 12.

"Profit Tax" means any tax levied on a Person's or its Permanent Establishment's net profit.

"Project" shall mean the development, evaluation, design, acquisition, construction, installation, ownership, financing, insuring, commercial exploitation, repair, replacement, refurbishment, maintenance, expansion, extension, operation, (including Transmission), protection and decommissioning and activities associated or incidental thereto, all in respect of the Nabucco Pipeline System (which shall not include any subsequent separate pipeline system constructed by the Companies or the Shareholders).

"Project Activities" shall mean the activities conducted by the Project Participants in connection with the Project.

"Project Agreement" shall mean any agreement, contract, licence, consent, permit, authorisation, exemption, lease, concession or other document, other than this Project Support Agreement and the Nabucco Agreement, to which, on the one hand, the State, any State Authority or State Entity and, on the other hand, any Project Participant, are, or later become, a party, which is in writing and which is relating to the Project Activities, as any such agreement, contract or other document may be extended, renewed, replaced, amended or otherwise modified at any given moment in time in accordance with its terms.

"Project Land" shall mean any interest in land, either State Land or Non-State Land, required by or granted to the Nabucco National Company for the conduct of Project Activities.

"Project Participant" shall mean any and all of each Company and each Other Nabucco National Company, any Interest Holder, the Operating Companies, the Contractors, the Shippers, the Lenders and the Insurers, as periodically and duly notified in writing by Nabucco International Company in accordance with Article 39 herein to the authorised representative of the State as defined in Article 24.

"Project Support Agreement" shall mean this Project Support Agreement, together with its Appendix, including any agreement that may extend, renew, replace, amend or otherwise modify it at a given moment in time in accordance with Article 40 of this Project Support Agreement.

"Reserved Capacity" shall mean the maximum flow, expressed in normal cubic meters per time unit, to which the Shipper is entitled in accordance with the provisions of the Transportation Contract.

"Shareholders" shall mean the Persons owning shares in Nabucco International Company.

"Shipper" shall mean any Person (other than the Nabucco National Company or any Other Nabucco National Company) which has a contract with Nabucco International Company for Transmission of Natural Gas through all or any section of the Nabucco Pipeline System at any given moment in time.

"State" shall have the meaning given in the Preamble to this Project Support Agreement and **"States"** shall mean collectively the Republic of Austria, the Republic of Bulgaria, the Republic of Hungary, Romania, and the Republic of Turkey.

"State Authority" shall mean any organ of the State at each level of authority, whether the organ exercises legislative, executive, judicial or any other state functions, and including, without limitation, all central, regional, municipal, local and judicial organs or any constituent element of such organs having the power to govern, adjudicate, regulate, levy or collect taxes, duties or other charges, grant licences, consents, permits, authorisations or exemptions or otherwise affect the rights and obligations of any Project Participants, their successors and permitted assignees, in respect of Project Activities.

"State Entity" shall mean any Entity in which, directly or indirectly, the State has a controlling equity or ownership interest or similar economic interest, or which that State directly or indirectly controls. For purposes of this definition, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of a majority or other controlling interest in the voting securities, equity or other ownership interest in an Entity, by law, or by agreement between Persons conferring such power or voting rights.

"State Land" shall mean any lands in the Territory, and any and all rights and privileges of every kind and character, however arising, and however characterised with respect thereto, which are owned, controlled, used, possessed, enjoyed or claimed by the State including any State Authority or State Entity.

"State Party Authority" shall mean the authority that has regulatory jurisdiction and competence to deal with Transmission.

"Taxes" shall mean all existing and future levies, imposts, payments, fees, assessments, taxes, and charges payable to or imposed by the State, any organ or any subdivision of the State, whether central or local, or any other public body having the effective legal power to levy any such charges within the Territory, and **"Tax"** shall mean any one of them.

"Technical Capacity" shall mean the maximum firm capacity that Nabucco International Company can offer to the Shippers, taking account of system integrity and operational requirements.

"Territory" shall mean, with respect to the State, the land territory of such State, including its territorial sea, and the air space above it, as well as the maritime areas over which the State has jurisdiction or exercises sovereign rights in accordance with public international law (and "Territories" shall mean such territory in respect of all of the States).

"Transmission" shall mean carriage of Natural Gas into, out of, within or across the Territory of the State, that is effected subject to relevant domestic and international obligations pursuant to the Gas Directive 2003/55/EC and Directive 2009/73/EC or any further amendment or replacement of them.

"Transportation Contract" shall mean any commercial agreement between Nabucco International Company and Shippers for the Transmission of Natural Gas through the Nabucco Pipeline System.

"VAT" shall mean, value added tax and any other similar Tax applicable to the provision of goods and services, Land Rights, works, services or technology, within the Territory.

"Year" shall mean a period of twelve (12) consecutive months, according to the Gregorian calendar, starting on 1 January, unless another starting date is indicated in the relevant provisions of this Project Support Agreement.

Unless the context otherwise requires, reference to the singular includes a reference to the plural, and vice-versa, and reference to either gender includes a reference to both genders. Reference to any Person under this Project Support Agreement shall include reference to any successors or permitted assignees of Person.

A reference to any agreement, treaty, statute, statutory provision, subordinate legislation, regulation or other instrument is a reference to it as it is in force at any given moment in time in the State, taking account of any amendment, replacement or re-enactment.

All references to the "knowledge" or "awareness" and synonymous terms shall, unless the contrary is expressed, be deemed to refer to actual rather than to constructive or imputed knowledge.

Nothing in this Project Support Agreement shall be construed as modifying the Nabucco Agreement and should any inconsistency occur between the provisions of the Project Support Agreement and the Nabucco Agreement, the provisions of the Nabucco Agreement shall prevail.

ARTICLE 2 EFFECTIVE DATE AND DURATION

1. This Project Support Agreement shall enter into force after it is approved in accordance with the Romanian legal procedures. It shall enter into force on the fourth day following the date of the Official Gazette of Romania in which the law of its approval is published.
2. Subject to earlier termination in accordance with Article 33, this Project Support Agreement shall terminate upon the expiration of all Project Agreements and the conclusion of all activities hereunder in accordance with their terms, subject to a maximum term of fifty (50) Years.

ARTICLE 3 AUTHORITY

Each of the undersigned representatives of the State and the Companies has separately represented and warranted that he or she has the necessary legal authority to make all commitments contained in this Project Support Agreement.

ARTICLE 4 RELATIONSHIP TO OTHER AGREEMENTS

1. The Parties agree that each Company shall be regarded as an "Investor" in the sense of Article 1(7) of the Energy Charter Treaty and that the Project shall be regarded as an "Investment" in the sense of Article 1(6) of the Energy Charter Treaty.
2. Nothing in this Project Support Agreement shall deprive any Party or the Shareholders of its rights or any remedy to which it may be entitled under the Energy Charter Treaty or any other international treaties in force between Romania and the Republic of Austria.

PART II GENERAL OBLIGATIONS

ARTICLE 5 COOPERATION

1. The State shall co-operate fully in connection with all Project Activities and shall, if requested by either Company, consult with the Companies and with the Other States concerning any measures (including measures taken in conjunction with either or both of the Companies and/or the Other States) by which the State may make cross-border Project Activities more effective, timely and efficient.
2. The State shall use all reasonable endeavours to co-operate with the Companies in relation to the process of raising finance for the Project. In particular, the State shall use all reasonable endeavours to discuss the provision of appropriate assurances in relation to the Project with representatives of Lenders, export credit agencies, and other providers of loan finance or guarantees but this shall not oblige the State to provide any such finance itself. The assurances shall be that those entities will have an opportunity to step in and attempt to cure any breach of the terms of this Project Support Agreement, or other licences, consents, permits, authorisations, exemptions or obligations in respect of the Project, to which either of the Companies is a party, beneficiary or recipient, so that the Companies can retain the necessary rights to continue their activities.
3. The State agrees to comply with the provisions of Article 6 of the Nabucco Agreement.

ARTICLE 6 COMMITMENTS WITH RESPECT TO PROJECT AGREEMENTS ENTERED INTO BY STATE ENTITIES AND/OR STATE AUTHORITIES

1. The State shall use all reasonable endeavours to procure the timely performance of the obligations arising from any Project Agreements entered into by State Authorities and/or State Entities.
2. The reorganisation, insolvency, or any change in the organisational structure of any State Authority or State Entity party to any Project Agreements shall not affect the obligations of the State hereunder.
3. The State shall, throughout the entire term of the above-mentioned Project Agreement to which any State Authority or State Entity is a party, ensure that the obligations of that State Authority or State Entity under the Project Agreement are always vested in and undertaken by the competent State Authority or State Entity performing the relevant obligations.

ARTICLE 7 DETAILS AND FREEDOM OF TRANSIT

1. For a period of 25 Years from the date where the first construction stage of the Nabucco Pipeline System is put into initial operation, in respect of the Nabucco Pipeline System the State shall ensure that its relevant State Party Authority gives effect to the two following regulatory permissions on the basis of the requirements set out in Articles 7.1.1 to 7.1.3 below, which permissions and requirements are as detailed in the Appendix to this Project Support Agreement, namely:
 - a. fifty percent (50%) of the maximum available total technical annual Transmission capacity in the Nabucco Pipeline System, but not more than 15 billion cubic meters per Year in the event of a final expansion of capacity to 31 billion cubic meters per Year, shall initially be offered to, and if accepted, reserved by the Shareholders, or their affiliates or transferees provided that the remaining capacity will be offered in a transparent, objective and non-discriminatory procedure for Shipper access; and
 - b. pursuant to the tariff methodology defined in the Appendix to this Project Support Agreement, Nabucco International Company may determine a stable tariff to attract

financing and Shippers' commitments; the determination of the applicable tariffs derived from such methodology shall be in the sole discretion of Nabucco International Company.

Having regard to the fact that exemptions from Articles 18 and 25 (2), (3) and (4) of the Directive 2003/55/EC of the European Parliament and of the Council of 26 June 2003 concerning common rules for the internal market in natural gas and repealing Directive 98/30/EC have been requested from the State before the entry into force of the Nabucco Agreement, and noting that the State has, in accordance with that Directive, granted the respective exemptions and notified them to the European Commission, the State will have entirely satisfied its obligations under this Article 7.1.

- 1.1 The capacity in the Nabucco Pipeline System shall be allocated by way of an Open Season or other transparent, objective and non-discriminatory allocation procedures. Further to the allocation procedures, the relevant State Party Authority shall be informed of the results of these procedures;
- 1.2 A mechanism for the release of unutilised capacity shall be implemented in order to prevent the hoarding of such capacity by Shippers. The relevant State Party Authority shall be informed of the mechanism;
- 1.3 Long-term binding capacity requests for the Nabucco Pipeline system, necessitating the build-up of the Project up to its final maximum Transmission capacity, are to be satisfied provided that this build-up is technically possible, economically feasible and that the binding capacity requests amount to at least 1.0 bcm/Year. The State shall facilitate the compliance of Nabucco International Company with possible regulatory obligations foreseen by relevant State Authorities to build additional capacity.
2. The State shall be entitled to require, and shall permit the Companies to ensure that the capacity of the Nabucco Pipeline System within the State, including any capacity leased by Nabucco International Company or made available to it, is marketed on the basis of a One-Stop-Shop Shipper Access.
3. The State shall use its best endeavours to extend the protections set out in Article 7 of the Nabucco Agreement to any pipelines and attendant technical facilities to be used by Shippers for the Transmission of Natural Gas within the Territory to the Nabucco Pipeline System. The Nabucco Committee may determine, where necessary, which pipelines are covered by this Article.
4. The State agrees that no discriminatory requirements or obligations will be applied to pipeline owners or operators who obtain or seek to obtain connections for their Natural Gas pipelines to the Nabucco Pipeline System or to Shippers who obtain or seek to obtain transportation services via the Nabucco Pipeline System.
5. The State agrees with the Companies that it shall perform its obligations under Articles 7.2 to 7.6 of the Nabucco Agreement. Except as specifically provided otherwise in writing, including in this Project Support Agreement, any Project Agreement or any other agreement entered into in the circumstances anticipated in Article 5.3 of this Project Support Agreement, the State shall not, and shall neither permit nor require any State Entity or State Party Authority to, interrupt, curtail, delay, prohibit, restrict or impede the freedom of transit of Natural Gas in, across, and/or exiting from the Territory through the Nabucco Pipeline System and shall take all measures and actions which may be necessary or required to avoid and prevent any interruption, curtailment, delay, prohibition, restriction or impediment of such freedom of transit (and any such event shall be an "interruption" for the purposes of this article, and "interrupt" shall be interpreted accordingly) and shall not interrupt the Project Activities in the Territory, provided always that:

- a. where there are reasonable grounds to believe that the continuation of the Project Activities in the Territory creates or would create an unreasonable danger or hazard to public health and safety, property or the environment, the State may interrupt Project Activities in its Territory but only to the extent and for the length of time necessary to remove such danger or hazard and the Companies' obligations in respect of such removal shall be as established in accordance with the National Laws;
- b. if any event occurs or any situation arises which there are reasonable grounds to believe threatens to interrupt Project Activities in the Territory (a "threat" for the purpose of this article), the State shall use all lawful and reasonable endeavours to eliminate the threat; or
- c. if any event occurs or any situation arises which interrupts Project Activities in the Territory the State shall immediately give notice to the Companies of the interruption, give all available details of the reasons therefore and shall use all lawful and reasonable endeavours to eliminate the reasons underlying such interruption and to promote restoration of such Project Activities at the earliest possible opportunity.

ARTICLE 8 STATE'S PERFORMANCE OF THE PROJECT SUPPORT AGREEMENT

The State confirms that as at the Effective Date and throughout the duration of this Project Support Agreement:

1. it has the power to make, enter into and carry out this Project Support Agreement and to perform its obligations under this Project Support Agreement and all such actions have been duly authorised by all necessary procedures on its part;
2. the execution, delivery and performance of this Project Support Agreement will not conflict with, result in the material breach of or constitute a material default under any of the terms of any treaty, agreement, decree or order to which it is a party or by which it or any of its assets is bound or affected;
3. this Project Support Agreement has been duly and validly executed and delivered by it and constitutes a legal, valid and binding obligation upon it, enforceable in accordance with its terms.

ARTICLE 9 COMPANIES' PERFORMANCE OF THE PROJECT SUPPORT AGREEMENT

Each Company confirms severally and in respect of itself only that as at the Effective Date and throughout the duration of this Project Support Agreement:

1. it is duly organised, validly existing and in good standing in accordance with the legislation of the jurisdiction of its formation or organisation, has the lawful power to engage in the business it presently conducts and contemplates conducting, and is duly licensed (or to the best of its knowledge is capable of being duly licensed and will in due course become duly licensed) or qualified and in good standing as a national or foreign corporation (as the case may be) in each jurisdiction wherein the nature of the business transacted by it makes such licensing or qualification necessary;
2. it has the power to make, enter into and carry out this Project Support Agreement and to perform its obligations under this Project Support Agreement and all such actions have been duly authorised by all necessary procedures on its part;
3. the execution, delivery and performance of this Project Support Agreement will not conflict with, result in the breach of, constitute a default under or accelerate performance required by

any of the terms of its formation or organisational documents or any agreement, decree or order to which it is a party or by which it or any of its assets is bound or affected;

4. this Project Support Agreement has been duly and validly executed and delivered by it and constitutes a legal, valid and binding obligation upon it, enforceable in accordance with its terms, except and to the extent that its enforceability may be limited by bankruptcy, insolvency, or other similar legal process affecting the rights of creditors generally;
5. there are no actions, suits, proceedings or investigations pending or, to its knowledge, threatened against it or any of its Affiliates, before any court, arbitral tribunal or any governmental body which individually or in the aggregate may result in any material adverse effect on its business or assets or its condition, financial or otherwise, or in any impairment of its ability to perform its obligations under this Project Support Agreement. Such Company has no knowledge of any violation or default with respect to any order, decree, writ or injunction of any court, arbitral tribunal or any governmental body which may result in any such material adverse effect or such impairment;
6. it has complied with all laws applicable to it such that it has not been subject to any fines, penalties, injunctive relief or criminal liabilities which, to its knowledge, in the aggregate have materially affected or may materially affect its business operations or financial condition or its ability to perform its obligations under this Project Support Agreement;
7. it keeps copies of books of account, originals or copies of contracts and copies of other files and records reasonably necessary to the Project Activities. Such files and records shall be available for inspection and audit by representatives of the State, unless otherwise mutually agreed, at the respective Company's principal office giving thirty (30) days' notice, on an annual basis for such period as may be required by National Law. All such books or accounts and other records shall be maintained in the currency of account for the relevant transaction and in accordance with generally accepted international accounting standards and the generally accepted accounting principles of the State in which it is incorporated.

ARTICLE 10 INSURANCE

1. With regard to insurance, each Company shall effect and maintain insurances and shall cause the Contractors and Operating Companies to effect and maintain insurance in such amounts and in respect of such risks related to the Project as are in accordance with the internationally accepted standards and business practices of the Natural Gas industry having due regard to the location, size and technical specifications of the Project Activities, subject at all times to availability, at commercially reasonable terms. Where available on such terms, such insurance shall, without prejudice to the generality of the foregoing, cover:
 - a. total or partial physical loss of or physical damage to any and/or all installations, equipment and other assets used in or in connection with the Project Activities;
 - b. loss, damage or injury caused by seepage, pollution or contamination or adverse environmental impact in the course of or as a result of the Project Activities;
 - c. the cost of removing debris or wreckage and cleaning-up operations (including seeping, polluting or contaminating substances) following any accident in the course of or as a result of the Project Activities;
 - d. loss or damage of property or bodily injury suffered by any third party in the course of or as a result of the Project Activities; and
 - e. risks required to be covered by law or for which there is a contractual requirement.

2. Prior to the commencement of construction of the Nabucco Pipeline System, each Company shall provide the State with copies of certificates of insurance and other statements from brokers or Insurers confirming any applicable insurance in place at that time and shall do likewise at the renewal of each insurance. If such insurances outlined in Article 10.1 above are not available at commercially reasonable terms, notice shall be given as soon as practical to the State together with details of reasonable alternative measures to cover the risk such as guarantees or self-insurance mechanisms and the commercial insurance market shall be tested by the applicable Company on a regular basis in case the position has changed.
3. Subject to Article 10.1 above, insurance for physical loss or physical damage to installations, equipment and other assets used in or in connection with the Project Activities and third party liabilities shall name the State as an additional insured and contain a waiver of subrogation from Insurers under each insurance. Such insurances shall also contain non-vitiating provisions and notice of materially adverse alterations or cancellation or non-renewal shall be supplied to the State by the Insurer(s) or via any broker through whom insurance is arranged.

ARTICLE 11 STATE FACILITATION

1. Without prejudice to Article 11.3, the State shall use its best endeavours to: (i) take all measures and adopt all pieces of National Laws within its legislative competence including the adoption of a law by the Parliament allowing the private ownership by Nabucco National Company, its legal successors or permitted assignees over the Nabucco Pipeline System located within the Territory, (ii) make sure that the State Authorities will take all measures and adopt all pieces of National Laws within their legislative competence, and (iii) ensure the taking of all measures other than legislative measures that (in each case) are necessary to enable the Project Participants to implement the terms of this Project Support Agreement and all Project Agreements and to authorise, enable and support the Project Activities and the activities and transactions contemplated by this Project Support Agreement and all Project Agreements.
2. The State shall to the extent possible (and, where appropriate, through a representative in accordance with Article 24) consult with and keep the Companies informed in respect of the development of any necessary laws or regulations and the status of all actions which are or may be necessary in order to comply with Article 11.1 above.
3. Nothing in this Project Support Agreement shall oblige the State or any organ of the State to take any measures, enact or refrain from enacting any laws or decrees, take any other steps, or maintain the benefits conferred on the Project Participants under this Project Support Agreement to the extent that:
 - a. it can demonstrate that this would be incompatible with its obligations under international laws, treaties or the European Community legal framework, and
 - b. it has used its best endeavours to avoid the incompatibility, obtain an exemption or otherwise overcome it, or achieve the required result by other permitted means
4. The State shall use reasonable endeavours to assist and cooperate with the Companies (upon their request) in obtaining, on Best Available Terms and in a timely manner, any necessary rights, visas, approvals, certificates, licences, consents, permits, authorisations or exemptions and permissions necessary or appropriate for the Project, including in respect of:
 - a. linepipe, materials, equipment and other supplies destined for or exiting from the Territory; and
 - b. the import, export or re-export of any goods, works, services or technology necessary for the Project.

ARTICLE 12 LAND RIGHTS

1. The State shall assist the Nabucco National Company with the acquisition and exercise of Land Rights to the extent set out in this Article, subject always to observing the rights of any other entity in respect of any pipeline which pre-exists the Nabucco Pipeline System.
2. The State shall perform the obligations under this Article within the limits of its authority and in accordance with its national laws and regulations, provided always that where the State is able to expedite the process in respect of Land Rights or to facilitate the grant thereof, all in accordance with such obligations laws and regulations, then the State shall use its best endeavours in this respect.
3. The obligations of the State under this Article are conditional on the Nabucco National Company meeting all appropriate costs and expenses in relation to the acquisition of the Land Rights which shall include:
 - a. paying costs and expenses arising as a result of any additional obligations and requirements generated from the application of any international standards and/or Lender requirements relating to the manner and terms of the acquisition of the Land Rights;
 - b. being responsible under the terms of the National Laws for settling or paying compensation for the acquisition of all Project Land to the Persons from whom the Land Rights were acquired (whether State Authorities or other Persons or Entities); and
 - c. indemnifying the State against any such costs and expenses and any and all claims.
4. In respect of Project Land and subject to Articles 12.2 and 12.3 of this Article the State shall:
 - a. in the case of State Land, use its best endeavours to make Land Rights within the Pipeline Corridor available to the Nabucco National Company when necessary under market conditions, or to cause the relevant State Authorities to do so (subject in each case to overriding considerations of national interest);
 - b. in the case of Non-State Land, use its best endeavours to assist the Nabucco National Company in acquiring Land Rights within the Pipeline Corridor (including by expropriation procedure) in accordance with the procedures that are established under the National Laws;
 - c. where the State or any State Authority or State Entity has the established capability and expertise to conduct or manage the process of acquiring Land Rights on behalf of third parties, the State shall use its best endeavours to ensure that an offer is made to the Nabucco National Company to do so on its behalf on reasonable cost based terms;
 - d. use its best endeavours to assist the Nabucco National Company in identifying any Persons who have or have claimed any form of ownership or other property, occupancy, construction or possessory interest in any Project Land which is to be subject to the Land Rights, and notify them of the Land Rights granted to the Nabucco National Company and of the authorisation of the Project Participants to conduct Project Activities on such land;
 - e. exercise or assist the Nabucco National Company in exercising, to the extent possible, any applicable powers of taking, imposing legal servitudes, eminent domain or other similar sovereign powers to enable the Nabucco National Company to acquire and exercise the Land Rights in all the Project Land as provided in this Article; and

- f. use its best endeavours to issue, or cause to be issued, all necessary licences, consents, permits, authorisations or exemptions and land registration certificates required under applicable National Laws and regulations for the Nabucco National Company to acquire and exercise the Land Rights in all Project Land and to provide public notice of the rights of the Nabucco National Company to such Land Rights.
5. The State shall, in fulfilling its obligations, endeavour, to the extent permitted by law, to ensure that the Land Rights conferred on the Nabucco National Company are: (i) the exclusive and unrestricted right to use, occupy, possess, own, control and construct upon and/or under the land within the Construction Corridor and/or Pipeline Corridor (as appropriate) for the purpose of conducting the Project Activities; and (ii) the exclusive and unrestricted right (subject to Article 12.7 below) to restrict or allow at the Nabucco National Company's sole discretion use, ownership, occupation, possession and control of, and construction upon and/or under, the Construction Corridor and/or Pipeline Corridor (as appropriate) by any other Persons.
6. The State shall use its best endeavours to assist, and procure that the relevant State Authorities assist the Nabucco National Company in exercising the Land Rights obtained under this Article (subject to the Nabucco National Company meeting any appropriate costs incurred in doing so). The State shall declare the Project as being of national interest and all works related thereto of public utility by taking the necessary measures and issuing all laws and decrees within its legislative competence.
7. The State shall not, without the prior written consent of the Companies (such consent not to be unreasonably withheld) grant to any Person other than the Nabucco National Company any rights (of occupation, ownership, use or otherwise) that are inconsistent or conflict with, or that may interfere with, the lawful exercise or enjoyment by the Companies of the rights granted under this Article.
8. Subject to this Project Support Agreement, the Nabucco National Company shall share with the State any graphic and non-graphic data collected while exercising the Land Rights and in the course of identifying the Construction Corridor.
9. The Nabucco National Company shall be entitled to propose a Construction Corridor and Pipeline Corridor for the construction of the Nabucco Pipeline System and the subsequent conduct of the Project Activities. Such Construction Corridor and Pipeline Corridor shall be designated by the Nabucco National Company and submitted to the State for its approval in accordance with National Laws, and the State shall use its best endeavours to ensure that such approval is not unreasonably withheld or delayed.

ARTICLE 13 QUALITY ASSURANCE

1. The Companies shall not be required to accept any Natural Gas to be transported in the Nabucco Pipeline System if the Natural Gas is of a quality that is incompatible with technical specifications laid down in writing in the general terms and conditions for the use of the Nabucco Pipeline System promulgated by Nabucco International Company.
2. In the event that the State, any State Authority and/or any State Entity causes, without the consent of the Operating Company, the transmission in any part of the Nabucco Pipeline System, of any Natural Gas of a quality that is incompatible with technical specifications as agreed in writing between the Parties, the State shall ensure that the Companies are indemnified for all Loss or Damage resulting therefrom.

ARTICLE 14 ENVIRONMENTAL PROTECTION AND SAFETY

1. The environmental and safety standards relating to the Project under any applicable licences, consents, permits, authorisations or exemptions, and otherwise required in accordance with

the National Laws relating to the environment and applicable international conventions, shall apply to the Companies. They shall take due account of the results of the environmental impact assessment to be conducted in respect of the Nabucco Pipeline System on a basis consistent with the Equator Principles and the other environmental requirements of prospective Lenders to the Project (the "Environmental Standards").

2. The provisions of National Laws relating to the environment and applicable international conventions shall apply to the Companies' obligations to take preventative or reparatory measures in case of an imminent threat of environmental damage or an actual occurrence of it, including a spillage or release of Natural Gas that occurs from the Nabucco Pipeline system, or any other event that occurs which is causing or likely to cause material environmental damage or material risk to health and safety. On request from the Companies and at the Companies' cost and expense, the State shall, in addition to any obligations the State Authority and/or the State Entity may have under the Project Agreements, use all lawful and reasonable endeavours to make available under market conditions promptly and in reasonable quantities, any labour, materials and equipment not otherwise immediately available to the Companies to assist in any remedial or repair effort in respect of any event to which National Law applies.

ARTICLE 15 PERSONNEL

1. The State shall ensure that each Company, subject to Articles 15.2 and 15.3, has the right to employ or enter into contracts with, for the purposes of conducting the Project Activities, such Persons and their respective personnel (including citizens of the State and of countries other than the State) who, in the opinion of such Company, demonstrate the requisite knowledge, qualifications and expertise to conduct such activities.
2. Except as otherwise provided in this Project Support Agreement and subject to the National Laws of the State, the State shall permit the free movement within its Territory of the Persons referred to in Article 15.1, of their property intended for their private use and of all other assets of such Persons relating to the Project Activities.
3. The State shall ensure that the State Authorities shall not cause or permit to exist any restriction on the entry or exit of any personnel with respect to the Project, subject only to the enforcement of immigration (including visa and residence permit regulations), customs, criminal and other relevant laws of the State.

ARTICLE 16 LABOUR STANDARDS

1. The employment laws and practices or standards applicable to the Project shall be the normal rules that are established pursuant to the National Laws. No requirements in this regard shall be imposed on the Project Participants in addition to those standards applicable to similar projects.
2. All employment programmes and practices applicable to citizens of the State working on the Project in the Territory, including hours of work, leave, remuneration, fringe benefits and occupational health and safety standards, shall not be less beneficial than is provided by the State's labour legislation generally applicable to its citizenry.

ARTICLE 17 SOCIAL IMPACT STANDARDS

The social impact standards relating to the Project under any applicable licences, consents, permits, authorisations or exemptions and otherwise required in accordance with the National Laws shall be established by Nabucco International Company and shall take due account of the results of the social impact assessment to be conducted in respect of the Nabucco Pipeline System on a basis consistent with the Equator Principles and the other social policy requirements of prospective Lenders to the Project. After they have been established they shall

be recorded in written form (to be prepared by the Companies for approval by the State, such approval to be given in accordance with National Laws and not to be unreasonably withheld).

ARTICLE 18 TECHNICAL STANDARDS

1. The Companies shall be entitled to apply a uniform set of technical standards for the Project and the Project Activities. Such technical standards shall be prepared by the Companies and submitted to the relevant State Authority for its approval (including any official approval required by National Laws), which shall not be unreasonably withheld or delayed (and shall not be withheld if the technical standards are consistent with generally accepted international pipeline standards).
2. Without prejudice to the provisions of Article 11, the State shall use its best endeavours to: (i) take all measures and issue all laws and decrees within its legislative competence; (ii) ensure the taking of all other measures; and (iii) promote the enactment of all laws (where these may be enacted by an entity other than the State), and (iv) ensure the taking of all measures other than legislative measures that in each case are necessary to enable the adoption of the technical standards referred to in Article 18.1.
3. The State shall use its best endeavours to ensure that it does not do any act or thing (including the issuing of any law or decree) which would prevent or hinder any relevant Person from being able to comply with any of the technical standards referred to in Article 18.1.

ARTICLE 19 ACCESS TO RESOURCES AND FACILITIES

1. The State shall use its best endeavours to provide and/or make available to each Company at that Company's cost and expense, and to any other Project Participant on its reasonable request, on Best Available Terms on market conditions all goods, works and services as may be necessary or appropriate for the Project in the reasonable opinion of the requesting Company and that are owned or controlled by State Authority and/or State Entity, including but not limited to raw materials, electricity, water (other than the water referred to in Article 19.2 below), gas, communication facilities, other utilities, onshore construction and fabrication facilities, supply bases, vessels, import facilities for goods and equipment, warehousing and means of transportation, and information which may be of use for Project Activities including but not limited to information regarding geology, hydrology and land drainage, archaeology and ecology all with respect to the Project.
2. The State shall ensure that the applicable State Authorities and/or State Entities exercise all lawful and reasonable endeavours to assist the Companies at their request in obtaining with respect to the Project, on Best Available Terms, at the costs of the Companies readily available water of sufficient quality and quantity located proximate to the Nabucco Pipeline System in order to perform hydrostatic and other testing of the Nabucco Pipeline System, together with the right to dispose of same at location(s) proximate to said Nabucco Pipeline System upon completion of such testing in line with Environmental Standards.

ARTICLE 20 SECURITY

1. Commencing with the initial Project Activities relating to route identification and evaluation and continuing throughout the life of the Project, the State shall endeavour to ensure according to the applicable National Law the security of the Project Land, the Nabucco Pipeline System and all Persons involved in the Project Activities within the Territory.
2. In order to avoid or mitigate harm to the Project, the State shall, on request by and in consultation with the Companies, exert all lawful and reasonable endeavours to enforce any relevant provisions of its law relating to threatened and/or actual instances of Loss or Damage caused by third parties (other than Project Participants) to the Project Land, the

Nabucco Pipeline System or loss or injury to Persons within the Territory involved in the Project Activities within the Territory which shall include but not be limited to protecting the Nabucco Pipeline System against civil war, sabotage, vandalism, blockade, revolution, riot, insurrection, civil disturbance, terrorism, kidnapping, commercial extortion, organised crime or other similar destructive events and shall use their security forces to the extent necessary to comply with such obligation.

3. Notwithstanding the provisions of Articles 20.1 and 20.2 above, each Company shall also exert all reasonable endeavours to ensure the security of works in progress and material storage yards within the Territory.
4. Any supplemental requirement in respect to additional security measures for the Project shall be carried out by each Company at its own respective cost and in line with the National Laws of the State.

PART III TAXES, IMPORT & EXPORT AND CURRENCY

ARTICLE 21 TAXES

The Parties note that further provisions giving effect to relevant taxation matters referred to in the Nabucco Agreement will be dealt with by separate agreements including a transfer pricing agreement to be signed following negotiation of the terms thereof by the relevant State Authorities of the States Parties to the Nabucco Agreement, the Companies and Other Nabucco National Companies as appropriate.

ARTICLE 22 IMPORT AND EXPORT

1. The State shall accord Natural Gas and other goods and services associated, directly or indirectly, with the Project Activities, treatment no less favourable in connection with their supply, import into and/or export out of the State (as the case may be) than that which would be accorded to like goods and services of like origin which are not associated with the Project.
2. No prohibitions or restrictions, irrespective of their names and origin, other than the duties, taxes or other charges provided for under the National Laws, whether made effective through quotas, import or export licences or other measures, shall (without prejudice to Article 31) be instituted or maintained by the State on the supply of Natural Gas, or the importation or exportation of other goods or services with respect to Project Activities.
3. No fees, charges or other levies of whatever character imposed by the State on or in connection with importation or exportation with respect to the supply of Natural Gas, or the importation or exportation of other goods or services with respect to Project Activities, may be imposed by way of an indirect protection to domestic products or services or a taxation of imports or exports for fiscal purposes. No such fees shall be imposed except to the extent that they are a fair approximation of the actual cost of conducting the administrative procedures that are generally adopted by States in respect of importation and exportation of goods.

ARTICLE 23 FOREIGN CURRENCY

1. The State confirms that, for the duration of and in order to conduct Project Activities, each Company and any other Project Participants shall have the right with respect to Project Activities:
 - a. to bring into or take out of the Territory Foreign Currency and to utilise, without restriction, Foreign Currency accounts in the Territory and to exchange any currency at market rates;
 - b. to open, maintain and operate Local Currency bank and other accounts inside the Territory and Foreign Currency bank and other accounts both inside and outside the Territory;
 - c. to purchase and/or convert Local Currency with and/or into Foreign Currency;
 - d. to transfer, hold and retain Foreign Currency outside the Territory;
 - e. to be exempt from all mandatory conversions, if any, of Foreign Currency into Local Currency or other currency;
 - f. to pay abroad, directly or indirectly, in whole or in part, in Foreign Currency, the salaries, allowances and other benefits received by any foreign employees;

- g. to pay contractors and foreign contractors abroad, directly or indirectly, in whole or in part, in Foreign Currency, for their goods, works, technology or services supplied to the Project (subject to any generally applicable restrictions on making payments within the Territory in Foreign Currency); and
 - h. to make any payments provided for under any Project Agreement in Foreign Currency, subject to any mandatory restrictions generally applicable on making payments within the territory in Foreign Currency.
2. Where it is necessary for the purposes of this Project Support Agreement that a monetary value or amount be converted from one currency to another, the conversion rate of exchange to be used shall be based, for each currency involved, on the exchange rate as quoted by European Central Bank.

PART IV IMPLEMENTATION

ARTICLE 24 AUTHORISED REPRESENTATIVES

1. The State shall appoint promptly upon entry into force of this Project Support Agreement by written notice to the Companies an authorised representative, agency or other body by or through which the Companies may with respect to the Project, subject to the regulations of the State, facilitate in general the flow of information between the Parties in connection with the development of the project and in particular:
 - a. issuance of any and all rights, visas, certificates, approvals, licences, consents, permits, authorisations, exemptions and permissions provided in this Project Support Agreement;
 - b. information, documentation, data and other materials specified by this or any other Project Agreement or appropriate to evidence any grants of rights hereunder or under any other Project Agreement in form sufficient and appropriate to facilitate the carrying out of the Project or Project Activities or any part thereof;
 - c. the submission and receipt of notifications, certifications and other communications provided herein; and
 - d. the taking of such other actions with respect to the State Authorities appropriate to facilitate the implementation of the Project.
2. Each Company shall appoint one or more representatives, committees, or other organisational or functional bodies by or through whom that Company may act, which will facilitate the method and manner of each Company's timely and efficient exercise of its rights and/or performance of its obligations hereunder (the "Company Representative(s)").
3. Upon the appointment of the Company Representative(s), the State shall be entitled to rely upon the communications, actions, information and submissions of a Company Representative, in respect of that Company Representative's notified area of authority, as being the communications, actions, information and submissions of the respective Company. The Parties further acknowledge that each Company shall have the right, upon reasonable written notice to the State, to remove, substitute or discontinue the use of one or more specified Company Representative(s).
4. Each Company and the State shall, at the request of either of them, request their representatives to review at any given moment in time the status of Project Activities and confer together on any issues arising with respect thereto.

ARTICLE 25 OPERATING COMPANY

1. Subject only to any requirement under National Laws that any Operating Company register to conduct business and be authorised and licensed in accordance with National Laws within the Territory, the Nabucco National Company shall have the right to establish, own and control and/or appoint or select one or more Operating Companies (which may include, in the Nabucco National Company's sole discretion, a Shareholder or an Affiliate of a Shareholder) that have been organised in any jurisdiction, whether inside or outside the Territory.
2. The Companies shall have the right to appoint any Operating Company (which may include, in the Nabucco National Company's sole discretion, a Shareholder or an Affiliate of a Shareholder) to exercise as directed by the Nabucco National Company any or all rights of the Companies arising under any Project Agreement or provide services in that respect.

3. The State agrees with the Companies to comply with its obligations under Article 8 of the Nabucco Agreement.

ARTICLE 26 APPLICATION REQUIREMENTS

1. Upon request by either Company or such other Project Participants as the Companies may designate, the State shall provide or cause the relevant State Authorities to provide a complete and proper list of all documentation necessary to obtain a specific license, consent, permit, authorisation, exemption, visa, certificate, approval or permission (the "Application Requirements") on the part of either Company and such other Project Participants as the Companies may designate in order to carry out Project Activities. Either Company or other Project Participants may rely on such listing of the particular Application Requirements as complete and proper, and the same shall be the only Application Requirements required for the relevant request.
2. Subject only to the submission of the Application Requirements the State shall provide or use its best endeavours (subject to meeting all objective requirements normally applied) to cause the relevant State Authorities to provide, on a priority basis (but in accordance with relevant National Laws), all licences, consents, permits, authorisations, exemptions, visas, certificates, approvals and permissions necessary or appropriate in the opinion of the Companies to enable them and all other designated Project Participants to carry out all Project Activities in a timely, secure and efficient manner and/or to exercise their rights and fulfil their obligations in accordance with the Project Agreements, including but not limited to:
 - a. use and enjoyment of the Land Rights, subject to the provisions of Article 12 of this Project Support Agreement;
 - b. customs clearances;
 - c. gas supply licenses and import and export licences;
 - d. visas, residence permits and work permits;
 - e. rights to lease or, where appropriate, acquire office space and employee accommodations;
 - f. rights to open and maintain bank accounts;
 - g. rights and licences, to operate communication and telemetry facilities (including the dedication of a sufficient number of exclusive radio and telecommunication frequencies as requested by either Company to allow the uniform and efficient operation of the Nabucco Pipeline System within and without the Territory) for the secure and efficient conduct of Project Activities;
 - h. rights to establish such branches, Permanent Establishments, Affiliates, subsidiaries, offices and other forms of business or presence in the Territory as may be reasonably necessary in the opinion of any Project Participant to properly conduct Project Activities, including the right to lease or, where appropriate, purchase or acquire any real or personal property required for Project Activities or to administer the businesses or interests in the Project;
 - i. rights to operate vehicles and other mechanical equipment, and in accordance with relevant National Laws, the right to operate aircraft, ships and other water craft in the Territory; and
 - j. environmental and safety approvals.

PART V LIABILITY

ARTICLE 27 LIABILITY OF THE COMPANIES

1. Subject to Articles 27.2, 27.3 and 27.4, and without prejudice to the right of the State to seek full performance by each of the Companies of its obligations under this Project Support Agreement, each Company shall be liable to the State for any Loss or Damage caused by or arising from any breach by it of its obligations under this Project Support Agreement.
2. Each Company shall have no liability under Article 27.1 above if and to the extent that the Loss or Damage is caused by or arises from any breach by the State or any State Authority and/or State Entity of any legal duty or obligation including but not limited to those arising under this Project Support Agreement.
3. Each Company's liability to any third party (other than the State or the State Authorities and/or any State Entity) for Loss or Damage suffered by such third party as a result of the Company's conduct of any Project Activities shall be as expressly provided in this Project Support Agreement or in National Law.
4. If the Loss or Damage was caused by the fault of either (i) the person or Entity who has suffered the Loss or Damage or (ii) a person or Entity for whom the person or Entity who has suffered the Loss or Damage is responsible, then the compensation may be reduced or disallowed having regard to all the circumstances.
5. All monetary relief payable under this Article shall, if the State so requires, be paid in Convertible Currency.
6. Neither Company shall be liable to the State or to any State Authority and/or State Entity or any other Person for any damages that exceed the cost of compensation.
7. The liabilities of the Companies towards the State under this Project Support Agreement shall be joint.
8. Liability for loss of profit shall only arise in the case of an intentional or grossly negligent breach by that Party of its obligations under this Project Support Agreement.

ARTICLE 28 LIABILITY OF THE STATE

1. Without prejudice to the right of the Companies to seek full performance by the State, or by any of its State Authorities and/or any State Entity of obligations under this Project Support Agreement or any Project Agreement, the State shall provide monetary compensation as provided in this Article for any proved Loss or Damage to any Company which is caused by or arises from (and for the cost incurred by any Company of remedying (so far as possible) any damage to the environment which is caused by or arises from):
 - a. any failure of the State, any State Authority and/or any State Entity, whether as a result of action or inaction, fully to satisfy or perform all of its obligations under this Project Support Agreement or any Project Agreement or otherwise;
 - b. any misrepresentation by the State, any State Authority and/or any State Entity in any Project Agreement; and/or
 - c. any breach of duty by the State, any State Authority and/or any State Entity.
2. The State shall indemnify the Companies against any liability to any third party for Loss or Damage arising from or in connection with an event which is causing or likely to cause material environmental damage or material risk to health and safety, if, despite there being in

place appropriate safety standards in accordance with Article 14, the loss or damage was caused by or arises from compliance with a compulsory measure of the State, the State Authority and/or the State Entity where the spillage or release of gas has occurred (other than a measure implemented to remedy a breach by either of the Companies of its obligations).

3. If the person or entity which has suffered the damage (or a person for whom it is responsible under the applicable laws) has by their own fault caused the damage or contributed to it, the compensation may be reduced or disallowed having regard to all the circumstances.
4. Any arbitral decision or claim for payment (provided that with respect to a claim for payment, such claim is not disputed by any State Authority and/or any State Entity) shall be paid by the State on or before thirty (30) days after receipt of the related arbitral decision or claim for payment.
5. With respect to all monetary relief under this Article, all amounts shall, if the Company so requires, be expressed and paid in any Convertible Currency, on the basis of the market rate of exchange for that currency at the close of business of the European Central Bank on the date of payment.
6. In no event shall the State's obligation to provide compensation under this Article or otherwise include any punitive or exemplary damages.
7. The State shall have no liability under Article 28.1 above if, and to the extent, the Loss or Damage is caused by, or arises from, any breach by any Interest Holder of any legal duty or obligation including but not limited to those arising under this Project Support Agreement or any Project Agreement.
8. Notwithstanding any other provision of this Project Support Agreement, the State's liability hereunder shall not extend to any obligation of a State Entity under a Project Agreement which has been assumed by such State Entity in its capacity as a Project Participant.
9. Liability for loss of profit shall only arise in the case of an intentional or grossly negligent breach by that Party of its obligations under this Project Support Agreement.

ARTICLE 29 NATURE OF STATE OBLIGATIONS

The State agrees that the Companies shall not be in breach of this Project Support Agreement if a Change of Law prevents them from complying with it.

ARTICLE 30 FORCE MAJEURE

1. Any Party liable for non-performance or delay in performance on the part of any Party with respect to any obligation or any part thereof under this Project Support Agreement, other than an obligation to pay money, shall be excused liability for such non-performance or delay to the extent that it is caused or occasioned by Force Majeure, as defined in this Project Support Agreement.
2. Force Majeure shall be limited to those Force Majeure Events and any resulting effects that prevent or delay the performance of the obligations of the Party concerned or any part thereof and which are beyond its reasonable control, concerning events or causes which are not caused or contributed to by the negligence of the Party concerned (or, where that Party is that State, any State Entity or State Authority) or by the breach by any such Person of this Project Support Agreement or any Project Agreement. Force Majeure Events shall be the following events:

- a. natural disasters (extreme weather, accidents or explosions, earthquakes, landslides, cyclones, floods, fires, lightning, tidal waves, volcanic eruptions, supersonic pressure waves, nuclear contamination, epidemic or plague and other similar natural events or occurrences);
 - b. structural shift or subsidence affecting generally a part or parts of the Nabucco Pipeline System;
 - c. strike;
 - d. inability to obtain necessary goods, materials, services or technology, the inability to obtain or maintain any necessary means of transportation;
 - e. acts of war, invasion, armed conflict, act of foreign enemy or blockade;
 - f. acts of rebellion, riot, civil commotion, strikes of a political nature, act of terrorism, insurrection or sabotage;
 - g. international boycotts, sanctions, international embargoes against sovereign states other than the State; and
 - h. any Change of Law which affects the performance of the obligations of either Company under this Project Support Agreement and which such Company gives notice of under Article 30.3 below.
3. If a Party is prevented or delayed from carrying out its obligations or any part thereof under this Project Support Agreement as a result of Force Majeure, it shall promptly notify in writing the other Party or Parties to whom performance is owed. The notice shall:
 - a. specify the obligations or part thereof that the Party cannot perform;
 - b. fully describe the event of Force Majeure;
 - c. estimate the time during which the Force Majeure will continue; and
 - d. specify the measures proposed to be adopted by it (or them) to remedy or abate the Force Majeure.
 4. Following this notice given under Article 30.3 above, and for so long as the Force Majeure continues, any obligations or parts thereof which cannot be performed because of the Force Majeure, other than the obligation to pay money, shall be suspended.
 5. Any Party that is prevented from carrying out its obligations or parts thereof (other than an obligation to pay money) as a result of Force Majeure shall take such actions as are reasonably available to it and expend such funds as necessary and reasonable to remove or remedy the Force Majeure and resume performance of its obligations and all parts thereof as soon as reasonably practicable.
 6. Where the State is prevented from carrying out its obligations or any part thereof (other than an obligation to pay money) as a result of Force Majeure, it shall take, and shall also procure that relevant State Authority and/or State Entity take, such action as is reasonably available to it or them to mitigate any loss suffered by any Company or other Project Participant during the continuance of the Force Majeure and as a result thereof.
 7. Any Company that is prevented from carrying out its obligations or any part thereof (other than an obligation to pay money) as a result of Force Majeure shall take such action as is reasonably available to it to mitigate any loss suffered by the State, any State Authority,

State Entity or Project Participant during the continuance of the Force Majeure and as a result thereof.

PART VI FINAL PROVISIONS

ARTICLE 31 DISCRIMINATORY CHANGE OF LAW

1. Pursuant to Article 7.1 of the Nabucco Agreement, the State will indemnify the Companies on the terms of this Article 31 against the consequences of any Discriminatory Change in Law which has the effect of (i) impairing, conflicting or interfering with the implementation of the Nabucco Project, (ii) limiting, abridging or adversely affecting the value of the Nabucco Project or the Economic Equilibrium or any of the rights, indemnifications or protections granted or arising under this Agreement or any Project Agreement, or (iii) imposing (directly or indirectly) any Change of Law Costs on any Company or Project Participant.
2. If any Discriminatory Change of Law is enacted in the circumstances envisaged in Article 31.1 above, either Company shall, within three (3) months of the date when it could with reasonable diligence have become aware of the effect of the Discriminatory Change of Law as aforesaid, give notice thereof in writing to the State. During the ninety (90) days following the State's receipt of this notice, each Company and the State shall endeavour to resolve the matter through amicable negotiations.
3. Following completion of the negotiations referred to in Article 31.2 above, if the Companies and the State are unable to resolve the matter amicably, the State shall indemnify the affected Companies in accordance with Article 31.1 above. In this case, such payments shall bear interest at a reasonable market rate which is not less than the rate at which the recipient is able itself to borrow funds. Such interest shall accrue from the date(s) when the relevant effects occurred to the date(s) when payments are received from the State,
4. The State shall not be required to indemnify the Companies pursuant to this Article 31 to the extent that it ensures that the Companies are protected against the material adverse consequences of such Discriminatory Change in Law.
5. Notwithstanding anything else in this Article 31, the State shall have no liability hereunder in relation to any Change of Law that relates to environmental, social or technical standards and that would be a Discriminatory Change of Law by reason that it affects businesses carrying out activities of the same kind as the Project Activities to a greater extent than it affects other businesses.

ARTICLE 32 EXPROPRIATION

1. No Investment (within the meaning of the Energy Charter Treaty) owned or enjoyed, directly or indirectly, by any Project Participant in relation to the Project shall be nationalised, expropriated or subjected to a measure or measures having effect equivalent to nationalisation or expropriation (hereinafter referred to as "Expropriation") except where such Expropriation is:
 - a. for a purpose which is in the public interest;
 - b. not discriminatory;
 - c. carried out under due process of law; and
 - d. accompanied by the payment of prompt, adequate and effective compensation;

in accordance with Article 13 of the Energy Charter Treaty.

2. Any dispute in respect of this Article may be submitted at any time by the Parties for resolution pursuant to Article 37, except for disputes where arbitration is excluded according to the applicable provisions of the National Laws, the laws of the European Union or international law.

ARTICLE 33 TERMINATION

1. Except as may be expressly provided in this Article 33, neither Party shall amend, rescind, terminate, declare invalid or unenforceable, elect to treat as repudiated, or otherwise seek to avoid or limit this Project Support Agreement or any Project Agreement without the prior written consent of the other Parties.
2. If neither Company has taken steps to commence the construction phase in respect of the Nabucco Pipeline System by not later than 31 December 2016 for any reason other than Force Majeure, or failure by the State or any State Authority or State Entity to perform any of their obligations in a timely manner, the State shall have the right to give written notice to the Companies of the termination of this Project Support Agreement. Such termination shall become effective one hundred and eighty (180) days after receipt by the Companies of such termination notice, unless within said one hundred and eighty (180) day period either Company takes steps to commence the construction phase of the Nabucco Pipeline System. If within thirty (30) days after the above referenced date the State has not given any such termination notice, the State's right to terminate hereunder shall expire and this Project Support Agreement shall continue in full force and effect in accordance with its terms. In addition, the date of 31 December 2016 shall be extended if and to the extent of any delays caused by the failure or refusal of any State Authority or State Entity to perform in a timely fashion any obligations they may have respecting Project Activities. The State may also extend that date to the extent of any delay caused by the failure or refusal by either of the Companies to perform in a timely fashion any obligations they may have under any Project Agreement.
3. At any time before 31 December 2016, either of the Companies may, if it concludes that there is no longer any reasonable prospect of successfully developing, financing, constructing and marketing the capacity in the Nabucco Pipeline System on commercially acceptable terms, terminate this Project Support Agreement on no less than one hundred and eighty (180) days' written notice.
4. Any Party may by written notice (a Notice) to the other Parties terminate this Project Support Agreement if, after the end of the Initial Operation Period, another Party commits a material breach of its obligations to that Party under this Project Support Agreement and the Party in breach fails, within one hundred and eighty (180) days of receiving such Notice, either;
 - a. to remedy the breach and its effects to the reasonable satisfaction of the Party giving notice (or to commence and diligently comply with appropriate measures to do so); or
 - b. (in the case of a breach that cannot itself be remedied) to put in place and diligently comply with measures reasonably satisfactory to the other Party to prevent a recurrence of such breach, provided that doing so shall not prevent termination if the Party in breach has previously failed to comply with such measures in relation to an earlier similar breach.
5. No Party shall be entitled to terminate this Project Support Agreement in respect of a material breach under Article 33.4, unless it can demonstrate reasonable grounds for considering that damages due in respect of such breach would not constitute an adequate remedy for that breach or that the Party in breach has failed to pay such damages after they have been finally determined to be due.

6. Notwithstanding the provisions of this Article 33, no Party shall be entitled to terminate this Project Support Agreement if the breach in question is caused by or arises from a breach by that Party (or, if that Party is the State, by any State Authority or State Entity) of any Project Agreement.
7. The Parties shall consult for a period of sixty (60) days from such Notice (or such longer period as they may agree) as to what steps could be taken to avoid termination.
8. This clause is subject to any arrangements entered into between the State and Lenders pursuant to Article 5.2 of this Project Support Agreement, provided always that the Lenders fulfil all rights and obligations on them pursuant to any such arrangements and cure the breach by the Company within 180 days of the occurrence of the breach or within such other reasonable period of time as might be agreed by the Lenders and the State.
9. The expiry or termination of this Project Support Agreement shall not of itself affect the Companies' (or their permitted successors or transferees) ownership of the Land Rights or of the Nabucco Pipeline System or the continuation of their rights to operate the pipeline and market its capacity (including the rights granted under or referred to under Article 7 and the Appendix to this Project Support Agreement) subject to due compliance with other generally applicable requirements under the National Laws.
10. Termination of this Project Support Agreement shall be without prejudice to:
 - a. the rights of the Parties respecting the full performance of all obligations accruing prior to termination; and
 - b. the survival of all waivers and indemnities provided herein in favour of a Party (or former Party).

ARTICLE 34 SUCCESSORS AND PERMITTED ASSIGNEES

1. The State agrees that the rights and obligations of each Company under this Project Support Agreement include the right to transfer its rights under this Project Support Agreement in accordance with the provisions of this Article 34.
2. Further to any arrangements entered into pursuant to Article 5.2, each Company shall have the right to assign by way of security to any Lender the whole of its rights and obligations under this Project Support Agreement provided that the Lenders have previously undertaken that upon enforcement by such Lender of its rights pursuant to such assignment, the Lender will accept, in respect of the State, all of the obligations of the Company pursuant to this Project Support Agreement.
3. Each Company shall have the right to assign in whole its rights under this Project Support Agreement to an Affiliate provided that such Affiliate has the necessary financial and technical capability to perform that Company's obligations under this Project Support Agreement. Each such assignment to an Affiliate shall be effective upon the State's receipt of written notification (subject always to the Parties complying with any formalities required by National Law in respect of the assignment, including the execution of any necessary agreement, which they undertake to do promptly and without withholding any requisite consent). In these circumstances, the transferring Company will remain liable for its obligations under this Project Support Agreement after the effective date of the assignment.
4. Each Company can only transfer its rights and obligations under this Project Support Agreement to any entity whether or not an Affiliate with the prior written consent of the State, such written consent of the State not to be unreasonably withheld or delayed. Each such transfer shall be effective upon the issuance by the State of its written consent (subject

always to the Parties complying with any formalities required by National Law in respect of the assignment, including the execution of any necessary agreement, which they undertake to do promptly and without withholding any requisite consent). In these circumstances, the transferring Company shall cease to have any liability for its obligations under this Project Support Agreement after the effective date of the transfer (other than with respect to any existing breach of such obligations).

5. Any right granted or made available under this Project Support Agreement is granted by the State in relation to the carrying out of the Project and Project Activities by the Companies. The State agrees that any Project Participants, by their participation in the Project, shall have the benefit of all rights as are provided under any Project Agreement it enters into.

ARTICLE 35 WAIVER OF IMMUNITY

To the extent that the State may before any judicial or quasi-judicial body or arbitral tribunal be entitled to claim for itself, its assets, its revenues or its property immunity from suit, jurisdiction, enforcement, execution, attachment or any other legal process in relation to this Project Support Agreement, the State hereby agrees irrevocably not to claim and hereby irrevocably waives such immunity to the fullest extent permitted under National Laws.

ARTICLE 36 DECOMMISSIONING

1. The obligations of the each Company in relation to decommissioning the Nabucco Pipeline System after the end of its technical and economically useful life shall be as specified under the National Laws. Each Company shall be entitled to upgrade, modify, extend the useful technical and economical life of and / or replace the Nabucco Pipeline System subject to due compliance with any such requirements as are generally applicable at the relevant time. No requirements shall be imposed on either Company in relation to decommissioning of the Nabucco Pipeline System that go beyond or differ in nature from those that would apply under the National Laws to other pipeline systems, except to the extent objectively necessary to take due account of the respective physical characteristics of the pipelines and routes involved.
2. The Companies' rights under this Article shall survive the expiry or termination of this Project Support Agreement.

ARTICLE 37 SETTLEMENT OF DISPUTES

1. Without prejudice to the provisions of Article 32.2, any dispute arising between the Parties under this Project Support Agreement, or in any way connected with this Project Support Agreement, and/or arising from Project Activities (including this Project Support Agreement's formation and any questions regarding arbitrability or the existence, validity or termination of this Project Support Agreement) ("Dispute") may be finally settled by arbitration pursuant to this Article 37 to the exclusion of any other remedy.
2. If any Dispute is not resolved through correspondence or negotiation within twenty (20) days, then unless otherwise agreed between the parties, such Dispute shall be referred to the Court of Arbitration of the International Chamber of Commerce and settled under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules.
3. The seat of the arbitration shall be Geneva, Switzerland. The language of arbitration shall be English.
4. The Parties' respective rights and obligations under this Project Support Agreement shall continue after any Dispute has arisen and during the arbitration proceedings.

5. All payments due under a final award shall be made in Local Currency or any Convertible Currency and, in accordance with the terms of this Project Support Agreement as related to amounts due and payable, shall include interest calculated at the Agreed Interest Rate as from 30 days from the date of the award until the award is paid in full.
6. The Parties expressly authorise the Arbitral Tribunal to order specific performance of obligations under this Project Support Agreement, in particular obligations of "Reasonable Endeavours" or similar obligations requiring the cooperation of the obligor and the obligee.

ARTICLE 38 APPLICABLE LAW

1. This Project Support Agreement (including its formation and any questions regarding the existence, validity or termination of this Project Support Agreement) and any Disputes under it shall be governed by and construed in accordance with the substantive law of Switzerland.
2. Provisions of the National Laws shall be interpreted in accordance with the laws of the State.

ARTICLE 39 NOTICES

1. A notice, approval, consent or other communication given under or in connection with this Project Support Agreement (in this clause known as a "Notice"):
 - a. shall be in writing in the English and Romanian languages and also in any other language required by National Laws;
 - b. shall be deemed to have been duly given or made when it is delivered by hand, or by internationally recognised courier delivery service, or sent by facsimile transmission to the Party to which it is required or permitted to be given or made at such Party's address or facsimile number specified below and marked for the attention of the person so specified, or at such other address or facsimile number and/or marked for the attention of such other person as the relevant Party may at any given moment in time specify by Notice given in accordance with this Article; and
 - c. for the avoidance of doubt, a Notice sent by electronic mail will not be considered as valid.

The relevant details of each Party at the date of this Project Support Agreement are:

Romania

Name: Ministry of Economy, Trade and Business Environment
Address: Calea Victoriei 152, Bucharest, Romania
Facsimile: +40 21 2025177
Attention: Minister

NABUCCO Gas Pipeline International GmbH

Address: Floridotower, Floridsdorfer Hauptstraße 1, 1210 Vienna, Austria
Facsimile: +43 (1) 27 777 5211

Attention: Managing Director

Nabucco Gas Pipeline Romania S.R.L.

Address: 4B, Cristalului Street
551132, Medias, Sibiu, Romania

Facsimile: +40 269 806 401

Attention: Managing Director


2. In the absence of evidence of earlier receipt, any Notice shall take effect from the time that it is deemed to be received in accordance with Article 39.3 below.
3. Subject to Article 39.4 below, a Notice is deemed to be received:
 - a. in the case of a Notice delivered by hand at the address of the addressee, upon delivery at that address;
 - b. in the case of internationally recognised courier delivery service, when an internationally recognised courier has delivered such communication or document to the relevant address and collected a signature confirming receipt; or
 - c. in the case of a facsimile, on production of a transmission report from the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient. Any Notice by fax shall be followed by written Notice given not later than three (3) Business Days in the form of a letter addressed as set forth below for such Party.
4. A Notice received or deemed to be received in accordance with Article 39.3 above on a day which is not a Business Day or after 5 p.m. on any Business Day, according to local time in the place of receipt, shall be deemed to be received on the next following Business Day.
5. Each Party undertakes to notify the other Party by Notice served in accordance with this Article if the address specified herein is no longer an appropriate address for the service of Notice.

ARTICLE 40 MISCELLANEOUS

1. Any further amendment to this Project Support Agreement shall only be in force and effective if made in writing, agreed and signed by all Parties, and approved and entered in force accordance with Article 2 paragraph 1 of this Project Support Agreement.
2. If any provision of this Project Support Agreement is or becomes ineffective or void, the effectiveness of the other provisions shall not be affected. The Parties undertake to substitute for any ineffective or void provision an effective provision, which achieves economic results as close as possible to those of the ineffective or void provision.
3. No waiver of any right, benefit, interest or privilege under this Project Support Agreement shall be effective unless made expressly and in writing. Any such waiver shall be limited to the particular circumstances in respect of which it is made and shall not imply any future or further waiver.
4. The headings in this Project Support Agreement are inserted for convenience only and shall be ignored in construing this Project Support Agreement.

5. Unless the context otherwise requires, references to Articles are references to Articles of this Project Support Agreement.
6. Unless the context otherwise requires, references to singular shall include a reference to the plural and vice-versa; and reference to any gender shall include a reference to all other genders.

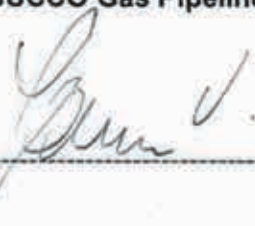
Done in the city of Kayseri on 8 June 2011 in three originals each in the English language.



Ion Ariton, Minister of Economy, Trade and Business Environment
in the name and on behalf of
Romania



Mag. Reinhard Mitschek, Managing Director
in the name and on behalf of
NABUCCO Gas Pipeline International GmbH



Vlad Pavlovschi, Managing Director
in the name and on behalf of
Nabucco Gas Pipeline Romania S.R.L.



APPENDIX

Expanded Principles of Article 7.1 of the Project Support Agreement

1. 50% reserved capacity for Shareholders (expanding the permission set out in Article 7.1 of the Project Support Agreement)

The State shall permit that in its Territory Nabucco International Company will release its capacity on a long-term basis, leaving, however, parts of the capacity also for short-term contracts. The State shall permit that Nabucco International Company will enter into capacity contracts with both (i) Shareholders, their affiliated companies or their assignees; and/or (ii) third party entities.

2. Capacity allocation procedures (expanding the principle set out in Article 7.1.1 of the Project Support Agreement)

2.1 General Principles

The State shall permit Nabucco International Company to implement and publish mechanisms to allocate capacity both to Shareholders and third parties on a transparent and non discriminatory basis in order to give effect, *inter alia*, to the following objectives:

- a) facilitating the development of competition and liquid trading of capacity,
- b) providing appropriate economic signals for efficient and maximum use of technical capacity and facilitating investment in new infrastructure, and
- c) avoiding undue barriers to entry and impediments to market participants, including new entrants and small players.

Without prejudice to the capacity expansion requirements of Article 7.1.3 of the Project Support Agreement, the State shall permit that transportation capacity will be offered through an Open Season under which qualifying Shippers will be able to bid to book capacity.

Shippers will have the right to book Reserved Capacity from entry points to defined exit points on the Nabucco Pipeline System. Nabucco International Company's determination of entry and/or exit points shall, among other things, take into account economic, financial and technical feasibility.

2.2 Open Season

The State shall permit that the Open Season is performed pursuant to procedures published by Nabucco International Company on its website ahead of the start of the Open Season, and such Open Season shall ensure that objective, transparent and non-discriminatory conditions apply to all Shippers (including third party entities and Shareholders, their affiliated companies and/or their assignees) that qualify to take part in the Open Season.

The invitation to tender would stipulate the available technical total capacity to be allocated, the number and size of lots, as well as the allocation procedure in case of an excess of demand over supply. Both firm and interruptible transportation capacity would be offered on an annual and monthly basis. The invitation to tender would be published, at the cost of Nabucco International Company, in the Official Gazette of State and the Official Journal of the European Union and the allocation process would be fair and non-discriminatory.

The Open Season shall be carried out in two steps. In a first step, only the Shareholders, their affiliated companies and their assignees can apply. In the second step, all market participants, including the Shareholders, their affiliated companies and their assignees can apply. If after the

second step not all capacity has been allocated, there will be a third Open Season to allocate the remaining capacity. After each step of the Open Season Nabucco International Company shall provide to all relevant State Authorities a list of the companies which have reserved capacities of the Project.

3. **Release of unutilised capacity (expanding the principle set out in Article 7.1.2 of the Project Support Agreement)**

The State shall permit that in its Territory Nabucco International Company re-utilises unused Reserved Capacity by allowing Shippers who wish to re-sell or sublet their unused Reserved Capacity on the secondary market to do so in accordance with their contracts.

Where Reserved Capacity remains unused and Contractual Congestion occurs, this unused Reserved Capacity shall be made available to the primary market in accordance with "Use-it-or-lose-it principles" ("UIOLI"). Detailed procedures to be applied for re-utilisation of unused Reserved Capacities shall be included in the Transportation Contracts that Nabucco International Company offers to Shippers. These shall be devised in co-operation with and submitted for prior approval to the relevant State Authority.

Starting from the completion of the first full calendar Year of operation of the Nabucco Pipeline System onwards, The State shall permit that in its Territory Nabucco International Company sells a portion of the Technical Capacity as interruptible capacity, via a bulletin board on the internet, pursuant to the historical flow and nomination data, provided that:

- (1) There is Contractual Congestion of Reserved Capacity which has been sold on a firm basis but which is not being used; and
- (2) The probability of non-interruption of capacity sold on an interruptible basis for the upcoming calendar Year is at least ninety (90) percent.

The sale of Reserved Capacity on the bulletin board shall not affect the original Reserved Capacity holder's obligation under the Transportation Contracts to pay Nabucco International Company for that Reserved Capacity. The original Reserved Capacity holder shall not lose his Reserved Capacity rights and shall still be entitled to use his Reserved Capacity contracted for in full, via the Nomination process. The revenues generated by any marketing of the UIOLI-capacity on an interruptible basis shall be entirely for Nabucco International Company.

The State shall permit that Nabucco International Company, which shall estimate expected flows based on the Nomination process, to make available the difference between the firm capacity committed and the nominated capacity to the market as interruptible capacity, on a short-term day-ahead basis.

If the original Reserved Capacity holder nominates capacity which Nabucco International Company has remarketed, Shippers who have purchased such UIOLI-interruptible capacity shall be interrupted.

Any Shipper which has contracted for capacity on an interruptible basis shall be informed in advance by Nabucco International Company if it is to be subject to interruption because the original Reserved Capacity holder has nominated some or all of its contractually committed capacity. An interruptible Shipper shall have no right to reject this interruption.

4. Tariff methodology (expanding the Permission set out in Article 7.1 of the Project Support Agreement)

4.1 Principles for tariffs

The State shall permit that for the capacity sold Nabucco International Company will enter into Transportation Contracts with Shippers under which Shippers pay monthly capacity payments (in Euro) which are determined according to the following methodology. Each Transportation Contract will apply that methodology to the volume, distance, time, duration, seasonality involved and to the firm, interruptible and other characteristics of the services provided. The Transportation Contract will also specify other adjustments to the charges payable by Shippers in case of late payment, early termination, change in law etc.

The following tariff methodology shall be applied:

- 1) *Capacity payments*: shall be calculated as the relevant tariff stipulated for the relevant Year, multiplied by the volume of Reserved Capacity that such Shipper has contracted (expressed as $(Nm^3(0^\circ C)/h)$), multiplied by the distance of such capacity booking (distance is calculated as the distance (in km) between the entry point on the pipeline that the Shipper has committed to deliver gas to, and the exit point on the pipeline that the Shipper has requested Nabucco International Company to deliver the gas to). For clarification, the following formula defines the monthly capacity payment:

$$P_m = \frac{fr * T_n * d}{12}, \text{ where:}$$

- fr = Shipper contracted capacity volume (expressed as hourly flow rate of gas)
d = distance expressed in km (between Shipper contracted entry and exit point)
 P_m = Payment for Transmission services in Euro/Month
 T_n = the adjusted transportation tariff for Year "n", in EURO / $((Nm^3/h)*km) / y$.

Further details of the current version of the tariff formula are set out below and Nabucco International Company and the National Nabucco Companies shall apply these for use in the Open Season, other capacity allocation procedures and in the definitive Transportation Contracts:

- 2) *Tariff*: The tariff shall be distance-related and (expressed in EUR / $((Nm^3(0^\circ C)/h)*km) / y$), which means that the tariff shall be uniform and apply for all sections of the pipeline. Once the tariff is defined, it shall be escalated on 1st October of every Year against a defined tariff escalation formula to be set out in the long-term Transportation Contracts between Nabucco International Company and Shippers.

The tariff shall exclude any Taxes, duties or levies of a similar nature. These shall be levied by Nabucco International Company on the Shipper if the same are levied on Nabucco International Company for the provision of the Transmission services.

- 3) *Tariff calculation*: The final tariff paid by the individual Shippers shall be derived from a tariff methodology. In formulating the tariff methodology, and therefore the final tariff, the following factors and objectives shall be observed:
 - a. recovery of efficiently incurred costs, including appropriate return on investment; facilitate efficient gas trade and competition while at the same time avoiding cross-subsidies between Shippers; promote efficient use of the network and provide for appropriate incentives on new investments;
 - b. taking into account the amount of capacity contracted for by Shippers which shall reflect the duration of Transportation Contracts, the load factor, the distance of

transportation (expressed in EUR / ((Nm³(0°C)/h)*km) / y.), the capital investment per capacity unit and volumes etc.;

- c. that reverse flows shall be defined by reference to the direction of the predominant physical flows in the Nabucco Pipeline System. In case of Contractual Congestion, specific tariffs shall be applied for reverse flows; Nabucco International Company may not adopt any charging principles and/or tariff structures that in any way restrict market liquidity or distort the market or trading across borders of different Transmission System Operator systems or hamper system enhancements and integrity of any system to which the Nabucco Pipeline System is connected.

4.2 Tariff Methodology for Calculation of the Tariff

The State shall permit Nabucco International Company to receive capacity payments from Shippers for offering Transmission services that will inter alia allow it to recover the following types of investment and operating costs that it will incur by constructing, operating and maintaining the Nabucco Pipeline System:

- Capital Expenditure ("CAPEX") incurred by Nabucco International Company in constructing the pipeline, such as raw material costs (e.g. steel), equipment costs (e.g. compressor costs), appropriate depreciation and capital costs reflecting the investment cost (on the assumption that CAPEX is depreciated over 25 Years);
- Operating Expenditure ("OPEX") will include a mixture of fixed and variable costs reflecting Nabucco International Company's on-going operation of the pipeline. Additionally, OPEX such as fuel gas costs, associated environmental costs (such as the purchase of any applicable carbon emission permit allowances, or equivalent cost, that may be levied on Nabucco International Company in any of the transit states), and any rental expenditures incurred by Nabucco International Company for the use of any other pipeline systems that could be connected to the Project to enable earlier operation of the Project;
- Economic costs incurred by Nabucco International Company in managing its business such as inflation, wage inflation, interest rates and other costs related to the financing of the Project.

For calculation of tariffs the capacities sold on a long term (i.e. 25 Years) shall be used as basis. The State shall permit that the tariff methodology takes in particular into consideration the fact that the investment costs for constructing the Nabucco Pipeline System will be funded from a mixture of equity contributions from Shareholders, and debt by means of receiving loans from lenders and other financial institutions providing debt finance.

4.3 Further considerations concerning Capacity Payments, Tariff

The tariff shall give effect to the following additional factors:

Duration of Transportation Contract and incentives: For tariff setting the duration of the Transportation Contract shall be taken into account. Given the importance to the economic feasibility of the project of ensuring that capacity is booked by Shippers for as long a contractual period as possible, an incentive structure shall be included in the capacity payment calculation to incentivise Shippers to book capacity long-term (e.g. scaled reduction to capacity payment to reward contracts of longer duration). Time factors shall be calculated on a 25 Years contracts term basis. The time factors (for off peak-period) shall be: 1 for the standard term of 25 Years contract, then increase linearly up to a factor of 1.20 for the contract duration of 10 Years, then increase linearly up to a factor of 4 for a one day contract.

Impact of seasonal gas demand on short-term Transportation Contracts: For short-term Transportation Contracts (i.e. duration of one day up to one Year less one day), capacity

payments shall also reflect seasonal demand for shorter-term Transmission and the resulting load factors for the pipeline such that there shall, for example, be transparent and pre-defined surcharges for daily Transportation Contracts concluded during winter months where demand can be expected to be higher (so that there will be a higher load factor on the pipeline), and lower surcharges for daily Transportation Contracts concluded during the summer months (where demand can be expected to be lower so that there will be a lower load factor on the pipeline). Seasonality factors shall be: 150% surcharge for daily contracts per day for the period November – March (peak season) and 75% surcharge for October and for April (shoulder season) and no surcharge for off peak period (May – September).

PROJECT SUPPORT AGREEMENT

Between

THE GOVERNMENT OF THE REPUBLIC OF TURKEY

and

NABUCCO GAS PIPELINE INTERNATIONAL GMBH

and

**NABUCCO DOĞAL GAZ BORU HATTI İNŞAATI VE
İŞLETMECİLİĞİ LIMITED ŞİRKETİ**

Concerning

THE NABUCCO PIPELINE SYSTEM



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THIS AGREEMENT is entered into in the city of Kayseri in Turkey on 8 June 2011 between:

THE GOVERNMENT OF THE REPUBLIC OF TURKEY (the "Government")

and

NABUCCO GAS PIPELINE INTERNATIONAL GMBH, a company organised and existing under the laws of Austria ("Nabucco International Company")

and

NABUCCO DOĞAL GAZ BORU HATTI İNŞAATI VE İŞLETMECİLİĞİ LİMİTED ŞİRKETİ, a company organised and existing under the laws of Turkey ("Nabucco National Company")

(each a "Party" and together the "Parties").

WHEREAS, this Agreement is entered into in furtherance of the Intergovernmental Agreement between the States of the Republic of Turkey, the Republic of Bulgaria, Romania, the Republic of Hungary and the Republic of Austria, dated 13 July 2008;

WHEREAS, the Parties acknowledge that they will comply with the obligations that arise for them under the Intergovernmental Agreement;

WHEREAS, the Companies wish to employ in the Nabucco Pipeline System generally recognised international technical and environmental standards for the Transportation of Natural Gas in and across the Territory;

WHEREAS, the Companies intend to invest in the construction of the Nabucco Pipeline System, as well as to operate and utilise capacity in the Nabucco Pipeline System, on the terms and conditions of this Agreement;

WHEREAS, the Nabucco National Company is a subsidiary of Nabucco International Company;

WHEREAS, the Government acts on behalf of the State and the State Authorities in matters such as those provided in this Agreement;

WHEREAS, the Government enters into this Agreement to promote and protect investment in the Nabucco Pipeline System and in the Territory.

PART I DEFINITIONS AND SCOPE OF THE AGREEMENT

Nothing in this Agreement precedes or overrides the provision of the Intergovernmental Agreement. This Agreement does not of itself override or change National Laws or oblige the Government to do anything that would breach National Laws.

Capitalised terms used in this Agreement (including the Preamble), and not otherwise defined herein, shall have the following meaning:

"Affiliate" shall mean, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with that Person. For purposes of this definition, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of a majority or other controlling interest in the voting securities, equity or other ownership interest in an Entity, by law, or by agreement between Persons conferring such power or voting rights, or by any other lawful means.

"Agreed Interest Rate" shall mean for each day of an Interest Period with respect to any amount due and payable under or pursuant to this Agreement, interest at the rate per annum equal to 2% (two percent) plus LIBOR for the relevant currency in effect on the Business Day immediately preceding the first day of the Interest Period. For the purposes of this definition, "Interest Period" shall mean a period of thirty (30) days, beginning the first day after the date on which any such amount becomes due and payable and ending thirty (30) days thereafter, with each succeeding Interest Period beginning on the first day after the last day of the Interest Period it succeeds unless this would be contrary to National Laws in respect of compound interest, in which case it shall mean interest (calculated on a daily basis from the first day after the date on which any such amount becomes due and payable but not compounded) at the rate per annum equal to 2.5% (two point five percent) plus LIBOR for the relevant currency in effect on the Business Day before the date on which any such amount becomes due and payable.

"Agreement" shall mean this project support agreement, including any appendices attached hereto, as the same may be amended or otherwise modified or replaced at any given moment in time in accordance with its terms.

"Application Requirements" shall have the meaning ascribed at Article 27.1.

"Best Available Terms" shall mean, at any time with respect to any goods, works, services or technology to be rendered or provided at any location, the commercially competitive cost-based terms reasonably obtainable in the relevant market, except where the State or a State Entity or State Authority is the sole provider of such goods, works, services or technology in the Territory, in which case it shall be a price equal to that which that entity charges other entities whether State or private.

"Business Day" shall mean any day on which clearing banks are customarily open for business in Ankara.

"Change of Law" shall have the meaning ascribed at Article 31.3.

"Companies" shall mean both the Nabucco International Company and the Nabucco National Company, and "Company" shall mean either of them.

"Company Representative" shall have the meaning ascribed at Article 25.2.

"Confidential Information" shall have the meaning ascribed at Article 36.1.

"Construction Corridor" shall mean an area of land extending from the Initial Entry Points of the Nabucco Pipeline System to Baumgarten within which the centreline of the Pipeline Corridor will

...
 Construction Corridor will be defined with respect to certain width (in metres) and along a specified preferred route, as notified by the Nabucco National Companies and approved by the Government in accordance with the terms of Article 14.

"Contractor" shall mean any Person supplying directly or indirectly, whether by contract or sub-contract, goods, work, technology or services, including financial services (including without limitation, credit, financing, insurance or other financial accommodations) to the Operating Company, Companies, or their Affiliates in connection with the Nabucco Pipeline System to an annual or total contract value of at least €100,000, excluding however any individual acting in his or her role as an employee of any other Person.

"Contractual Congestion" shall mean a situation where the level of firm capacity demand exceeds the Technical Capacity (all Technical Capacity is booked as firm).

"Convertible Currency" shall mean a currency which is widely traded in International foreign exchange markets.

"Costs" shall have the meaning ascribed at Article 31.5.

"Designated State Entity" shall refer to the State Authority designated by the Government pursuant to the National Law for conducting the necessary processes regarding the Land Rights.

"Discriminatory Change of Law" shall have the meaning ascribed at Article 31.4.

"Dispute" shall have the meaning ascribed at Article 37.1.

"Double Tax Treaty" shall mean any treaty or convention, to which the State is a party, with respect to Taxes for the avoidance of double taxation of income or capital.

"Economic Equilibrium" shall mean the economic value to either Company or the Companies (as applicable) of the relative balance established under Project Agreements at the applicable date between the rights, interests, exemptions, privileges, protections and other similar benefits provided or granted to such Person and the concomitant burdens, costs, obligations, restrictions, conditions and limitations agreed to be borne by such Person.

"Effective Date" shall have the meaning ascribed at Article 2.1.

"Energy Charter Treaty" shall mean the Energy Charter Treaty as opened for signature in Lisbon on 17 December 1994 as amended or supplemented from time to time.

"Entity" shall mean any company, corporation, limited liability company, joint stock company, partnership, limited partnership, enterprise, joint venture, unincorporated joint venture, association, trust or other juridical entity, organisation or enterprise duly organised under the laws of any country.

"Environmental, Health, Safety and Social Standards" shall have the meaning ascribed at Article 16.1.

"EURO" shall mean the currency of the member states participating in the European Economic Monetary Union.

"Expropriation" shall have the meaning ascribed at Article 32.1.

"Force Majeure" shall have the meaning ascribed at Article 30.2.

"Force Majeure Events" shall mean the events described in Article 30.2.

"Currency" shall mean the currency of the State, including but not limited to EURO/US Dollar.

"Government" shall mean the government, from time to time, of the State.

"Initial Entry Points" shall mean the starting points of the Project at any three points on the eastern or southern land borders of the Republic of Turkey as selected by Nabucco International Company, and, subject to agreement by the Nabucco Committee in consultation with Nabucco International Company, any other point at the eastern or southern Turkish border. The exact location of the Initial Entry Points at the respective borders is subject to the standard permitting and related authorisation procedures of the State.

"Initial Operation Period" shall mean the period of twenty-five (25) Years from the date on which the Nabucco Pipeline System is complete and/or enters commercial operation.

"Insurer" shall mean any insurance company or other Person providing insurance cover for all or a portion of the risks in respect of the Nabucco Pipeline System, Project Activities, or any Project Participant, and any successors or permitted assignees of such insurance company or Person.

"Interest Holder" shall mean, at any time: (i) any Company or any Other NNC; (ii) any Person holding any form of equity or other ownership interest in any Company or Other NNC or Operating Company, together with all Affiliates of any Person referred to in (i) and (ii) above.

"Intergovernmental Agreement" shall mean the agreement among the Republic of Austria, the Republic of Bulgaria, the Republic of Hungary, Romania and the Republic of Turkey regarding the Project, dated 13 July 2009, together with its annex as set forth therein, including as such agreement may be extended, renewed, replaced, amended or otherwise modified at any given moment in time in accordance with its terms.

"IMF" means the International Monetary Fund.

"Land Rights" shall mean all those rights and permits in accordance with the applicable legislation with respect to land in the Territory which grant such free and unrestricted rights, access and title as are necessary for the Project Activities.

"Lender" shall mean any financial institution or other Person providing any indebtedness, loan, financial accommodation, extension of credit or other financing to any Interest Holder, in connection with the Nabucco Pipeline System (including any refinancing thereof).

"LIBOR" shall mean, for any day on which clearing banks are customarily open for business in London, the London interbank fixing rate for twelve (12) months EURO deposits, as quoted on Reuter's LIBOR page on that day or, if the Reuter's LIBOR page ceases to be available or ceases to quote such a rate, then as quoted in the London Financial Times, or if neither such source is available or both cease to quote such a rate, then such other source, publication or rate selected by the Parties.

"Local Currency" means any currency which is legal tender within the territory of State.

"Loss or Damage" shall mean any loss, cost, injury, liability, obligation, expense (including interest, penalties, attorneys' fees and disbursements), litigation, proceeding, claim, charge, penalty or damage suffered or incurred by a Person, but excluding any indirect or consequential losses and loss of profit other than in case of intentional breach by a Party of its obligations under this Agreement or in case of a breach by a Party of its obligations under this Agreement caused by that Party's gross negligence.

"Nabucco Committee" shall mean the committee established pursuant to Article 12.1 of the Intergovernmental Agreement.

Nabucco Pipeline System shall mean the expressly defined natural gas pipeline system (including in respect of each Territory, the pipeline for the transportation of Natural Gas within and/or across the Territory, and all below and above ground or seabed installations and ancillary equipment, together with any associated land, pumping, measuring, testing and metering facilities, communications, telemetry and similar equipment, all pig launching and receiving facilities, and other related equipment, including power lines, used to deliver any form of liquid or gaseous fuel and/or power necessary to operate compressor stations or for other system needs, cathodic protection devices and equipment, all monitoring posts, markers and sacrificial anodes, and all associated physical assets and appurtenances (including roads and other means of access and operational support) required at any given moment in time for the proper functioning of any and all thereof), that connects the Initial Entry Points to Baumgarten in the Republic of Austria and with a final maximum designed capacity of 31 bcm/Year, which will be constructed, owned and operated in accordance with private law agreements concluded between the Nabucco International Company and the Nabucco National Companies or by any of these companies inter se or with third parties and the transportation capacity of which will be marketed and managed by Nabucco International Company, subject to the terms of this Agreement and the applicable Project Agreements.

"National Laws" shall mean the law including legislation of all kind applicable in the Territory of the State.

"Natural Gas" shall mean any hydrocarbons or mixture of hydrocarbons and other gases consisting primarily of methane which at a temperature of 15 degrees Celsius and at atmospheric pressure (1.01325 bar absolute) are or is predominantly in gaseous state.

"Nomination" shall mean the prior reporting by the Shippers to Nabucco International Company or Operating Company of the amount of their Reserved Capacity that they wish to use in the Nabucco Pipeline System.

"Non-State Land" shall mean any land in the Territory, and any right or privilege with respect thereto, of any kind or character, however arising, and however characterised, other than State Land.

"One-Stop-Shop Shipper Access" shall mean a situation where Shippers have only one contractual relationship with Nabucco International Company for Natural Gas Transportation services between the relevant entry point and exit point.

"Open Season" shall mean the process adopted by Nabucco International Company to allocate to the Shippers the capacity in the Nabucco Pipeline System and that is consistent with Article 6 of this Agreement.

"Operating Company" shall mean, pursuant to Article 26.2, the Person or Persons responsible at any given moment in time for the operation and maintenance of all or any portion of the Nabucco Pipeline System, whether as an agent for or Contractor to the Companies or their Affiliates or otherwise, and any successor or permitted assignee of any such Person. For the avoidance of doubt, where no Person or Persons has or have been appointed by the Companies or their Affiliates in this capacity, the Nabucco National Company shall be the Operating Company.

"Other NNC" shall mean the following Project Participants: Nabucco Gas Pipeline Bulgaria EOOD; Nabucco Hungary Gas Pipeline Kft.; Nabucco Gas Pipeline Austria GmbH; and Nabucco Gas Pipeline Romania S.R.L.

"Other States" shall mean all States other than the State.

"Permanent Establishment" shall have the meaning set out in the relevant Double Tax Treaty. If no such treaty exists then "Permanent Establishment" shall have the same meaning as in the

and Capital of the Organisation for Economic Co-operation and Development.

"Person" shall mean any natural person or Entity, whether of a public or private nature.

"Pipeline Corridor" shall mean an area of land that is 12 meters wide within the Construction Corridor (but shall widen to the extent necessary to accommodate ancillary pipeline facilities), all to be notified by the Nabucco National Companies and approved by the Government in accordance with Article 14.

"Project" shall mean the development, evaluation, design, acquisition, construction, installation, ownership, financing, insuring, commercial exploitation, repair, replacement, refurbishment, maintenance, expansion, extension, operation, (including Transportation), protection and decommissioning and activities associated or incidental thereto, all in respect of the Nabucco Pipeline System (which shall not include any subsequent separate pipeline system constructed by the Companies or the Shareholders).

"Project Activities" shall mean the activities conducted by the Project Participants in connection with the Project.

"Project Agreements" shall mean any agreement, contract, lease or other document, other than this Agreement and the Intergovernmental Agreement, to which, on the one hand, the Government, any State Authority or State Entity and, on the other hand, any Project Participant, are, or later become, a party, which is in writing and which is relating to the Project Activities, as any such agreement, contract or other document may be extended, renewed, replaced, amended or otherwise modified at any given moment in time in accordance with its terms.

"Project Land" shall mean any interest in land, either State Land or Non-State Land, required by or granted to the Nabucco National Company for the conduct of Project Activities.

"Project Participant" shall mean any and all of each Company and each Other NNC, any Interest Holder, the Operating Companies, the Contractors, the Shippers, the Lenders and the Insurers.

"Reasonable Endeavours" shall mean such reasonable endeavours available to the Party concerned as are appropriate in the relevant circumstances.

"Reserved Capacity" shall mean the maximum flow, expressed in normal cubic meters per time unit, to which the Shipper is entitled in accordance with the provisions of the Transportation Contract.

"Shareholders" shall mean the Persons owning shares in Nabucco International Company.

"Shipper" shall mean any Person (other than the Nabucco National Company or any Other NNC) which has a Transportation Contract with the Nabucco International Company for transportation of Natural Gas through all or any section of the Nabucco Pipeline System at any given moment in time.

"State" shall mean the State of the Republic of Turkey and **"States"** shall mean collectively the Republic of Austria, the Republic of Bulgaria, the Republic of Hungary, Romania, and the Republic of Turkey.

"State Authority" shall mean any organ of the State at each level of authority, whether the organ exercises legislative, executive, judicial or any other state functions, and including, without limitation, all central, regional, municipal, local and judicial organs or any constituent element of such organs having the power to govern, adjudicate, regulate, levy or collect taxes, duties or

other charges, grant licences, consents, permits, authorisations or exemptions or otherwise affect the rights and obligations of any Project Participants, their successors and permitted assignees,

"State Entity" shall mean any Entity in which, directly or indirectly, the State has a controlling equity or ownership interest or similar economic interest, or which that State directly or indirectly controls. For purposes of this definition, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of a majority or other controlling interest in the voting securities, equity or other ownership interest in an Entity, by law, or by agreement between Persons conferring such power or voting rights.

"State Land" shall mean any lands in the Territory, and any and all rights and privileges of every kind and character, however arising, and however characterised with respect thereto, which are owned, controlled, possessed or claimed by the State including any State Authority or State Entity.

"Taxes" shall mean all existing and future levies, imposts, payments, fees, assessments, taxes, and charges payable to or imposed by the State, any organ or any subdivision of the State, whether central or local, or any other body having the effective power to levy any such charges within the Territory, and **"Tax"** shall mean any one of them.

"Technical Capacity" shall mean the maximum firm capacity that Nabucco International Company can offer to the Shippers, taking account of system integrity and operational requirements.

"Territory" shall mean, with respect to the State, the land territory of such State and its territorial sea, and the air space above each of them, as well as the maritime areas over which the State has jurisdiction or exercises sovereign rights in accordance with public international law (and **"Territories"** shall mean such territory in respect of all of the States).

"Transportation" shall mean the carriage of Natural Gas into, out of, within or across the Territory.

"Transportation Contract" shall mean any commercial agreement (and any agreement or document entered into pursuant thereto) between Nabucco International Company and a Shipper for the Transportation of Natural Gas through the Nabucco Pipeline System.

"Year" shall mean a period of twelve (12) consecutive months, according to the Gregorian calendar, starting on 1 January, unless another starting date is indicated in the relevant provisions of this Agreement.

Unless the context otherwise requires, reference to the singular includes a reference to the plural, and vice-versa, and reference to either gender includes a reference to both genders. Reference to any Person under this Agreement shall include reference to any successors or permitted assignees of Person.

A reference to any agreement, treaty, statute, statutory provision, subordinate legislation, regulation or other instrument is a reference to it as it is in force at any given moment in time in the State, taking account of any amendment, replacement or re-enactment.

All references to the "knowledge" or "awareness" and synonymous terms shall, unless the contrary is expressed, be deemed to refer to actual rather than to constructive or imputed knowledge.

1. Provided this Agreement has been signed before or on the date when the Intergovernmental Agreement enters into force, this Agreement shall enter into force on the date (the "Effective Date") on which the Intergovernmental Agreement has entered into force in accordance with its Article 14. If this Agreement is signed after effective date of the Intergovernmental Agreement it shall enter into force on the date of its signature.
2. Subject to earlier termination in accordance with Article 33, this Agreement shall terminate upon the expiration of all Project Agreements and the conclusion of all activities thereunder in accordance with their terms, subject to a maximum term of fifty (50) Years (unless extended by an additional term of ten (10) Years by mutual agreement of the Parties).

ARTICLE 3 RELATIONSHIP TO OTHER AGREEMENTS

1. The Parties agree that each Company shall be regarded as an "Investor" in the sense of Article 1(7) of the Energy Charter Treaty and that the Project shall be regarded as an "Investment" in the sense of Article 1(6) of the Energy Charter Treaty.
2. Nothing in this Agreement or any of the Project Agreements shall deprive any Party or the Shareholders of its rights or any remedy to which it may be entitled under the Energy Charter Treaty or any other applicable international treaties.

PART II GENERAL OBLIGATIONS

ARTICLE 4 COOPERATION

1. The Government shall co-operate in connection with all Project Activities and shall, if requested by either Company, consult with the Companies and with the Other States concerning any measures (including measures taken in conjunction with either or both of the Companies and/or the Other States) by which the Government may make cross-border Project Activities more effective, timely and efficient.
2. The Government shall use Reasonable Endeavours to co-operate with the Companies in relation to the process of raising finance for the Project. In particular the Government shall use Reasonable Endeavours to discuss with representatives of Lenders, export credit agencies (and other providers of loan finance or guarantees) in relation to the Project the provision of appropriate assurances that those entities will have an opportunity to attempt to cure any breach of the terms of this Agreement or other licences, consents, permits, authorisations, exemptions or obligations in respect of the Project to which either of the Companies is a party, beneficiary or recipient, so that the Project can retain the necessary rights to continue its activities. Nothing in this Article 4.2 shall affect Article 33 save as expressly set out in Article 33. For the avoidance of doubt, this Article does not oblige the Government to provide finance for the Project, the Nabucco Pipeline System or the Companies or to accept financial liabilities in regard to them.
3. The Parties acknowledge the desirability of participation by local companies in bidding phases of all material and services tenders relating to the Project Activities, without discrimination and consistent with general market standards, competition rules and applicable legislation.

ARTICLE 5 COMMITMENTS WITH RESPECT TO PROJECT AGREEMENTS ENTERED INTO BY STATE ENTITIES AND/OR STATE AUTHORITIES

1. The Government shall use Reasonable Endeavours to procure the timely performance of the lawful and valid obligations of the State Authorities and/or State Entities arising from any Project Agreements.
2. The Government shall use Reasonable Endeavours (to the extent that permitted by National Laws), in a timely fashion, to issue, give or cause to be given, in writing, all decrees, enactments, orders, regulations, rules, interpretations, approvals, certificates, consents, permits, authorisations and exemptions necessary or appropriate to evidence and perform the foregoing obligation.
3. The Government shall use Reasonable Endeavours to procure that State Authorities and/or State Entities make the payment in a timely manner, of all sums of money which may become due and owing by such State Authorities and/or State Entities under or pursuant to any indemnification provisions agreed to by a State Authority or State Entity within any relevant Project Agreement.
4. The reorganisation, insolvency or any change in the organisational structure of any State Authority or State Entity party to any Project Agreements shall not affect the obligations of the Government hereunder.
5. The Government shall, throughout the entire term of the above-mentioned Project Agreement to which any State Authority or State Entity is a party, refrain from taking any action that would cause the obligations of that State Authority or State Entity under the Project Agreement (which has been notified by one of the Companies to the Government) to

cease to be vested in and undertaken by an Entity authorised to perform and capable of performing such obligations.

ARTICLE 6 REGULATORY DETAILS

1. The Parties agree that they shall perform their obligations under Article 3.3 and its sub-Articles of the Intergovernmental Agreement. For the Initial Operation Period, in respect of the Nabucco Pipeline System the Government shall ensure that its relevant State Authority gives effect to the two following regulatory permissions provided that the Companies take all reasonable steps to implement the requirements set out in Articles 6.1.1 to 6.1.3 below in the general conduct of their business, which permissions and requirements are as detailed in the appendix to this Agreement, namely:
 - a. fifty percent (50%) of the maximum available total technical annual Transportation capacity in the Nabucco Pipeline System, but not more than 15 bcm/Year in the event of a final expansion of capacity to 31 bcm/Year, shall initially be offered to, and if accepted, reserved by the Shareholders, or their Affiliates or transferees provided that the remaining capacity will be offered in a transparent, objective and non-discriminatory procedure for Shipper access; and
 - b. pursuant to the tariff methodology defined in the appendix to this Agreement, Nabucco International Company may determine a stable tariff to attract financing and Shippers' commitments; the determination of the applicable tariffs derived from such methodology shall be in the sole discretion of Nabucco International Company.

Having regard to the fact that the obligations under this Article 6.1 are directly effective in the Republic of Turkey, the Republic of Turkey will upon entry into force of the Intergovernmental Agreement have entirely satisfied its obligations under this Article 6.1.

1.1 The capacity in the Nabucco Pipeline System shall be allocated by way of an Open Season or other transparent, objective and non-discriminatory allocation procedures. Further to the allocation procedures, the relevant State Authority shall be informed of the results of these procedures;

1.2 A mechanism for the release of unutilised capacity shall be implemented in order to prevent the hoarding of such capacity by Shippers. The relevant State Authority shall be informed of the mechanism;

1.3 Long-term binding capacity requests for the Nabucco Pipeline System, necessitating the build-up of the Project up to its final maximum Transportation capacity, are to be satisfied provided that this build-up is technically possible, economically feasible and that the binding capacity requests amount to at least 1.0 bcm/Year. The Government shall facilitate the compliance of Nabucco International Company with possible regulatory obligations foreseen by relevant State Authorities to build additional capacity.

The relevant State Authority mentioned in this Article 6.1 is the Ministry of Energy and Natural Resources of the Republic of Turkey.

In case the Companies fail, without reasonable technical or economic justification, to meet any of their obligations stipulated in this Article 6 above, except for the obligations arising from a licence, consent, authorization or permit duly obtained by the Companies pursuant to the National Law, the Government will give a written notice to Companies to remedy the failure within three (3) months following the date of written notification. If the Companies continue to fail to meet requirements within the given period the Government shall, after due consultation with the Companies, give a second and final written notice to the Companies to

remedy the failure within one month. If the Companies still fail to meet the requirements in due time, then the Companies shall jointly pay a reasonable, proportionate and non-punitive

penalty under national law. Payment of such fine shall be the sole responsibility or sanction of the Government for the respective type of breach.

2. The Government shall be entitled to require, and shall permit the Companies to ensure that the capacity of the Nabucco Pipeline System within the State, including any capacity leased by Nabucco International Company or made available to it, is marketed on the basis of a One-Stop-Shop Shipper Access.
3. For the avoidance of doubt, in case Natural Gas exits from the Nabucco Pipeline System at any point within the Territory, as from the exit point of Nabucco Pipeline System, the National Law shall be applied to that Natural Gas.

ARTICLE 7 PROTECTIONS PROVIDED BY THE INTERGOVERNMENTAL AGREEMENT

1. The Government shall use Reasonable Endeavours to extend the protections set out in Article 7 of the Intergovernmental Agreement to any pipelines and attendant technical facilities to be used by Shippers for the Transportation of Natural Gas within the Territory to the Nabucco Pipeline System. The Nabucco Committee may determine, where necessary, which pipelines are covered by this Article.
2. The protections set out in this Agreement shall apply to the rights which the Companies are granted under any BOTAS capacity arrangements to the extent possible under the National Laws. In particular the provisions of the appendix to this Agreement shall apply in relation to the Companies' use of the capacity rights they are granted under the BOTAS capacity arrangements for the purpose of entering into and performing Transportation Contracts and other associated functions described in the appendix. The Government shall use Reasonable Endeavours to facilitate the usage of the existing or new capacity in the gas Transportation network (currently owned by BOTAS) by the Companies, pursuant to the Article 9 of the Intergovernmental Agreement.
3. Pursuant to Article 4 of the Intergovernmental Agreement, the Government agrees that no discriminatory requirements or obligations will be applied to pipeline owners or operators who obtain or seek to obtain connections for their Natural Gas pipelines to the Nabucco Pipeline System or to Shippers who obtain or seek to obtain transportation services via the Nabucco Pipeline System.

The Government may establish a limit to the application of Article 7.3 of this Agreement in order to address duly substantiated national security concerns which shall be presented to the Nabucco Committee.

ARTICLE 8 NON INTERRUPTION OF THE PROJECT ACTIVITIES

The Government agrees with the Companies that it shall perform its obligations under Articles 7.2 to 7.6 of the Intergovernmental Agreement and in particular, except as specifically provided otherwise in writing, including in this Agreement, any Project Agreement or any other agreement entered into in the circumstances anticipated in Article 6 of the Intergovernmental Agreement, the Government shall not, and shall neither permit nor require any State Entity or State Authority to, interrupt, curtail, delay or impede the freedom of transit of Natural Gas in, across, and/or exiting from the Territory through the Nabucco Pipeline System and shall take all measures and actions which may be necessary or required to avoid and prevent any interruption, curtailment, delay, or impediment of such freedom of transit (and any such event shall be an "Interruption" for

the purposes of this Article, and "Interrupt" shall be interpreted accordingly) and the Government shall not interrupt the Project Activities in the Territory except as permitted under the

- a. where there are reasonable grounds to believe that the continuation of the Project Activities in the Territory creates or would create any danger or hazard to public health and safety, property or the environment, the Government may interrupt the Project Activities in its Territory only to the extent and for the length of time necessary for the removal of the danger or hazard;
- b. If any event occurs or any situation arises in respect of which there are reasonable grounds to believe that such event or situation threatens to interrupt Project Activities in the Territory, the Government shall use lawful and Reasonable Endeavours to eliminate the threat save for any event or situation which is a consequence of operational maintenance or a consequence of any failure by a Company; or
- c. If any event occurs or any situation arises which interrupts Project Activities in the Territory the Government shall immediately give notice to the Companies of the interruption, give all available details of the reasons therefor and shall use lawful and Reasonable Endeavours to eliminate the reasons underlying such interruption and to promote restoration of such Project Activities at the earliest possible opportunity save for any event or situation which is a consequence of operational maintenance or a consequence of any failure by a Company.

ARTICLE 9 GOVERNMENT'S REPRESENTATIONS AND WARRANTIES

The Government represents and warrants that as at the Effective Date:

1. It has the power to make, enter into and carry out this Agreement and to perform its obligations under this Agreement and all such actions have been duly authorised by all necessary procedures on its part; and
2. this Agreement has been duly and validly executed and delivered by it and constitutes a legal, valid and binding obligation upon it, enforceable in accordance with its terms.

ARTICLE 10 COMPANIES' REPRESENTATIONS AND WARRANTIES

Each Company represents and warrants severally and in respect of itself only that as at the Effective Date:

1. It is duly organised, validly existing and in good standing in accordance with the legislation of the jurisdiction of its formation or organisation, has the lawful power to engage in the business it presently conducts and contemplates conducting, and is duly approved (or to the best of its knowledge is capable of being duly licensed and will in due course become duly approved) or qualified and in good standing as a national or foreign corporation (as the case may be) in each jurisdiction wherein the nature of the business transacted by it makes such approval or qualification necessary;
2. It has the power to make, enter into and carry out this Agreement and to perform its obligations under this Agreement and all such actions have been duly authorised by all necessary procedures on its part;
3. the execution, delivery and performance of this Agreement will not conflict with, result in the breach of, constitute a default under or accelerate performance required by any of the terms

of its formation or organisational documents or any agreement, decree or order to which it is a party or by which it or any of its assets is bound or affected;

legal, valid and binding obligation upon it, enforceable in accordance with its terms, except and to the extent that its enforceability may be limited by bankruptcy, insolvency, or other similar legal process affecting the rights of creditors generally;

5. there are no actions, suits, proceedings or investigations pending or, to its knowledge, threatened against it or any of its Affiliates, before any court, arbitral tribunal or any governmental body which individually or in the aggregate may result in any material adverse effect on its business or assets or its condition, financial or otherwise, or in any impairment of its ability to perform its obligations under this Agreement. Such Company has no knowledge of any violation or default with respect to any order, decree, writ or injunction of any court, arbitral tribunal or any governmental body which may result in any such material adverse effect or such impairment; and
6. It has complied with all laws applicable to it such that it has not been subject to any fines, penalties, injunctive relief or criminal liabilities which, to its knowledge, in the aggregate have materially affected or may materially affect its business operations or financial condition or its ability to perform its obligations under this Agreement.

ARTICLE 11 BOOKS AND RECORDS

The Companies shall keep copies of books of account, originals or copies of contracts and copies of other files and records reasonably necessary to the Project Activities. Such files and records shall be available for inspection and audit by representatives of the State, unless otherwise mutually agreed, at the respective Company's principal office giving thirty (30) days' notice, on an annual basis for such period as may be required by National Laws. All such books or accounts and other records shall be maintained in the currency of account for the relevant transaction and in accordance with generally accepted international accounting standards and the generally accepted accounting principles of the State in which the relevant Company is incorporated.

ARTICLE 12 INSURANCE

1. With regard to insurance, each Company shall effect and maintain insurances and shall cause the Contractors and Operating Companies to effect and maintain insurance in such amounts and in respect of such risks related to the Project as are in accordance with the internationally accepted standards and business practices of the Natural Gas Industry having due regard to the location, size and technical specifications of the Project Activities, subject at all times to availability, at commercially reasonable terms. Where available on such terms, such insurance shall, without prejudice to the generality of the foregoing, cover:
 - a. physical loss of or physical damage to all installations, equipment and other assets used in or in connection with the Project Activities;
 - b. loss, damage, injury or death caused by seepage, pollution or contamination or adverse environmental impact in the course of or as a result of the Project Activities;
 - c. the cost of removing debris or wreckage and cleaning-up operations (including seeping, polluting or contaminating substances) following any accident in the course of or as a result of the Project Activities;

- d. loss or damage of property or bodily injury or death suffered by any third party in the course of or as a result of the Project Activities; and

~~to ensure compliance with the following:~~

2. Prior to the commencement of construction of the Nabucco Pipeline System, each Company shall provide the State with copies of certificates of insurance and other statements from brokers or Insurers confirming any applicable insurance in place at that time and shall do likewise at the renewal of each insurance. If such insurances outlined in Article 12.1 above are not available at commercially reasonable terms, notice shall be given as soon as practical to the State together with details of reasonable alternative measures to cover the risk such as guarantees or self-insurance mechanisms and the commercial insurance market shall be tested by the applicable Company on a regular basis in case the position has changed.
3. Subject to Article 12.1 above, insurance for physical loss or physical damage to installations, equipment and other assets used in or in connection with the Project Activities and third party liabilities shall name the Government as an additional insured and contain a waiver of subrogation from Insurers under each insurance. Such insurances shall also contain non-voidation provisions and notice of materially adverse alterations or cancellation or non-renewal shall be supplied to the Government by the Insurer(s) or via any broker through whom insurance is arranged.

ARTICLE 13 GOVERNMENT FACILITATION

1. Without prejudice to Article 5.2, the Government shall, to the extent permitted by the constitutional laws applicable to it, give sympathetic consideration to develop and propose to the relevant legislative body, and support the making, passage and enactment of, any laws, decrees or other legislative steps as are necessary to enable the Companies to implement the terms of this Agreement and all Project Agreements and to authorise, enable and support the Project Activities and the activities and transactions contemplated by this Agreement and all Project Agreements. This Article 13.1 imposes no greater obligations on the State than arise under Article 3.2 of the Intergovernmental Agreement.
2. The Government shall to the extent possible (and, where appropriate, through a representative in accordance with Article 25) consult with and keep the Companies informed in respect of the development of any necessary laws or regulations and the status of all actions which are or may be necessary in order to comply with Article 13.1 above.
3. Upon request of the Companies, the State shall use Reasonable Endeavours to ensure that any relevant State Authority and/or State Entity exercises Reasonable Endeavours to assist the Companies in obtaining from relevant government bodies or other relevant countries, any necessary rights, visas, approvals, certificates, licences, consents, permits, authorisations and permissions necessary or appropriate for the Project for imports or exports of pipeline, materials, equipment and other goods or services necessary for the Project.

ARTICLE 14 LAND RIGHTS

1. The Government shall use Reasonable Endeavours to assist the Nabucco National Company with the acquisition and exercise of Land Rights to the extent set out in this Article, subject always to observing the rights of any other Entity in respect of any infrastructure (including but not limited to pipeline) which pre-exists the Nabucco Pipeline System. Any right granted or made under this Agreement is granted by the Government in relation to the carrying out of the Project and Project Activities by the Companies.

2. The Government shall perform the obligations under this Article within the limits of its authority and in accordance with the National Laws, provided always that where the

Government shall use Reasonable Endeavours in this respect.

3. The obligations of the Government under this Article are conditional on the Nabucco National Company meeting all appropriate costs and expenses in relation to the acquisition of the Land Rights which shall include:
- a. paying costs and expenses arising as a result of any additional obligations and requirements generated from the application of any international standards and/or Lender requirements relating to the manner and terms of the acquisition of the Land Rights;
 - b. being responsible under the terms of the National Laws for settling or paying compensation for the acquisition of all Project Land to the Persons from whom the Land Rights were acquired (whether State Authorities or other Persons or Entities); and
 - c. indemnifying the Government against any such costs and expenses and any and all claims.
4. In respect of Project Land and subject to Articles 14.2 and 14.3 above, the Government shall:
- a. in the case of State Land, use Reasonable Endeavours to make Land Rights within the Pipeline Corridor available to the Nabucco National Company when necessary under market conditions, or to support requests to other relevant State Authorities to do so (subject in each case to overriding considerations of national interest);
 - b. in the case of Non-State Land, use Reasonable Endeavours to assist the Nabucco National Company in acquiring Land Rights within the Pipeline Corridor when necessary in accordance with the procedures that are established under the National Laws;
 - c. where the Government or any State Authority or State Entity has the established capability and expertise to conduct or manage the process of acquiring Land Rights on behalf of third parties, the Government shall use Reasonable Endeavours to ensure that an offer is made to the Nabucco National Company to do so on its behalf on reasonable cost based terms;
 - d. use Reasonable Endeavours to assist the Nabucco National Company in identifying any Persons who have or have claimed any form of ownership or other property, occupancy, construction or possessory interest in any Project Land which is to be subject to the Land Rights, and notify them of the Land Rights granted to the Nabucco National Company and of the authorisation of the Project Participants to conduct Project Activities on such land;
 - e. exercise or assist the Nabucco National Company in exercising, to the extent possible, any applicable powers of taking, compulsory acquisition, eminent domain or other similar sovereign powers to enable the Nabucco National Company to acquire and exercise the Land Rights in all the Project Land as provided in this Article; and
 - f. use Reasonable Endeavours (to the extent permitted by the National Laws) to issue, or cause to be issued and support applications for the issuing of all necessary licences, consents, permits, authorisations or exemptions and land registration certificates required under applicable National Laws and regulations for the Nabucco National

Company to acquire and exercise the Land Rights in all Project Land and to provide public notice of the rights of the Nabucco National Company to such Land Rights.

5. The Government shall, by means of its legislation, to ensure that the Land Rights confer on the Nabucco National Company: (i) the exclusive and unrestricted right to use, occupy, possess, own where necessary, control and construct upon and/or under the land within the Construction Corridor and/or Pipeline Corridor (as appropriate) for the purpose of conducting the Project Activities; and (ii) the exclusive and unrestricted right (subject to Article 14.7 below) to restrict or allow at the Nabucco National Company's sole discretion use, ownership where necessary, occupation, possession and control of, and construction upon and/or under, the Construction Corridor and/or Pipeline Corridor (as appropriate) by any other Persons.
6. The Government shall use Reasonable Endeavours to assist, and procure that the relevant State Authorities assist the Nabucco National Company in exercising the Land Rights obtained under this Article (subject to the Nabucco National Company meeting any appropriate costs incurred in doing so). For this purpose, the Government may appoint a Designated State Entity. In case such an appointment is made by the Government, the Designated State Entity and the Nabucco National Company shall agree the terms to enter into a separate Agreement or Protocol with regard to the acquisition of the Land Rights in accordance with the National Laws.
7. The Government shall not, without due consultation with the Companies grant to any Person other than the Nabucco National Company any rights (of occupation, ownership, use or otherwise) that are inconsistent or conflict with, or that may interfere with, the lawful exercise or enjoyment by the Companies of the rights granted under this Article.
8. Subject to this Agreement, the Nabucco National Company shall share with the State any graphic and non-graphic data collected while exercising the Land Rights and in the course of identifying the Construction Corridor.
9. The Nabucco National Company, taking into account the existing and planned infrastructure (including but not limited to pipelines) rights of way in the Territory and the applicable environment, health, safety and social requirements relating thereto, shall be entitled to propose a Construction Corridor and Pipeline Corridor for the construction of the Nabucco Pipeline System and the subsequent conduct of the Project Activities. Such Construction Corridor and Pipeline Corridor shall be designated by the Nabucco National Company and submitted to the Government for its approval, in accordance with National Laws, and the Government shall use Reasonable Endeavours that such approval is not unreasonably withheld or delayed.

ARTICLE 15 QUALITY ASSURANCE

1. The Companies shall not be required to accept any Natural Gas to be transported in the Nabucco Pipeline System if the Natural Gas is of a quality that is incompatible with technical specifications laid down in writing in the general terms and conditions for the use of the Nabucco Pipeline System promulgated by Nabucco International Company.
2. In the event that the Government, any State Authority and/or any State Entity causes, without the consent of the Operating Company, the Transportation in any part of the Nabucco Pipeline System, of any Natural Gas of a quality that is incompatible with technical specifications as agreed in writing between the Parties, the Government shall ensure that the Companies are indemnified for all Loss or Damage resulting therefrom.

3. In the event that the BOTAS's capacity is used, the Companies shall comply with the applicable technical specifications of the BOTAS system.

ARTICLE 16 ENVIRONMENTAL PROTECTION, HEALTH, SAFETY AND SOCIAL IMPACT STANDARDS

1. The environmental, health, safety and social impact standards relating to the Project under any applicable licences, certificates, consents, permits, authorisations or exemptions and otherwise required in accordance with the National Laws shall be established by Nabucco International Company after completion of the environmental and social impact assessment to be conducted in respect of the Nabucco Pipeline System on a basis consistent with the Equator Principles and the other environmental, health, safety and social requirements of prospective Lenders to the Project. Such standards shall be established in coordination with applicable State Authorities and/or State Entities and will take due account of local laws and requirements and the results of the environmental and social impact assessment. After they have been established they shall be recorded in written form (to be prepared by the Companies for approval by the Government, such approval to be given in accordance with National Laws and Government shall use its Reasonable Endeavours to ensure that such approval is not to be unreasonably withheld) (the "Environmental, Health, Safety and Social Standards").
2. If a spillage or release of Natural Gas occurs from the Nabucco Pipeline System, or any other event occurs which is causing or likely to cause material environmental damage or material risk to health and safety, on request from the Companies and at the Companies' own cost and expense, the Government shall, in addition to any obligations the State Authority and/or the State Entity may have under the Project Agreements, use lawful and Reasonable Endeavours to make available under market conditions promptly and in reasonable quantities, any labour, materials and equipment not otherwise immediately available to the Companies to assist in any remedial or repair effort in respect of any event to which National Laws apply.

ARTICLE 17 PERSONNEL

1. The Government shall to the extent permitted by National Laws ensure that each Company, subject to Articles 17.2 and 17.3, has the right to employ or enter into contracts with, for the purposes of conducting the Project Activities, such Persons and their respective personnel (including citizens of the State and of countries other than the State) who, in the opinion of such Company, demonstrate the requisite knowledge, qualifications and expertise to conduct such activities.
2. Except as otherwise provided in this Agreement and subject to the National Laws, the Government shall permit the free movement within its Territory of the Persons referred to in Article 17.1, of their property intended for their private use and of all other assets of such Persons relating to the Project Activities.
3. The Government shall ensure that the State Authorities shall not cause or permit to exist any restriction on the entry or exit of any personnel with respect to the Project, subject only to the enforcement of immigration (including visa, work and residence permit regulations), customs, criminal and other relevant laws of the State.

ARTICLE 18 LABOUR STANDARDS

regard shall be imposed on the Project Participants in addition to those standards applicable to similar projects.

2. All employment programmes and practices applicable to citizens of the State working on the Project in the Territory, including hours of work, leave, remuneration, fringe benefits and occupational health and safety standards, shall not be less beneficial than is provided by the State's labour legislation generally applicable to its citizenry.

ARTICLE 19 TECHNICAL STANDARDS

The Companies shall be entitled to apply a uniform set of technical standards for the Project and the Project Activities. Such technical standards shall be prepared by the Companies and submitted to the State. The technical standards shall be consistent with generally accepted international pipeline standards and the Companies shall take due account of Article 4.3 of this Agreement.

ARTICLE 20 ACCESS TO RESOURCES AND FACILITIES

1. The Government shall use Reasonable Endeavours to provide and/or make available to each Company at that Company's cost and expense, and to any other Project Participant on its reasonable request, on Best Available Terms under market conditions all goods, works and services as may be necessary or appropriate for the Project in the reasonable opinion of the requesting Company and that are owned or controlled by State Authority and/or State Entity (including but not limited to raw materials, electricity, water (other than the water referred to in Article 20.2(a) below), gas, communication facilities, other utilities, onshore construction and fabrication facilities, supply bases, vessels, import facilities for goods and equipment, warehousing and means of transportation, and information which may be of use for Project Activities including but not limited to information regarding geology, hydrology and land drainage, archaeology and ecology all with respect to the Project.
2. The Government shall use Reasonable Endeavours to ensure that the applicable State Authorities and/or State Entities exercise lawful and Reasonable Endeavours to assist the Companies at the request of the Companies at their costs under market conditions in obtaining with respect to the Project on Best Available Terms:
 - a. readily available water of sufficient quality and quantity located proximate to the Nabucco Pipeline System in order to perform hydrostatic and other testing of the Nabucco Pipeline System, together with the right to dispose of same at location(s) proximate to said Nabucco Pipeline System upon completion of such testing in line with Environmental, Health, Safety and Social Standards; and
 - b. all goods, and services as may be necessary or appropriate for the Project in the reasonable opinion of the requesting Companies that are not owned, controlled or customarily provided by the State Authority and/or State Entity (including raw materials, electricity, water (other than the water referred to in Article 20.2(a) above), gas, communication facilities, other utilities, onshore construction and fabrication facilities, supply bases, vessels, import facilities for goods and equipment, warehousing and means of transportation).

3. Companies and any of their assigned contractors have the right to use, store and possess any mapping data and maps of such scale as are reasonably necessary to conduct the

reasonable endeavours to support any request by the Companies for the use, storage and/or possession of mapping data and maps outside the Territory in accordance with the National Laws.

The Companies shall apply for operations that are required to develop and/or construct the Nabucco Pipeline System, including for the performance of survey flights over the proposed route. The Government shall nominate a central contact point which has the competence to support the Companies in their activities.

The Government shall support the acquisition by the Companies of any data regarding infrastructure that are reasonably necessary for the construction and operation of the Nabucco Pipeline System.

ARTICLE 21 SECURITY

Commencing with the Initial Project Activities and all throughout the life of the Project, the Companies shall provide for the security of the Project Land, the Nabucco Pipeline System and all Persons involved in the Project Activities within the Territory according to the National Laws and each Company shall ensure the security of works in progress and material storage yards within the Territory. The Government shall provide to the Project such necessary security support as is consistent with the functions of the State in preserving security within the Territory and which can by its nature only be provided by the State.

PART III TAXES, IMPORT & EXPORT AND CURRENCY

Pursuant to Article 11 of the Intergovernmental Agreement, the Parties note that separate agreements might be entered into with respect to determination of the basic principles on the issuance of the secondary legislation.

ARTICLE 23 IMPORT AND EXPORT

1. The Government shall accord Natural Gas and other goods and services associated, directly or indirectly, with the Project Activities, treatment no less favourable in connection with their import into and/or export out of the State (as the case may be) than that which would be accorded to like goods and services of like origin which are not associated with the Project.
2. No prohibitions or restrictions, irrespective of their names and origin, other than the duties, taxes or other charges provided for under the National Laws, whether made effective through quotas, import or export licences or other measures, shall (without prejudice to Article 31) be instituted or maintained by the Government on the importation or on the exportation of Natural Gas, other goods or services with respect to Project Activities.
3. No fees, charges or other levies of whatever character imposed by the Government on or in connection with importation or exportation with respect to Natural Gas, other goods or services with respect to any part of Project Activities may be imposed by way of an indirect protection to domestic products or services. No such fees shall be imposed except to the extent that they are a fair approximation of the actual cost of conducting the administrative procedures that are generally adopted by States in respect of importation and exportation of goods.

ARTICLE 24 FREELY CONVERTIBLE CURRENCY

1. The Government confirms that, for the duration of and in order to conduct Project Activities, each Company and any other Project Participants shall have the right with respect to Project Activities:
 - a. to bring into or take out of the Territory Freely Convertible Currency and to utilise, without restriction, Freely Convertible Currency accounts in the Territory and to exchange any currency at market rates;
 - b. to open, maintain and operate Local Currency bank and other accounts inside the Territory and Freely Convertible Currency bank and other accounts both inside and outside the Territory;
 - c. to purchase and/or convert Local Currency with and/or into Freely Convertible Currency;
 - d. to transfer, hold and retain Local Currency outside the Territory;
 - e. to be exempt from all mandatory conversions, if any, of Freely Convertible Currency into Local Currency or other currency;
 - f. to pay abroad, directly or indirectly, in whole or in part, in Freely Convertible Currency, the salaries, allowances and other benefits received by any foreign employees;

- g. to pay contractors and foreign contractors abroad, directly or indirectly, in whole or in part, in Freely Convertible Currency, for their goods, works, technology or services
 - h. to make any payments provided for under any Project Agreement in Freely Convertible Currency.
2. Where it is necessary for the purposes of this Agreement that a monetary value or amount be converted from one currency to another, the conversion rate of exchange to be used shall be based, for each currency involved, on the par value as established pursuant to the Articles of Agreement of the International Monetary Fund ("IMF").

PART IV IMPLEMENTATION

ARTICLE 25 AUTHORISED REPRESENTATIVE

1. The Government shall appoint promptly upon entry into force of this Agreement by written notice to the Companies an authorised representative, agency or other body by or through which the Companies may with respect to the Project, subject to the regulations of the State, facilitate:
 - a. Issuance of any and all rights, visas, certificates, approvals, licences, consents, permits, authorisations and permissions provided in this Agreement;
 - b. Information, documentation, data and other materials specified by this or any other Project Agreement or appropriate to evidence any grants of rights hereunder or under any other Project Agreement in form sufficient and appropriate to facilitate the carrying out of the Project or Project Activities or any part thereof;
 - c. the submission and receipt of notifications, certifications and other communications provided herein; and
 - d. the taking of such other actions with respect to the State Authorities appropriate to facilitate the implementation of the Project.
2. Each Company shall appoint one or more representatives, committees, or other organisational or functional bodies by or through whom that Company may act, which will facilitate the method and manner of each Company's timely and efficient exercise of its rights and/or performance of its obligations hereunder (the "Company Representative(s)").
3. Upon the appointment of the Company Representative(s), the Government shall be entitled to rely upon the communications, actions, information and submissions of a Company Representative, in respect of that Company Representative's notified area of authority, as being the communications, actions, information and submissions of the respective Company. The Parties further acknowledge that each Company shall have the right, upon reasonable written notice to the State, to remove, substitute or discontinue the use of one or more specified Company Representative(s).
4. Each Company and the Government shall, at the request of either of them, request their representatives to review at any given moment in time the status of Project Activities and confer together on any issues arising with respect thereto.

ARTICLE 26 OPERATING COMPANY

1. Subject only to any requirement under National Laws that any Operating Company register to conduct business and be authorised in accordance with National Laws within the Territory, the Nabucco National Company shall have the right to establish, own and control and/or appoint or select one or more Operating Companies (which may include, in the Nabucco National Company's sole discretion, a Shareholder or an Affiliate of a Shareholder) that have been organised in any jurisdiction, whether inside or outside the Territory for operating the Nabucco Pipeline System.
2. The Companies shall have the right with any necessary approvals required under the National Laws (which will not be unreasonably withheld) to appoint any Operating Company (which may include, in the Nabucco National Company's sole discretion, a Shareholder or an Affiliate of a Shareholder) to exercise as directed by the Nabucco National Company any or all rights of the Companies arising under any Project Agreement or provide services in

that respect including (subject to the explicit approval of the Nabucco National Company) any right to initiate dispute resolution proceedings, and to enforce as directed by the

Project Agreements.

3. The State agrees with the Companies to comply with its obligations under Article 8.6 of the Intergovernmental Agreement.

ARTICLE 27 APPLICATION REQUIREMENTS

1. Upon request by either Company or such other Project Participants as the Companies may designate, the Government shall use Reasonable Endeavours to provide or support requests to the relevant State Authorities to provide a proper list of the documentation necessary to obtain a specific license, consent, permit, authorisation, exemption, visa, certificate, approval or permission (the "Application Requirements") on the part of either Company and such other Project Participants as the Companies may designate in order to carry out Project Activities. Any absence in the list or future requirements imposed by the legislation shall not remove the obligations of the Project Participants. The list may be updated from time to time.
2. Subject only to the submission of the Application Requirements the Government shall use Reasonable Endeavours to provide (subject to meeting all objective requirements normally applied) or to support requests to the relevant State Authorities to provide, (but in accordance with relevant National Laws), all licences, consents, permits, authorisations, exemptions, visas, certificates, approvals and permissions necessary or appropriate in the opinion of the Companies to enable them and all other designated Project Participants to carry out all Project Activities in a timely, secure and efficient manner and/or to exercise their rights and fulfill their obligations in accordance with the Project Agreements, including but not limited to:
 - a. use and enjoyment of the Land Rights (subject to the provisions of Article 14 and the appendix to this Agreement);
 - b. customs clearances;
 - c. import and export licences for equipments necessary for conducting the Project Activities;
 - d. visas, residence permits and work permits;
 - e. rights to lease or, where appropriate, acquire office space and employee accommodations;
 - f. rights to open and maintain bank accounts;
 - g. rights and licences to operate communication and telemetry facilities (including the dedication of a sufficient number of exclusive radio and telecommunication frequencies as requested by either Company to allow the uniform and efficient operation of the Nabucco Pipeline System within and without the Territory) for the secure and efficient conduct of Project Activities;
 - h. rights to establish such branches, Permanent Establishments, Affiliates, subsidiaries, offices and other forms of business or presence in the Territory as may be reasonably necessary in the opinion of any Project Participant to properly conduct Project Activities, including the right to lease or, where appropriate, purchase or acquire any

real or personal property required for Project Activities or to administer the businesses or interests in the Project;

relevant national laws, the right to operate aircraft, ships and other water craft in the Territory; and

j. environmental and safety approvals.

PART V LIABILITY

1. Subject to Articles 28.2, 28.3 and 28.4, and without prejudice to the right of the State to seek full performance by each of the Companies of its obligations under this Agreement, each Company shall be liable to the State for any Loss or Damage caused by or arising from any breach by it of its obligations under this Agreement.
2. Each Company shall have no liability under Article 28.1 above if and to the extent that the Loss or Damage is solely caused by or arises from any breach by the State or any State Authority and/or State Entity of any legal duty or obligation including but not limited to those arising under this Agreement or any Project Agreement.
3. Each Company's liability to any third party (other than the State or the State Authorities and/or any State Entity) for Loss or Damage suffered by such third party as a result of the Company's conduct of any Project Activities shall be as expressly provided in this Agreement or in National Laws.
4. If the Loss or Damage was caused by the fault of either: (i) the Person or Entity who has suffered the Loss or Damage; or (ii) a Person or Entity for whom the Person or Entity who has suffered the Loss or Damage is responsible, then the compensation may be reduced or disallowed having regard to all the circumstances.
5. All monetary relief payable under this Article shall, if the State so requires, be paid in Convertible Currency.
6. The liability of the Companies under this Agreement shall be joint and several.

ARTICLE 29 LIABILITY OF THE GOVERNMENT

1. Without prejudice to the right of the Companies to seek full performance by the Government, or by any of its State Authorities and/or any State Entity of obligations under this Agreement or any Project Agreement, the Government shall provide monetary compensation as provided in this Article for any Loss or Damage to any Company which is caused by or arises from (and for the cost incurred by any Company of remedying (so far as possible) any damage to the environment which is caused by or arises from):
 - a. any failure of the Government, any State Authority and/or any State Entity, whether as a result of action or inaction, fully to satisfy or perform all of its obligations under this Agreement or any Project Agreement or otherwise; and/or
 - b. any misrepresentation by the Government, any State Authority and/or any State Entity in any Project Agreement; and/or
 - c. any breach of duty by the Government, any State Authority and/or any State Entity.
2. The Government shall indemnify the Companies against any liability to any third party for Loss or Damage arising from or in connection with an event which is causing or likely to cause material environmental damage or material risk to health and safety, if, despite there being in place appropriate Environmental Health, Safety and Social Standards in accordance with Article 16, the Loss or Damage was caused by or arises from compliance with a compulsory measure of the Government, the State Authority and/or the State Entity where the material environmental damage has occurred (other than a measure implemented to remedy a breach by either of the Companies of its obligations).

3. If the Person or Entity which has suffered the damage (or a Person for whom it is responsible under the applicable laws) has by their own fault caused the damage or

4. Any award or claim for payment (provided that with respect to a claim for payment, such claim is not disputed by any State Authority and/or any State Entity) shall be paid by the Government on or before thirty (30) days after receipt of the related award or claim for payment.
5. With respect to all monetary relief under this Article, all amounts shall, if the Company so requires, be expressed and paid in any, Convertible Currency, on the basis of the market rate of exchange for that currency at the close of business of the IMF on the date of payment.
6. The Government shall have no liability under Article 29.1 above if, and to the extent that the Loss or Damage is solely caused by, or arises from, any breach by any Company of any legal duty or obligation including but not limited to those arising under this Agreement or any Project Agreement.
7. Notwithstanding any other provision of this Agreement, the Government's liability hereunder shall not extend to any obligation of a State Entity and State Authority under a Project Agreement which has been assumed by such State Entity and State Authority in its capacity as a Project Participant.
8. The State shall have no liability under this Agreement by exercising its rights relating to Article 13.2 of the Intergovernmental Agreement.

ARTICLE 30 FORCE MAJEURE

1. Any Party liable for non-performance or delay in performance on the part of any Party with respect to any obligation or any part thereof under this Agreement, other than an obligation to pay money, shall be excused liability for such non-performance or delay to the extent that it is caused or occasioned by Force Majeure, as defined in this Agreement.
2. Force Majeure shall be limited to those Force Majeure Events and any resulting effects that prevent or delay the performance of the obligations of the Party concerned or any part thereof and which are beyond its reasonable control, concerning events or causes which are not caused or contributed to by the negligence of the Party concerned (or, where that Party is that Government, any State Entity or State Authority) or by the breach by any such Person of this Agreement or any Project Agreement. Force Majeure Events shall be the following events:
 - a. natural disasters (extreme weather, accidents or explosions, earthquakes, landslides, cyclones, floods, fires, lightning, tidal waves, volcanic eruptions, supersonic pressure waves, nuclear contamination, epidemic or plague and other similar natural events or occurrences);
 - b. structural shift or subsidence affecting generally a part or parts of the Nabucco Pipeline System;
 - c. strike, work to rule or go slow or any other labour disputes;
 - d. compliance by a Party with a change in law that affects its ability to fulfil its obligations under this Agreement;

- e. inability to obtain necessary goods, materials, services or technology, the inability to obtain or maintain any necessary means of transportation;
 - f. the principles of international law), invasion, armed conflict, act of foreign enemy or blockade;
 - g. acts of rebellion, riot, civil commotion, strikes of a political nature, act of terrorism, insurrection or sabotage;
 - h. international boycotts, sanctions, international embargoes against sovereign states other than the State;
 - i. expropriatory acts; and
 - j. any other wrongful action or failure to act.
3. If a Party is prevented or delayed from carrying out its obligations or any part thereof under this Agreement as a result of Force Majeure, it shall promptly notify in writing the other Party or Parties to whom performance is owed. The notice shall:
- a. specify the obligations or part thereof that the Party cannot perform;
 - b. fully describe the event of Force Majeure;
 - c. estimate the time during which the Force Majeure will continue; and
 - d. specify the measures proposed to be adopted by it (or them) to remedy or abate the Force Majeure.
4. Following this notice given under Article 30.3 above, and for so long as the Force Majeure continues, any obligations or parts thereof which cannot be performed because of the Force Majeure, other than the obligation to pay money, shall be suspended.
5. Any Party that is prevented from carrying out its obligations or parts thereof (other than an obligation to pay money) as a result of Force Majeure shall take such actions as are reasonably available to it and expend such funds as necessary and reasonable to remove or remedy the Force Majeure and resume performance of its obligations and all parts thereof as soon as reasonably practicable.
6. Where the Government is prevented from carrying out its obligations or any part thereof (other than an obligation to pay money) as a result of Force Majeure, it shall take, and shall also procure that relevant State Authority and/or State Entity take, such action as is reasonably available to it or them to mitigate any loss suffered by any Company or other Project Participant during the continuance of the Force Majeure and as a result thereof.
7. Any Company that is prevented from carrying out its obligations or any part thereof (other than an obligation to pay money) as a result of Force Majeure shall take such action as is reasonably available to it to mitigate any loss suffered by the State, any State Authority, State Entity or Project Participant during the continuance of the Force Majeure and as a result thereof.

PART VI FINAL PROVISIONS

ARTICLE 31 DISCRIMINATORY CHANGE OF LAW

1. If any Discriminatory Change of Law is enacted in the circumstances envisaged in this Article and that Discriminatory Change of Law renders any material obligation of the Government, any State Authority or State Entity, or any specific rights conferred on any of the Companies (in each case, under this Agreement or any Project Agreement) void or unenforceable or has the material effect of impairing, conflicting or interfering with the implementation of the Project, or limiting, abridging or adversely affecting the value of the Project or the Economic Equilibrium or any of the rights, indemnifications or protections granted or arising under this Agreement or any Project Agreement, or of imposing (directly or indirectly) any Costs on any Company, either Company shall, within one (1) Year of the date when it could with reasonable diligence have become aware of the effect of the Discriminatory Change of Law as aforesaid, give notice thereof in writing to the Government. During the ninety (90) days following the Government's receipt of this notice, each Company and the Government shall endeavour to resolve the matter through amicable negotiations. Failing such a resolution, the Government shall, by the end of this ninety (90) day period, do one of the following:
 - a. reverse the effect of that Discriminatory Change of Law upon the Project, the value of the Project, the Economic Equilibrium, or on the relevant rights, indemnifications or protections of the Project. The foregoing obligation shall include the obligation to resolve promptly by whatever means may be necessary, including by way of exemption, legislation, decree and/or other authoritative acts, any conflict or anomaly between this Agreement and any Project Agreement and National Laws; or
 - b. compensate the relevant Company for the Costs Incurred as a result of the Discriminatory Change of Law. Such compensation shall, if so requested, be paid in Convertible Currency and shall, at the option of the Government, take the form of:
 - i. reimbursement by the Government of the Costs Incurred by the Company as a result of the Discriminatory Change of Law, promptly as and when such Costs are Incurred or;
 - ii. reimbursement by the Government of the Costs Incurred by the Company as a result of the Discriminatory Change of Law, in the form of equal annual payments during the remaining expected life of the Project. In this case, such payments shall bear interest at a reasonable market rate which is not less than the rate at which the recipient is able itself to borrow funds. Such interest shall accrue from the date(s) when the relevant Costs are Incurred to the date(s) when payments are received from the Government.
2. Notwithstanding anything else in Article 31.1 above, the State shall have no liability hereunder in relation to any Change of Law that relates to environmental, health, safety, social, technical or labour standards and that would be a Discriminatory Change of Law by reason of Article 31.4. Any amendment, repeal or withdrawal which (in any such case) may adversely affect the Project or termination other than due to a default by the Republic of Turkey or expiration of the Intergovernmental Agreement shall not be treated as a Discriminatory Change of Law by reason of this Article.
3. For the purposes of this Article, a "Change of Law" shall mean, in relation to the State, any of the following which arises or comes into effect after the Effective Date of this Agreement (not being an official administrative interpretation with respect to implementation of a law which already existed before or at the Effective Date of this Agreement and which was as could reasonably have been expected):

- a. any international agreement, legislation, directive, order, promulgation, issuance, enactment, decree, regulation or similar act of the State, a State Authority or a State Entity (including any which relate to Taxes); and/or
 - repeal, withdrawal, termination or expiration); and/or
 - c. any change in the jurisprudence of the superior courts of the Republic of Turkey which is binding on the lower courts.
4. For the purposes of this Article a "Discriminatory Change of Law" means any Change of Law which:
- a. discriminates against any of the Companies or its business or operations in relation to the Project (whether or not (b) or (c) below is satisfied); or
 - b. applies to the Project and not at all or not to the same extent to similar transit natural gas pipeline projects; or
 - c. applies to any of the Companies and not to other similar transit natural gas pipeline companies.
5. For the purposes of this Article, "Costs" shall mean, in relation to any Discriminatory Change of Law, any new or incremental cost or expense, or any reduction in revenue or return, directly resulting from, or otherwise directly attributable to, that Discriminatory Change of Law, which is incurred or suffered (whether directly or through the intermediary of any Operating Company) in connection with the Project by any Company or any Project Participant. Such costs or expenses may include:
- a. capital costs;
 - b. costs of operation and maintenance; or
 - c. costs of taxes, royalties, duties, imposts, levies or other charges imposed on or payable by the Company.
6. For the avoidance of doubt this Article imposes no greater obligations on the State than those that arise under Article 7.1 of the Intergovernmental Agreement.

ARTICLE 32 EXPROPRIATION

1. No Investment (within the meaning of the Energy Charter Treaty) owned or enjoyed, directly or indirectly, by any Project Participant in relation to the Project shall be nationalised, expropriated or subjected to a measure or measures having effect equivalent to nationalisation or expropriation (hereinafter referred to as "Expropriation") except where such Expropriation is:
- a. for a purpose which is in the public interest;
 - b. not discriminatory;
 - c. carried out under due process of law; and
 - d. accompanied by the payment of prompt, adequate and effective compensation.

2. Such compensation shall amount to the fair market value of the Investment expropriated at the time immediately before the Expropriation or impending Expropriation became known in
3. Such fair market value shall at the request of the Project Participant be expressed in Convertible Currency. Compensation shall also include interest at a commercial rate established on a market basis from the date of Expropriation until the date of payment.
4. Any dispute in respect of this Article may be submitted at any time by the relevant Project Participants or any of them for resolution pursuant to Article 37, except for disputes in relation to real property rights which shall be subject to applicable National Laws. Article 37 shall, for the purposes of disputes in respect of this Article, be read as if every reference to Party were a reference to "Project Participant".

ARTICLE 33 TERMINATION

1. Except as may be expressly provided in this Article, neither Party shall amend, rescind, terminate, declare invalid or unenforceable, elect to treat as repudiated, suspended or otherwise seek to avoid or limit this Agreement or any Project Agreement without the prior written consent of the other Parties.
2. If neither Company has taken steps to put the Nabucco Pipeline System into operation by not later than 31 December 2016 (or the expiry date of any agreed extension) for any reason other than Force Majeure, or failure by the State or any State Authority or State Entity to perform any of their obligations in a timely manner, the Government shall have the right to give written notice to the Companies of the termination of this Agreement. Such termination shall become effective one hundred and eighty (180) days after receipt by the Companies of such termination notice, unless within said one hundred and eighty (180) day period either Company takes steps to commence the construction phase of the Nabucco Pipeline System. If within thirty (30) days after the above referenced date the Government has not given any such termination notice, the Government's right to terminate hereunder shall expire and this Agreement shall continue in full force and effect in accordance with its terms. In addition, the date of 31 December 2016 (or the expiry date of any agreed extension) shall be extended if and to the extent of any delays caused by the failure or refusal of any State Authority or State Entity to perform in a timely fashion any obligations they may have respecting Project Activities.
3. At any time before 31 December 2016 (or the expiry date of any agreed extension), either of the Companies may, if it concludes that there is no longer any reasonable prospect of successfully developing, financing, constructing and marketing the capacity in the Nabucco Pipeline System on commercially acceptable terms, terminate this Agreement on no less than one hundred and eighty (180) days written notice.
4. Any Party may by written notice (a Notice) to the other Parties terminate this Agreement if, after the end of the Initial Operation Period, another Party commits a material breach of its obligations to that Party under this Agreement and the Party in breach fails, within one hundred and eighty (180) days of receiving such Notice, either;
 - a. to remedy the breach and its effects to the reasonable satisfaction of the Party giving notice (or to commence and diligently comply with appropriate measures to do so); or
 - b. (in the case of a breach that cannot itself be remedied) to put in place and diligently comply with measures reasonably satisfactory to the other Party to prevent a recurrence of such breach, provided that doing so shall not prevent termination if the

Party in breach has previously failed to comply with such measures in relation to an earlier similar breach.

Article 33.4, unless it can demonstrate reasonable grounds for considering that damages due in respect of such breach would not constitute an adequate remedy for that breach or that the Party in breach has failed to pay such damages after they have been finally determined to be due.

6. Notwithstanding any of the foregoing, no right to termination shall arise hereunder to the extent that the breach in question is caused by or arises from any breach of any Project Agreement by the Party seeking to terminate this Agreement (or, if that Party is the Government, by any State Authority or State Entity).
7. The Parties shall consult for a period of sixty (60) days from such Notice (or such longer period as they may agree) as to what steps could be taken to avoid termination.
8. This Article is subject to any arrangements entered into between the Government and Lenders pursuant to Article 4.2 of this Agreement, provided always that the Lenders fulfil all rights and obligations on them pursuant to any such arrangements and cure the breach by the Company within one hundred and eighty (180) days of the occurrence of the breach or within such other reasonable period of time as might be agreed by the Lenders and the Government.
9. Upon the expiry or termination of this Agreement, the Companies (or their permitted successors or transferees) may continue to retain the Land Rights (in accordance with their terms) and own and operate the Nabucco Pipeline System and market its capacity subject to due compliance with the National Laws.
10. Termination of this Agreement shall be without prejudice to:
 - a. the rights of the Parties respecting the full performance of all obligations accruing prior to termination; and
 - b. the survival of all waivers and indemnities provided herein in favour of a Party (or former Party).
11. Without prejudice to Article 40.3, upon the expiry or termination of the entire Intergovernmental Agreement the Companies shall be required to adhere to National Laws in circumstances where special rights were granted to the Companies as a result of the Intergovernmental Agreement. The expiry or termination of the entire Intergovernmental Agreement and the application of National Laws thereof shall have no retrospective effects nor cause any invalidity of any actions performed or any inability to implement any agreements concluded by the Companies at the time when the Intergovernmental Agreement was in force. For the avoidance of doubt, all rights granted under this Agreement, including those provided in Article 6, shall be limited to time periods as defined in this Agreement.

ARTICLE 34 SUCCESSORS AND PERMITTED ASSIGNEES

1. The Government agrees that the rights and obligations of each Company under this Agreement include the right to transfer its rights under this Agreement in accordance with the provisions of this Article.
2. Further to any arrangements entered into pursuant to Article 4.2, each Company shall have the right to assign by way of security to any Lender the whole of its rights and obligations

under this Agreement provided that the Lenders have previously undertaken that upon enforcement by such Lender of its rights pursuant to such assignment, the Lender will

3. Each Company shall have the right to assign or transfer in whole its rights and obligations under this Agreement to an Affiliate provided that such Affiliate has the necessary financial and technical capability to perform that Company's obligations under this Agreement. Each such transfer to an Affiliate shall be effective upon the Government's receipt of written notification (subject always to the Parties complying with any formalities required by National Laws in respect of the transfer, including the execution of any necessary agreement, which they undertake to do promptly and without withholding any requisite consent). In these circumstances, the transferring Company will remain liable for its obligations under this Agreement after the effective date of the assignment.
4. Each Company can only transfer its rights and obligations under this Agreement to any other Entity (which is not an Affiliate) with the prior written consent of the Government, such written consent of the Government not to be unreasonably withheld or delayed. Each such transfer shall be effective upon the issuance by the Government of its written consent (subject always to the Parties complying with any formalities required by National Law in respect of the assignment, including the execution of any necessary agreement, which they undertake to do promptly and without withholding any requisite consent). In these circumstances, the transferring Company shall cease to have any liability for its obligations under this Agreement after the effective date of the transfer (other than with respect to any existing breach of such obligations).
5. The Government agrees that any Project Participants, by their participation in the Project, shall have the benefit of all rights as are provided under any Project Agreement it enters into.

ARTICLE 35 DECOMMISSIONING

1. The obligations of each Company in relation to decommissioning the Nabucco Pipeline System after the end of its technical and economically useful life shall be in accordance with the National Laws. Each Company shall be entitled to upgrade, modify, extend the useful technical and economical life of and / or replace the Nabucco Pipeline System subject to due compliance with any such requirements as are generally applicable at the relevant time. No requirements shall be imposed on either Company in relation to decommissioning of the Nabucco Pipeline System that go beyond or differ in nature from those that would apply under the National Laws to other pipeline systems, except to the extent objectively necessary to take due account of the respective physical characteristics of the pipelines and routes involved.
2. The Companies' rights under this Article shall survive the expiry of this Agreement as long as the Companies comply with National Laws.

ARTICLE 36 CONFIDENTIALITY

1. Information

Unless the other Party consents in writing, each Party shall:

- a. keep confidential the terms of this Agreement and all information, whether in written or any other form, which has been disclosed to it by or on behalf of the other Party in

confidence or which by its nature ought to be regarded as confidential in connection with the transactions contemplated by this Agreement ("Confidential Information");

of its Affiliates keep secret and treat as confidential all such documentation and Information; and

- c. use the Confidential Information only for the purposes of performing its obligations under the Project Agreement.

2. Disclosures

This Article does not impose any restrictions in relation to Confidential Information:

- a. which after the date of this Agreement is published or otherwise generally made available to the public through no act of the Parties;
- b. to the extent made available to the recipient party by a third party who is entitled to divulge such information and who is not under any obligation of confidentiality in respect of such information to the other party or which has been disclosed under an express statement that it is not confidential;
- c. to the extent required to be disclosed by any applicable law of competent jurisdiction to whose rules the disclosing party is subject, whether or not having the force of law, on the condition that the disclosing party notifies the other party of the information to be disclosed (and of the circumstances in which the disclosure is alleged to be required) as early as reasonably possible before such disclosure shall be made and takes all reasonable action to avoid and limit such disclosure;
- d. which is independently developed by the recipient party otherwise than in the course of the exercise or performance of that party's rights or obligations under this Agreement;
- e. which is disclosed to employees, contractors or agents of a Party in connection with the performance of obligations or the exercise of rights under this Agreement, on the condition that before any such disclosure, the disclosing party obtains from such Person an undertaking in favour of the other party in terms equivalent to this Article;
- f. which is disclosed to any applicable tax authority to the extent required by a legal obligation or to the extent reasonably required to assist the settlement of the tax affairs of the disclosing party or any Affiliate;
- g. which is disclosed to Persons professionally engaged by or on behalf of the disclosing party or any Affiliate (including any lawyers, auditors or insurers) but only for a purpose reasonably incidental to the performance of the Project Agreements, on the condition that before any such disclosure, the disclosing party obtains from such Person an undertaking in favour of the other party in terms equivalent to this Article;
- h. which is disclosed to an Affiliate of the disclosing party for the purpose of preparing the accounts of such Affiliate or internal group reporting; to any financial institutions providing financing to the disclosing party; or to a bona fide potential purchaser or acquirer, (directly or indirectly), of an interest in the disclosing party or the whole or a part of its rights under this Agreement (other than the Government), in each case, on the condition that before any such disclosure, the disclosing party obtains from such Person an undertaking in favour of the other party in terms equivalent to this Article; or
- i. which the recipient party can prove was already known to it before its receipt from the disclosing party.

3. The provisions of this Article shall survive any termination of this Agreement and remain in effect for a period of five (5) Years after the date of termination except as otherwise provided

ARTICLE 37 SETTLEMENT OF DISPUTES

1. Any dispute arising under this Agreement, or in any way connected with this Agreement, and/or arising from Project Activities (including this Agreement's formation and any questions regarding arbitrability or the existence, validity or termination of this Agreement) ("Dispute") may be finally settled by arbitration pursuant to this Article to the exclusion of any other remedy.
2. If any Dispute is not resolved through correspondence or negotiation within twenty (20) days, then unless otherwise agreed between the parties, such Dispute shall be referred to the Court of Arbitration of the International Chamber of Commerce and settled under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules.
3. The seat of the arbitration shall be Geneva, Switzerland. The language of arbitration shall be English.
4. The Parties' respective rights and obligations under this Agreement shall continue after any Dispute has arisen and during the arbitration proceedings.
5. The Parties expressly authorize the Arbitral Tribunal to order specific performance of obligations under this Agreement, in particular obligations of "Reasonable Endeavours" or similar obligations requiring the cooperation of the obligor.
6. All payments due under a final award shall be made in any Convertible Currency and, in accordance with the terms of this Agreement as related to amounts due and payable, shall include interest calculated at the Agreed Interest Rate from the date of the event, breach, or other violation giving rise to the Dispute to the date when the award is paid in full.
7. The provisions of this Article shall be valid and enforceable notwithstanding the illegality, invalidity, or unenforceability of any other provisions of this Agreement.

ARTICLE 38 APPLICABLE LAW

This Agreement (including its formation and any questions regarding the existence, validity or termination of this Agreement) and any Disputes under it shall be governed by and construed in accordance with the laws of Switzerland.

ARTICLE 39 NOTICES

1. A notice, approval, consent or other communication given under or in connection with this Agreement (in this Article known as a "Notice"):
 - a. shall be in writing in the English language and also in any other language required by National Laws;
 - b. shall be deemed to have been duly given or made when it is delivered by hand, or by internationally recognised courier delivery service, or sent by facsimile transmission to

the Party to which it is required or permitted to be given or made at such Party's address or facsimile number specified below and marked for the attention of the

the attention of each other Party as the Party to which it is given or made at the time specify by Notice given in accordance with this Article; and

- c. for the avoidance of doubt, a Notice sent by electronic mail will not be considered as valid.

The relevant details of each Party at the date of this Agreement are:

The Government of the Republic of Turkey

Name: Ministry of Energy and Natural Resources
Address: İnönü Bulvarı No:27, 06490, Bahçelievler, Ankara, Turkey
Facsimile: +90 (312) 215 66 54
Attention: Department of Transit Petroleum Pipelines

NABUCCO Gas Pipeline International GmbH

Address: Floridotower, Floridsdorfer Hauptstraße 1, 1210 Vienna, Austria
Facsimile: +43 (1) 27 777 5211
Attention: Managing Director

Nabucco Doğal Gaz Boru Hatları İnşaatı ve İşletmeciliği Limited Şirketi

Address: Ceyhan Alif Kansı Caddesi Ehlilbeyt Mahallesi
A Block, No: 100, Floor/Kat: 6-7, 06520 Balgat/Ankara, Turkey
Facsimile: +90 (312) 4051903
Attention: Managing Director

2. In the absence of evidence of earlier receipt, any Notice shall take effect from the time that it is deemed to be received in accordance with Article 39.3 below.
3. Subject to Article 39.4 below, a Notice is deemed to be received:
 - a. in the case of a Notice delivered by hand at the address of the addressee, upon delivery at that address;
 - b. in the case of internationally recognised courier delivery service, when an internationally recognised courier has delivered such communication or document to the relevant address and collected a signature confirming receipt; or
 - c. in the case of a facsimile, on production of a transmission report from the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient. Any Notice by fax shall be followed by

written Notice given not later than three (3) Business Days in the form of a letter addressed as set forth above for such Party.

which is not a Business Day or after 5 p.m. on any Business Day, according to local time in the place of receipt, shall be deemed to be received on the next following Business Day.

5. Each Party undertakes to notify the other Party by Notice served in accordance with this Article if the address specified herein is no longer an appropriate address for the service of Notice.

ARTICLE 40 MISCELLANEOUS

1. Any modification of, amendment of and/or addition to this Agreement shall only be in force and effective if made in writing and agreed and signed by all Parties.
2. If any provision of this Agreement is or becomes ineffective or void, the effectiveness of the other provisions shall not be affected. The Parties shall, to the extent possible, substitute for any ineffective or void provision, a provision that would not be void or ineffective under applicable National Laws, which achieves economic results as close as possible to those of the ineffective or void provision.
3. Parties agree that where any of the other Governments that are EU member states do not comply with an obligation of a project support agreement to which they are a Party to and such non-compliance is required by a change to the international or European Union legislative framework, the Government shall be entitled to suspend a reciprocal and corresponding obligation under this Agreement if otherwise its continued application would disadvantage the Government compared to the respective other Governments.
4. No waiver of any right, benefit, interest or privilege under this Agreement shall be effective unless made expressly and in writing. Any such waiver shall be limited to the particular circumstances in respect of which it is made and shall not imply any future or further waiver.
5. The headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement.
6. Unless the context otherwise requires, references to Articles are references to Articles of this Agreement.

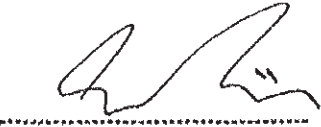
Done in the city of Kayseri on 8 June 2011 in three originals each in the English language.



Taner YILDIZ, Minister of Energy and Natural Resources
in the name and on behalf of
The Government of the Republic of Turkey



Mag. Reinhard Mitschek, Managing Director
in the name and on behalf of
NABUCCO Gas Pipeline International GmbH



Erdal Tuzunoğlu, Managing Director
in the name and on behalf of
Nabucco Doğal Gaz Boru Hattı İnşaatı ve İşletmeciliği Limited Şirketi

Expanded Regulatory Permissions of Article 6.1 of the Agreement

1. 50% reserved capacity for Shareholders (expanding the permission set out in Article 6.1 of the Agreement)

The Government shall permit that in its Territory Nabucco International Company will release its capacity on a long-term basis, leaving, however, parts of the capacity also for short-term contracts. The Government shall permit that Nabucco International Company will enter into capacity contracts with both: (i) Shareholders, their Affiliated companies or their assignees; and/or; (ii) third party Entities.

2. Tariff methodology (expanding the Permission set out in Article 6.1 of the Agreement)

2.1. Principles for tariffs

The Government shall permit that for the capacity sold Nabucco International Company will enter into Transportation Contracts with Shippers under which Shippers pay monthly capacity payments (in Euro) which are determined according to the following methodology. Each Transportation Contract will apply that methodology to the volume, distance, time, duration, seasonality involved and to the firm, interruptible and other characteristics of the services provided. The Transportation Contract will also specify other adjustments to the charges payable by Shippers in case of late payment, early termination, change in law etc.

The following tariff methodology shall be applied:

1. **Capacity payments:** shall be calculated as the relevant tariff stipulated for the relevant Year, multiplied by the volume of Reserved Capacity that such Shipper has contracted (expressed as $\text{Nm}^3(0^\circ\text{C})/\text{h}$), multiplied by the distance of such capacity booking (distance is calculated as the distance (in km) between the entry point on the pipeline that the Shipper has committed to deliver gas to, and the exit point on the pipeline that the Shipper has requested Nabucco International Company to deliver the gas to). For clarification, the following formula defines the monthly capacity payment:

$$P_m = \frac{fr * T_n * d}{12}, \text{ where:}$$

fr = Shipper contracted capacity volume (expressed as hourly flow rate of gas)

d = distance expressed in km (between Shipper contracted entry and exit point)

P_m = Payment for Transportation services in Euro/Month

T_n = the adjusted transportation tariff for Year "n", in EURO / $((\text{Nm}^3/\text{h}) * \text{km}) / \text{y}$.

Further details of the current version of the tariff formula are set out below and Nabucco International Company and the National Nabucco Companies shall apply these for use in

2. **Tariff:** the tariff shall be distance-related and (expressed in EUR / ((Nm³(0°C)/h)*km) / y.), which means that the tariff shall be uniform and apply for all sections of the pipeline. Once the tariff is defined, it shall be escalated on 1st October of every Year against a defined tariff escalation formula to be set out in the long-term Transportation Contracts between Nabucco International Company and Shippers.

The tariff shall exclude any Taxes, duties or levies of a similar nature. These shall be levied by Nabucco International Company on the Shipper if the same are levied on Nabucco International Company for the provision of the Transportation services.

3. **Tariff calculation:** the final tariff paid by the individual Shippers shall be derived from a tariff methodology. In formulating the tariff methodology, and therefore the final tariff, the following factors and objectives shall be observed:
 - a. recovery of efficiently incurred costs, including appropriate return on investment; facilitate efficient gas trade and competition while at the same time avoiding cross-subsidies between Shippers; promote efficient use of the network and provide for appropriate incentives on new investments;
 - b. taking into account the amount of capacity contracted for by Shippers which shall reflect the duration of Transportation Contracts, the load factor, the distance of transportation (expressed in EUR / ((Nm³(0°C)/h)*km) / y.), the capital investment per capacity unit and volumes etc.;
 - c. that reverse flows shall be defined by reference to the direction of the predominant physical flows in the Nabucco Pipeline System. In case of Contractual Congestion, specific tariffs shall be applied for reverse flows; Nabucco International Company may not adopt any charging principles and/or tariff structures that in any way restrict market liquidity or distort the market or trading across borders of different Transportation System Operator systems or hamper system enhancements and integrity of any system to which the Nabucco Pipeline System is connected.

2.2. Tariff Methodology for Calculation of the Tariff

The Government shall permit Nabucco International Company to receive capacity payments from Shippers for offering Transportation services that will, *inter alia*, allow it to recover the following types of investment and operating costs that it will incur by constructing, operating and maintaining the Nabucco Pipeline System:

- Capital Expenditure ("CAPEX") incurred by Nabucco International Company in constructing the pipeline, such as raw material costs (e.g. steel), equipment costs (e.g. compressor costs), appropriate depreciation and capital costs reflecting the investment cost (on the assumption that CAPEX is depreciated over 25 Years);
- Operating Expenditure ("OPEX") will include a mixture of fixed and variable costs reflecting Nabucco International Company's on-going operation of the pipeline. Additionally, OPEX such as fuel gas costs, associated environmental costs (such as the purchase of any applicable carbon emission permit allowances, or equivalent cost, that may be levied on Nabucco International Company in any of the transit states), and any rental expenditures incurred by Nabucco International Company for the use of any other

pipeline systems that could be connected to the Project to enable earlier operation of the Project;

- Economic costs incurred by Nabucco International Company, such as inflation, wage inflation, interest rates and other costs related to the financing of the Project.

For calculation of tariffs the capacities sold on a long term (i.e. 25 Years) shall be used as basis.

The Government shall permit that the tariff methodology takes, in particular, into consideration the fact that the investment costs for constructing the Nabucco Pipeline System will be funded from a mixture of equity contributions from Shareholders, and debt by means of receiving loans from Lenders and other financial institutions providing debt finance.

2.3. Further considerations concerning Capacity Payments, Tariff

The tariff shall give effect to the following additional factors:

Duration of Transportation Contract and Incentives: for tariff setting the duration of the Transportation Contract shall be taken into account. Given the importance to the economic feasibility of the Project of ensuring that capacity is booked by Shippers for as long a contractual period as possible, an incentive structure shall be included in the capacity payment calculation to incentivise Shippers to book capacity long-term (e.g. scaled reduction to capacity payment to reward contracts of longer duration). Time factors shall be calculated on a 25 Years contracts term basis. The time factors (for off peak-period) shall be: 1 for the standard term of 25 Years contract, then increase linearly up to a factor of 1.20 for the contract duration of 10 Years, then increase linearly up to a factor of 4 for a one day contract.

Impact of seasonal gas demand on short-term Transportation Contracts: for short-term Transportation Contracts (i.e. duration of one day up to one Year less one day), capacity payments shall also reflect seasonal demand for shorter-term Transportation and the resulting load factors for the pipeline such that there shall, for example, be transparent and pre-defined surcharges for daily Transportation Contracts concluded during winter months where demand can be expected to be higher (so that there will be a higher load factor on the pipeline), and lower surcharges for daily Transportation Contracts concluded during the summer months (where demand can be expected to be lower so that there will be a lower load factor on the pipeline). Seasonality factors shall be: 150% surcharge for daily contracts per day for the period November – March (peak season) and 75% surcharge for October and for April (shoulder season) and no surcharge for off peak period (May – September).

Expanded Requirements of Article 6.1 of the Agreement

1. Capacity allocation procedures (expanding the requirement set out in Article 6.1.1 of the Agreement)

1.1. General Principles

The State shall permit and Nabucco International Company will implement and publish mechanisms to allocate capacity both to Shareholders and third parties on a transparent and non discriminatory basis in order to give effect, *Inter alia*, to the following objectives:

- a) facilitating the development of competition and liquid trading of capacity;

b) providing appropriate economic signals for efficient and maximum use of technical capacity and facilitating investment in new infrastructure; and

c) avoiding undue barriers to entry, entrants and small players.

Without prejudice to the capacity expansion requirements of Article 6.1.3 of the Agreement, the State shall permit and Nabucco International Company shall commit that transportation capacity will be offered through an Open Season under which qualifying Shippers will be able to bid to book capacity.

Shippers will have the right to book Reserved Capacity from entry points to defined exit points on the Nabucco Pipeline System. Nabucco International Company's determination of entry and/or exit points shall, among other things, take into account economic, financial and technical feasibility.

1.2. Open Season

The State shall permit and Nabucco International Company shall commit that the Open Season will be performed pursuant to procedures published by Nabucco International Company on its website ahead of the start of the Open Season, and such Open Season shall ensure that objective, transparent and non-discriminatory conditions apply to all Shippers (including third party entities and Shareholders, their Affiliated companies and/or their assignees) that qualify to take part in the Open Season.

The invitation to tender would stipulate the available technical total capacity to be allocated, the number and size of lots, as well as the allocation procedure in case of an excess of demand over supply. Both firm and interruptible transportation capacity would be offered on an annual and monthly basis. The invitation to tender would be published, at the cost of Nabucco International Company, in the Official Gazette of State and the Official Journal of the European Union and the allocation process would be fair and non-discriminatory.

The Open Season shall be carried out in two steps. In a first step, only the Shareholders, their Affiliated companies and their assignees can apply. In the second step, all market participants, including the Shareholders, their Affiliated companies and their assignees can apply. If after the second step not all capacity has been allocated, there will be a third Open Season to allocate the remaining capacity. After each step of the Open Season Nabucco International Company shall provide to all relevant State Authorities a list of the companies which have reserved capacities of the Project.

2. Release of unutilised capacity (expanding the requirement set out in Article 6.1.2 of the Agreement)

Nabucco International Company shall be permitted to and will re-utilise unused Reserved Capacity by allowing Shippers who wish to re-sell or sublet their unused Reserved Capacity on the secondary market to do so in accordance with their contracts.

Where Reserved Capacity remains unused and Contractual Congestion occurs, this unused Reserved Capacity shall be made available to the primary market in accordance with "Use-it-or-lose-it principles" ("UIOLI"). Detailed procedures to be applied for re-utilisation of unused Reserved Capacities shall be included in the Transportation Contracts that Nabucco International Company offers to Shippers. These shall be devised in co-operation with and submitted for prior approval to the relevant State Authority.

Starting from the completion of the first full calendar Year of operation of the Nabucco Pipeline System onwards, Nabucco International Company shall be permitted to and will sell a portion of the Technical Capacity as interruptible capacity, via a bulletin board on the Internet,

- (1) there is Contractual Congestion of Reserved Capacity which has been sold on a firm basis but which is not being used; and
- (2) the probability of non-interruption of capacity sold on an interruptible basis for the upcoming calendar Year is at least ninety (90) percent.

The sale of Reserved Capacity on the bulletin board shall not affect the original Reserved Capacity holder's obligation under the Transportation Contracts to pay Nabucco International Company for that Reserved Capacity. The original Reserved Capacity holder shall not lose his Reserved Capacity rights and shall still be entitled to use his Reserved Capacity contracted for in full, via the Nomination process. The revenues generated by any marketing of the UIOLI-capacity on an interruptible basis shall be entirely for Nabucco International Company.

The State shall permit and Nabucco International Company shall commit to estimate expected flows based on the Nomination process, to make available the difference between the firm capacity committed and the nominated capacity to the market as interruptible capacity, on a short-term day-ahead basis.

If the original Reserved Capacity holder nominates capacity which Nabucco International Company has remarketed, Shippers who have purchased such UIOLI-interruptible capacity shall be interrupted.

Any Shipper which has contracted for capacity on an interruptible basis shall be informed in advance by Nabucco International Company if it is to be subject to interruption because the original Reserved Capacity holder has nominated some or all of its contractually committed capacity. An interruptible Shipper shall have no right to reject this interruption.

**Gas Pipeline Framework Agreement
between the Government of the Islamic Republic of Afghanistan, the
Government of the Republic of India, the Government of the Islamic
Republic of Pakistan and the Government of Turkmenistan**

This Framework Agreement (hereinafter referred to as the "Agreement") on the construction and operation of Turkmenistan-Afghanistan-Pakistan-India Gas Pipeline (TAPI) is entered into between the Government of the Islamic Republic of Afghanistan, the Government of the Republic of India and the Government of the Islamic Republic of Pakistan, the Government of Turkmenistan, hereinafter referred to as "the Parties" and individually as Afghan Party, Indian Party, Pakistan Party and Turkmen Party, (each "a Party").

Whereas the Parties:

- (a) Recognize that an Inter-Governmental Agreement was signed as a binding agreement among the Turkmen Party, the Afghan Party and the Pakistan Party in Islamabad on 30 May 2002 (corresponding to 30 Makhtumkuli 2002) to implement the construction and operation of Turkmenistan-Afghanistan-Pakistan Gas Pipeline project;
- (b) Recognize that consequent upon the Indian Party joining the project, Parties have agreed to transform the project into Turkmenistan-Afghanistan-Pakistan-India Gas Pipeline (TAPI), for the construction of the gas pipeline and associated infrastructure and facilities (herein referred to as the "Project" or "Pipeline") for the delivery of Turkmen gas, as the principal natural gas, to Afghanistan, Pakistan and India in the shortest period of time; and the operation of the gas pipeline and associated infrastructure and facilities for the delivery of Turkmen gas, as the principal natural gas, from the Turkmenistan-Afghan border to Afghanistan, Pakistan and India (herein referred to as the "Transport Pipeline");
- (c) Recognize that projects on transportation of natural gas in and/or across their territories are of a transnational nature and are willing to adopt and implement uniform legal and regulatory framework for the Project; and
- (d) Recognize the desire and willingness of each Party to ensure the principle of unobstructed transit of natural gas in accordance with international legal norms and are willing to provide unobstructed transit and transportation with regard to infrastructure in, across and/or through their territories for the transportation of natural gas, to facilitate granting of rights to land as may be needed for the project, and to protect the environment.

Therefore, the Parties agree to the following:

Scope of the Project and Supply and Off-take Commitments

1. The scope of the Project covers the Gas pipeline and associated infrastructure starting from South Yolotan – Osman gas field in Turkmenistan, passing through Afghanistan and Pakistan and ending at the off-take point in India.
2. The natural gas supply and off-take obligations of each Party are stipulated in the Heads of Agreement which has been executed amongst the Parties, and will be agreed in the Gas Sales and Purchase Agreement (GSPA).

Consortium

3. The Parties shall jointly form a Consortium of technically competent and financially capable international companies experienced in implementing similar projects for the finance, design and construction of the Project. Each Party shall have the option of becoming a member of the Consortium. The Parties shall also consider possibilities of including in the Consortium the major purchasers and suppliers of the natural gas delivered through the Transport Pipeline. If the Consortium constructs the portion of the Project pipeline within Turkmenistan ("the Turkmen Pipeline"), immediately prior to the commercial operations date ("COD") of the Project, the Turkmen Pipeline shall be transferred by the Consortium to the Turkmen Party on reimbursement of cost basis.
4. Invitation to interested companies to join the Consortium shall be jointly made by the Parties through competitive solicitation with the interested companies. The company selected to lead the Consortium shall have a "Standard and Poor" rating of not lower than BBB+ or "Moody's Investors Services, Inc." rating of not lower than BAA1.
5. The Parties agree to hold detailed discussions on the final structure of the Project among themselves and after that individually enter into Host Government Agreements with the Consortium to define the legal, regulatory and fiscal framework within which the Consortium will be able to develop the detailed project, finance, construct, operate, and provide maintenance, within their respective territories.
6. The Parties confirm that the Consortium shall have the right to elaborate, design, finance, and construct the Project, and to hold majority ownership, operate and provide maintenance for the Transport Pipeline.
7. The Parties agree that the Transport Pipeline and the Turkmen Pipeline shall be exclusively used for the transport of Turkmen natural gas dedicated under the Project to Afghanistan, Pakistan and India up to their respective off-take points.
8. The Parties agree to develop procedures and commence the formation of the Consortium before the completion of the

- Feasibility Study in order to provide the companies, which joined the Consortium, with an opportunity of an early familiarization with the progress of works. For that purpose the Parties shall request the Asian Development Bank (ADB) to assist in developing the procedures in accordance with the recognized international principles.
9. The Parties agree to jointly select the Consortium leader out of the companies, which will make the best offers on the realization of the Project within the shortest period after the completion of the Feasibility Study.
 10. Each Party agrees to take all steps, in accordance with its laws, necessary to promptly and properly enact the required regulatory documents as may be necessary to make effective all rights, obligations or undertaking of any nature whatsoever applicable to the Project and the Transport Pipeline with respect to the Parties, Project investors, and/or gas-suppliers and purchasers, as defined in this Agreement or any other related agreement.
 11. Each Party shall grant the most favored regime to the Consultant in progress of the Feasibility Study by providing all necessary data, technical information, national laws and legal acts and other information in accordance with the approved Terms of Reference. If requested, the Parties shall provide the Consultant with access to the territories, which need to be inspected and examined, as well as the safety of the Consultant during the stay within the territory of each member-country of the Project.
 12. The Parties shall within their territories ensure allocation of land necessary for the implementation of the Project in accordance with the route agreed by the Parties. The cost of land acquired for the Project shall be paid for at a fair value by the Consortium as a cost of construction of the Project.
 13. Each Party shall negotiate in good faith with the Consortium with the view to execute a Host Government Agreement between such Party and the Consortium to support the Project.

Technical Standards

14. The Parties shall cooperate and coordinate their activities in developing uniform technical standards and the standards for environmental protection and safety for the design, construction, operation, and maintenance of the Transport Pipeline and related infrastructure. These standards shall be consistent with international standards and practices related to natural gas pipelines. National legislations relating to environmental protection and safety of the Transport Pipeline in each country will be applicable if they are more stringent than international standards.

Gas Sale and Access to Pipeline

15. Apart from the right to use the Transport Pipeline to import natural gas for its own consumption, each Party shall have the right, with the consent of the other Parties, to transport or export its own natural gas through the Transport Pipeline under clear commercial terms provided Transport Pipeline capacity permits transport of such additional volumes. However, the Turkmen gas will always have priority for the utilization of the Transport Pipeline to the extent of contract quantities. If any additional Turkmen gas will be injected into the Transport Pipeline, each Party shall have the first right of refusal to buy the same in proportion of the initial contracted quantities.
16. The Turkmen Party will allocate the sources of natural gas supply for the Project in the GSPAs.
17. The Parties hereby nominate their respective entities to negotiate bilateral GSPAs as follows:
 - Turkmen Party: The State Concern "Turkmengas"
 - Afghan Party: Afghan Gas Enterprise
 - Pakistan Party: Inter State Gas Systems (Pvt) Limited
 - Indian Party: GAIL (India) Limited
 GSPAs shall be negotiated and executed between such nominated entities by 30 April 2011.
18. The natural gas transported through the Transport Pipeline will belong to the Party (Parties) that has (have) the right of ownership in accordance with the GSPA or any other relevant commercial agreements.

Freedom of Transit

19. The Parties shall not interrupt or impede the transit of natural gas moving into, within, across, through or beyond their territories and shall take all necessary and lawful measures and actions required to eliminate any threat of such interruption, impediment, or curtailment of such freedom of transit, receipt, transportation and/or delivery.
20. The Parties shall, in accordance with their laws, allow the Consortium the right for free movement of goods, materials, technologies, and personnel to and between applicable facilities and to, within, and between each of the territories, the right to import, export, and re-export equipment and technology, materials, machinery, instruments, transport facilities, and other goods, services, and technologies directly required for the Project.
21. Each Party shall protect and ensure, within its territory, the safety and security of all personnel associated with the Project and the Transport Pipeline and related facilities, their assets and the natural gas passing through its territory.

22. Each Party shall, in accordance with its laws, provide, for purposes related to the Project, the right of unrestricted access to and within its territory (including assistance with visa and other necessary permits) and to the Project facilities for members of the Consortium, their personnel, operating companies, contractors, suppliers, and others all directly involved in the Project. In addition, each Party shall allow unobstructed movement of such personnel, their personal property as well as to assets in areas directly linked to the Project.
23. In case of unclaimed quantities of natural gas by other Parties, the Pakistan Party shall, on terms to be mutually agreed by the Turkmen Party and the Pakistan Party, provide unobstructed transit of such gas to relevant ports of Pakistan and provide assistance required for the development of a gas processing infrastructure as well as unobstructed export of pronounced gas products to the world markets.

Pipeline Tariff and Transit Fee

24. The Parties affirm that the tariff paid by gas buyers to the Consortium for the transportation of natural gas shall be based on internationally accepted cost-of-service based tariff methodology and include a uniform, fair and reasonable return on investment in the Project and the Transport Pipeline and related facilities within the framework of appropriate agreements.
25. The Parties shall be entitled to agreed Transit Fee based on the natural gas exiting their territories and not for the natural gas consumed, lost or disposed of within their territories. The Parties further affirm that the Transit Fee shall be negotiated in a transparent manner within the limits governed by the economic effectiveness of the Project and the Transport Pipeline, and in accordance with relevant international practices.

Safety

26. The Parties shall provide safety and security to the segments of the Project passing through their territories during construction and throughout the operating life of the Pipeline.
27. The Afghan Party shall undertake all efforts to deactivate and remove any mines, traps or explosive devices along the route of the Project, after the route has been finalized.

Protection of Investments

28. The Parties shall ensure the protection of investments in the Project. No Party shall expropriate, requisition or nationalize any property, assets or rights of way pertaining to the Project and the Transport Pipeline by adopting, signing, promulgating, ratifying, amending,

abrogating or invalidating any law, act of law or any other legal or administrative act or international agreement nor interrupt, condition, change or curtail the effect of any rights, interests and benefits granted to any participant of the Project and the Transport Pipeline in accordance with this Agreement.

Foreign Exchange Control

29. The Parties agree that United States Dollar shall be the currency of all transactions relating to or resulting to or resulting from this Agreement, including but not limited to Host Government Agreements, GSPAs, transportation agreements, and tariffs.
30. The Parties agree to establish effective mechanism for currency exchange allowing for import, export, and free conversion to and from local currencies for activities directly pertaining to the Project and the Transport Pipeline.

Taxes

31. Except as provided in each Host Government Agreement, taxation will continue to be governed by the national legislation of each country or applicable bilateral agreements. Specific concessionary tax treatment to the Consortium shall be provided through Host Government Agreements. Except for: income tax payable by the Consortium; taxes on the sale of gas; the tariff referred to in clause 24; the Transit Fee referred to in clause 25; and the levies relating to visas, approvals and permits described below, the Parties agree not to levy any direct or indirect taxes, royalties, value added tax, duties and other payments on activities of the Consortium directly related to the implementation of the Project and on the transportation and transit of natural gas. The amount of: such income taxes; such sales gas taxes; such tariffs; such Transit Fees; and such levies relating to visas, approvals, and permits, shall each be determined under: the applicable national legislation; applicable bilateral agreements; the applicable Host Government Agreement; and this Agreement. The Parties reserve the right to tax the sale of gas in their respective territories. The Parties also agree that income tax, if levied on the profits of the Consortium's activities in their respective territories, may be charged at uniform rates by each Party after consulting with the other Parties. The Parties agree that they would be entitled to fair, reasonable, and non-discriminatory levies according to their respective national legislation for visas, approvals, and permits as elaborated in the respective Host Government Agreements.
32. If any change is made in the national legislation of any of the Parties which increases the tax liability of the Consortium, the contractors, the investors and/or the lenders pertaining to the Project or the Transport Pipeline, from such tax rate as exists on the date of the signing of the relevant Host Government Agreement, then such enhanced tax rates shall not apply to the Consortium the

contractors, the investors and/or the lenders pertaining to the Project or the Transport Pipeline. This provision shall apply till the repayment of the loans pertaining to the Project to the lenders.

Participation by Other Countries

33. The Parties agree that from the date of entry into force of this Agreement, other countries, particularly those that are potential markets for the Turkmen, Afghan, Pakistani, and Indian gas transported through the Transport Pipeline, may become parties to this agreement on such terms and conditions as jointly laid down by the Parties. However, the Parties shall maintain similar principles that are stated in this Framework Agreement, while laying down the terms and conditions for participation by other countries.

Amendments and Modifications

34. In case the provisions of this Agreement need to be amended or modified the Parties agree to meet and discuss the proposed amendments/modifications. Such amendments/modifications shall be formalized through Protocols, which shall constitute integral parts of this Agreement.

This Agreement shall enter into force on its signing and shall remain valid for the duration of the Project and during the validity of Gas Sale and Purchase Agreement and shall supersede the Inter Governmental Agreement dated 30 May 2002 and Gas Pipeline Framework Agreement dated 27 Dec 2002 executed by the Governments of Islamic Republic of Afghanistan, Islamic Republic of Pakistan, Turkmenistan.

The Agreement may be terminated through mutual written agreement of the Parties.

This Agreement is signed in Ashgabat on this 11th day of December 2010 in the English, Dari, Hindi and Turkmen languages and one original in each of these languages will be distributed to each Party. In the event of any conflict between the English, Dari, Hindi and Turkmen language versions of this Agreement, the English language version shall prevail.

On behalf of
the Government
of the Islamic
Republic of
Afghanistan



On behalf
of the
Government of
the Republic of
India



On behalf of
the Government
of the Islamic
Republic of
Pakistan



On behalf
of the
Government of
Turkmenistan

Republic of Afghanistan, the Minister for Petroleum & Natural Resources of the Government of the Islamic Republic of Pakistan and the Minister of Petroleum and Natural Gas of the Government of the Republic of India for monitoring the progress of the Project.

Therefore, the Parties agree to the following:

Article 1

The Parties acknowledge the work of their respective State organs and authorized organizations in progressing the development of the Project and shall ensure that such State organs and authorized organizations continue to provide all assistance necessary to enable the prompt and successful implementation of the Project.

Article 2

Pursuant to the GPFA, the Parties shall jointly form a consortium to finance, design, construct and operate the TAPI Pipeline and task their respective State organs and their authorized organizations to draft and agree final documents for the formation of the consortium and implementation of the Project.

Article 3

Each Party shall support its relevant state entity or authorized entity (as applicable) to sell or purchase (as applicable) the following volumes of gas to be sold each year by State Concern "Turkmengas" and to be transported through the TAPI Pipeline for thirty (30) years following the start of gas deliveries:

- (a) up to 5.11 billion cubic meters by Afghan Gas Enterprise;
- (b) up to 13.87 billion cubic meters by Inter State Gas Systems (Private) Limited;
- (c) up to 13.87 billion cubic meters by GAIL (India) Limited.

The abovementioned volumes of natural gas and duration of the gas sales may be increased with the consent of the relevant Parties.

Article 4

The Parties guarantee the security and safety of that part of the TAPI Pipeline crossing through their respective territories. Afghanistan and Pakistan Parties shall provide uninterrupted transit of the natural gas from Turkmenistan.

The Parties will undertake all necessary measures for the security and safety for all foreign personnel, who will be present on their respective territories for the implementation and operation of the Project.

The Parties are obliged to, and shall instruct the relevant State organs and authorized organizations within their jurisdiction to create suitable legal and other conditions in their respective territories in order to promote the Project, to contribute to its realization and in particular to provide secure, uninterrupted and unobstructed conditions for the transportation of the Turkmen natural gas via the territories of the Parties as well as within these territories.

Article 5

Each Party will submit to the other Parties the information it possesses on all matters related to the development of the Project, provided that such information is not confidential and its submission does not contradict national laws of the Party submitting it.

The Parties will timely exchange respective legislative acts applicable to the activities being carried out under this Inter Governmental Agreement, including activities on trade, investment, taxation, banking, insurance, financial services, transport and labor relations.

Article 6

This Inter Governmental Agreement does not affect the rights and obligations of the Parties stipulated in any other international agreement to which the Parties are signatories.

Article 7

This Inter Governmental Agreement may be amended or modified with the consent of all Parties. Such amendments and modifications will be made through Protocols which will form an integral part of this Inter Governmental Agreement.

Article 8

Disputes between the Parties relating to the interpretation and application of this Inter Governmental Agreement are to be resolved through negotiations and consultations between the Parties.

Article 9

The Parties recognize the importance of the adoption of international treaties, conventions and other relevant international legal instruments that the Parties may be a party to and that provide guarantees for the protection and promotion of pipeline systems.

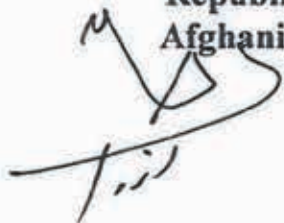
Article 10

This Inter Governmental Agreement enters into force from the date of its signing and remains in force until the earlier of (i) the signing of an agreement superseding this Inter Governmental Agreement and (ii) 31 December 2045.

Article 11

This Inter Governmental Agreement is signed in Ashgabat on this 11th day of December 2010 in the English, Dari, Hindi and Turkmen languages and one original in each of these languages will be distributed to each Party. In the event of any conflict between the English, Dari, Hindi and Turkmen languages versions of this Inter Governmental Agreement, the English language version shall prevail.

On behalf
of the
Government
of the Islamic
Republic of
Afghanistan



Hamid KARZAI
President of the
Islamic Republic
of Afghanistan

On behalf
of the
Government
of the Republic
of India



Murli DEORA
Minister of
Petroleum and
Natural Gas

On behalf
of the
Government
of the Islamic
Republic of
Pakistan



**Asif Ali
ZARDARI**
President of the
Islamic Republic
of Pakistan

On behalf
of the
Government
of Turkmenistan



**Gurbanguly
BERDIMUHAMEDOV**
President of
Turkmenistan

**AGREEMENT AMONG THE REPUBLIC OF ALBANIA, THE
HELLENIC REPUBLIC AND THE ITALIAN REPUBLIC**

RELATING TO

THE TRANS ADRIATIC PIPELINE PROJECT

PREAMBLE

The Republic of Albania, the Hellenic Republic and the Italian Republic (hereinafter referred to as “the **Parties**” or, individually, as “the **Party**”) represented by their respective governments,

(1) in furtherance of the principles set forth in international trade and investment agreements applicable to each Party, including the Energy Charter Treaty, the Community Treaties and the Energy Community Treaty, and the need to further expand and implement co-operation among the Parties in the energy sector;

(2) in an effort to further promote mutually beneficial cooperation in ensuring the reliable supply of natural gas from sources in Central Asia and the Middle East, including from the Republic of Azerbaijan, to the European Union via the Republic of Turkey;

(3) understanding that Trans Adriatic Pipeline AG wishes to construct and operate a cross-border interconnector pipeline originating in the Hellenic Republic at the Greek-Turkish border and designed to transport Natural Gas through the Hellenic Republic to the Italian Republic via the Republic of Albania;

(4) acknowledging that the development and interconnection (pursuant to the Interconnection Agreements relating to this Project) of the Trans-Anatolian Natural Gas Pipeline System and of the natural gas transport systems of the Parties to the Trans Adriatic Pipeline will enhance the security and availability of natural gas supply as a result of the diversification of routes and sources of supply of natural gas to the European Union;

(5) recognising the important strategic and integral role that the Trans Adriatic Pipeline will fulfil in opening the Southern Gas Corridor and referring to the designation by the European Union's Trans-European Networks – Energy program of the Trans Adriatic Pipeline as a southern corridor (natural gas route 3) pipeline;

(6) acknowledging that any Host Government Agreement entered into by a Party may be ratified by its national Parliament either after or concurrently with the ratification of this Agreement by its national Parliament;

(7) acknowledging that the European Commission has been apprised of the negotiations of this Agreement and the intentions of the Parties in relation to its execution; and

(8) with a view to creating uniform and non-discriminatory conditions and standards for the planning, construction and operation of the Trans Adriatic Pipeline in accordance with the domestic legislation of the Parties and bilateral and multilateral international agreements and treaties applicable to each Party;

(9) having in mind the Memorandum of Understanding between the Government of the Hellenic Republic the Council of Ministers of the Republic of Albania and the Government of the Italian Republic on cooperation in relation to the Trans Adriatic Pipeline Project signed in New York on 27 September 2012;

AGREE AS FOLLOWS:

ARTICLE 1

DEFINITIONS

Capitalised terms used in this Agreement (including the Preamble) have the meanings given to them in the Appendix to this Agreement.

ARTICLE 2

PROJECT SUPPORT AND COOPERATION

1. The Parties will facilitate, enable, and support the implementation of the Project and to co-operate and co-ordinate with each other in that respect and shall provide stable, transparent and non-discriminatory conditions for the implementation and execution of the Project.
2. The Parties agree that Transport shall be performed in accordance with the provisions of this Agreement and the applicable legislation under the Community Treaties and the Energy Community Treaty relating to the same, and without imposing any unreasonable delays, restrictions or charges.

ARTICLE 3

RELATIONSHIP WITH LAWS AND TREATIES

1. No provision of this Agreement shall require:
 - (a) the Hellenic Republic or the Italian Republic to derogate from any mandatory requirement under the Community Treaties; or
 - (b) the Republic of Albania to derogate from any mandatory requirement under the Energy Community Treaty.
2. The Project Participants shall be regarded as "Investors" for the purposes of article 1(7) of the Energy Charter Treaty and the Project and all aspects of it, and any interest they may have under any agreement relating to the Project, shall be each regarded as an "Investment" into the Territory of the relevant Party for the purposes of article 1(6) of the Energy Charter Treaty.

ARTICLE 4

AUTHORISED ENTITIES

1. Each Party appoints the following Persons to send and receive communications and notices from the other Parties in relation to this Agreement and to act as coordinator of that Party's rights and obligations under this Agreement:
 - (a) for the Republic of Albania, the General Standard Directorate in the Ministry of Economy, Trade and Energy,
 - (b) for the Hellenic Republic, the B' General Directorate for Economic Relations of the Ministry of Foreign Affairs, and
 - (c) for the Republic of Italy, the Department of energy - Directorate General for Security of Supply and Energy infrastructures of the Ministry of Economic Development
 (each, an "**Authorised Entity**" and collectively, the "**Authorised Entities**").
2. Each Party may designate additional or replacement Persons to act as its Authorised Entities for purposes of this Agreement by providing notice of the same to each other Party.

ARTICLE 5

HOST GOVERNMENT AGREEMENTS

1. The Republic of Albania and the Hellenic Republic, being the Parties in whose Territories the majority of the Trans Adriatic Pipeline will be located, acting through their respective Host Governments, have each entered, or will each enter, into a Host Government Agreement with the Project Investor, in compliance with the relevant mandatory requirements referred to in Article 3(1) above and which include, without limitation, provisions on the Taxes (including Tax rates) which will apply to the Project Investor in the jurisdiction of each of those Parties. Each Host Government Agreement shall be ratified by national law of the relevant Party.

2. Each Host Government Agreement which a Party enters into:

(a) is deemed to have been or shall be entered into by virtue of and in furtherance of and elaboration of this Agreement; and

(b) shall be the Law that implements that Party's obligations, agreements and undertakings under or in connection with this Agreement, and no common/ordinary Law of that Party (including the interpretation and application procedures thereof) that is contrary to, or inconsistent with, the terms of that Host Government Agreement shall limit, abridge or affect adversely the rights granted under that Host Government Agreement to the Project Investor or any other Project Participant or otherwise amend, repeal or take precedence over the whole or any part of that Host Government Agreement.

ARTICLE 6

AUTHORISATIONS

Each Party recognises the strategic national importance to that Party of the Project and accordingly shall take all measures to facilitate the fulfilment of the Project in its territory, including the granting of all Authorisations required for the implementation of the Project and the conduct of the Project in accordance with the Laws of the relevant Party without unreasonable delays or restrictions.

ARTICLE 7

NON-INTERRUPTION OF THE PROJECT

1. No Party shall, except through a competent authority pursuant to EU Regulation 994/2010, on Security of Gas Supply (the **Gas Supply Regulation**) interrupt, curtail, delay or otherwise impede the (forward and/or reverse) flow of Natural Gas through the Trans Adriatic Pipeline.

2. If any event occurs or any situation arises which gives reasonable grounds to believe that a threat to interrupt, curtail or otherwise impede any aspect of the Project (other than the flow of Natural Gas through the Trans Adriatic Pipeline) exists, the Party in respect of whose territory the relevant threat has arisen, shall use all lawful and reasonable endeavours to eliminate that threat

3. If any event occurs or any situation arises which interrupts, curtails, or otherwise impedes any aspect of the Project, the Party in respect of whose territory the relevant event or situation has arisen shall immediately give notice to the other Parties and the Project Investor of the event or situation, give reasonably full details of the reasons for the event or situation and (except in the case of interruption, curtailment or impeding of the flow of Natural Gas through the Trans Adriatic Pipeline) shall use all lawful and reasonable endeavours to eliminate the event or situation and shall promote restoration of the affected aspect of the Project at the earliest possible opportunity.

ARTICLE 8

CONSISTENT PROJECT STANDARDS

The Parties acknowledge that in light of the cross border nature of the Project, it is essential that a coordinated and uniform set of standards apply to the whole of the Project, including in relation to technical, safety, environmental, social, community and labour standards and that the establishment between the Parties of those coordinated and uniform standards will be one of the responsibilities of the Implementation Commission contemplated by Article 10 of this Agreement.

ARTICLE 9

TAXES

For the determination of the tax assessment basis of the Project Investor, the provisions of the national legislation shall apply based on the principles of the Organisation for Economic Cooperation and Development. For revenues and costs of the Project Investor, uniform and appropriate allocation keys consistent with the clauses of the Double Tax Treaties relating to determination of business profits shall be set out in legally binding advance pricing agreements made between the tax authorities of each of the Parties among each other and with the tax authority of the Swiss Confederation (being the jurisdiction of incorporation of the Project Investor). The advance pricing agreements shall have a duration of a minimum of 25 years and will not be capable of being amended or terminated without the consent of the Project Investor. The allocation keys agreed by a Party set out in any advance pricing agreement shall also be reflected in the Host Government Agreement to which that Party is a party.

ARTICLE 10

IMPLEMENTATION COMMISSION

An Implementation Commission is hereby established consisting of two duly authorised representatives from each Party (the **Implementation Commission**). The Implementation Commission shall oversee compliance with this Agreement, work with the Project Investor to agree on a Protocol to be concluded by the Parties establishing a set of consistent and uniform standards referred to in article 8, to apply to the whole Project and shall take such other actions as it may, by consensus of its members, deem to be necessary to facilitate the implementation of this Agreement. The Project Investor shall be entitled to appoint one observer to the Implementation Commission, who may attend the meetings and other activities of the Implementation Commission. The Implementation Commission shall be an advisory body only and shall not be empowered to make final and binding decisions on behalf of the Parties, including in relation to the resolution of disputes under this Agreement.

ARTICLE 11

RESPONSIBILITY

Any failure of, or refusal by, a Party to fulfil or perform its obligations, take all actions and grant all rights and benefits as provided for by this Agreement shall constitute a breach of such Party's obligations under this Agreement. The responsibility of a Party under this Article shall, in accordance with the general principles of international law, extend to the acts and omissions of any State Authority or State Entity.

ARTICLE 12

AMENDMENTS AND TERMINATION

No Party shall amend, or otherwise seek to avoid or limit this Agreement without the prior written consent of each of the other Parties. Any amendments to this Agreement shall be adopted by all the Parties in writing and shall enter into force in accordance with the procedure prescribed in article 14 of the present Agreement. This Agreement shall remain in full force and effect until the date of completion of the decommissioning of the entire Trans Adriatic Pipeline. No party may denounce or withdraw from this Agreement or suspend the performance of its obligations under this Agreement without the prior consent of each of the other Parties. However, if the Trans Adriatic Pipeline is not selected by the Shah Deniz Consortium to transport natural gas from the Caspian Region to Europe, TAP shall identify, in agreement with the Parties and within a period of 24 months from the entry into force of this Agreement, alternative sources of supply. Failing this, a Party may withdraw from the Agreement by sending a three months prior written notice to the other Parties through diplomatic channels.

ARTICLE 13

DISPUTE RESOLUTION

Disputes relating to the interpretation or the implementation of this Agreement shall be settled by diplomatic means.

ARTICLE 14

ENTRY INTO FORCE

This Agreement shall enter into force on the date that the respective national instruments of ratification have been exchanged by all the Parties (the Effective Date). Upon ratification, each Party shall take the necessary legal measures to implement the provisions of this Agreement. This Agreement has been made in three original copies in the English language.

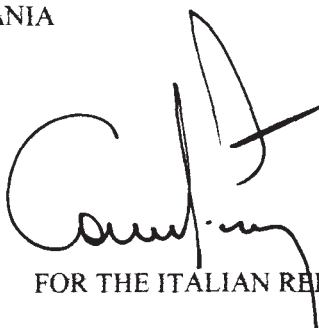
Done this 13th day of February 2013 at Athens, Greece.



FOR THE REPUBLIC OF ALBANIA



FOR THE HELLENIC REPUBLIC



FOR THE ITALIAN REPUBLIC

APPENDIX

DEFINED TERMS

Affiliate means, with respect to any Entity, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with that Entity. For purposes of this definition, “**control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an Entity, whether through the ownership of a majority or other controlling interest in the voting securities, equity or other ownership interest in an Entity, by law, or by agreement between Persons conferring such power or voting rights.

Agreement means this intergovernmental agreement, including any Appendices attached hereto, as amended, supplemented or otherwise modified from time to time.

Authorisation means any authorisation, consent, concession, license, permit or other form of approval, by or with any Party or State Authority whether held or to be held in the name of any Project Participant relating to or in connection with any activity relating to the Project.

Community Treaties means the Treaty Establishing the European Community (the Treaty of Rome, as amended by the Treaty of Amsterdam, and the Treaty of Nice), the Treaty of Maastricht (as amended by the Treaty of Amsterdam and the Treaty of Nice) and the Treaty establishing the European Atomic Energy Community, and in so far as those Treaties are replaced and succeeded by the Treaty of Lisbon, that is, the Treaty of European Union and the Treaty on the Functioning of the European Union.

Constitution means, with respect to any Party, the constitution of that Party, as the same may be amended or otherwise modified or replaced from time to time.

Contractor means any Person supplying directly or indirectly, whether by contract, subcontract or otherwise, goods, work, technology or services, including financial services (including inter alia, credit, financing, insurance or other financial accommodations) to the Project Investor or its Affiliates in connection with the Project to an annual contractual value of at least EUR 100,000, excluding, however, any individual acting in his or her role as an employee of any other Person.

Effective Date has the meaning given to it in Article 14.

Energy Charter Treaty means the Energy Charter Treaty as opened for signature in Lisbon on 17 December 1994 and in force as of 16 April 1998.

Energy Community Treaty means the Energy Community Treaty as opened for signature in Athens on 25 October 2005 and in force as of 1st July 2006.

Entity means any company, corporation, limited liability company, joint stock company, partnership, limited partnership, joint venture, unincorporated joint venture, association, trust or other juridical entity, organisation or enterprise duly organised by treaty or under the laws of any state or any subdivision thereof.

Gas Seller means any Person that is a seller of Natural Gas at the point where the Trans Adriatic Pipeline interconnects with the national Natural Gas transmission or distribution network of a Party.

Host Government means the central or federal government of a Party.

Host Government Agreements means agreements entered, or to be entered, into between:

1. the Host Government of the Hellenic Republic (on behalf of the Hellenic Republic) and the Project Investor; and
2. the Host Government of the Republic of Albania (on behalf of the Republic of Albania) and the Project Investor.

Implementing Act means, in relation to any Party, any Law or Authorisation of that Party or any State Authority of that Party, or any Host Government Agreement or Project Agreement, confirming and detailing the rights and commitments set out in this Agreement.

Insurer means any insurance company or other Person authorised to provide and providing insurance cover (including re-insurance cover) for all or a portion of the risks in respect of the Trans Adriatic Pipeline and/or the Project, and any successors or permitted assignees of such insurance company or Person.

Interconnection Agreement means an agreement between a Project Participant and any Party, State Entity or State Authority or Trans Anatolian Gas Pipeline relating to the interconnection of the Trans Adriatic Pipeline, Trans Anatolian Gas Pipeline and the national Natural Gas transmission or distribution network of a Party.

Law means the laws of a Party binding and legally in effect from time to time, including the Constitution of that Party, all other laws, codes, decrees, by-laws, regulations, communiqués, declarations, principle decisions, orders, normative acts and policies, all international agreements to which that Party is party together with all domestic enactments, laws and decrees for ratification or implementation of such international agreements, and prevailing judicial interpretations of all such legal instruments.

Lender means any financial institution (including commercial banks, multilateral lending agencies, bondholders, guarantors (other than Shareholders) and export credit agencies) or other Person providing any indebtedness, loan, financial accommodation, extension of credit or other financing to the Project Investor in connection with the Trans Adriatic Pipeline (including any refinancing thereof), and any successor or permitted assignee of any such financial institution or other Person.

Natural Gas means hydrocarbons that are extracted from the subsoil in their natural state and are gaseous at normal temperature and pressure.

Person means any natural person or Entity.

Project means the evaluation, development, design, construction, installation, financing, refinancing, ownership, operation (including the Transport of Natural Gas through the Trans Adriatic Pipeline), repair, replacement, refurbishment, maintenance, expansion, extension (including laterals) and, at the relevant time, decommissioning of the Trans Adriatic Pipeline.

Project Agreement means any agreement, contract, license, concession or other document, other than this Agreement and any Host Government Agreement, to which, on the one hand, a Party, any State Authority or State Entity and, on the other hand, any Project Participant are or later become a party relating to the Project, including any Interconnection Agreement, as any such agreement, contract or other document may be extended, renewed, replaced, amended or otherwise modified from time to time in accordance with its terms.

Project Investor means Trans Adriatic Pipeline AG, a company organised under the laws of the Swiss Confederation.

Project Participants means the Project Investor, the Shareholders, the Shippers, the Contractors, the Lenders and the Gas Sellers.

Shareholder means, at any time, any Person holding any form of direct or indirect equity or other ownership interest in the Project Investor, together with any Affiliate, successors and permitted assignees of that Person.

Shipper means any Person which has a legal entitlement (whether arising by virtue of any contract or otherwise) to Transport Natural Gas through all or any portion of the Trans Adriatic Pipeline.

State Authority means, in relation to any Party, the central or federal government of that Party and any and all central, federal, regional, municipal, local and provincial authorities or bodies (but for the avoidance of doubt shall exclude any independent authority) of that Party and any constituent element of any of the foregoing.

State Entity means any Entity in which, directly or indirectly, a Party has a controlling equity or ownership interest or similar economic interest, or which that Party directly or indirectly controls. For purposes of this definition, "**control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an Entity, whether through the ownership of a majority or other controlling interest in the voting securities, equity or other ownership interest in an Entity, by law, or by agreement between Persons conferring such power or voting rights.

Taxes means all existing and future levies, duties, customs, imposts, payments, fees, penalties, assessments, taxes (including VAT or sales taxes), charges and contributions payable to or imposed by a state, any organ or any subdivision of a state, whether central or local, or any other body having the effective power to levy any such charges within the territory of a state, and Tax shall mean any one of them and Taxation shall be construed accordingly.

Trans Adriatic Pipeline means the Natural Gas pipeline system intended to run from the Hellenic Republic at the Greek –Turkish border via the Republic of Albania to the vicinity of Lecce in the Italian Republic, including all the physical assets associated with that pipeline system, including all plant, equipment, machines, pipelines, tanks, compressor stations, fibre optic cables and other ancillary physical assets.

Transport means carriage, shipping or other transportation of Natural Gas, via any legal arrangement whatsoever.

HOST GOVERNMENT AGREEMENT

5 APRIL 2013

Between

THE REPUBLIC OF ALBANIA
acting through the Council of Ministers

and

TRANS ADRIATIC PIPELINE AG

CONCERNING

THE TRANS ADRIATIC PIPELINE PROJECT

ALLEN & OVERY

Allen & Overy LLP

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PREAMBLE

THIS HOST GOVERNMENT AGREEMENT is entered into in the city of Tirana in the Republic of Albania as of this fifth day of April 2013

BETWEEN:

- (1) **THE REPUBLIC OF ALBANIA** acting through the Council of Ministers; and
- (2) **TRANS ADRIATIC PIPELINE AG**, a corporation organised and existing under the laws of Switzerland with a registered branch in Albania at Torre Drin, Abdi Toptani Street, Tirana, registered at the commercial register of the National Registration Centre in Tirana with registration No K92402023O.

WHEREAS:

- (A) The Project Investor and the Interest Holders are considering the development of an efficient, secure, stable and predictable pipeline system for the Transport of Natural Gas produced from phase II of the Shah Deniz field in the Republic of Azerbaijan and subsequently from the wider region, from an interconnection point in the Hellenic Republic across the Territories of the Hellenic Republic and the Republic of Albania and subsea across the Adriatic sea for delivery into markets within the Italian Republic;
- (B) The Parties acknowledge that the Project is of strategic importance as it will enable the Republic of Albania to become a core transit country for the European Union's energy security and diversity of supply objectives; it will bring potential supplies of Natural Gas, fiscal revenues and other economic benefits that the Project will accrue to the Republic of Albania; and it presents the potential for further cooperation in relation to future energy projects, including with respect to gas storage;
- (C) Based on the terms and conditions of this Agreement, the Project Agreements and other commercial arrangements entered into pursuant to and consistent with this Agreement, including the Implementation Contracts, the Project Investor shall, in the Republic of Albania, have the right to implement the Project and construct, own and operate the Pipeline System and utilise the resulting capacity of the Pipeline System;
- (D) The State agrees to promote and protect investment in the Pipeline System and to safeguard the efficient, secure, stable and predictable development, ownership and operation of the Pipeline System within Albanian Territory, in accordance with the express obligations in this Agreement, the Project Agreements, the Intergovernmental Agreement, the APA, the Energy Charter Treaty, the Agreement between Switzerland and the Republic of Albania dated 22 September 1992 on Promotion and Mutual Protection of Investment (the **Swiss BIT**) and the Convention between Switzerland and the State for the avoidance of double taxation with respect to taxes on income and on capital;
- (E) The State enters into this Agreement on behalf of, and so as to bind, all of the State Parties;
- (F) It is contemplated that the shareholders in the Project Investor may change from time to time after the date of this Agreement; and
- (G) This Agreement is entered into by virtue of, in furtherance of and in elaboration of the intergovernmental agreement signed in Athens on 13 February 2013 between the Government of the Republic of Albania, the Government of the Hellenic Republic and the Government of the Italian Republic concerning the Trans Adriatic Pipeline and ratified by the Parliament of the Republic of

Albania on 25 March 2013 and for the purpose, amongst other things, of implementing into Albanian Law the State's obligations, agreements and undertakings under or in connection with the Intergovernmental Agreement.

THE PARTIES HERETO HAVE AGREED as follows:

INTERPRETATION AND SCOPE OF THE AGREEMENT

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Capitalised terms used in this Agreement (including the Preamble), and not otherwise defined herein, have the following meanings:

2010 OECD Transfer Pricing Guidelines means the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations dated 22 July 2010, as amended from time to time.

Affiliate means, with respect to any Entity, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with that Entity. For the purposes of this definition, **control** shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an Entity, whether through the ownership of a majority or other controlling interest in the voting securities, equity or other ownership interest in an Entity, by law, or by agreement between Persons conferring such power or voting rights.

Agreed Interest Rate means interest at a rate per annum of 3% plus EURIBOR in effect on the Business Day immediately before the day on which the obligation to make payment arose.

Agreement means this Host Government Agreement, including any Schedules and/or Annexes attached hereto, as amended, supplemented or otherwise modified from time to time.

Albanian Facilities means that part of the Pipeline System located or to be located in Albanian Territory.

Albanian GSAs means agreements which may be entered into between Gas Sellers and customers in the Republic of Albania for the sale of Natural Gas with delivery to take place at the Albanian Network Tie-in.

Albanian Law means the laws of the State binding and legally in effect from time to time, including the Constitution, all other laws, codes, decrees, by-laws, regulations, communiqués, declarations, principle decisions, orders, normative acts and policies, all international agreements to which the State is party together with all domestic enactments, laws and decrees for ratification or implementation of such international agreements, this Agreement, any law implementing this Agreement, the Intergovernmental Agreement and prevailing judicial interpretations of all such legal instruments.

Albanian Network Tie-in means, collectively, the tie-in point or points in the Republic of Albania being the connection between the Pipeline System and the Albanian distribution network for the physical delivery of Natural Gas in accordance with the terms of the Albanian GSAs.

Albanian Income Tax has the meaning given to it in Clause 24.6.

Albanian Territory means the Territory of the Republic of Albania.

APA means the advance pricing agreement entered into, or to be entered into, between the State and the Swiss Confederation on the allocation of income between the Project Investor and its Permanent Establishment in the State in accordance with article 25 of the Double Tax Treaty between the Swiss Confederation and the Republic of Albania.

Authority Permission means any authorisation, consent, licence, permit or other form of approval (including those referred to in Clause 28.2) by or with any State Party or Independent Authority whether held or to be held in the name of the Project Investor or any other Project Participant relating to any Project Activity.

Base Date means 18 January 2013.

Best Available Terms means, at any time with respect to any goods, works, services or technology to be rendered or provided at any location, the prevailing rates then existing in the ordinary course of business between unrelated Persons for goods, works, services or technology which are of a similar kind and quality provided at the same location and under terms and conditions comparable to those applicable to the subject goods, works, services or technology.

Business Day means any day on which clearing banks are customarily open for business in the Canton of Zug, Switzerland which is not a Saturday, Sunday or a public holiday in Tirana, the Republic of Albania.

Capital Expenditure means any expenditure which falls to be treated as capital expenditure in accordance with IFRS.

Change of Law means:

- (a) a change to an Albanian Law occurring after the Base Date, including changes resulting from:
 - (i) the amendment, repeal, withdrawal, termination or expiration of an Albanian Law;
 - (ii) the enactment, promulgation or issuance of a new Albanian Law;
- (b) the taking of (or failure to take) any action or exercising of (or failure to exercise) any authority by any judicial bodies, tribunals or courts and/or any State Authority and/or any Independent Authority and/or any Local Authority in a manner that is inconsistent with the requirements of Albanian Law as at the Base Date;
- (c) the imposition of a requirement for any Authority Permission not in existence at the Base Date;
- (d) after the grant of an Authority Permission (whether granted before or after the Base Date), a change in the terms or conditions attaching to that Authority Permission or the addition of any terms or conditions; or
- (e) any Authority Permission that has been granted (whether granted before or after the Base Date) ceasing to remain in full force and effect or, if granted for a limited period, not being renewed on a timely basis on application for renewal being duly made, or being renewed on terms or subject to conditions that are materially less favourable to the applicant than those attached to the original Authority Permission,

but excludes any Excluded Change of Law.

Commercial Operation Date means the date on which the Pipeline System commences or is deemed to commence commercial operations for the purpose of the gas transportation agreements between the Project Investor and the Shippers.

Community Treaties means the Treaty Establishing the European Community (the Treaty of Rome, as amended by the Treaty of Amsterdam, and the Treaty of Nice), the Treaty of Maastricht (as amended by the Treaty of Amsterdam and the Treaty of Nice) and the Treaty establishing the European Atomic Energy Community, and in so far as those Treaties are replaced and succeeded by the Treaty of Lisbon, that is, the Treaty of European Union and the Treaty on the Functioning of the European Union.

Constitution means the constitution of the Republic of Albania.

Contractor means any Person supplying directly or indirectly, whether by contract, subcontract (of any tier) or otherwise, goods, work, technology or services, including financial services (including inter alia, credit, financing, insurance or other financial accommodations) to the Project Investor or its Affiliates in connection with the Project to an annual contractual value of at least EUR 100,000, excluding, however, any individual acting in his or her role as an employee of any other Person.

Convertible Currency means a currency which is widely traded in international foreign exchange markets, including euros and US dollars, but excluding Albanian leks.

Corridor of Interest has the meaning given to it in Part 1 of Schedule 1.

Defaulting Act has the meaning given to it in Clause 47.1(c)(iii).

Discriminatory Change of Law means any Change of Law which:

- (a) requires the specification, operation, maintenance or decommissioning of all or part of the Albanian Facilities, the Natural Gas to be Transported through it or the performance of the Implementation Contracts (in each case, as applicable) to be in accordance with standards or outcomes that are higher than those generally required in the European Union; and/or
- (b) discriminates against those in the business of developing, constructing, operating or investing in any form of pipeline or energy undertaking in the Republic of Albania or providing services or works to any person developing, constructing, operating or investing in any form of pipeline or energy undertaking in the Republic of Albania; and/or
- (c) discriminates against the Project Investor or any Project Participant specifically.

Dispute has the meaning given to it in Clause 37.1.

Double Tax Treaty means any treaty or convention, to which the State is a party, relating to the avoidance of double taxation with respect to taxes on income or capital.

Effective Date has the meaning given to it in Clause 2.2.

Energy Charter Treaty means the Energy Charter Treaty as opened for signature in Lisbon on 17 December 1994 and in force as of 16 April 1998.

Energy Community Treaty means the Treaty establishing the Energy Community between the European Community of the one part and the Republic of Albania, the Republic of Bulgaria, the

Former Yugoslav Republic of Macedonia, the Republic of Montenegro, Romania, the Republic of Serbia and the Republic of Kosovo (formerly the United Nations Interim Administration Mission in Kosovo) on the other part, which entered into force on 1 July 2006.

Entity means any company, corporation, limited liability company, joint stock company, partnership, limited partnership, joint venture, unincorporated joint venture, association, trust or other juridical entity, organisation or enterprise duly organised by treaty or under the laws of any state or any subdivision thereof.

Environmental and Social Policy means the social and environmental and environmental performance requirements set out in the environmental and social policy issued by the European Bank for Reconstruction and Development in May 2008, as amended from time to time.

ERE means the Albanian Energy Regulatory Authority.

Espoo Convention means The United Nations Economic Commission for Europe Convention on Environmental Impact Assessment in a Transboundary Context (Espoo, 1991).

EURIBOR means, for any day on which clearing banks are customarily open for business in London, the London interbank fixing rate for 3-months euro deposits, as quoted on Reuter's EURIBOR page on that day or, if the Reuter's EURIBOR page ceases to be available or both cease to quote such a rate, then as quoted in the London Financial Times, or if neither such source is available or ceases to quote such a rate, then such other source, publication or rate selected by the Project Investor, acting reasonably.

Excluded Change of Law means any act or action which is undertaken in order to ratify, implement or otherwise bring into effect:

- (a) any Relevant EU Law;
- (b) any obligation undertaken by the Republic of Albania under the World Trade Organisation agreements, including the General Agreement on Tariffs and Trade, the General Agreement on Trade in Services, Trade-Related Aspects of Intellectual Property Rights, or other such agreements;
- (c) any provision of any legislation of the Republic of Albania implementing into Albanian Law any of the standards, conventions or methodologies referred to in any Schedule to this Agreement or which is otherwise reasonably required for the State to fulfil its international human rights obligations with respect to environmental, social, community, health and safety, labour and cultural heritage standards and regulation, in each case to the extent consistent with international practice;
- (d) the changes to or exemptions from Albanian Law made directly by this Agreement, including those referred to in Clauses 17.1 and 41 and the modifications to Albanian Law pertaining to Taxes referred to in Clause 24;
- (e) any changes in the required premia or contributions to be made by employees in connection with state health insurance and state social security; or
- (f) any law, which, as at the Base Date has not entered into force but which has been published in the Official Journal.

Exemption Application means each of the applications for an exemption under:

- (a) Article 36 of Directive 2009/73/EC and Article 1, paragraph 17, of Italian Law 23 August 2004, No. 239, as subsequently amended, and Italian Ministerial Decree of 11 April 2006 filed by the Project Investor on 31 August 2011 to the Italian Ministry of Economic Development (MSE);
- (b) Article 36 of Directive 2009/73/EC of 13 July 2009 repealing the Directive 2003/55/EC and Article 76, paragraph 1 and 2 of the law on operation of Electricity and Natural Gas Energy Markets, Research, Production and Hydrocarbons Transmission Networks and other provisions filed by Project Investor on 31 August 2011 to the Greek Regulatory Authority for Energy (RAE); and
- (c) Article 22 of Directive 2003/55/EC of 26 June 2003, and Article 40, paragraph 1, of Albanian Law 30 June 2008, No. 9946 filed by the Project Investor on 1 September 2011 to ERE.

Existing Licences means the concessions, licences and rights that have been granted by the State and are listed in Schedule 6:

Existing Licensees means those Persons that, as at the Base Date, hold concessionary rights under the Existing Licences.

Expropriation means any nationalisation or expropriation, or any measure having an effect equivalent to nationalisation or expropriation, including:

- (a) nationalising or expropriating the assets of a Person;
- (b) taking of property or rights, or limiting of the use, enjoyment or exercise thereof, in a matter which is equivalent to nationalisation or expropriation, including nationalising or expropriating through the ownership of equity or equivalent interests therein;
- (c) the revocation of any material Authority Permit which is equivalent in effect to nationalisation or expropriation;
- (d) measures or effects which taken individually or separately may not constitute nationalisation or expropriation but when taken together are equivalent to nationalisation or expropriation; and
- (e) measures or effects in relation to any Tax which whether alone or in aggregate are equivalent to nationalisation or expropriation.

Expropriation Law means Law No. 8561, dated 22 December 1999, "On Expropriation and Temporary Use of Privately Owned Immovable Properties For Public Interest" of the Republic of Albania.

Fair Market Value means the value of a Project Participant's interest, investments, property, commercial arrangements, rights (whether contractual or otherwise), privileges and exemptions which are taken, diminished, devalued, damaged or otherwise detrimentally affected as a result of the Expropriation, taking into account that Project Participant's business and investments, all as related to or affected by the Project, and determined on the basis of an ongoing concern utilising the discounted cash flow method, assuming a willing buyer and willing seller in a non-hostile environment and disregarding all unfavourable circumstances (including any diminution of value) leading up to or associated with the Expropriation, and in determining the said value, the principle of

indemnification shall apply, with values determined as of the time immediately prior to the Expropriation. The discount rate to be used for the purposes of calculating the discounted cash flow shall be the weighted average cost of capital of the relevant Project Participant.

Force Majeure has the meaning given to it in Clause 35.2.

Gas Law means Law No. 9946, dated 30 June 2008, "On Natural Gas Sector" of the Republic of Albania, as amended.

Gas Seller means any Person who is a seller under an Albanian GSA.

IFRS means:

- (a) those International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (**IASB**) (including, for the avoidance of doubt, International Accounting Standards issued by the International Accounting Standards Committee that have been adopted by the IASB);
- (b) those guidance notes and interpretations relating to the standards referred to in paragraph (a) developed by the International Financial Reporting Interpretations Committee or the Standing Interpretations Committee that have been approved or adopted by the IASB; and
- (c) all conventions, rules and procedures of international accounting practice which are regarded from time to time as permissible by the IASB.

Implementation Contracts means all existing and future agreements, contracts and other documents relating to the Project to which the Project Investor is party which are not the Project Agreements, including agreements with other Interest Holders, Lenders, Contractors and Shippers.

Independent Authority means ERE or any other authority of the State which is legally independent from the central government of the State and which is not subject to the control or direction (whether in accordance with Albanian Law or by convention or practice) of the central government of the State.

Infrastructure Permit means an infrastructure permit to be issued under Law No. 10119, dated 23 April 2009 "On Territory Planning" as amended.

Interest Holder means:

- (a) the Project Investor;
- (b) any Person holding any form of direct or indirect equity or other ownership interest in the Project Investor; or
- (c) any Affiliate, successor or permitted assignee of any Person referred to in paragraph (a) or (b) above.

Intergovernmental Agreement means the intergovernmental agreement signed in Athens on 13 February 2013 between the Government of the Republic of Albania, the Government of the Hellenic Republic and the Government of the Italian Republic concerning the Trans Adriatic Pipeline and ratified by the Parliament of the Republic of Albania on 25 March 2013.

Investment for the purposes of this Agreement and any arbitration pursuant to Clause 37 herein, has the meaning ascribed to it by the Energy Charter Treaty in article 1(6) of the Energy Charter Treaty.

Land means:

- (a) all land, foreshores, seabeds, riverbeds and lakebeds;
- (b) the water columns above all seabeds, riverbeds and lakebeds;
- (c) the air space above and subsurface areas below all of the foregoing; and
- (d) all other geographical locations.

Lender means any financial institution (including commercial banks, multilateral lending agencies and export credit agencies) or other Person providing any indebtedness, loan, guarantee, financial accommodation (including any hedging or other derivative arrangement), extension of credit or other financing to any Interest Holder or insurance in respect thereof in connection with the Pipeline System (including any refinancing thereof), and any successor or permitted assignee of any such financial institution or other Person.

Local Authorities means any and all communes, municipalities, districts and their subdivisions as defined in Law No. 8652, dated 31 July 2000, "On Organisation and Functioning of Local Government" of the Republic of Albania, as amended.

Loss or Damage means any loss, cost, injury, liability, obligation, expense (including interest, penalties, attorneys' fees and disbursements), litigation, proceeding, claim, charge, penalty or damage suffered or incurred by a Person, including, without limitation, any amounts payable under any Implementation Contract by the Project Investor but, in each case, excludes any consequential loss or damage (including, without limitation, loss of profits and loss of contracts), howsoever the same may arise, other than where the consequential loss or damage:

- (a) comprises any such amounts payable under an Implementation Contract by the Project Investor; or
- (b) arises in the circumstances contemplated by Clause 32.2 or Clause 33.

Natural Gas means any hydrocarbons which are extracted from the sub-soil in their natural state and are gaseous at normal temperature and pressure.

Non-State Land means any Land in Albanian Territory other than State Land.

METE means the Albanian Ministry of Economy, Trade and Energy.

OECD means the Organisation for Economic Co-operation and Development.

OECD Model Tax Convention means the Model Tax Convention on Income and Capital of the OECD.

Official Journal means *Gazeta Zyrtare*, published by the Centre of Official Publications.

Offshore Section means Project Activities carried on in that part of the Adriatic Sea lying between the Italian Republic and the State, its bed and subsoil, the water column and the air space above it, which does not form part of the territorial sea of the State, determined in accordance with public international law.

Operating Expenses mean all actual expenses incurred and accrued by the permanent establishment of the Project Investor in the State which are not Capital Expenditure as accounted for above Earnings before Interest and Tax (EBIT) in the permanent establishment's profit and loss account

based on IFRS. This includes Operating Expenses incurred and accrued by the Project Investor which are not Capital Expenditure as accounted for above earnings before interest, tax and depreciation (EBITD) in the Project Investor's profit and loss account based on IFRS and allocated to the permanent establishment in the State by the Project Investor.

Party means each of the parties to this Agreement.

Permanent Establishment has the meaning set out in the relevant Double Tax Treaty. If no such treaty exists then "Permanent Establishment" shall have the same meaning as in the most recent version as at the date of execution hereof of the OECD Model Tax Convention.

Permanent Land has the meaning given to it in Part 1 of Schedule 1.

Person means any natural person or Entity.

Pipeline System means the Natural Gas pipeline system with a yearly capacity of 10 BCM (expandable to 20 BCM) intended to run from the border between the Hellenic Republic and the Republic of Turkey, crossing the Territories of the Hellenic Republic and the Republic of Albania, to the vicinity of Lecce in the Italian Republic, including all physical assets associated with that pipeline system, including all plant, equipment, machines, pipelines, tanks, compressor stations, fibre optic cables and other ancillary physical assets but excludes any other trunk pipeline to which that pipeline system may be interconnected.

Project means the evaluation, development, design, construction, installation, financing, refinancing, ownership, insuring, operation (including the Transport of Natural Gas through the Pipeline System), repair, replacement, refurbishment, maintenance, expansion, extension (including laterals) and, at the relevant time, decommissioning of the Pipeline System.

Project Activities means the activities conducted or to be conducted by the Project Participants in connection with the Project.

Project Agreement means any agreement, contract, licence, concession or other document, other than this Agreement and the Intergovernmental Agreement to which, on the one hand, any State Party and, on the other hand, any Project Participant are or later become a party relating to the Project Activities, as any such agreement, contract or other document may be extended, renewed, replaced, amended or otherwise modified from time to time in accordance with its terms.

Project Investor means Trans Adriatic Pipeline AG, a corporation organised and existing under the laws of Switzerland.

Project Investor Representative has the meaning given to it in Clause 27.2(a).

Project Land means all the Land that is necessary for the implementation of the Project including Permanent Land, Temporary Land, Corridor of Interest and other Land referred to or identified in, or pursuant to, Part 1 of Schedule 1.

Project Participant means each Interest Holder, Contractor, Shipper and Lender.

Public Access Road Works means those works to be undertaken by or on behalf of the Project Investor to upgrade certain public roads for the purpose of facilitating the Project Activities.

Regulatory Exemptions means the exemptions granted or to be granted to the Project Investor and coordinated among the Italian Ministry of Economic Development (MSE), the Regulatory Authority for Energy (RAE) and ERE based on the Exemption Applications.

Relevant EU Law means:

- (a) any article of the Community Treaties or any regulation, directive or other law, decision or principle of the European Union, whether by reason of the Republic of Albania's accession to membership of the European Union or pursuant to agreements entered into between the Republic of Albania and the European Community in contemplation of later accession to the European Union, such as the Stabilisation and Association Agreement between the European Communities and their Member States, on the one part, and the Republic of Albania, on the other part, published in the Official Journal on 22 May 2006 or any later such agreements; or
- (b) any article of the Community Treaties or any regulation, directive or other law, decision or principle of the European Union which the Republic of Albania is obliged to apply under the Energy Community Treaty (including the *acquis communautaire* as defined in the Energy Community Treaty).

Relevant Rights means all those rights of examination, testing, evaluation, analysis, inspection, construction, use, possession, occupancy, control, ownership, assignment and enjoyment with respect to the Project Land in Albanian Territory as are required to carry out the Project Activities.

Safety and Consultation Zone Regulations means appropriate arrangements to establish safety restrictions and requirements consistent with international practice in relation to the use of Land adjacent to high pressure trunk gas pipelines and associated infrastructure (including the Pipeline System) in Albanian Territory, such arrangements to offer no less protection to the relevant pipeline than the restrictions and requirements set out in Part 3 of Schedule 2.

Savings means, in relation to any Change of Law, any savings or reduction of cost or expense, or increase in revenue or return, directly resulting from, or otherwise directly attributable to, that Change of Law, which is enjoyed or realised by the Project Investor directly in relation to the Project Activities, including a reduction or saving in capital costs, the costs of operation and maintenance or the costs of Taxes imposed on or payable by the Project Investor.

Signing Date means the date that this Agreement is executed by the Parties.

Shipper means any Person which has a legal entitlement (whether arising by virtue of any contract or otherwise) to Transport Natural Gas through all or any portion of the Pipeline System.

Special Permit means a special permit of the Council of Ministers for the construction and operation of the Albanian Facilities provided for in article 8 paragraph 1 of the Gas Law.

State means the Republic of Albania, excluding, for the purposes of this Agreement only, Local Authorities and Independent Authorities.

State Aid Clearance means a decision of a relevant authority, including the Albanian State Aid Commission or any other competent national or European authority, that this Agreement and the obligations of the State under it do not constitute unlawful state aid within the meaning of either Albanian Law or Article 18(1)(c) the Energy Community Treaty, or that, in the event that such measures amount to or contain state aid, such aid is compatible having regard to Albanian Law and the Energy Community Treaty.

State Authority means any organ of the State at each level of authority, whether the organ exercises executive, or any other state functions, and including, without limitation, all central, regional, municipal and local organs (but not, for the avoidance of doubt, any Local Authorities or any Independent Authorities) or any constituent element of such organs having the power to govern,

regulate, levy or collect Taxes, grant licences or permits or approvals or otherwise affect the rights and obligations of any Project Participants in respect of the Project.

State Entity means any Entity in which, directly or indirectly, the State has a controlling equity or ownership interest or similar economic interest, or which the State directly or indirectly controls, excluding, for the avoidance of doubt, any Local Authorities and Independent Authorities. For purposes of this definition, **control** shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an Entity, whether through the ownership of a majority or other controlling interest in the voting securities, equity or other ownership interest in an Entity, by law or by agreement between Persons conferring such power or voting rights.

State Land shall mean any Land in Albanian Territory which is owned or fully controlled by any State Party, but not, for the avoidance of doubt, any Land in Albanian Territory which is owned or fully controlled by any Local Authority.

State Party means the State, the State Authorities and the State Entities.

State Representative has the meaning given to it in Clause 27.1(a).

Step-In Entity has the meaning given to it in Clause 47.1(c)(vi).

Tax Code of the State means all Albanian Laws relating to Tax, all legislative or executive acts of any State Party or Local Authority relating to Tax, all decisions of any court, tribunal or other arbiter appointed by any State Party or Local Authority relating to Tax, and all statements of practice or interpretation relating to Tax which have been published by any State Party or Local Authority.

Taxation Dispute means a dispute which primarily relates to the proper application of Albanian Law and this Agreement in relation to the assessment of, and payment by, a Project Participant of Tax in accordance with Albanian Law and not, for the avoidance of doubt, a dispute which relates to a breach of this Agreement, a Change of Law, an Expropriation or the application, implementation or interpretation of the APA.

Taxation Dispute Resolution Process has the meaning given to it in Clause 37.9.

Taxes means all existing and future levies, duties, customs, imposts, payments, fees, penalties, assessments, taxes (including VAT or sales taxes), charges and contributions payable to or imposed by a state, any organ or any subdivision of a state, whether central or local, or any other body having the effective power to levy any such charges within the Territory of a state, and **Tax** shall mean any one of them and **Taxation** shall be construed accordingly.

Tax Savings means, in respect of a tax year, the amount of Savings the Project Investor was able to realise during that tax year directly as a result of any new tax legislation in the State that became effective during that tax year or that became effective during any previous tax year in respect of which a payment or deduction was made.

Temporary Land has the meaning given to it in Part 1 of Schedule 1.

Territory means, with respect to any state, the Land of such state, including its territorial sea and the other maritime areas over which such state has jurisdiction or exercises sovereign rights in accordance with public international law.

Transport means carriage, shipping or other transportation or transmission of Natural Gas via any legal arrangement whatsoever, including Transit as defined in article 7(10)(a) of the Energy Charter Treaty.

VAT means value added tax and any other similar Tax applicable to the provision of goods and services, Relevant Rights, works, services and/or technology within the Territory of a state.

Year means a period of 12 consecutive months, according to the Gregorian calendar, starting on 1 January, unless another starting date is expressly indicated in the relevant provisions of this Agreement.

1.2 Interpretation

- (a) The division of this Agreement into clauses, subclauses and other portions and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation hereof.
- (b) Unless otherwise indicated, all references to a "Clause", "paragraph", "Subclause" or "Schedule" followed by a number or a letter refer to the specified Clause, paragraph, Subclause or Schedule of this Agreement.
- (c) The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular Clause, Subclause or other portion hereof.
- (d) Unless otherwise indicated, references to any date or time of day in this Agreement are to Central European Time and a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later.
- (e) If a period of time is described in this Agreement as being calculated from a given day or the day of an actual event, it is to be calculated exclusive of that day.
- (f) Where an expression is defined in this Agreement, another part of speech or grammatical form of that expression has a corresponding meaning.
- (g) A reference in this Agreement to any political or statutory body, organisation, ministry or similar entity shall include a reference to that political or statutory body, organisation, ministry or similar entity as reorganised, reconstituted, replaced or renamed from time to time.

1.3 Construction

- (a) Unless otherwise specifically indicated or the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders, and "include," "includes" and "including" shall be deemed to be followed by the words "without limitation".
- (b) Provisions of this Agreement which include the words "to be agreed", "notified", "permitted", "consented to", "decided", "approved", "approval" or cognate words require the relevant agreement, notification, permission, consent, decision or approval to be committed to writing and signed by a duly authorised representative of the relevant Party or Parties.

1.4 Knowledge

References in this Agreement to "knowledge", "awareness" and synonymous terms shall, unless the context indicates the contrary, be deemed to refer to actual rather than constructive or imputed knowledge.

1.5 Documents and laws

- (a) A reference to this Agreement or another instrument includes any extension, renewal, amendment, modification, variation or replacement of either of them.
- (b) A reference in this Agreement to a statute is a reference to a statute of the State unless otherwise specified.
- (c) A reference in this Agreement to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.

2. EFFECTIVE DATE AND DURATION

2.1 Without prejudice to Clause 2.6, the effectiveness of this Agreement is subject to:

- (a) this Agreement being executed by the Parties;
- (b) this Agreement being subsequently approved by the Council of Ministers;
- (c) the Intergovernmental Agreement being signed by the parties thereto and being ratified by the State's Parliament;
- (d) the law of the State's Parliament that ratifies this Agreement being published in the Official Journal;
- (e) the Regulatory Exemptions applicable to the Albanian Facilities being granted;
- (f) State Aid Clearance being obtained; and
- (g) the Effective Date occurring in accordance with Clause 2.2.

2.2 If either Party considers that all of the pre-conditions set out in Clause 2.1 (other than the pre-condition described in Clause 2.1(g)) have been met, it shall notify the other Party. If the other Party agrees that all of the pre-conditions set out in Clause 2.1 (other than the pre-condition described in Clause 2.1(g)) have been met, it shall confirm its agreement by notice to the first Party, the date of that notice to be the **Effective Date**. Without prejudice to Clause 2.6, on the Effective Date this Agreement shall become effective and enter into force.

2.3 Promptly following the Signing Date, the State shall:

- (a) properly present this Agreement to the State's Parliament for ratification and/or adoption in order to make this Agreement effective under the Constitution as part of Albanian Law;
- (b) take all steps necessary to properly present drafts of enabling legislation and other laws as may be necessary to make this Agreement, and in particular, the rights, guarantees, exemptions, grants, privileges, standards, waivers and indemnifications of legal liability applicable to the Project effective under the Constitution as part of Albanian Law;

- (c) use its best endeavours to obtain as soon as practicable any such ratification and/or adoption of the Agreement as well as the enactment of any such legislation prior to or along with such ratification and/or adoption; and
- (d) use its best endeavours to obtain State Aid Clearance.

- 2.4 If despite the State's best endeavours, the relevant authority, including the Albanian State Aid Commission or any other competent national or European authority, grants State Aid Clearance subject to modifications being made to this Agreement or subject to any other conditions, that decision of the relevant authority shall only be considered to be State Aid Clearance for the purposes of this Agreement if such modifications or conditions are accepted in writing by the Project Investor.
- 2.5 The State shall, from time to time and upon the request of the Project Investor, respond in writing to the Project Investor's questions as to the State's progress in relation to its fulfilment of its obligations under Clause 2.3.
- 2.6 Notwithstanding that this Agreement shall become effective on the Effective Date, Clauses 2, 36, 37, 38, 40, 41, 44, 45, 48 and 49 shall become effective and commence upon the Signing Date.

3. RELATIONSHIP TO TREATIES, ALBANIAN LAWS AND REQUIRED AUTHORITY PERMISSIONS

3.1 Relationship with the Intergovernmental Agreement and the APA

- (a) The Parties acknowledge that this Agreement is the "Host Government Agreement" between the Republic of Albania and the Project Investor referred to in the Intergovernmental Agreement.
- (b) This Agreement is entered into:
 - (i) by virtue of and in conjunction with the Intergovernmental Agreement and the APA (notwithstanding that the APA may not be in force as at the Effective Date);
 - (ii) in elaboration of the principles set out in the Intergovernmental Agreement; and
 - (iii) for the purpose, amongst other things, of implementing into Albanian Law the State's obligations, agreements and undertakings under or in connection with the Intergovernmental Agreement and the APA (notwithstanding that the APA may not be in force as at the Effective Date).

3.2 Relationship with the Energy Charter Treaty

The Parties agree that the Project, the rights of the Shippers under gas transportation agreements or capacity reservation agreements with the Project Investor, the rights of the Project Participants under this Agreement (including, their rights under Clause 32) and the rights of the Gas Sellers under the Albanian GSAs, shall each be regarded as an "Investment" in the Republic of Albania in the sense of Article 1(6) of the Energy Charter Treaty and that, without limitation, the Persons listed below, in the capacities indicated below, shall be regarded as "Investors" in the sense of Article 1(7) of the Energy Charter Treaty with respect to the same and the State shall not seek to assert otherwise.

Investors

- (a) The Project Investor, as owner and developer of the Pipeline System, including the Albanian Facilities;

- (b) each direct and indirect shareholder of the Project Investor from time to time which is incorporated in a state which is a contracting party to the Energy Charter Treaty;
- (c) each Shipper (in its capacity as such) which is a party to a gas transportation agreement or capacity reservation agreement with the Project Investor from time to time which is incorporated in a state which is a contracting party to the Energy Charter Treaty; and
- (d) each Gas Seller (in its capacity as such) which is a party to an Albanian GSA from time to time which is incorporated in a state which is a contracting party to the Energy Charter Treaty.

3.3 Relationship with other treaties

Nothing in this Agreement or in any of the Project Agreements shall deprive any Project Participant of its rights or any remedy to which it may be entitled, or affect any obligations it or any State Party may have from time to time, under the Energy Charter Treaty, the Energy Community Treaty or any other international treaty (including, for the avoidance of doubt, any international agreement, protocol, covenant, convention, exchange of letters or like instrument).

3.4 Relationship with Albanian Laws

- (a) The State declares that the Project is in the "public interest" for the purposes of:
 - (i) Article 50, paragraph 1, of the Gas Law; and
 - (ii) Articles 1 and 5 of the Expropriation Law.
- (b) The Parties hereby acknowledge and agree that it is their mutual intention that as at the Effective Date, and taking into account those exemptions from and amendments to Albanian Law contemplated by this Agreement (including those referred to in Clauses 17.1 and 41):
 - (i) this Agreement shall form part of Albanian Law and, among other things, shall be the Albanian Law that implements the State's obligations, agreements and undertakings under or in connection with the Intergovernmental Agreement; and
 - (ii) no Albanian Law (including the interpretation and application procedures thereof) that is contrary to, or inconsistent with, the terms of the Agreement or any other Project Agreement shall limit, abridge or affect adversely the rights granted to the Project Company or any other Project Participants under this Agreement or any other Project Agreement or otherwise amend, repeal or take precedence over the whole or any part of this Agreement or any other Project Agreement, including:
 - (A) Law No. 9946, dated 30 June 2008, "On Natural Gas Sector" as amended;
 - (B) Council of Ministers Decision No. 713, dated 25 August 2010, "On the Procedures and Conditions for Obtaining the Permit for Construction and Operation of the Gas Pipelines and Facilities";
 - (C) Law No. 8897, dated 16 May 2002, "On Protection of Air from Pollution" and Law No. 10448 dated 14 July 2011 "On Environmental Permits" as amended and all related secondary legislation;
 - (D) Law No. 10431 dated 09 June 2011 "On Protection of Environment" as amended and all related secondary legislation;

- (E) Law No. 10440, dated 7 July 2011 "On Assessment of Environmental Impact" and Law No. 10448 dated 14 July 2011 "On Environmental Permits" as amended and all related secondary legislation;
- (F) Law No. 10119, dated 23 April 2009, "On Territory Planning" as amended;
- (G) Law No. 7850, dated 29 July 1994, "On the Civil Code of the Republic of Albania" as amended;
- (H) Law No. 8561, dated 22 December 1999, "On Expropriation and Temporary Use of Private Property for Public Interest";
- (I) Law No. 8438, dated 28 December 1998, "On Income Tax" as amended;
- (J) Law No. 9920, dated 19 May 2008, "On Tax Procedure" as amended;
- (K) Law No. 7928, dated 27 April 1995, "On VAT as amended";
- (L) Law No. 9632, dated 30 October 2006, "On Local Taxes" as amended; and
- (M) Law No. 9228, dated 29 April 2004, "On Accounting and Financial Statements" as amended,

and all and any legislative decrees, ministerial instructions and decisions, circulars, regulations or administrative acts of any type issued from time to time subject to and in accordance with the aforementioned legislation.

- (c) Notwithstanding the status that this Agreement shall have under Albanian Law (including by virtue of Clause 3.1(b)), nothing in this Agreement shall limit or otherwise affect the rights and powers of the State to implement any Excluded Change of Law.

3.5 Relationship with required Authority Permissions

The State confirms that those Authority Permissions listed in Schedule 3 and the Special Permit are the key Authority Permissions required for the Project.

3.6 Authority for Project Activities to date

The State acknowledges and declares that the Project Investor is, and has been, fully authorised under Albanian Law to carry out the Project Activities to date and to enter into this Agreement.

4. TRANSPORTATION OF NATURAL GAS

The State and each of the other State Parties shall take all necessary measures to facilitate all Project Activities associated with the Transport of Natural Gas via the Pipeline System or any part thereof (including the Albanian Facilities), consistent with the principle of freedom of transit, and without distinction as to the origin, destination or ownership of such Natural Gas and without imposing any unreasonable delays, restrictions or charges.

5. SPECIAL PERMIT AND INFRASTRUCTURE PERMIT

- 5.1 Promptly following the Effective Date, the State shall issue the Special Permit for the Project to the Project Investor without any requirement for any further documentation or other action by any Project Participant. This Agreement shall be deemed to fulfil the requirement, referred to in paragraph (18) of the Council of Ministers Decision No. 713, dated 25 August 2010, that the Project

Investor enter into an agreement with the State or any other State Party or Independent Authority in connection with the Special Permit. Without prejudice to the generality of foregoing, this Agreement is not be required to have the contents described in paragraph (18) of the Council of Ministers Decision No. 713, dated 25 August 2010, "On the Procedures and Conditions for Obtaining the Permit for Construction and Operation of the Gas Pipelines and Facilities".

- 5.2 The Project Investor will not be required to establish a company in the Republic of Albania as set forth in paragraphs (2), (4), (5), (6.a) and (7) of the Council of Ministers Decision No. 713, dated 25 August 2010 "On the Procedures and Conditions for Obtaining the Permit for Construction and Operation of the Gas Pipelines and Facilities". Instead the Project Investor itself (having a registered branch in Albania as referred to in the Preamble to this Agreement) will be granted the Special Permit.
- 5.3 The State hereby agrees that METE shall immediately prior to the expiry of the Special Permit (including any further Special Permit issued under this Clause 5.3), whether in accordance with its terms or pursuant to Albanian Law, issue to the Project Investor a further Special Permit to the Investor under article 8 paragraph 2 of the Gas Law subject to no further conditions and having a duration of a further 30 years without the requirement for any act by any State Party or Independent Authority. The provisions of paragraphs 18/c and 27 of the Council of Ministers Decision No. 713, dated 25 August 2010 "On the Procedures and Conditions for Obtaining the Permit for Construction and Operation of the Gas Pipelines and Facilities" related to the renewal of the Special Permit will not apply to the Project Investor.
- 5.4 The State agrees that METE shall issue an Infrastructure Permit for the entire Pipeline System to the Project Investor in respect of Project Activities to be carried out in respect of the Corridor of Interest in accordance with Clause 28 and without prejudice to Clause 28.6(f). The Infrastructure Permit shall be issued on an incremental basis in respect of the different sections and phases of the development of the Pipeline System in accordance with the requests of the Project Investor from time to time and the submission to METE of relevant documentation relating to the phase or section in question as required by the relevant provisions of Law 10119 dated 23 April 2009 "On Territorial Planning".

6. ERE REGULATION

The State agrees that:

- (a) any Authority Permission issued by ERE to the Project Investor under the Gas Law (including, without limitation, article 14 of the Gas Law):
 - (i) may be transferred by the Project Investor to any third party that will undertake those Project Activities which relate to the operation of the Albanian Facilities but only to the extent the transfer does not result in non-compliance with the competition laws of the State; and
 - (ii) shall be capable of being transferred back to the Project Investor at the Project Investor's election; and
- (b) except to the extent required to ensure compliance with Relevant EU Law (including, without limitation, where Relevant EU Law would require changes to an Authority Permission following the expiry of the Regulatory Exemptions) or to the extent that such actions are consistent with the conditions on which the Regulatory Exemptions are issued, ERE shall have no right to change or cancel any Authority Permission issued by ERE to the Project Investor under the Gas Law, including as might otherwise be permitted:

- (i) pursuant to the Law on Energy Sector (Law No. 9072, dated 22 May 2003) as amended; or
- (ii) under the ERE Gas Licensing Rules and Procedures on Licensing, Modification, Partial/Full Transfer, Revocation and Renewal of Licenses,

and any such Authority Permission shall only be capable of being changed or cancelled following the termination of this Agreement in accordance with its terms. This Clause 6(b) shall override any Albanian Law to the contrary (other than any Albanian Law which implements Relevant EU Law).

7. ALBANIAN NETWORK TIE-INS

The Parties (or their nominees) shall, in good faith, negotiate, agree and enter into an interconnection agreement containing terms and conditions in respect of the location of the Albanian Network Tie-Ins, the construction and operation of the interconnection between the Albanian Facilities and the domestic Albanian gas network and all related issues. That interconnection agreement shall be deemed to be a Project Agreement for the purposes of this Agreement.

GENERAL OBLIGATIONS

8. CO-OPERATION

- 8.1 The State acknowledges and agrees that the Project is a project of national importance and in the national interest of the Republic of Albania.
- 8.2 The State shall, and will ensure that each of the other State Parties shall, actively co-operate with the Project Investor to implement the Project as efficiently as possible. The State will, in addition, use its best efforts to obtain any support from, and will actively seek the co-operation of, any Local Authorities, where that support or co-operation is necessary for such purpose.
- 8.3 The State shall consult promptly with the Project Investor and with the governments of other states, including those of the Italian Republic, the Hellenic Republic and Switzerland, concerning any measures, including measures taken in conjunction with the Project Investor and/or those other governments, by which the State can make cross-border Project Activities more effective, timely and efficient, including streamlined and co-ordinated customs, Transport procedures, tariffs and practices, and the use of common measurement and metering facilities within Albanian Territory in order to monitor the Transport of Natural Gas.
- 8.4 Except as provided under Clauses 33 and 43, the State shall abstain, and shall cause each other State Party to abstain, from any action having as its purpose the frustration, impediment or delay of the Project or of any Project Activities.

9. GRANT OF RIGHTS

- 9.1 For the purposes of the Project and subject to the terms hereof and the Project Agreements, the State shall grant:
 - (a) to the Project Participants, the absolute and unrestricted right and privilege to implement and carry out the Project in accordance with Albanian Law; and
 - (b) to the Project Investor, the exclusive and unrestricted right and privilege to construct, own, possess and control the Albanian Facilities.

- 9.2 The State agrees that, if requested by the Project Investor, it shall evidence the grant of rights to the Project Participants under this Agreement in a written instrument in a form sufficient and appropriate to facilitate the carrying out of the Project or Project Activities or any part thereof.
- 9.3 Except as otherwise expressly provided in this Agreement, or with the prior written consent of the Project Company, neither the State nor any other State Party shall grant any rights to use the Albanian Facilities or rights in connection with the Project Land or grant to any Person any other rights that are inconsistent or conflict, or may interfere, with the full exercise or enjoyment by each Project Participant of its rights under this Agreement or any of the Project Agreements.
- 9.4 Subject to the mandatory limitations imposed by Albanian Law, the State shall ensure that each of the other State Parties unreservedly accepts all of the rights granted or made available to the Project Investor or any other Project Participant under this Agreement.
- 9.5 Notwithstanding any other Clause of this Agreement or the terms of the Special Permit or any other Authority Permission, the Project Investor shall be under no obligation to implement the Project or undertake any Project Activities and neither the Project Investor nor any other Project Participant shall have any liability to any State Party, any Independent Authority or any Local Authority due to the Project not being implemented or any Project Activities not being undertaken for any reason whatsoever.

10. PROJECT AGREEMENTS ENTERED INTO BY STATE AUTHORITIES AND/OR STATE ENTITIES

- 10.1 The State shall ensure the timely performance of the obligations of each State Authority and State Entity under each of the Project Agreements entered into by any State Authority and/or State Entity.
- 10.2 Subject to the terms of this Agreement, the State shall, in a timely fashion, issue, give or cause to be given, in writing, all decrees, enactments, orders, regulations, rules, interpretations, authorisations, approvals and Authority Permissions necessary, to enable and require any relevant State Authority and/or State Entity to perform in a timely manner all of their obligations under this Agreement and the Project Agreements. The State shall, at the Project Investor's request, provide appropriate evidence of the foregoing.
- 10.3 The privatisation, insolvency, liquidation, reorganisation or any change in the ownership, organisational structure, viability or legal existence of any State Authority and/or State Entity shall not affect the obligations of the State hereunder.
- 10.4 The State shall, throughout the entire term of each Project Agreement to which any State Authority or State Entity is a party, ensure that the obligations of that State Authority or State Entity under that Project Agreement are always allocated to and undertaken by an Entity authorised to perform and capable of performing such obligations, failing which, subject to any restriction in the Constitution, the State itself shall perform directly all such obligations of such State Authority or State Entity.

11. COMMITMENTS WITH RESPECT TO THE ACTIONS OF LOCAL AUTHORITIES

- 11.1 Subject to the mandatory limitations imposed by Albanian Law, the State shall:
- (a) cause the Local Authorities to comply with this Agreement as though the Local Authorities were State Authorities; and
 - (b) perform its obligations under this Agreement as though the term "State Authorities" included all Local Authorities.

- 11.2 The Parties acknowledge the mandatory limitations imposed by Albanian Law but agree that, notwithstanding those limitations, the State is in a better position to manage and procure that the Local Authorities act in a manner consistent with this Agreement. The State shall therefore use its best endeavours to ensure that the Local Authorities act in the same manner that they would be required to act if they were "State Authorities".

12. REPRESENTATIONS AND WARRANTIES OF THE STATE

12.1 The State represents and warrants that:

- (a) it has the power to make and carry out this Agreement and to perform its obligations under this Agreement and that all such actions have been duly authorised by all necessary procedures on its part and it is duly authorised under Albanian Law to execute this Agreement and to bind, commit and impose the obligations set out in this Agreement on itself and each of the other State Parties hereunder;
- (b) it has accomplished all ratifications and completed all parliamentary, legislative and other actions and enactments required by Albanian Law to cause the Intergovernmental Agreement to be effective and otherwise endow the Intergovernmental Agreement as binding on the State under international law and Albanian Law;
- (c) to the extent such actions have not been completed on the Effective Date, it will promptly after the APA is concluded accomplish all actions and enactments required by Albanian Law to cause the APA to be effective and otherwise endow the APA as binding on the State and enforceable by the Project Investor under Albanian Law;
- (d) it has completed all parliamentary, legislative and other actions and enactments required by Albanian Law to cause the terms of this Agreement and various grants and obligations of the State Parties under this Agreement in favour of the Project Participants to become effective in the State as part of Albanian Law and as the binding obligations of the State Parties;
- (e) the obligations of the State under this Agreement (including, without limitation, the State's obligations under Clause 10.1) and the other Project Agreements to which the State or any other State Party is a party are valid, binding and enforceable against the State and each other State Party in accordance with the terms of this Agreement and the other Project Agreements and are consistent with and permitted by the Constitution;
- (f) the representations, warranties and covenants made by the State under the Intergovernmental Agreement and the APA apply *mutatis mutandis* under this Agreement and are enforceable hereunder by the Project Participants;
- (g) other than with respect to the rights granted (as at the Base Date) to the Existing Licensees under the Existing Licences, and without prejudice to the obligations of the State with respect to Existing Licences as set out in Schedule 1, neither the State, nor any other State Authority has granted or is obliged to grant to any Person any rights or privileges that are inconsistent or conflict, or that may limit or interfere, with the exercise and enjoyment of the rights and privileges held by any Project Participant under any Project Agreement or to be granted under or pursuant to this Agreement;
- (h) other than with respect to the rights granted (as at the Base Date) to the Existing Licensees under the Existing Licences, and without prejudice to the obligations of the State with respect to Existing Licences as set out in Schedule 1, the execution, delivery and performance of this Agreement will not conflict with, result in the material breach of or constitute a material default under any of the terms of any treaty, agreement, decree or order

to which it is a party or by which it or any of its assets is bound or affected, including any treaty between the State and the European Union or any World Trade Organisation treaty;

- (i) no representation or warranty by it contained in this Agreement omits to state a material fact necessary to make such representation or warranty not misleading in light of the circumstances under which it was made, which material fact, at the date of execution hereof, is known or should reasonably be known to the State.

12.2 Those representations and warranties made pursuant to:

- (a) Clauses 12.1(b), 12.1(c), 12.1(d), 12.1(g), 12.1(h) and 12.1(i) (to the extent it relates to the foregoing representations and warranties) are made on the Effective Date; and
- (b) Clauses 12.1(a), 12.1(e), 12.1(f) and 12.1(i) (to the extent it relates to the foregoing representations and warranties) are made on the Effective Date and are repeated on each day thereafter by reference to the facts and circumstances then in existence.

13. REPRESENTATIONS AND WARRANTIES OF THE PROJECT INVESTOR

13.1 The Project Investor represents and warrants that:

- (a) it is duly organised, validly existing and in good standing in accordance with the laws of Switzerland, has the lawful power to engage in the business it presently conducts and contemplates conducting, and is duly licensed or qualified and in good standing as a foreign corporation in each jurisdiction wherein the nature of the business transacted by it makes such licensing or qualification necessary;
- (b) it has the power to make and carry out this Agreement and to perform its obligations under this Agreement and that all such actions have been duly authorised by all necessary procedures on its part;
- (c) the execution, delivery and performance of this Agreement will not conflict with, result in the breach of, constitute a default under or accelerate performance required by any of the terms of its formation or organisational documents or any agreement, decree or order to which it is a party or by which it or any of its assets is bound or affected;
- (d) this Agreement has been duly and validly executed and delivered by it and constitutes a legal, valid and binding obligation upon it, enforceable in accordance with its terms, except and to the extent that its enforceability may be limited by bankruptcy, insolvency, reorganisation or other similar legal process affecting the rights of creditors generally or by general principles of equity;
- (e) there are no actions, suits, proceedings or investigations pending or, to its knowledge, threatened against it, before any court, arbitral tribunal or any governmental body which individually or in the aggregate may result in any material adverse effect on its business or assets or condition, financial or otherwise, or in any impairment of its ability to perform its obligations under this Agreement;
- (f) it has no knowledge of any violation or default with respect to any order, decree, writ or injunction of any court, arbitral tribunal or any governmental body which may result in any such material adverse effect or such impairment;
- (g) it has complied with all laws applicable to it such that it has not been subject to any fines, penalties, injunctive relief or criminal liabilities which in the aggregate have materially

affected or may materially affect its business operations or financial condition or its ability to perform its obligations under this Agreement;

- (h) no representation or warranty by it contained in this Agreement contains any untrue statement of material fact or omits to state a material fact which is necessary to ensure that such representation or warranty is not misleading in light of the circumstances under which it was made.

13.2 Those representations and warranties made pursuant to:

- (a) Clauses 13.1(a), 13.1(c), 13.1(e), 13.1(f), 13.1(g) and 13.1(h) (to the extent it relates to the foregoing representations and warranties) are made on the Effective Date; and
- (b) Clauses 13.1(b), 13.1(d) and 13.1(h) (to the extent it relates to the foregoing representations and warranties) are made on the Effective Date and are repeated on each day thereafter by reference to the facts and circumstances then in existence.

14. SECURITY

14.1 The State shall use all reasonable endeavours (taking into account applicable international human rights standards, including the Guiding Principles for Business and Human Rights, as endorsed by the United Nations Human Rights Council on 16 June 2011) to:

- (a) ensure that there are no disruptions to the Project Activities; and
- (b) to protect the Project Activities in the Territory, the Albanian Facilities and all Persons within Albanian Territory involved in the Project Activities from Loss or Damage,

in each case caused by or which may result from war, sabotage, vandalism, blockade, revolution, riot, insurrection, civil disturbance, terrorism, kidnapping, commercial extortion, organised crime or any other destructive event.

14.2 The Project Investor shall cooperate with the State in order to allow the State to perform its obligations under Clause 14.1.

14.3 The State shall use all reasonable endeavours to assist the Project Investor to identify any unexploded ordnances that may be situated on or under, or in the immediate vicinity of, any Project Land. If during the performance of the Project Activities any unexploded ordnances (or items that could reasonably be considered to be unexploded ordnances) are discovered, the State shall procure the prompt removal of such items by the State's security forces following notice of the same being provided to the State.

15. GOVERNMENT SUPPORT

15.1 Without prejudice to Clauses 10.2, 24.6 and 41, the State shall use all reasonable endeavours to ensure the taking, within a reasonable period of time, of all reasonable measures and shall promulgate all laws and decrees that are or may become necessary under Albanian Law to enable the Project Participants to implement the terms of this Agreement and the Project Agreements and to authorise, enable and support the activities and transactions contemplated by this Agreement and all Project Agreements.

15.2 The State shall, to the extent possible, consult with and keep the Project Investor informed in respect of the development of any necessary laws or regulations and the status of all actions which are or may be necessary in order to comply with Clause 15.1.

16. PROJECT LAND

The Project Land shall be identified and certain rights in the Project Land shall be acquired in accordance with Schedule 1 and obligations in connection with the Parties shall comply with their Project Land as set out in Schedule 1.

17. FUTURE DEVELOPMENTS

- 17.1 Promptly following the Effective Date and, in any case, prior to the commencement of the construction of the Albanian Facilities, the State shall use all reasonable endeavours to ensure the enactment into Albanian Law of the Safety and Consultation Zone Regulations.
- 17.2 The State shall ensure that no Person, other than a Project Participant acting in connection with the Project, undertakes any development or construction activities within the zones established, or to be established, by the Safety and Consultation Zone Regulations that could have an adverse affect on the Pipeline System without the prior written agreement of the Project Investor, such agreement not to be unreasonably withheld.
- 17.3 Following their enactment into Albanian Law, the State Parties shall diligently enforce the Safety and Consultation Zone Regulations. Should the Project Investor notify the State of any breach of the Safety and Consultation Zone Regulations by any Person in relation to the Pipeline System, the State Parties shall promptly take all lawful measures to halt that Person's relevant activities.

18. ENVIRONMENTAL, SOCIAL AND COMMUNITY HEALTH AND SAFETY STANDARDS

- 18.1 The Parties acknowledge that in undertaking the Project Activities, the Project Participants shall observe and comply with:
- (a) those environmental, social and community health and safety standards listed in Part 2 of Schedule 2 (in each case as may be amended or replaced from time to time); and
 - (b) except to the extent inconsistent with the standards referred to in paragraph (a) above (unless such inconsistency requires the application of an objectively higher standard), Albanian Law relating to environmental, social and community health and safety standards.
- 18.2 To the extent any Project Activity is governed by any Albanian Law covering materially the same subject matter as that referred to in Clause 18.1, the State, each of the other State Parties and each Independent Authority agrees and consents to that Project Activity by or on behalf of the Project Participants to the extent that such activity is undertaken in conformity with the standards referred to in Clause 18.1 and any such activity shall be deemed to be in compliance with any Albanian Law covering materially the same subject matter.
- 18.3 The State Parties shall cooperate with, and use their reasonable endeavours to assist, the Project Participants in connection with those Project Activities relating to the discovery and removal of any fossils, coins, articles of value or antiquity, and structures and other remains or items of geological or archaeological interest found as a result of the implementation of the Project Activities. Where the removal of any such items would ordinarily or as a requirement of Albanian Law be undertaken by a State Party, the State shall procure that such removal is undertaken promptly following notice of the same being provided by the Project Investor.
- 18.4 No later than 60 days after the submission by the Project Investor of the Environmental and Social Impact Assessment in relation to the Project Activities, the State shall commence the consultation process with the Hellenic Republic and the Italian Republic required by the Espoo Convention in relation to the Project.

18.5 The Parties agree and acknowledge that:

- (a) Law No. 8990, dated 23 January 2003, "On Assessment of Environmental Impact" (the **Previous Environmental Law**) has been replaced by Law No. 10440 dated 7 July 2011, "On the Environmental Impact Assessment" and Law No. 10448 dated 14 July 2011 "On Environmental Permits" (the **New Environmental Law**); and
- (b) prior to the New Environmental Law coming into full force and effect, the Project Investor has undertaken a range of activities pursuant to the Previous Environmental Law, including the preparation and submission to the relevant State Authorities of the application for an Environmental Permit. Notwithstanding the coming into full force and effect of the New Environmental Law:
 - (i) the Project Investor's application for, and the relevant State Authorities' assessment and granting of, the Environmental Permit for the Project, including all procedural and documentation requirements associated with that application, shall be governed by the Previous Environmental Law;
 - (ii) following the grant of the Environmental Permit for the Project, no State Party shall be entitled to cancel or revoke that Environmental Permit on the grounds that it was granted pursuant to the Previous Environmental Law; and
 - (iii) other than with respect to the Project Investor's application for, and the relevant State Authorities' assessment and granting of, the Environmental Permit for the Project, the Project Investor shall comply with the New Environmental Law (as amended from time to time, but without prejudice to any rights the Project Investor may have under Clause 32 (Change of Law) in relation to any such amendment) on and from it coming into full force and effect.

19. LABOUR STANDARDS

19.1 The Parties acknowledge that in undertaking the Project Activities, the Project Participants shall observe and comply with (in each case as may be amended or replaced from time to time):

- (a) the "Core Labour Standards" as defined by the International Labour Organisation;
- (b) those standards detailed in performance requirement 2 (Labour and Working Conditions) of the Environmental and Social Policy; and
- (c) except to the extent inconsistent with the standards referred to in paragraphs (a) and (b) above (unless such inconsistency requires the application of an objectively higher standard), Albanian Law relating to labour standards.

19.2 To the extent any Project Activity is governed by any Albanian Law covering materially the same subject matter as that referred to in Clause 19.1, the State, each of the other State Parties and each Independent Authority agrees and consents to that Project Activity taken by or on behalf of the Project Participants to the extent that such activity is undertaken in conformity with the standards referred to in Clause 19.1 and any such activity shall be deemed to be in compliance with any Albanian Law covering materially the same subject matter.

20. TECHNICAL STANDARDS

20.1 The Parties acknowledge that in undertaking the Project Activities, the Project Participants shall observe and comply with those technical standards listed in Part 1 of Schedule 2 (in each case as

may be amended or replaced from time to time) and, to the extent not addressed by those technical standards listed in Part 1 of Schedule 2 or Albanian Law, those standards generally utilised from time to time in the European Union.

- 20.2 To the extent any Project Activity is governed by any Albanian Law covering materially the same subject matter as that referred to in Clause 20.1, the State, each of the other State Parties and each Independent Authority agrees and consents to that Project Activity taken by or on behalf of any Project Participant to the extent that such activity is undertaken in conformity with those standards referred to in Clause 20.1 and any such activity shall be deemed to be in compliance with any Albanian Law covering materially the same subject matter.

21. PERSONNEL AND TRAINING

Each Project Participant shall have the right to employ or enter into contracts with, for the purpose of conducting Project Activities, such Persons and their respective personnel (of whatever nationality or citizenship) as, in the opinion of that Project Participant, possess the requisite knowledge, qualifications and expertise to conduct such activities.

22. LOCAL CONTENT

The Project Investor shall, to the extent permitted by applicable law, require under its contracts with each Contractor providing construction, operation or maintenance services or materials for the Albanian Facilities that preference be given to Albanian suppliers in those cases where Albanian suppliers are in all material respects competitive in price, quality, financial soundness and availability in comparison with available suppliers from other locations.

23. ACCESS TO RESOURCES AND FACILITIES

- 23.1 The State and each of the other State Parties shall exercise all reasonable endeavours to assist any Project Participant at the request of the Project Investor in obtaining (including from Local Authorities), on Best Available Terms with respect to the Project:

- (a) readily available water of sufficient quality and quantity located proximate to the Project Land in order to perform hydrostatic and other testing of the Pipeline System, together with the right to dispose of the same at location(s) proximate to the Project Land upon completion of such testing, with such disposal to be undertaken in full compliance with the requirements set forth in Clause 18 of this Agreement;
- (b) all goods, works, services (excluding labour and human resources) and technology as may be necessary or appropriate for the Project in the reasonable opinion of the Project Investor (including raw materials, electricity, water (other than the water referred to in Clause 23.1(a)), gas, communication facilities, other utilities, onshore construction and fabrication facilities, supply bases, vessels, import facilities for goods and equipment, warehousing and means of transportation).

- 23.2 The State and each of the other State Parties shall use all reasonable endeavours to assist any Project Participant at the request of the Project Investor in obtaining, on Best Available Terms with respect to jurisdictions and authorities outside Albanian Territory, those rights, licences, visas, permits, approvals, certificates, authorisations and permissions necessary or appropriate to the Project, including in respect of:

- (a) storage and staging of lines of pipes, materials, equipment and other supplies destined for or exiting from Albanian Territory;

- (b) all marine vessels sailing to or from Albanian Territory in connection with the performance of Project Activities; and
- (c) the import and/or export or re-export of any goods, works, services or technology necessary for the Project,

provided that, in each case, the manner in which the State or any other State Party provides such assistance shall be at the discretion of the State or that State Party.

TAXES, IMPORT AND EXPORT, CURRENCY

24. TAXES

General

- 24.1 The State shall ensure that the treatment for Taxation purposes of Project Participants and each other Person with respect to any part of the Project, or any related assets or activities will be no less favourable than that applicable to its nationals in the same circumstances under its general legislation relating to Taxation.
- 24.2 With respect to measures regarding any relevant Taxation or other payments, irrespective of their names or origin, the State shall co-operate with other states on a multilateral level to ensure a fair and transparent application of Taxation to the Project Participants and each other Person with respect to any part of the Project, or any related assets or activities in accordance with the spirit of the various bilateral double tax treaties concluded between the State and other states. The State shall endeavour to minimise the incidence and complexity of formalities relating to Taxes and to decrease and simplify documentation requirements relating to Taxes.
- 24.3 The State confirms that, except as otherwise expressly agreed and set out in the APA, it will not impose any Taxation in respect of the whole or any part of Project carried on outside Albanian Territory (including, inter alia, Project Activities carried on in that part of the Adriatic Sea lying between the Italian Republic and the State, its bed and subsoil and the air space above it, which does not form part of the territorial sea of the State, determined in accordance with public international law).
- 24.4 The State undertakes to:
 - (a) comply with and fully implement the APA in accordance with its terms; and
 - (b) not amend, vary, suspend or terminate the APA without the prior written consent of the Project Investor.
- 24.5 Except as otherwise expressly provided by or permitted under this Agreement, the Tax Code of the State as at the Base Date shall be valid and apply to the Project Investor for the duration of the Project.

Corporate income tax

- 24.6 The Project Investor's Permanent Establishment in the State shall be subject to Albanian income tax pursuant to Income Tax Law No. 8438, dated 28 December 1998 (**Albanian Income Tax**) (as that Tax exists and is applied at the Base Date).
- 24.7 The allocation of income between the Project Investor and the Permanent Establishment in the State shall follow applicable OECD principles, including the arm's length principle as laid down in the

2010 OECD Transfer Pricing Guidelines, and shall be agreed between the Republic of Albania and the Swiss Confederation as part of the APA.

- 24.8 Based on the allocation of functions, risks and tangible and intangible assets between the Project Investor and the Project Investor's Permanent Establishment in the State, under the arm's length principle the Project Investor's Permanent Establishment in the State will receive:
- (a) a cost plus oriented compensation, i.e. a mark-up of at least 10% on Operating Expenses incurred, accrued and allocated in each fiscal year; and
 - (b) as of the Commercial Operation Date, an additional return as a percentage on the part of the book value of the Pipeline System, according to IFRS, attributable to the Albanian Facilities over the entire Project life in each fiscal year. The aforesaid percentage will amount to at least 3.9%; and
 - (c) if the book value of the Pipeline System, according to IFRS, attributable to the Albanian Facilities should increase after the Commercial Operation Date, this higher value shall be the basis for the return according to Clause 24.8(b) as from the fiscal year this increase becomes effective.
- 24.9 It is acknowledged that, notwithstanding any other provisions in this Agreement to the contrary, Double Tax Treaties shall have effect to give benefits with respect to Taxes related to the whole and any part of the Project Activities.

Value added tax

- 24.10 The State acknowledges that VAT should not be a cost to the Project (either directly or by virtue of any reverse charge mechanism), because the purpose of the Project is not to provide goods, works or services for final consumption within the State, but to provide services to Shippers acting as taxable persons established outside the Albanian territory, which is in line with the principle of neutrality of VAT systems to provide businesses with a taxable business activity with a general right to recover input VAT.
- 24.11 Accordingly, the State agrees as follows:
- (a) The place of supply of the services provided by the Project Investor to the Shippers shall be the place where any of them has established his business, or if the services are provided to a fixed establishment of the Shipper located in a place other than the place where he has established his business, the place of supply of those services shall be the place where the fixed establishment is located.
 - (b) The Project Investor's activity of providing Natural Gas transportation services to the Shippers shall be considered to be outside the scope of Albanian VAT with the right to deduction and all Albanian VAT suffered by the Project Investor in connection with the whole or any part of the Project Activities shall be refundable.
 - (c) The supply of any Natural Gas by Shippers as fuel gas for operating the Pipeline system to the Project Investor will be subject to import VAT at the rate stipulated by the applicable Albanian Law. Import VAT shall be computed on the basis of the price payable by the Project Investor for delivery CIF (Incoterms) of that Natural Gas for the first line fill gas for the Pipeline System, which shall be assessed against the average spot market rate at the Italian Punto di Scambio Virtuale for the month in which the gas was consumed in the compressor stations as described in Clause 25.2.

- (d) The receipt of liquidated damages payments by a Permanent Establishment will not give rise to a liability to account for VAT.

Miscellaneous

24.12 If a refund by the tax administration of the State is not made within the 30 calendar day period according to articles 75 and 76 of Law No. 9920, dated 19 May 2008 "On Tax Procedures In The Republic Of Albania", the tax administration must pay interest on the amount of overpayment as follows:

- (a) where an overpayment is credited against another tax liability, such interest is paid from the date of the overpayment to the due date of payment of tax against which the credit is made;
- (b) where an overpayment is refunded, such interest is paid for the period from 30 days after the overpayment was made until the refund is paid.

Notwithstanding any Albanian Law to the contrary, the interest rate applicable in such circumstances shall be the Agreed Interest Rate. Interest is payable in all circumstances and may not be waived by the State (including by the tax administration of the State) nor appealed, except to the extent there are errors in calculations of the relevant interest amounts or to the extent that the tax liability to which it applies is changed. Without prejudice to Clause 31.8, such interest payments, as well as any other interest payments made under this Agreement, including pursuant to Clause 42, are subject to Albanian Income Tax.

- 24.13 Any compensation including any interest on such compensation received by the Project Investor from any State Party under or in connection with this Agreement or any other Project Agreement shall not be subject to any form of Taxation by any State Authority.
- 24.14 Any compensation including any interest on such compensation to be paid by the Project Investor to any State Party which is attributable to the Project Investor's Permanent Establishment in the State under or in connection with this Agreement or any other Project Agreement shall not be deductible for tax purposes in the State.
- 24.15 In respect of any compensation including any interest on such compensation paid or received under or in connection with this Agreement or any other Project Agreement from or to (as applicable) any State Party, the Project Investor, and not the Project Investor's Permanent Establishment in the State, shall be deemed as the payer or the recipient (as applicable) of that compensation.
- 24.16 Subject to this Agreement, the Project Participants, and their respective employees, shall have no liability or responsibility to the State for any failure on the part of any other Project Participant to comply with the Tax Code of the State regarding Taxes relating to the whole or any part of the Project Activities.
- 24.17 The provisions of this Clause 24 shall not be changed during the period of this Agreement, without the consent of both Parties. In no event shall any changes to this Clause 24 be retroactive.
- 24.18 Without limiting the application of Clause 43, the provisions of this Clause 24 shall survive the termination of this Agreement and remain in force for the duration of the Project. If a Project Participant ceases to have that status, the provisions of this Clause 24 shall continue to apply to Taxes or any Tax compliance or filing obligations arising from or related, directly or indirectly, to the assets or activities of such Project Participant pursuant to this Agreement for all periods in which that Person had such status.

25. IMPORT AND EXPORT

- 25.1 The State and each of the other State Parties shall accord Natural Gas and other goods and services associated, directly or indirectly, with the Project Activities, treatment no less favourable in connection with their import into and/or export out of the State (as the case may be) than that which would be accorded to like goods and services of like origin which are not associated with the Project.
- 25.2 The supply of the first line fill gas of the Pipeline System to the Project Investor shall be subject to customs duties on the basis of the price payable by the Project Investor for delivery CIF (Incoterms) of that Natural Gas. The supply of gas for consumption in the compressor stations by Shippers to the Project Investor shall be subject to customs duties payable on the 10th day of each month and calculated on the basis of the average spot market rate at the Italian Punto di Scambio Virtuale for the month in which the gas was supplied and the actual quantity of gas consumed in the previous month.
- 25.3 The State shall minimise the incidence and complexity of import and export formalities and decrease and simplify import and export documentation requirements in connection with the goods and/or services referred to above.
- 25.4 The provisions of this Clause 25 shall extend to fees, charges, formalities and requirements imposed by the State and/or any State Authority in connection with importation and exportation with respect to any Project Activities, including, but not limited to those relating to consular transactions, such as consular invoices and certificates; quantitative restrictions; licensing; exchange control; statistical services; documents, documentation and certification; analysis and inspection; and quarantine, sanitation and fumigation.

26. FOREIGN CURRENCY

- 26.1 The State confirms that, as at the Effective Date, the Project Participants have the right under Albanian Law, inter alia:
- (a) to bring into, hold or take out of Albanian Territory foreign currency and to open, maintain and operate, without restriction, foreign currency bank and other accounts in Albanian Territory;
 - (b) to open, maintain and operate local currency bank and other accounts in Albanian Territory;
 - (c) to exchange any currency at market rates or at official rates which are set at non-market rates;
 - (d) to purchase and/or convert local currency with and/or into foreign currency;
 - (e) to transfer, hold and retain foreign currency outside Albanian Territory;
 - (f) to be exempt from all mandatory conversions, if any, of foreign currency into local currency or any other currency;
 - (g) to pay abroad, directly or indirectly, in whole or in part, in foreign currency, the salaries, allowances and other benefits received by any foreign employees;
 - (h) to pay Contractors (whether local or foreign), directly or indirectly, in whole or in part, in foreign currency, for their goods, works, technology or services supplied to the Project; and

- (i) to make any payments provided for under any Project Agreement or Implementation Contract in foreign currency,

and the State shall ensure that the Project Participants shall at all times after the Effective Date have such rights under Albanian Law with respect to the Project Activities but, in each case, subject to any procedural requirements which are no more onerous than those required by accepted international standards.

- 26.2 The State shall take all steps and measures required to ensure that it and each other State Party has available to it at all times sufficient Convertible Currency and effective means of payment to transfer to the relevant Person full value at the relevant time.
- 26.3 For the avoidance of doubt, no State Party shall have any obligation to provide to any Project Participant any facility for the exchange of currency, including with respect to the exchange of currency at market rates or at official rates which are set at non-market rates.

IMPLEMENTATION

27. REPRESENTATIVES

27.1 State Representative

- (a) The State and the Council of Ministers hereby appoint the Minister responsible for energy (the **State Representative**) as their representative for all matters arising in connection with this Agreement and who shall be authorised to give notices to and otherwise communicate with the Project Investor on behalf of the State and each Ministry of the State. The Parties acknowledge that the State shall have the right, upon reasonable notice to the Project Investor, to substitute the State Representative.
- (b) The Project Investor shall be entitled to rely upon the communications, actions, information and submissions of the State Representative as being the communications, actions, information and submissions of the State.

27.2 Project Investor Representatives

- (a) The Project Investor shall appoint within 30 Business Days of the Signing Date one or more representatives, committees, or other organisational or functional bodies by or through whom the Project Investor may act with the intention of facilitating the method and manner of the Project Investor's timely and efficient exercise of its rights and/or performance of its obligations under this Agreement (the **Project Investor Representative(s)**).
- (b) Upon the appointment of the Project Investor Representative(s), the State shall be entitled to rely upon the communications, actions, information and submissions of a Project Investor Representative in respect of that Project Investor Representative's notified area of authority as being the communications, actions, information and submissions of the Project Investor. The Parties further acknowledge that the Project Investor shall have the right, upon reasonable notice to the State, to remove, substitute or discontinue the use of one or more Project Investor Representative(s), provided that there shall always be at least one Project Investor Representative.

28. AUTHORITY PERMISSIONS

- 28.1 Upon the request of any Project Participant, the State shall, or shall use all reasonable endeavours to procure that the relevant State Authority or Independent Authority shall, promptly provide written detailed descriptions of all the documentation or other information required to be submitted in order to obtain any Authority Permission together with confirmation that such detailed descriptions are

comprehensive and exhaustive and that, if such documentation or other information is submitted, the Authority Permission will be granted.

- 28.2 The State shall, or shall procure that the relevant State Authority or Independent Authority shall, within the context of this Agreement and on a priority basis within the relevant timeframe prescribed by Albanian Law (or, subject to Clause 28.3, where no such time period is prescribed, within 60 days of the submission of the relevant application) and subject to the application materially satisfying the mandatory requirements to be fulfilled in order for the Authority Permission to be granted (including the payment of any and all appropriate fees and charges associated with the provision of that Authority Permission), provide each Authority Permission necessary as a mandatory requirement of Albanian Law or appropriate in the opinion of the Project Investor to enable it and all other Project Participants to carry out the Project Activities in a timely, secure and efficient manner and/or to exercise their rights and fulfil their obligations in accordance with this Agreement and the Project Agreements, including in relation to:
- (a) customs clearances;
 - (b) import and export licences;
 - (c) visas, labour permits and residence permits;
 - (d) rights and licences, in accordance with relevant Albanian Law, to operate communication and telemetry facilities (including the dedication of a sufficient number of exclusive radio and telecommunication frequencies as requested by the Project Investor to allow the uniform and efficient operation of the Pipeline System within and outside Albanian Territory) for the secure and efficient conduct of Project Activities;
 - (e) rights to establish such branches, Permanent Establishments, Affiliates, subsidiaries, offices and other forms of business or presence in Albanian Territory as may be reasonably necessary in the opinion of any Project Participant to properly conduct the Project Activities, including the right to lease or, where appropriate, purchase or acquire any real or personal property required for Project Activities or to administer the businesses or interests in the Project;
 - (f) rights to operate vehicles and other mechanical equipment, and in accordance with relevant Albanian Law, the right to operate aircraft, ships and other watercraft in Albanian Territory;
 - (g) environmental and safety approvals, provided that the requirements of Clause 18 have been complied with;
 - (h) approvals for the construction and operation of the Albanian Facilities;
 - (i) any crossing of any existing infrastructure or regulated geographic features by any part of the Albanian Facilities, including any roads, railways or rivers;
 - (j) the implementation of the Public Access Road Works;
 - (k) the temporary relocation of any existing infrastructure or regulated geographic feature, including any roads, railways or rivers, for the purpose of undertaking any Project Activities in Albanian Territory;
 - (l) waste management permits, including in relation to the handling of contaminated soil and materials and creation of disposal facilities where no, or insufficient, land fill capacity is available in the relevant area; and

- (m) water use (including in relation to water withdrawal and the lowering of ground water) and wastewater treatment permits.
- 28.3 For the purposes of the time period specified in Clause 28.2, if an Authority Permission is required by Albanian Law to be obtained from the Watershed Council or the National Council of Waters, the relevant timeframe shall be that prescribed by Albanian Law or, where no such time period is prescribed, no later than 30 days after the Watershed Council or the National Council of Waters (as applicable) meet, such meetings to take place at an interval that is no greater than 90 days.
- 28.4 The State shall, or shall procure that the relevant State Authority or Independent Authority shall, at the request of a Project Participant and to the extent reasonably practicable, seek to combine multiple Authority Permissions into a single Authority Permission where such multiple Authority Permissions relate to the same or similar subject matter.
- 28.5 Without prejudice to Clause 28.2, to the extent a Project Participant has submitted an application for any Authority Permission before the Effective Date, the State shall, or shall procure that the relevant State Authority or Independent Authority shall, commence its review of any such application with a view to granting the Authority Permission as soon as possible after the Effective Date.
- 28.6 With regard to all development permits, construction permits and infrastructure permits:
- (a) the State confirms that the Project Investor shall only be required to address any applications for such permits to METE, as issuer of the Infrastructure Permit, and not to any Local Authority;
 - (b) the State warrants that no Local Authority shall have any power or authority with respect to any such permits in connection with the Project Activities;
 - (c) it is acknowledged that several such permits will be required for the Project Activities and that those permits will be required at different times (for example, and without limitation, such permits will be required for the construction of access roads for the purposes of early works soon after the Effective Date);
 - (d) it is acknowledged that such permits are capable of being granted to the Project Investor under Law No. 10119, dated 23 April 2009 "On Territorial Planning" notwithstanding that the Project Investor will not itself carry out construction activities. The Project Investor will only contract for any such activities with Persons who hold such a licence where such a licence would be required as a matter of Law;
 - (e) the State shall ensure, and shall procure that the relevant State Authorities ensure, that licences and permits granted under Law No. 10119, dated 23 April 2009 "On Territorial Planning" will be granted to the Project Investor and no other Person except where the Project Investor specifically notifies the State that it wishes the permit in question to be granted to another Person;
 - (f) notwithstanding Law No. 10119, dated 23 April 2009 "On Territorial Planning" and any associated secondary legislation, such permits may be granted to the Project Investor notwithstanding that it does not at the time have the necessary Relevant Rights in respect of the activities which are the subject of the permit in question;
 - (g) for the purposes of Law No. 10119, dated 23 April 2009 "On Territorial Planning" the location of the Albanian Facilities in the Corridor of Interest (as defined in Part 1 of Schedule 1, together with any subsequent changes to the Corridor of Interest contemplated by 6.1(b)(iii) of that Part 1) constitutes part of the National Sectoral Plan and thus the

requirement for a National Sectoral Plan under that Law is satisfied for the purposes of issuance of those permits; and

- (h) it is understood that the Project Investor will submit the relevant documents required under the provisions of Law No. 9385, dated 4 May 2005 "On forests and forestry service", as amended and Law No. 9693, dated 19 March 2007 "On pasture fund", as amended and thereafter the Project Investor's application will be processed in accordance with the provisions of this Agreement and the requirements under the provisions of Law No. 9385, dated 4 May 2005 "On forests and forestry service", as amended, which provide for conditions for removal from the national cadastre of forests and from the national forestry funds of forest areas from 1 ha to 100 ha with the approval of the Council of Ministers and that for forest areas over 100 ha with the approval of the State's Parliament, to be implemented by the Ministry of Environment, Forests and Water Administration.

29. REGULATORY EXEMPTIONS

29.1 The State acknowledges, warrants and agrees that:

- (a) the continued validity of the Regulatory Exemptions, once granted, in relation to the Albanian Facilities shall not be in any way prejudiced by the subsequent exercise of the relevant powers of ERE in relation to the performance of those tasks related to articles 9, 10 and 11 of the EC Directive 2009/73, as implemented into Albanian Law;
- (b) the Regulatory Exemptions, once granted, shall continue to be valid in relation to the Albanian Facilities until the expiry date of those Regulatory Exemptions and notwithstanding the entry into force of any directive repealing EC Directive 2003/55;
- (c) in any case, neither the Regulatory Exemptions, once granted, nor their scope, in relation to the Albanian Facilities may be subsequently revised by any State Party or Independent Authority to the detriment of the Project Investor except to the extent required to ensure compliance with Relevant EU Law which becomes effective after the date of this Agreement; and
- (d) in accordance with article 11(3)(b) of the EC Directive 2009/73, the granting of certification as referred to in article 10 of that directive will not put at risk the security of supply of the Republic of Albania or of the Community and that all rights and obligations as referred to in that article 11(3)(b)(i) to (iii) (inclusive) have been duly taken into consideration. The State warrants that it will use its best endeavours to obtain and to ensure subsequent compliance with any opinions issued by the Commission as referred to in those articles 10 and 11.

29.2 The State shall, and shall use all reasonable endeavours to procure that the relevant Independent Authorities shall, co-operate with the relevant regulators in the Hellenic Republic and the Italian Republic as well as relevant European authorities to ensure that the Regulatory Exemptions are maintained for their entire term.

29.3 Upon the request of the Project Investor, the State shall, and shall use all reasonable endeavours to procure that the relevant Independent Authority shall, co-operate with the relevant regulators in Hellenic Republic and the Italian Republic and relevant European authorities, in respect of the grant of the Regulatory Exemptions or any additional or replacement Regulatory Exemptions that may be sought by the Project Investor, including any Regulatory Exemption relating to any expansion of the Pipeline System.

29.4 The State shall use all reasonable endeavours to procure that it properly considers in a timely manner any application for any amendment to the Regulatory Exemptions or any additional or replacement

Regulatory Exemptions under Albanian Law or otherwise in Albanian Territory that may be sought by the Project Investor from time to time.

LIABILITY

30. LIABILITY OF THE PROJECT INVESTOR

- 30.1 Subject to Clauses 30.2, 30.3 and 30.4, and without prejudice to the right of the State to seek full performance by the Project Investor of the Project Investor's obligations under this Agreement or any Project Agreement, the Project Investor shall be liable to the State for any Loss or Damage caused by or arising from any breach by the Project Investor of its obligations under this Agreement.
- 30.2 The Project Investor shall have no liability under Clause 30.1 if, and to the extent, the Loss or Damage is caused by, or arises from:
- (a) any breach by the State or any other State Party of any duty or obligation arising under this Agreement or any Project Agreement; or
 - (b) any act or omission of any Local Authority or Independent Authority that would have been a breach of any duty or obligation arising under this Agreement or any Project Agreement had that Local Authority or Independent Authority been a State Authority; or
 - (c) any breach by any State Party, any Independent Authority or any Local Authority of any Albanian Law.
- 30.3 The Project Investor shall have no liability to the State for Loss or Damage arising from or in connection with a release of Natural Gas from the Pipeline System or for Loss or Damage arising from or in connection with any other event which causes or is likely to cause material environmental damage or material risk to health and safety, if, despite there being in place appropriate safety standards in accordance with Clause 18, the Loss or Damage was:
- (a) the result of an act of armed conflict, hostilities, civil war or insurrection;
 - (b) the result of a natural phenomenon of exceptional, inevitable, unforeseeable and irresistible character;
 - (c) the result of compliance with a compulsory measure of any State Party, Independent Authority or Local Authority; or
 - (d) the result of any of the events referred to in the last paragraph of Clause 14.1.
- 30.4 Any award or claim for payment under this Agreement shall be paid by the Project Investor on or before 30 days after receipt of the related award or undisputed claim for payment.
- 30.5 All monetary relief payable by the Project Investor to the State under this Clause 30 shall, if the State so requires, be paid in Convertible Currency nominated by the State.
- 30.6 The Project Investor shall not be liable to the State or any other State Party for any punitive or exemplary damages.
- 30.7 Subject to Clauses 30.8 and 30.9, except where a deduction or withholding must be made pursuant to any applicable law, any payment to be made by the Project Investor under or in connection with this Agreement will be made clear of and without any deduction for or on account of any set-off, counterclaims, deductions or withholdings of any nature whatsoever and by whomsoever imposed.

- 30.8 If any form of deduction or withholding from any payment must be made due to any law other than Albanian Law, the Project Investor shall pay that additional amount which is necessary to ensure that the State receives a net amount equal to the full amount that would have been received if the payment had been made without that deduction or withholding.
- 30.9 Without prejudice to any other claim that may be available to the Project Investor pursuant to or in connection with this Agreement, the Project Investor shall have the right to deduct any amounts of VAT due for refund to the Project Investor from any amounts attributable to any Tax due and payable by the Project Investor to any State Party.
- 30.10 The State shall not have the right to seek or declare any cancellation or termination of this Agreement or any Project Agreement it has entered into as a result of any breach by the Project Investor or any other Project Participant except in accordance with the provisions of Clause 43.

31. LIABILITY OF THE STATE

- 31.1 Without prejudice to the right of the Project Investor to seek full performance by the State or by any other State Party of the obligations under this Agreement or any Project Agreement and without prejudice to any provision of this Agreement providing for a specific methodology for the calculation of compensation in certain specific circumstances (including in relation to a Change of Law or an Expropriation), the State shall provide monetary compensation for any Loss or Damage caused to the Project Investor which is caused by or arises from:
- (a) any failure of the State or any other State Party, whether as a result of action or inaction, to fully satisfy or perform all of its obligations under this Agreement or any Project Agreement or Albanian Law as amended by this Agreement;
 - (b) any misrepresentation by the State or any other State Party in this Agreement or any Project Agreement; or
 - (c) any breach of duty or any breach of any Albanian Law by the State or any other State Party.
- 31.2 The State shall have no liability under Clause 31.1 if, and to the extent, the Loss or Damage is caused by, or arises from, any breach by the Project Investor of any of its obligations under this Agreement or any Project Agreement or under Albanian Law as amended by this Agreement.
- 31.3 Without limiting Clause 31.1, the State shall indemnify the Project Participants against any liability to any third party for Loss or Damage arising from or in connection with a release of Natural Gas from the Pipeline System or for Loss or Damage arising from or in connection with any other event which causes or is likely to cause material environmental damage or material risk to health and safety, if, despite there being in place appropriate safety standards in accordance with Clause 18, the Loss or Damage was:
- (a) the result of an act of armed conflict, hostilities, civil war or insurrection within Albanian Territory to the extent caused or provoked by any State Party;
 - (b) the result of compliance with a compulsory measure of the State, any other State Party, any Independent Authority or any Local Authority.
- 31.4 Any award or claim for payment under this Agreement shall be paid by the State on or before 180 days after receipt of the related award or undisputed claim for payment.
- 31.5 All monetary relief payable by the State under this Agreement shall, if the Project Investor so requires, be paid in the Convertible Currency nominated by the Project Investor.

- 31.6 The State shall not be liable to the Project Investor for any punitive or exemplary damages.
- 31.7 Subject to Clause 31.8, except where a deduction or withholding must be made pursuant to any applicable law, any payment to be made by the State under or in connection with this Agreement will be made clear of and without any deduction for or on account of any present or future Taxes, levies, imposts, duties, charges, fees, set-off, counterclaims, deductions or withholdings of any nature whatsoever and by whomsoever imposed.
- 31.8 If any form of deduction or withholding from any payment must be made due to any law (including Albanian Law) or if any amount paid (including any payment of interest) is subject to Albanian Income Tax, the State shall pay that additional amount which is necessary to ensure that the recipient of that payment receives and is entitled to retain a net amount equal to the full amount that would have been received and which it would have been entitled to retain if the payment had been made without that deduction or withholding and was not subject to Albanian Income Tax.
- 31.9 Without prejudice to Clause 43, the Project Investor shall not have the right to seek or declare any cancellation or termination of this Agreement as a result of any breach by any State Party of this Agreement.

32. CHANGE OF LAW

32.1 Early Notification of Changes of Law

- (a) If either Party becomes aware of a fact or circumstance that in its reasonable opinion gives rise to, or could be reasonably considered to be likely to give rise in the future to, a Change of Law that may result in compensation being paid to it under this Agreement, it shall promptly notify the other Party of that fact or circumstance together with, to the extent within the relevant Party's knowledge, reasonably detailed particulars of that fact or circumstance.
- (b) As soon as reasonably practicable after either Party has provided a notice to the other in accordance with Clause 32.1(a), the Project Investor shall notify the State, based on its knowledge of the relevant fact or circumstance, whether it considers that such fact or circumstance could give rise to a Change of Law under this Agreement and, if so, the potential amount of compensation that may become payable by the State as a result of that Change of Law or (if applicable) the potential amount of Savings that may be realised as a result of that Change of Law. Such notices shall be indicative only and shall not bind or otherwise limit the rights of the Project Investor or any other Project Participant under this Agreement or otherwise.
- (c) At the request of the State, the State (or such other State Parties, Local Authorities or Independent Authorities as the State may nominate) and the Project Investor shall meet at a mutually acceptable place and time to discuss any relevant fact or circumstance that may give rise to a Change of Law and the proposed way forward.

32.2 Changes of Law that lead to Loss or Damage

- (a) If any Change of Law has the effect of impairing, conflicting or interfering with the implementation of the Project, or limiting, abridging or adversely affecting the value of the Project or any of the rights, indemnifications or protections granted or arising under this Agreement or any Project Agreement or of directly imposing any other Loss or Damage on the Project Investor, the Project Investor shall, within one year of the date when it could with reasonable diligence have become aware of the effect of the Change of Law upon the Project, give notice thereof in writing to the State.
- (b) Subject to paragraph (c) below, the State shall compensate the Project Investor for the Loss or Damage it incurs as a result of the Change of Law. Such compensation shall, if the relevant Project

Investor so requires, be paid in the Convertible Currency nominated by the Project Investor and shall take the form of:

- (i) to the extent that the Change of Law imposes (directly or indirectly) any Loss or Damage that requires Capital Expenditure, the State shall compensate that Loss or Damage to the Project Investor promptly following the Project Investor's written demand for the same; and
- (ii) to the extent that the Change of Law imposes any Loss or Damage that does not require Capital Expenditure, the State shall reimburse the Project Investor a financial sum that compensates the Project Investor against the Loss or Damage either, at the Project Investor's election:
 - (A) immediately as a lump sum, if the Project Investor is able to calculate on a reasonable basis the Loss or Damage incurred or likely to be incurred by the Project Investor during the life of the Project and provide reasonable evidence of the basis of such calculation to the State;
 - (B) in the form of advance annual payments to the Project Investor during the remaining life of the Project, with the amount of such payments to be adjusted yearly to reflect the actual Loss or Damage caused by the Change of Law; or
 - (C) on an ongoing basis promptly as and when such Loss or Damage is are incurred.
- (c) When calculating the amount of compensation required to be paid by the State in respect of any Loss or Damage constituted by any increase in Albanian Tax payable in respect the Project Investor's Permanent Establishment in Albania for any tax year, the State will deduct an amount of Tax Savings (up to the amount of that increase) in respect of that tax year. The Project Investor may not elect to be compensated by means of either of the methods referred to in sub-paragraph (A) or (B) of paragraph (b)(ii) above but will be compensated by the method referred to in sub-paragraph (C) of paragraph (b)(ii) above.

32.3 Changes of Law that lead to Savings

If, as a result of any Change of Law, the Project Investor is able to realise Savings in connection with the Project, and the Project Investor (in its sole discretion) in fact realises such Savings, then the Project Investor shall, if so requested in writing by the State (such request to be made no later than one year after the occurrence of the relevant Change of Law), compensate the State for:

- (a) one-half of the amount of such Savings; or
- (b) where:
 - (i) the Savings are Tax Savings which are not deducted under paragraph (c) of Clause 32.2; and
 - (ii) to the extent there remains an Unreimbursed Tax Compensation Amount (but only to that extent),

all of the amount of such Savings.

Such compensation shall, if the State so requires, be paid in Convertible Currency and shall, at the option of the Project Investor, take the form of:

- (A) reimbursement to the State of one-half of the Savings (or where paragraph (b) above applies, all of the amount of the Savings) realised by the Project Investor as a result of the Change of Law, promptly as and when such Savings are realised; or
- (B) except in the case of Tax Savings, reimbursement to the State of one-half of the Savings realised by the Project Investor as a result of the Change of Law, in the form of equal annual payments to the State during the remaining expected life of the Project. In this case, such payments shall bear interest at the Agreed Interest Rate. Such interest shall accrue from the date(s) when the relevant Savings are realised by the Project Investor to the date(s) when payments are made to the State.

In this Clause 32.3:

Unreimbursed Tax Compensation Amount means, at any time, the amount by which:

- (x) the aggregate amount of payments made by the State under Clause 32.2 in respect of Loss or Damage constituted by any increase in Albanian Tax payable in respect the Project Investor's Permanent Establishment in Albania; exceed
- (y) the aggregate amount of Tax Savings which have been deducted under paragraph (c) of Clause 32.2 or reimbursed to the State under this Clause 32.3.

32.4 Thresholds for Change of Law compensation

- (a) Neither Party shall have any obligation to the other Party to pay compensation pursuant to Clause 32.2 or 32.3 (as applicable) in any calendar Year unless the aggregate Loss or Damage resulting from all Changes of Law that have occurred during that calendar Year exceeds €250,000.
- (b) If in a calendar Year Changes of Law give rise to claims that in aggregate exceed €250,000, the Party that is obliged to pay compensation pursuant to Clause 32.2 or 32.3 (as applicable) shall pay that compensation in full and, for the avoidance of doubt, that compensation will not be subject to any reduction to account for the €250,000 claiming threshold.

32.5 Limitation of Change of Law claims

- (a) Subject to Clause 32.5(b), on and from the twenty-fifth anniversary of the Effective Date:
 - (i) the rights and obligations of the State and the Project Investor in respect of Changes of Law, as set out in this Clause 32, shall be limited to Discriminatory Changes of Law only; and
 - (ii) the claiming threshold referred to in Clause 32.4 shall be €500,000.
- (b) Clause 32.5(a) shall not limit the rights and obligations of the State and the Project Investor in respect of Changes of Law that first arose prior to the twenty-fifth anniversary of the Effective Date.

33. EXPROPRIATION

- 33.1 No Investment owned or enjoyed, directly or indirectly, by any Project Participant in relation to the Project shall be Expropriated except where such Expropriation is:
 - (a) for a purpose which is a public purpose;
 - (b) not discriminatory;
 - (c) carried out under due process of law; and

- (d) accompanied by the payment of prompt, adequate and effective compensation that is no less than that provided for in this Clause 33.

33.2 Subject to Clause 33.3, the compensation payable to each Project Participant (other than Shippers (in their capacities as Shippers) or Gas Sellers (in their capacities as Gas Sellers)) upon an Expropriation of an Investment of that Project Participant shall be no less than the Fair Market Value of the Investment expropriated as calculated at the time immediately before the Expropriation or impending Expropriation became known in such a way as to affect the value of the Investment.

33.3 The compensation payable to the Project Investor upon the Expropriation of substantially the whole of the Project Investor's Investment in Albanian Territory shall in no case be lower than the sum of:

- (a) all of the amounts payable by the Project Investor under any Implementation Contract, including those Implementation Contracts with the Lenders;
- (b) all of the equity or subordinated debt invested in the Project Investor by any Person holding any form of direct or indirect equity or other ownership interest in the Project Investor to the extent that that equity or subordinated debt has not been returned to those Persons;
- (c) a sum equal to the net present value of the anticipated return on equity that would have been realised by those Persons holding any form of direct or indirect equity or other ownership interest in the Project Investor had the Expropriation not occurred; and
- (d) those other Losses or Damages directly arising out of the Expropriation.

33.4 If an Expropriation by the State or any State Entity which directly or indirectly causes any Shipper (in its capacity as a Shipper) or any Gas Seller (in its capacity as a Gas Seller) to suffer any Loss or Damage, the State shall pay to that Shipper or Gas Seller (as applicable) compensation in the amount that fully compensates the Shipper or Gas Seller (as applicable) for all such Loss or Damage.

33.5 Compensation under this Clause 33 shall, at the request of the relevant Project Participant, be expressed in, and payable in, the Convertible Currency nominated by the relevant Project Participant. Notwithstanding Clause 42, compensation shall also include interest at the Agreed Interest Rate, calculated on a daily basis and compounded monthly, from the date of Expropriation until the date of payment.

33.6 Any dispute in respect of this Clause may be submitted by the relevant Project Participants (or any of them) for resolution pursuant to Clause 37 (which Clause shall for the purposes of disputes in respect of this Clause be read as if every reference to "Party" were a reference to "Project Participant"). For the avoidance of doubt, Articles 26(3)(b)(i) and (c) of the Energy Charter Treaty shall not, as between the Parties and Project Participants, apply in respect of any such dispute.

34. LIABILITY WITH RESPECT TO THIRD PARTIES

Subject to Clause 49.2, nothing in this Agreement shall:

- (a) create any rights or liabilities, whether contractual or under Albanian Law, pursuant to which any third party (other than a Project Participant that is a third party to this Agreement) may bring any claim against the State, any other State Party, any Local Authority or any Project Participant; or
- (b) affect or otherwise alter the rights of the Parties as against third parties and the rights of third parties as against the Parties under Albanian Law.

35. FORCE MAJEURE

35.1 Non-performance or delays in performance on the part of either Party with respect to any obligation or any part thereof under this Agreement, other than an obligation to pay money, shall be suspended to the extent that it is caused or occasioned by Force Majeure.

35.2 **Force Majeure** with respect to a Party shall be limited to the following events only:

- (a) natural disasters (earthquakes, landslides, cyclones, floods, fires, lightning, tidal waves, volcanic eruptions and other similar natural events or occurrences);
- (b) civil wars and wars (whether declared or not) between sovereign states but, where that Party is the State, only if the Republic of Albania has not initiated the war under the principles of international law;
- (c) international embargoes against sovereign states but, where that Party is the State, only if the embargo is not against the Republic of Albania; and
- (d) where that Party is the Project Investor, civil strife or insurrection, strikes or other labour disputes which are not limited to the employees of the Project Participants, rebellions, acts of terrorism, the inability to obtain necessary goods, materials, services or technology, the inability to obtain or maintain any necessary means of transportation, the application of laws, treaties, rules, regulations and decrees and the actions or inactions of any State Party, Local Authority or Independent Authority,

and, in every case, the specified circumstance and any resulting effects preventing the performance of the Project Activities by the Party or that Party's obligations, or any part thereof, shall not be treated as Force Majeure unless:

- (i) they are beyond its reasonable control; and
- (ii) where, those circumstances are reasonably foreseeable, those circumstances were not caused or contributed to its negligence or the negligence of one of its Related Persons or by its (or one of its Related Person's) breach of this Agreement or any other Project Agreement.

For the purposes of this Clause 35.2, a Party's **Related Persons** are:

- (A) in the case of the State, any other State Party, Local Authority or Independent Authority; and
- (B) in the case of the Project Investor, any other Project Participant.

35.3 If a Party is prevented from carrying out any of its obligations under this Agreement or any part thereof (other than an obligation to pay money) as a result of Force Majeure, it shall promptly notify in writing the other Party. The notice must:

- (a) specify the obligations or part thereof that the Party cannot perform;
- (b) fully describe the event of Force Majeure;
- (c) estimate the time during which the event of Force Majeure and the resulting effects will continue; and
- (d) specify the measures proposed to be adopted by it (or them) to remedy or abate the event of Force Majeure.

Following this notice, and for so long as the Force Majeure continues, any obligations or parts thereof which cannot be performed because of the Force Majeure, other than the obligation to pay money, shall be suspended.

- 35.4 Any Party that is prevented from carrying out its obligations or parts thereof (other than an obligation to pay money) as a result of Force Majeure shall take such actions as are reasonably available to it and expend such funds as necessary and reasonable to remove or remedy the Force Majeure and resume the performance of its suspended obligations as soon as reasonably practicable.
- 35.5 Where the State is prevented from carrying out its obligations or any part thereof (other than an obligation to pay money) as a result of Force Majeure, it shall take, and shall also procure that the relevant State Party takes, such action as is reasonably available to it or them to mitigate any loss suffered by the Project Investor and the other Project Participants during the continuance of the Force Majeure and as a result thereof.
- 35.6 If the Project Investor is prevented from carrying out its obligations or any part thereof (other than an obligation to pay money) as a result of Force Majeure it shall take such action as is reasonably available to it to mitigate any loss suffered by any State Party during the continuance of the Force Majeure and as a result thereof.
- 35.7 No provision of any Albanian Law shall act to provide either Party with any greater relief or excuse from its liabilities and/or obligations in any circumstance which is outside of the control of that Party than the relief or excuse from its liabilities and/or obligations that is provided under this Agreement.

DISPUTE RESOLUTION

36. WAIVER OF IMMUNITY

- (a) Subject to paragraph (b) below, to the fullest extent permitted by Albanian Law, on its own behalf and on behalf of each other State Party, the State irrevocably and unconditionally:
- (i) submits to the jurisdiction of the English courts, the Albanian courts and the courts of any other jurisdiction in relation to the recognition of any judgment or order of the English courts, the Albanian courts and the courts of any other jurisdiction in support of any arbitration in relation to any Dispute and in relation to the recognition of any arbitral award and waives and agrees not to claim any sovereign or other immunity from the jurisdiction of the English courts, the Albanian courts or the courts of any other jurisdiction in relation to the recognition of any such judgment or court order or arbitral award and agrees to ensure that no such claim is made on its behalf;
 - (ii) consents to the enforcement of any order or judgment in support of arbitration or any award made or given in connection with any Dispute and the giving of any relief in the English courts, the Albanian courts and the courts of any other jurisdiction whether before or after final arbitral award including:
 - (A) relief by way of interim or final injunction or order for specific performance or recovery of any property;
 - (B) attachment of its assets; and
 - (C) enforcement or execution against any property, revenues or other assets whatsoever (irrespective of their use or intended use); and

- (iii) waives and agrees not to claim any sovereign or other immunity from the jurisdiction of the English courts, the Albanian courts or the courts of any other jurisdiction in relation to such enforcement and the giving of such relief (including to the extent that such immunity may be attributed to it), and agrees to ensure that no such claim is made on its behalf.
- (b) The State does not waive any immunity in respect of:
- (i) present or future "premises of the mission" as defined in the Vienna Convention on Diplomatic Relations signed in 1961, present or future "consular premises" as defined in the Vienna Convention on Consular Relations signed in 1963 or otherwise used by a diplomat or diplomatic mission of Albania or any agency or instrumentality thereof;
 - (ii) any immovable property which falls under provisions, as of the Base Date, of article 3, paragraph 1-3, of Albanian Law No. 8743, dated 22 February 2001 "On the state immovable properties";
 - (iii) any monetary fund or amount intended for fulfilling the obligations Republic of Albania has under public law international treaties, international conventions or state to state agreements or agreements the Republic of Albania has with international non-commercial organisations.

37. DISPUTE SETTLEMENT

- 37.1 Any dispute (excluding a Taxation Dispute, but including a dispute as to whether a dispute is a Taxation Dispute) arising under this Agreement, or in any way connected with this Agreement (including this Agreement's formation and any questions regarding arbitrability or the existence, validity, interpretation, performance, breach or termination of this Agreement, or the consequences of its nullity, or any dispute relating to any non-contractual obligations arising out of or in connection with this Agreement), or any dispute (excluding a Taxation Dispute, but including a dispute as to whether a dispute is a Taxation Dispute) arising from any Project Activity (a **Dispute**) shall, subject to Clause 37.2, be finally settled by arbitration pursuant to Clauses 37.3 to 37.8 (inclusive) to the exclusion of any other remedy or dispute resolution forum. Each of the Parties hereby gives its unconditional consent to any such submission to arbitration.
- 37.2 Without prejudice to any injunctive or interlocutory relief which may be available to the Project Investor, prior to initiating any arbitration pursuant to Clause 37.3:
- (a) the Party raising the Dispute shall first serve a written notification of the Dispute to the other Party, such notice to briefly describe the nature and circumstances of the Dispute;
 - (b) the Parties shall take reasonable measures to resolve the Dispute amicably; and
 - (c) a Party shall only be entitled to refer the Dispute to arbitration pursuant to Clause 37.3 if the Parties have not reached an amicable agreement after one month of the date of the notice referred to in Clause 37.2(a).

Arbitration

- 37.3 The Party initiating arbitration pursuant to this Clause 37.3 shall submit the Dispute, at its option, to:
- (a) the International Centre for Settlement of Investment Disputes, established pursuant to the Convention on the Settlement of Investment Disputes between States and Nationals of other States opened for signature at Washington, 18 March 1965 (hereinafter referred to as the **ICSID Convention**) for the disputes that are in its jurisdiction referring to art. 25 of it; or

- (b) an arbitral tribunal established under the Rules of Arbitration of the International Chamber of Commerce in force on the date of the Dispute,

which choice shall be final and binding on the other Party.

37.4 The number of arbitrators shall be three. Without prejudice to the default powers of any relevant arbitral institution to constitute a tribunal, the tribunal shall be constituted as follows:

- (a) each Party shall nominate an arbitrator for appointment;
- (b) the third arbitrator, who shall act as a chairman of the tribunal, shall be chosen by the two arbitrators appointed by or on behalf of the Parties. The chairman of the tribunal shall be of a nationality other than the nationality of the Parties.

If within 30 days from the end of the one month period after which the Party gave written notification of the Dispute, either Party has failed to appoint an arbitrator, or the two party appointed arbitrators have failed to select the third arbitrator within 30 days after both arbitrators have been appointed, the President of the International Chamber of Commerce shall appoint such arbitrator or arbitrators as have not been appointed.

37.5 If ICSID jurisdiction is unavailable or denied for resolution of any Dispute (including by reason of the State's withdrawal from or reservation to the ICSID Convention), the Party initiating arbitration shall be entitled to submit the Dispute to arbitration in accordance with Clause 37.3(b).

37.6 The language of the arbitration shall be English.

37.7 The tribunal shall have the power to order any interim or conservatory measures it deems appropriate. Upon being rendered, the tribunal's award shall be final and binding upon the Parties and the Parties undertake to comply voluntarily with its terms without delay. For avoidance of doubt, Parties do not waive their right to apply for setting aside of an award.

37.8 Unless the Parties agree otherwise in writing, the Parties agree that the seat of any arbitration held pursuant to this Clause shall be Vienna and that all hearings shall be held in that city.

Taxation Disputes

37.9 Subject to Clause 37.10, all Taxation Disputes shall be resolved in accordance with the Tax Procedures Law (law no. 9920/2008) and the Instruction of the Minister of Finance on Tax Procedures (instruction no 24/2008), as that law and instruction are at the Base Date (the **Taxation Dispute Resolution Process**).

37.10 If:

- (a) a Project Participant challenges or appeals, or intends to challenge or appeal, any tax audit, tax assessment notice or similar finding or determination by a State Authority in respect of Taxation and, pursuant to the Taxation Dispute Resolution Process, that Project Participant is required to make payment of an amount that is the subject of the challenge or appeal (including as precondition to that challenge or appeal being considered), that Project Participant's obligation to pay shall, subject to Clause 37.11(a), be capped at an amount of €1,000,000 (or its equivalent amount in Albanian lek). Provided that Project Participant has (subject to that cap) made the relevant payment, the relevant State Authority (including the Tax Appeal Directorate) shall hear and consider the appeal or challenge in accordance with applicable Albanian Law;

- (b) after the Base Date, the Tax Procedures Law (Law No. 9920/2008) and/or the Instruction of the Minister of Finance on Tax Procedures (instruction no. 24/2008) are amended or replaced such that there is no requirement to make payment of an amount that is the subject of a challenge or appeal (including as a precondition to that challenge or appeal being considered), the Taxation Dispute Resolution Process for the purposes of this Agreement shall, at the same time as the relevant amendment or replacement is made, be automatically revised such that under the Taxation Dispute Resolution Process there shall be no requirement to make payment of an amount that is the subject of a challenge or appeal (including as precondition to that challenge or appeal being considered).

37.11 If a dispute exists as to whether a dispute is a Taxation Dispute or not, the relevant Project Participant may elect, as an interim measure, to concurrently comply with the Taxation Dispute Resolution Process, in which case (and notwithstanding any Albanian Law to the contrary):

- (a) if the dispute is determined to be a Taxation Dispute, the Taxation Dispute Resolution Process shall continue provided that, notwithstanding the cap referred to in Clause 37.10(a), the relevant Project Participant shall, as a precondition to such continuance, be required to pay within 15 Business Days of that determination the full amount that is the subject of the challenge or appeal. If the relevant Project Participant fails to pay the full amount within 15 Business Days, it shall be deemed to have withdrawn its challenge or appeal and the amount that was the subject of the challenge or appeal shall become immediately due and payable in accordance with Albanian Law; or
- (b) if the dispute is determined to be a Dispute:
 - (i) the Taxation Dispute Resolution Process shall be abandoned;
 - (ii) all judgments, determinations or rulings made pursuant to that Taxation Dispute Resolution Process shall be declared null and void;
 - (iii) those amounts paid by the relevant Project Participant pursuant to the Taxation Dispute Resolution Process which were the subject of the challenge or appeal shall be returned by the relevant State Authority to the relevant Project Participant within 15 Business Days of that determination; and
 - (iv) the Dispute shall be finally settled by arbitration pursuant to Clauses 37.3 to 37.8 (inclusive) to the exclusion of any other remedy or dispute resolution forum.

37.12 For the avoidance of doubt and notwithstanding any Albanian Law to the contrary, the determination of any Dispute shall prevail over any judgment, determination or ruling made pursuant to the Taxation Dispute Resolution Process.

Valid and enforceable

37.13 The provisions of this Clause shall be valid and enforceable notwithstanding the illegality, invalidity, or unenforceability of any other provisions of this Agreement.

38. APPLICABLE LAW

This Agreement, including Clause 37, and any non-contractual rights and obligations arising out of or in connection with it are governed by English law.

FINAL PROVISIONS

39. NATURE OF THIS AGREEMENT

This Agreement shall at all times have a dual nature, being both part of Albanian Law (including as the implementing law of the Intergovernmental Agreement) and a private contract between the Project Investor and the State.

40. AMENDMENTS TO THIS AGREEMENT

40.1 No variations or amendments of this Agreement shall be binding on the Parties unless:

(a) for the purpose of this Agreement being both part of Albanian Law (including as the implementing law of the Intergovernmental Agreement) and a private contract, that variation or amendment is:

(i) set out in writing and expressed to vary or amend this Agreement;

(ii) signed by the authorised representatives of each of the Parties; and

(iii) approved by a decision of the State's Council of Ministers; and

(b) in addition to the requirements set out in Clause 40.1(a), for the purpose of this Agreement forming part of Albanian Law (including as the implementing law of the Intergovernmental Agreement), that variation or amendment is agreed (as applicable) by the Hellenic Republic and the Italian Republic under the Intergovernmental Agreement and approved by way of an enacting law of the State's Parliament.

40.2 The State shall not amend, rescind, declare invalid or unenforceable, or otherwise seek to avoid or limit this Agreement as a fully effective part of Albanian Law without the prior written consent of the Project Investor.

41. INFRASTRUCTURE MODERNISATION LAW

The State shall use its best endeavours to make the exemptions from and amendments to Albanian Law set out in Schedule 4 by way of enacting a separate piece or pieces of primary legislation within 3 months after the Signing Date.

42. AGREED INTEREST RATE

If any Party fails to pay any amount due and payable by it under the Agreement or under any judgment or award in connection with this Agreement, that Party shall, in addition to such amount, be liable to pay to the Party to whom the same was due, interest (calculated on a daily basis and compounded monthly) on such overdue amount from the date due until the date of actual payment, after as well as before judgment or award, at the Agreed Interest Rate.

43. EXPIRY AND TERMINATION

43.1 Without prejudice to Clause 2.6, this Agreement shall have a term beginning on the Effective Date and expiring on the date on which the Project Investor permanently ceases to carry out the Project Activities (as notified by the Project Investor to the State) unless terminated earlier in accordance with this Clause 43.

43.2 If the Project Investor has not taken steps to commence the construction phase of the Project by not later than 48 months after the Effective Date, then for a period of 180 days thereafter the State shall

have the right to give written notice to the Project Investor of the termination of this Agreement. Such termination shall become effective 60 days after actual receipt by the Project Investor of the termination notice unless within that 60 day period the Project Investor takes steps to commence the construction phase of the Project. If the above-referenced 180 day period expires without the State giving any such termination notice, the State's right to terminate hereunder shall expire and this Agreement shall continue in full force and effect in accordance with its terms. In addition, the above-referenced 48 month period shall be extended if and to the extent of any delays caused by:

- (a) the failure or refusal of any State Party to perform any of its obligations under this Agreement or any other Project Agreement;
- (b) any delay or failure occurring upstream or downstream of the Pipeline System which is not within the reasonable control of the Project Investor (including a delay by the Shah Deniz Phase II consortium in making its final investment decision); or
- (c) any Force Majeure affecting the Project Investor.

43.3 Termination or expiry of this Agreement shall be without prejudice to:

- (a) the rights of the Parties (including those Persons which are no longer Parties) and other Persons in connection with any accrued liability of the Parties as at the date of termination;
- (b) the full performance of all obligations under this Agreement which have accrued prior to termination;
- (c) those rights and obligations which expressly or impliedly survive termination; and
- (d) the survival of all waivers and indemnities provided herein in favour of a Party (or former Party) or other Person.

44. NATURE OF PARTIES' OBLIGATIONS

The obligations undertaken by each Party under this Agreement shall be several, independent, absolute, irrevocable and unconditional, and shall each constitute an independent covenant of that Party, separately enforceable from all other obligations of that Party under this Agreement and the obligations of any State Party or Project Participant under the Project Agreements, without regard to the non-performance, invalidity or unenforceability of any of those other obligations.

45. SUCCESSORS AND PERMITTED ASSIGNEES

45.1 The State agrees that the rights and benefits of the Project Investor under this Agreement include the right to transfer its rights under this Agreement in accordance with the provisions of this Clause 45.

45.2 Subject to Clause 45.4, any assignment or transfer of rights and/or obligations under this Agreement by the Project Investor shall require the prior notification of the Project Investor and shall include the details of such transferred rights and/or obligations and the proposed recipient thereof, and if the Project Investor so elects, delivery to the State Authorities of an agreement duly executed by the Project Investor and the proposed recipient of such rights and/or obligations; provided, however, that the State Authorities shall have the right (acting reasonably), within 20 days of receipt of such notification, to disapprove such assignment or transfer if the proposed assignee or transferee:

- (a) poses a threat to the national security of the Republic of Albania;

- (b) is an Entity incorporated or organised in a jurisdiction which is subject to European Union or United Nations sanctions;
- (c) (if the Project Investor intends to transfer its obligations under this Agreement) does not have the technical and financial capability to perform the Project Investor's obligations under this Agreement (to be tested in relation to the capacity of the Project Investor at the time at which the Project Investor's notice was given).

45.3 Upon delivery of the form of agreement as contemplated by Clause 45.2, the State shall promptly execute the agreement and return the same to the Project Investor.

45.4 The State hereby consents to any assignment (by way of security) or grant of other security interests to the Lenders (or an Entity acting on behalf (including as agent or trustee) of the Lenders) of the benefit of, or rights under, this Agreement.

45.5 In the case of an assignment or transfer (as the case may be) of the Project Investor's rights and/or obligations under this Agreement pursuant to this Clause 45, the State agrees to execute such subsequent documentation as may be necessary to give full effect to the assignment or transfer, the transfer of the Special Permit to the transferee, the enforcement of any security assignment by the Lenders and any subsequent transfer by the Lenders of the rights of the Project Investor to any third party to which the substantial majority of the Project is to be transferred in connection with such enforcement.

46. DECOMMISSIONING

Following the expiry or earlier termination of the Agreement, the Project Investor shall decommission the Project according to the terms of the decommissioning plan to be established as set out in the environmental and social impact assessment process (as may be amended from time to time) referred to in Clause 18, unless the State agrees to have all rights in relation to the Albanian Facilities transferred to it or its nominee. The Project Investor shall have no obligations in relation to the decommissioning of the Project other than those provided for in this Clause 46.

47. PROJECT FINANCING COOPERATION

47.1 The State acknowledges that the Project Investor intends to finance the development of the Project on a limited or non-recourse project finance basis. The State further acknowledges that such financing is fundamental to the successful implementation of the Project and that such financing will be in respect of the entire Project rather than any specific part of the Project. Subject to the Project Investor reimbursing the State for any reasonably incurred legal fees in connection with the same, the State agrees to cooperate with the Project Investor in its pursuit of such limited or non-recourse project finance based debt or bond financing for the Project, such co-operation to include the following:

- (a) providing potential Lenders, Interest Holders and any or their respective Affiliates with such non-proprietary/non-secret data that is available to the State and is reasonably required by such Persons;
- (b) at financial closing, providing legal opinions, which may include customary qualifications, to the Project Investor, Lenders, Interest Holders and any or their respective Affiliates regarding (but not limited to):
 - (i) the due authorisation and approval of this Agreement, the Intergovernmental Agreement and the APA;

- (ii) the valid and binding effect of this Agreement, the Intergovernmental Agreement, the APA and the Project Agreements on the State and the other State Parties;
 - (iii) the absence of any known default or breach (or any event or circumstance which would, with the effluxion of time, the giving of notice, or the making of any determination be a default or breach) under material agreements to which the State is a party caused by or which could be caused by the execution and delivery of this Agreement, the Intergovernmental Agreement or the APA; and
 - (iv) the absence of any litigation pending, and to the best of the State's knowledge, threatened litigation against the State and/or any other State Party that, if the determination was adverse to the State and/or the other State Party, could reasonably be expected to have a material adverse effect on the validity of this Agreement, the Intergovernmental Agreement, the APA and/or the Project Agreements;
- (c) if requested by the Project Investor, entering into a direct agreement with the Lenders (or the agent or trustee of the Lenders) on terms satisfactory to the Lenders and otherwise customary for a limited recourse debt or bond financings such direct agreement to address matters including:
- (i) an acknowledgement by the State of the security interest in this Agreement held by the Lenders;
 - (ii) a requirement for amounts to be paid by any State Party to the Project Investor under or in connection with this Agreement to be paid to an account specified by the Lenders from time to time;
 - (iii) a requirement for the State to notify the Lenders (or their agent, trustee or other representative) of any default by the Project Investor or other circumstance (together a **Defaulting Act**) that would entitle the State to terminate this Agreement or suspend its obligations under this Agreement;
 - (iv) agreement that upon the Lenders receiving such a notice from the State or the Lenders providing notice to the State that an event of default has occurred under the finance documents, a "**decision period**" shall commence and thereafter continue for a period of one hundred and twenty (120) days. During the decision period the State shall accept notices and instructions from the Lenders as though they had been provided by the Project Investor;
 - (v) agreement that the Lenders or their representatives may, with or without stepping in to this Agreement, cure the Defaulting Act (and such cure shall be deemed to discharge any relevant obligations of the Project Investor) during the decision period;
 - (vi) agreement that during the decision period, the Lenders or a third party nominated by the Lenders, may step-in by jointly assuming the obligations of the Project Investor under this Agreement going forward (the **Step-in-Entity**) and may thereafter step-out and be released of the obligations of the Project Investor under this Agreement, other than those obligations which have accrued during the step-in period, such step-out to occur on the earlier of the notice of the Lenders, the date of any novation of this Agreement as provided for in this Clause 47.1(c) and the date of any termination, subject to the provisions of the direct agreement, of this Agreement or the date of expiry of this Agreement;

- (vii) a requirement that during a step-in period the State shall accept notices and instructions from the Lenders as though they had been provided by the Project Investor and shall deal only with the Step-in-Entity to the exclusion of the Project Investor;
- (viii) a requirement that the State may not take any action against or in respect of the Project Investor (including, without limitation, taking any step towards any receivership, administration, winding-up or other insolvency, liquidation or rehabilitative proceedings affecting the Project Investor or its assets) or terminate or suspend this Agreement by virtue (directly or indirectly) of the enforcement of rights (including rights relating to security interests or to accelerate or place loans on demand) by the Lenders or their representatives against the Project Investor or its shareholder(s) during a decision period or step-in period;
- (ix) agreement that during the decision period or the step-in period or in the event of enforcement of security by the Lenders, the Lenders may novate the rights and obligations of the Project Investor under this Agreement and any guarantee relating to this Agreement to a third party nominated by the Lenders (subject to the requirements set out in Clause 47.1(c)(x));
- (x) a requirement for any novatee of the Project Investor to have the technical and financial capability to perform the Project Investor's obligations under this Agreement (to be tested in relation to the capacity of the Project Investor at the time immediately before the decision period commenced); and
- (d) executing such other documents as are necessary or appropriate to extend directly to any and all applicable Lenders the representations, warranties, guarantees, covenants, undertakings and obligations of the State as, and to the extent, set forth in this Agreement.

47.2 The State shall use its best endeavours to ensure that any security granted by the Project Investor to the Lenders (or any agent or trustee of the Lenders) with respect to the Albanian Facilities is perfected and fully enforceable by the Lenders in accordance with the terms upon which the security is granted.

48. NOTICES

48.1 A notice, approval, consent or other communication given under or in connection with this Agreement (in this Clause 48 a **Notice**):

- (a) must be in writing in the English language;
- (b) shall be delivered by hand, or by internationally recognised courier delivery service, or sent by facsimile transmission to the Party to which it is required or permitted to be given or made at such Party's address, facsimile number or email address specified below and marked for the attention of the person so specified, or at such other address, facsimile number or email address and/or marked for the attention of such other person as the relevant Party may from time to time specify by Notice given in accordance with this paragraph.

48.2 Any notice or other document sent by email shall be sent as an email attaching the actual notice or other document in a non-editable PDF format. No notice or other document shall be sent in the body of an email.

48.3 The relevant details of each party at the date of this Agreement are:

The State

Address: Ministry of Economy, Trade and Energy, Boulevard Dëshmorët e Kombit, 1001 Tirana, Albania

Facsimile: +355 4 2234 052

Email: sekretaria@mete.gov.al

Attention: The Minister

The Project Investor

Address: Trans Adriatic Pipeline AG, Lindenstrasse 2, 6340 Baar, Switzerland

Facsimile: +41 41 747 34 01

Email: tap.dcc@tap-ag.com

Attention: Managing Director

48.4 In the absence of evidence of earlier receipt, any Notice shall take effect from the time that it is deemed to be received in accordance with Clause 48.5.

48.5 Subject to Clause 48.4, a Notice is deemed to be received:

- (a) in the case of a notice delivered by hand at the address of the addressee, upon delivery at that address;
- (b) in the case of internationally recognised courier delivery service, when an internationally recognised courier has delivered such communication or document to the relevant address and collected a signature confirming receipt;
- (c) in the case of a facsimile, on production of a transmission report from the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient; and
- (d) if sent by email, upon the generation of a receipt notice by the recipient's server or, if such notice is not so generated, upon delivery to the recipient's server.

48.6 A Notice received or deemed to be received in accordance with Clause 48.5 on a day which is not a Business Day or after 5.00 p.m. on any Business Day, according to local time in the place of receipt, shall be deemed to be received on the next following Business Day.

49. MISCELLANEOUS**49.1 Waiver**

- (a) The rights of each Party under this Agreement:
 - (i) may be exercised as often as necessary;
 - (ii) unless otherwise expressly provided in this Agreement, are cumulative and not exclusive of rights and remedies provided by law; and

(iii) may be waived only in writing and specifically.

- (b) Delay by a Party in the exercise or non-exercise of any right under this Agreement is not a waiver of that right.
- (c) A waiver (whether express or implied) by one of the Parties of any of the provisions of this Agreement or of any breach of or default by the other Party in performing any of those provisions shall not constitute a continuing waiver and that waiver shall not prevent the waiving Party from subsequently enforcing any of the provisions of this Agreement not waived or from acting on any subsequent breach of or default by the other Party under any of the provisions of this Agreement.

49.2 Third Party Rights

Notwithstanding Clause 34, all rights and indemnities expressed to be in favour of any third party (including each Project Participant) under this Agreement may be enforced by those third parties, notwithstanding that such third parties are not party to this Agreement.

Subject to Clause 40, but notwithstanding any other provision of this Agreement benefiting any third party (including this Clause 49.2), the Parties shall not be required to obtain the consent of any third party for any amendment, waiver, variation or termination to or under (as the case may be) this Agreement.

49.3 Representations

- (a) Each Party acknowledges that, in agreeing to enter into this Agreement, it has not relied on any express or implied representation, warranty, collateral contract or other assurance (except those repeated in this Agreement and the documents referred to in it) made by or on behalf of any other Party at any time before the signature of this Agreement. Each Party waives all rights and remedies which, but for this Clause 49.3(a), might otherwise be available to it in respect of any such representation, warranty, collateral contract or other assurance.
- (b) Nothing in Clause 49.3(a) limits or excludes any liability for fraud.

49.4 Relationship of the Parties

Nothing in this Agreement shall be deemed to constitute a partnership between the Parties nor be deemed to constitute any Party the agent of any other Party for any purpose.

49.5 Entire Agreement

This Agreement, and the documents referred to in it, contains the whole agreement between the Parties relating to the transactions contemplated by this Agreement and supersedes all previous agreements between the parties relating to the subject matter of this Agreement. Except to the extent otherwise required by law, no terms shall be implied (whether by custom, usage or otherwise) into this Agreement.

49.6 Further Assurance

Each Party agrees, upon the request of the other, to execute any documents and take any further steps as may be reasonably necessary in order to implement and give full effect to this Agreement.

49.7 Counterparts

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same Agreement and any Party may enter into this Agreement by executing a counterpart.

49.8 Severability

The provisions contained in each Clause of this Agreement shall be enforceable independently of each of the others and their validity shall not be affected if any of the others are invalid. If any of those provisions is void but would be valid if some part of the provision were deleted, the provision in question shall apply with such modification as may be necessary to make it valid.

49.9 Confidentiality

The State and the Project Investor shall maintain, and the State shall cause each of the other State Parties to maintain, the confidentiality of all data and information of a non-public or proprietary nature that they may receive, directly or indirectly, from the other pertaining to any of the Project Participants or the Project.

49.10 Costs

Each of the Parties shall pay its own costs and expenses of and incidental to the negotiation, preparation and completion of this Agreement.

49.11 Language

- (a) The Agreement shall be signed in both English and Albanian language versions. To the extent of any inconsistency between those versions, the English language version shall prevail.
- (b) The language of this Agreement and all notices, demands, requests, statements or other documents or communications under this Agreement shall be in English unless otherwise agreed in writing, provided that all official notices, demands, requests, statements or other documents or communications from the State shall be in Albanian and English, with the English version to prevail. If this Agreement or any related documents are translated into another language, the English version shall prevail.

The Parties have caused this Agreement to be executed by their duly authorised representatives:

THE GOVERNMENT OF The Republic of Albania

By: Florjon Mima

Title: Minister of Economy, Trade and Energy

THE PROJECT INVESTOR

Trans Adriatic Pipeline AG

By: Kjetil Tungland

Title: Managing Director

SCHEDULES TO THE HOST GOVERNMENT AGREEMENT

SCHEDULE 1

PROJECT LAND

PART 1

REQUIRED PROJECT LAND

Definitions

In this Schedule, in addition to those definitions set out in Clause 1, the following terms shall have the following meanings:

Above Ground Facilities means those parts of the Albanian Facilities that are necessary for controlling the flow of Natural Gas and/or for ensuring the safety and maintenance of the Pipeline System, including compressor stations, metering and pigging stations, receiving terminals and block valve stations.

Affected Persons means the Existing Licensees and those Persons (including informal Land users) whose Land is acquired, encumbered or impaired, or whose rights with respect to such Land are acquired, encumbered or impaired as a result of the Project Investor obtaining Relevant Rights over the Required Project Land and includes those Persons that are landowners, occupiers or informal users of Land adjacent to Required Project Land.

Cadastral Agreement means the agreement between the Project Investor and the Immovable Property Register of Albania, dated 24 November 2011.

Construction Corridor means that Temporary Land identified by the Project Investor in accordance with paragraph 6.1 extending from the Start Point to the End Point, within which the centreline of the Pipeline System Corridor will be located and that is required for the construction of the Pipeline System and related Project Activities during the Construction Phase.

Construction Phase means the period from the date that the physical construction of the Albanian Facilities commences until the date that the Pipeline System is commissioned for commercial operation and all construction equipment has been removed from the Temporary Land.

Corridor of Interest means that area of Land with a width of approximately 2 kilometres at any one point and extending from the Start Point to the End Point, as set out in Annex 1 to this Agreement

Emergency Situation means a situation where harm to persons or property has occurred or where imminent harm to persons or property is reasonably likely to occur if that situation is not addressed.

End Point means the point, situated on the Adriatic Sea border between the Republic of Albania and the Italian Republic, determined by the Project Investor as being technically optimal for the Pipeline System's crossing from the Republic of Albania into the Italian Republic.

Excess Land has the meaning given to it in paragraph 6.2.

Facilities Land means that Permanent Land identified by the Project Investor in accordance with paragraph 6.1 that is required for the installation of the Above Ground Facilities.

Hazardous Materials means any natural or artificial substance which (whether alone or in conjunction with any other substance) gives rise to a risk of causing harm to persons or any other physical entity or causing

damage to the environment and includes any controlled, special, hazardous, pollutant, contaminant, flammable, toxic, radioactive, corrosive, caustic or dangerous waste, material, water or otherwise hazardous substances (including petroleum, its derivatives, by-products and other hydrocarbons and asbestos) but excludes any natural substance occurring naturally at the point of its discovery. For these purposes "occurring naturally" excludes circumstances where the location of the relevant substance resulted directly or indirectly from any human development or other action.

Livelihood Restoration Plan means the document to be established by the Project Investor on the basis of the Environmental and Social Policy that defines the entitlements of Affected Persons, establishes common Replacement Values in respect of the Land associated with the Affected Persons and outlines the land access and expropriation processes contemplated by this Agreement (in each case, in a manner consistent with this Agreement) and will be consistent with Albanian law and the Environmental and Social Policy..

Negotiation Procedures has the meaning given to it in paragraph 7.1(b).

Permanent Land means the Land required by the Project Investor for both the Construction Phase and the Post Construction Phase.

Pipeline System Corridor means that Permanent Land which is not Facilities Land within the Construction Corridor identified by the Project Investor in accordance with paragraph 6.1 and extending from the Start Point to the End Point within, over or under which the Pipeline System (other than the Above Ground Facilities) is to be located.

Post Construction Phase means the period from the end of the Construction Phase until the expiry or earlier termination of this Agreement.

Pre-Construction Phase means the period from the Effective Date until the commencement of the Construction Phase.

Preferred Project Area means an area of Land extending from the Start Point to the End Point with a width of approximately 400 metres, subject to certain areas being wider to reflect the engineering of the Pipeline System and the projected construction methodology for the Pipeline System, together with that Land that has been preliminarily identified by the Project Investor as Land that may be required for Temporary Access Road Land and Road Upgrade Land.

Relevant Rights means the rights necessary to construct and operate a Pipeline System.

Replacement Value means the value to replace the losses experienced by an Affected Person, generally on the basis of a fair market valuation and taking into account transaction costs, but which will, in any case, be no lower than the amount of compensation that would be payable in the relevant circumstance under applicable Albanian Law.

Required Project Land means the Permanent Land, the Temporary Land and the Road Upgrade Land.

Road Upgrade Land means that Land adjacent to existing public roads required for the purpose of the Public Road Access Works.

Start Point means the point, situated on the border between Albanian Territory and the Territory of the Hellenic Republic, determined by the Project Investor as being technically optimal for the Pipeline System's crossing from the Hellenic Republic into the Republic of Albania.

Temporary Access Road Land means that Temporary Land identified by the Project Investor in accordance with paragraph 6.1 that is required for the construction, use and maintenance of temporary access roads to facilitate Project Activities during the Construction Phase.

Temporary Land means the Land required by the Project Investor for the Construction Phase only.

1. APPLICABLE STANDARDS

- 1.1 The State shall, and shall procure that the other State Parties shall, perform its obligations under this Schedule:
- (a) within the limits of its authority;
 - (b) in accordance with its obligations under public international law and Albanian Law (as amended by this Agreement);
 - (c) in compliance with the performance requirements of the European Bank for Reconstruction and Development as set out in the Environmental and Social Policy and adjusted from time to time; and
 - (d) those additional standards and requirements set forth in Schedule 2.
- 1.2 The Parties acknowledge that the processes set out in Part 1 of this Schedule shall be performed within the context described in Part 3 of this Schedule.

2. ADMINISTRATION

- 2.1 Within 10 Business Days after the Effective Date of the Agreement, the Project Investor and the State will designate to each other in writing those Persons, agencies and regulatory bodies which each will be entitled to communicate with and rely on in giving the various notices and securing and confirming the various rights described in this Schedule. Such notified contact persons or bodies shall be subject to change, from time to time, on not less than 5 Business Days' prior written notice.
- 2.2 Subject to Clause 49.9 of this Agreement, applicable privacy and data protection restrictions under Albanian Law and applicable human rights standards, the Project Investor shall have the right to use, publicise and/or export any data and information obtained by the Project Investor or any other Project Participant in connection with the activities described in this Schedule.

3. GENERAL ACTIVITIES IN RESPECT OF PROJECT LAND

- 3.1 In respect of Project Land and subject to paragraph 1.1 above, the State shall:
- (a) pursuant to Clause 28, issue, or cause to be issued, all necessary permits, authorisations, land registration certificates and other Authority Permissions required under Albanian Law for the Project Investor to acquire and exercise those Relevant Rights obtained pursuant to this Schedule;
 - (b) take all necessary steps to ensure that the Project Investor is able to enjoy the Relevant Rights that are made available to it in the Project Land;
 - (c) not grant to any Person other than the Project Investor any Relevant Rights or other rights in connection with the Project Land which are inconsistent or may interfere with the full exercise and enjoyment by each Project Participant of the Relevant Rights granted under or in accordance with this Agreement;
 - (d) ensure that all Relevant Rights that are made available to the Project Investor continue for a consecutive period of no less than the term of this Agreement unless this Agreement expressly provides for a shorter period to apply;

- (e) not revoke any Relevant Rights made available to the Project Investor without the prior written consent of the Project Investor;
- (f) protect, defend and indemnify the Project Investor from and against any Loss or Damage arising in connection with any and all third-party claims or demands arising from or related to:
 - (i) the Project Investor's or a Project Participant's exercise of the Relevant Rights; or
 - (ii) the performance (whether in part or whole or in accordance with Albanian Law or not) of the State Parties' obligations under this Schedule,

including any and all third party claims or demands from any Person claiming to be an Affected Person if the Project Investor has, at the time of the claim and acting in good faith, already compensated another Person in respect of applicable Relevant Rights; and
- (g) protect, defend and indemnify the Project Investor from and against any Loss or Damage arising in connection with the discovery of any pre-existing Hazardous Materials in any of the Required Project Land, provided that the State shall have no obligation to protect, defend or indemnify the Project Investor to the extent that such Loss or Damage arose as a result of the Project Investor or any of its contactors or subcontractors failing to act as a properly skilled and experienced contractor in the applicable circumstances.

3.2 The obligations of the State and the other State Parties in this paragraph 3 shall apply equally to State Land and Non-State Land.

3.3 The State Parties shall proactively engage, attend meetings and support the Project Investor in the Project Investor's identification and acquisition of the Required Project Land and the required Relevant Rights and in respect of all other activities contemplated by or arising out of the activities undertaken in connection with this Schedule.

3.4 Cadastral Information

- (a) The Parties shall cooperate in relation to the preparation and finalisation of cadastral information in relation to the Project Land (and any potential Project Land) in accordance with, and subject to, the agreement between the Project Investor and the Immovable Property Register of Albania, dated 24 November 2011 (the **Cadastral Agreement**).
- (b) The State shall ensure that the Immovable Property Register of Albania complies with all of its obligations under the Cadastral Agreement in a prompt and timely manner.

3.5 Existing Licences

- (a) Except to the extent inconsistent with this paragraph 3.5 (which shall prevail), Existing Licensees shall be treated in the same manner as all other Affected Parties which hold contractual rights in respect of the Required Project Land.
- (b) Notwithstanding anything to the contrary in this Schedule:
 - (i) the Project Investor shall use its reasonable endeavours to negotiate with each Existing Licensee a binding agreement which shall, among other things:
 - (A) be an agreement between the Project Investor, the Existing Licensee and the State;

- (B) provide to the Project Investor all necessary consents, waivers and permissions in respect of the rights under the Existing Licence so as to enable the unhindered implementation of the Project Activities over the relevant Required Project Land; and
- (C) set out the compensation (if any) payable, to the exclusion of all other compensation, by the Project Investor to the Existing Licensee,

and the Parties acknowledge and agree that, where such an agreement is entered into, compensation, in an amount calculated in accordance with the Livelihood Restoration Plan, in respect of lost royalties (if any) which would have otherwise been received by the relevant State Party or Local Authority under the Existing Licence were it not for the direct effect of the Project Activities shall be payable by the Project Investor to the relevant State Party or Local Authority;

- (ii) the State shall use its best endeavours to facilitate the completion and execution of the agreement referred to in paragraph 3.5(b)(i);
- (iii) if the Project Investor is, in its view, unable to reach agreement with an Existing Licensee on terms which the Project Investor considers reasonable, it may notify the State of the same and:

(A) the State shall:

- I. subject to the amount of compensation to be paid to the Existing Licensee being agreed, proceed to provide to the Project Investor the Relevant Rights pursuant to the remainder of this Schedule;
- II. mitigate any exposure the State has pursuant to the relevant Existing Licence; and
- III. obtain the agreement of the Project Investor before paying any compensation to the Existing Licensee, provided that such agreement shall not be withheld if the proposed amount of compensation reflects the principles of the Livelihood Restoration Plan; and

(B) the Project Investor shall pay:

- I. the agreed upon compensation to the Existing Licensee; and
- II. compensation, in an amount calculated in accordance with the Livelihood Restoration Plan, in respect of lost royalties (if any) which would have otherwise been received by the relevant State Party or Local Authority under the Existing Licence were it not for the direct effect of the Project Activities.

3.6 Assistance with Local Authority enquiries

The State shall use its best endeavours to assist the Project Investor in ascertaining any rights or privileges that may be, or may have been, granted by any Local Authority that may be inconsistent with or conflict with, or that may limit or interfere with, the exercise and enjoyment of the rights and privileges held by any Project Participant under any Project Agreement or to be granted under or pursuant to this Agreement.

4. PROJECT LAND AND ALBANIAN LAW

- 4.1 Without limiting paragraph 3.1, the State hereby authorises the Council of Ministers, the Minister of Economy, Trade and Energy and any State Authority nominated by either of them to grant to the Project Investor such rights of easement (*servitude*) under Article 265 of the Civil Code and Article 50 of the Gas Law (the process for which is set out in Part 2 of this Schedule) in respect of Project Land as may be required in order to perform the State's obligations under this Schedule in respect of Relevant Rights.
- 4.2 It is acknowledged that the application of Article 28 of the Expropriation Law is restricted to private property where a decision of expropriation has been taken. To the extent required to enable or facilitate the performance of the State's obligations under this Agreement with respect to Relevant Rights, that restriction is hereby disapplied for the purposes of taking Non-State Land for temporary use. Such private property may, subject to this paragraph 4.2 and to compliance with the standards set out in Part 2 of Schedule 2, be taken in accordance with Article 28 of the Expropriation Law regardless of whether a relevant decision of expropriation has been taken.

5. ACCESS TO PROJECT LAND IN THE PRE-CONSTRUCTION PHASE

5.1 Project Investor Activities

- (a) In relation to Non-State Land, during the Pre-Construction Phase the Parties acknowledge the need to enter into discussions and to endeavour to reach negotiated agreements with relevant landowners and other Affected Persons in order to obtain such access to Non-State Land as is necessary to enable the Project Investor and other Project Participants to carry out those Project Activities that are required or desirable to be performed in anticipation of the construction of the Pipeline System, including with respect to the gathering of cadastral and other Land ownership and use information and, should the Project Investor so decide, preliminary archaeological and hazardous material investigations.
- (b) If during the Pre-Construction Phase, despite the reasonable endeavours of the Project Investor, the Project Investor is unable to reach a reasonable agreement by which it is able to obtain access to any Non-State Land upon reasonable terms for the purpose of carrying out those Project Activities that are required or desirable to be performed in anticipation of the construction of the Pipeline System, the Project Investor may provide notice of the same to the State and the State shall proceed in accordance with paragraph 5.2(a).
- (c) In relation to State Land, during the Pre-Construction Phase the Project Investor may notify the State that it and the other Project Participants require access to State Land for the purpose of carrying out those Project Activities that are required or desirable to be performed in anticipation of the construction of the Pipeline System and the State shall proceed in accordance with paragraph 5.2(b).
- (d) It is recognised that the Project Investor will commence the activities contemplated by paragraphs (a) and (b) above before the Effective Date and also may have notified the State as contemplated by paragraphs (b) and (c) above in respect of Non-State Land before that date. Upon the Effective Date the State will immediately treat any such notification as having been made under paragraph (b) and (c) and shall proceed in accordance with paragraph 5.2 immediately following the Effective Date.

5.2 State Activities

- (a) In respect of Non-State Land, if the State receives a notice from the Project Investor in accordance with paragraph 5.1(a), the State shall, in accordance with Albanian Law, promptly commence and carry out the process referred to in paragraph 4.2 in order to procure that the Project Investor is provided with the Relevant Rights it requires.

- (b) In respect of State Land, if the State receives a notice from the Project Investor in accordance with paragraph 5.1(c), the State shall, in accordance with Albanian Law, promptly procure that the Project Investor is provided with the access it requires.

6. IDENTIFICATION OF REQUIRED PROJECT LAND

6.1 Phase 1 – Pre-Construction Phase

(a) Corridor of Interest

The Parties acknowledge the Corridor of Interest and agree that the Corridor of Interest reflects, as at the Base Date, the Land that the Project Investor considers may be required for Project Activities. It is intended that the Corridor of Interest will be further refined as the engineering of the Pipeline System proceeds.

(b) Preferred Project Area

- (i) Following further engineering works and consultations with relevant stakeholders based on the Corridor of Interest, the Project Investor will select the Preferred Project Area that the Project Investor considers will be required for the further implementation of the Project Activities and notify the State of the same.
- (ii) The notification provided by the Project Investor under paragraph 6.1(b)(i) will include maps and diagrams setting out the Preferred Project Area, as well as a written description setting out the basis for the selection of the Preferred Project Area.
- (iii) While the Preferred Project Area will be based on the Corridor of Interest, the Parties acknowledge that deviations from the Corridor of Interest may be necessary to accommodate the results of further analysis and route refinement.
- (iv) Within 40 Business Days of receiving the notification of the Preferred Project Area from the Project Investor, the State shall provide its written comments (if any) on the Preferred Project Area.

(c) Required Project Land

- (i) Following further engineering works and consultations with relevant stakeholders based on the Preferred Project Area, the Project Investor will notify the State of the Required Project Land and the particular Relevant Rights that are required over each part of the Required Project Land.
- (ii) Without limiting the generality of paragraph 6.1(c)(i), it is intended that:
 - (A) the Construction Corridor will, in general, be of a width of 38 metres, subject to certain areas being wider to reflect the engineering of the Pipeline System and the projected construction methodology for the Pipeline System;
 - (B) the Pipeline System Corridor (other than the Facilities Land) will, in general, be of a width of 8 metres, with the pipeline lying in the centre of the Pipeline System Corridor;
 - (C) the Relevant Rights over the Facilities Land are intended to be rights of ownership vested in the Project Investor;

- (D) the Relevant Rights over the Pipeline System Corridor are intended to be easement rights (*servitude*) vested in the Project Investor which will, in general, be of a width of 8 metres as outlined in paragraph (B) above and Part 3 of Schedule 2;
 - (E) the Relevant Rights over the Temporary Land are intended to be leasehold rights vested in the Project Investor; and
 - (F) the Relevant Rights over the Road Access Land are intended to be rights of ownership vested in the State.
- (iii) The notification provided by the Project Investor under paragraph 6.1(c)(i) will include maps and diagrams of the Required Project Land detailed to a level which will enable the State to perform its obligations under this Schedule in connection with the acquisition of the Relevant Rights required over each part of the Required Project Land. The notification will also include a written description setting out the basis for the selection of the Required Project Land and how the comments, if any, made by the State with respect to the Preferred Project Area have been taken into account.
 - (iv) The Required Project Land shall be based on the Preferred Project Area; however, deviations to the Preferred Project Area shall be permitted provided that:
 - (A) when identifying the Required Project Land pursuant to paragraph 6.1(c)(i), the Project Investor shall identify those deviations (if any) that have been made from the Preferred Project Area together with a description of why those deviations have been made; and
 - (B) within 40 Business Days of receiving notice of such deviations, the State may provide its written comments (if any) in respect of those deviations.

6.2 Phase 2 – Post Construction Phase

- (a) When the Project Investor considers that the Construction Phase has been completed, it will notify the State and relinquish all Relevant Rights over the Temporary Land.
- (b) At any time, and from time to time, following the completion of the construction of the Pipeline System, the Project Investor may notify the State that certain areas of the Permanent Land are no longer required for Project Activities (the **Excess Land**).
- (c) If the Excess Land has been obtained under the provisions set out in Part 2 of this Schedule, the Project Investor will provide the expropriated owner with the option to take over all Relevant Rights over the Excess Land for no or nominal consideration before triggering paragraph 6.2(e).
- (d) The notification provided by the Project Investor under paragraph 6.2(b) shall include maps and diagrams of the Excess Land detailed to a level which will enable the State to remove the Relevant Rights over the Excess Land together with the basis for the selection of the Excess Land as well as a notification of the Project Investor on the outcome of the provisions of paragraph 6.2(c).
- (e) Promptly after receiving the notification provided by the Project Investor under paragraph 6.2(b), the State shall acquire all Relevant Rights over the Excess Land that has not been handed over pursuant to paragraph 6.2(c) for no or nominal consideration in accordance with Albanian Law. The Project Investor shall provide all reasonable assistance that the State may require in performing the acquisition.

6.3 Phase 3 – Expansion Phase(s)

If at any time, and from time to time, the Project Investor wishes to expand, extend or undertake material works with respect to the Pipeline System and requires additional Project Land either permanently or for construction purposes, the provisions of this Schedule shall apply *mutatis mutandis* to any additional Relevant Rights required with respect to the implementation of that expansion, extension or material works.

7. ACQUISITION OF RELEVANT RIGHTS OVER THE REQUIRED PROJECT LAND

7.1 Project Investor Activities

- (a) Following the Project Investor's identification of the Required Project Land pursuant to paragraph 6.1, the Relevant Rights required over that part of the Required Project Land that is Non-State Land will be acquired either directly by the Project Investor in accordance with paragraph 7.1 or by the State in accordance with paragraph 7.2.
- (b) To the extent that the Relevant Rights over the Required Project Land relate to Non-State Land, the Parties acknowledge the need to attempt to obtain those Relevant Rights in accordance with the negotiation procedures described in the relevant Livelihood Restoration Plan, including that part of the Livelihood Restoration Plan setting out the guide to land acquisition and compensation or "GLAC", (the **Negotiation Procedures**).
- (c) It is intended that the expropriation of Relevant Rights relating to Non-State Land will only be used after negotiations for agreements or settlements in accordance with the Negotiation Procedures have, as certified by the Project Investor, failed to result in the Project Investor obtaining those Relevant Rights. Where such a failure occurs, the Project Investor may notify the State of the same and the State shall proceed in accordance with paragraph 7.2(b).
- (d) To the extent that the Relevant Rights over the Required Project Land relate to State Land, the Project Investor shall consult with any Affected Persons that are not State Parties in respect of that Land and attempt to obtain the Relevant Rights of those Affected Persons through negotiated settlements in accordance with the Negotiation Procedures. After addressing such Relevant Rights, or if the Project Investor certifies that it has failed in addressing any Relevant Rights, the Project Investor shall notify the State of the remaining Relevant Rights required and the applicable State Land and the State shall proceed in accordance with paragraph 7.2(c) and the provisions of the Livelihood Restoration Plan for all non-addressed Relevant Rights of Affected People.

7.2 State Activities

- (a) The State Parties shall assist the Project Investor in respect of the Project Investor's attempt to obtain Relevant Rights over the Required Project Land in accordance with the Negotiation Procedures.
- (b) In respect of Non-State Land, if the State receives a notice from the Project Investor in accordance with paragraph 7.1(c), the State shall promptly take all such action as is necessary to procure that such Relevant Rights are granted to the Project Investor pursuant to the procedure set out in Part 2 of this Schedule.
- (c) In respect of State Land, if the State receives a notice from the Project Investor in accordance with paragraph 7.1(d), the State shall promptly take all such action as is necessary to procure that such Relevant Rights are granted to the Project Investor.

7.3 Road Upgrade Land

- (a) The Relevant Rights over the Road Upgrade Land will be acquired in the name of the State irrespective of whether such acquisition is undertaken by the State or by the Project Investor in compliance with the provisions of the Livelihood Restoration Plan. The State shall retain those Relevant Rights for the duration of this Agreement.
- (b) The State shall make available the Road Upgrade Land, together with the public road to which the Road Upgrade Land relates, to the Project Investor for the purpose of the implementation of the Public Road Access Works promptly upon the request of the Project Investor.

8. FINANCIAL COMPENSATION

8.1 Project Investor Activities

- (a) Where the Project Investor obtains access to any Project Land for the purposes described in paragraph 5.1(a) or 5.1(c), the Project Investor will arrange to pay financial compensation to the relevant Affected Persons in accordance with:
 - (i) the terms agreed by the Project Investor and the relevant Affected Person; or
 - (ii) if no terms have been agreed, at a level consistent with the principles set out in the Livelihood Restoration Plan.
- (b) Where the Project Investor obtains Relevant Rights over any Non-State Land or where the State obtains Relevant Rights over any Road Upgrade Land that is Non-State Land:
 - (i) through negotiated agreements or settlements, the Project Investor will arrange to pay financial compensation to the relevant Affected Persons in accordance with the terms of those negotiated agreements or settlements;
 - (ii) through the procedure set out in Part 2 of this Schedule, then notwithstanding that such Relevant Rights have been acquired by the State and then transferred to the Project Investor, the Project Investor will arrange to pay financial compensation to the relevant Affected Persons at a level consistent with the principles set out in the Livelihood Restoration Plan, a reasonable estimate of the total of that financial compensation to be placed into an agreed escrow account prior to the procedure set out in Part 2 commencing.
- (c) Where the Project Investor obtains Relevant Rights over any State Land, the Project Investor shall:
 - (i) to the extent that an Affected Person is not a State Party, pay financial compensation in accordance with the terms of any negotiated agreement or settlement, or if there is no negotiated agreement or settlement, at a level consistent with the principles set out in the Livelihood Restoration Plan; and
 - (ii) to the extent that an Affected Person is a State Party, pay financial compensation in accordance with the Livelihood Restoration Plan.

8.2 State Obligations

The State shall use its best endeavours to facilitate the Project Investor's payment of compensation to Affected Persons as provided for in this Schedule 1, including, at the Project Investor's request:

- (a) assisting in the establishment of any committees or other organisations to assist in the disbursement of compensation to Affected Persons; and
- (b) facilitating, on a basis to be agreed by the Parties, the establishment of escrow or other bank accounts to assist in the disbursement of compensation to Affected Persons.

8.3 Limitation of claims related to land use that started after the cut-off date

Notwithstanding any other provision of this Agreement or any Albanian Law to the contrary, no informal user of any Required Project Land shall be considered an "Affected Person" for the purpose of obtaining compensation either in accordance with this Agreement or under Albanian Law when this informal land use started after a cut-off date to be specified by the Project Investor and thereafter published in accordance with the relevant Livelihood Restoration Plans.

9. EMERGENCY ACCESS

- (a) If in the reasonable opinion of the Project Investor there exists an Emergency Situation in relation to the Pipeline System, the Project Participants shall:
 - (i) as soon as reasonably practicable, notify the relevant State Authorities of that Emergency Situation;
 - (ii) be entitled to enter and cross all Non-State Land and all State Land (other than State Land that is subject to military, security or other form of State use that requires all persons to obtain security clearance before entering) for the purpose of accessing the relevant part of the Pipeline System as expediently as possible so as to address that Emergency Situation and (to the extent reasonably practicable in the circumstances, to provide any occupant of the land with notice in advance of entering the land in question); and
 - (iii) be responsible for any damage caused to any Non-State Land or State Land as a result of that entry and crossing.
- (b) The State Parties shall do all things necessary to facilitate the Project Participants' exercise of the right specified in paragraph 9(a)(ii).
- (c) If a Project Participant enters, or intends to enter, into Land pursuant to the right specified in paragraph 9(a)(ii), the Project Participant shall notify any affected landowners as soon as reasonably practicable of that entry or that intention to enter, as the case may be.

PART 2

PROCEDURE FOR EXPROPRIATION OF NON-STATE LAND AND THE GRANT OF RELEVANT RIGHTS TO THE PROJECT INVESTOR

The State shall through METE and upon the application for expropriation filed with METE by the Project Investor in accordance with the Expropriation Law (including the attachment of the documents required by Article 10 of the Expropriation Law, as that Article is in effect as at the date of this Agreement) and in compliance with the Environmental and Social Policy (whichever is more stringent) soliciting the expropriation of property title and/or the limitation of ownership rights due to the Project Investor's requirement to exercise and enjoy its easement/servitude rights in connection with the Project over certain Land (indicating such Land and respective owners) (**Application for Expropriation**):

- (a) establish a special committee to follow up and implement the expropriation process;
- (b) examine and verify the information indicated in the application and relevant documents attached thereto;
- (c) accept the Application for Expropriation by notifying the Project Investor;
- (d) within 10 days after the acceptance notice, METE and the Project Investor will enter into an agreement providing for the process and conditions of expropriation, in the form of the notary deed, having attached all documents accompanying the Application for Expropriation;
- (e) within 10 days after execution of the said agreement, METE will notify directly (either by registered mail or other means of notification having confirmation that notice is received by the addressee; if the addressee resides abroad, the notification will be made through publication in the commune/municipality where the land subject to expropriation is located) the Persons affected by the expropriation and will publish the Application for Expropriation in the Official Journal as well as in national and local newspapers;
- (f) METE will propose to the Council of Ministers to approve the expropriation not earlier than one month from the day of termination of the procedures described in (e) herein;
- (g) METE shall transfer the file of expropriation to the Council of Ministers for approval;
- (h) within thirty (30) days after the approval of the expropriation by decision of the Council of Ministers, METE will transfer and register with the competent Immovable Properties Registration Office the ownership title on the expropriated land under the name and property of the State in case of the expropriation of the title, or register under the State name and title the easement/servitude rights subject to expropriation;
- (i) transfer to the Project Investor the ownership title on the expropriated land and/or the easement/servitude title, as the case may be, to be registered in the name of the Project Investor, provided that and when the Project Investor has completed the construction of the Albanian Facilities.

PART 3

PROJECT LAND CONTEXT

1. CONTEXT FOR THE IDENTIFICATION OF PROJECT LAND

- 1.1 The Parties acknowledge that the selection of the route of the Pipeline System, the acquisition of the Relevant Rights and the implementation of the Project Activities may have economic or environmental impacts and may result in economic or physical displacements. With these concerns in mind the Project Investor and the State will cooperate in addressing such risks of impact or potential displacement in accordance with performance requirement 5 of the Environmental and Social Policy and the processes outlined in this Schedule.
- 1.2 The Parties acknowledge that the identification of the Required Project Land and the Relevant Rights will be undertaken:
- (a) in the context of the Project's engineering development (including the development of the front end engineering design and the subsequent detailed design);
 - (b) in a manner that takes into account requests from the State Parties and suggestions from other stakeholders;
 - (c) to optimise the Pipeline System Corridor and its configuration for construction and commercial purposes;
 - (d) so as to take into account technical and commercial feasibility, safety (both during and after construction), the nature of the terrain and spatial constraints, environmental and social issues, cost, schedule and the ultimate operability of the Pipeline System;
 - (e) in a transparent manner and in close collaboration with relevant stakeholders, affected populations and relevant State Parties and Local Authorities, with relevant issues, processes and decisions to be documented in the Environmental and Social Impact Assessment;
 - (f) to avoid to the extent reasonably practicable impacts on defined "no-go zones", including military installations, highly protected areas, urban areas and Land and resources earmarked for development in the public interest; and
 - (g) with the intention of minimising adverse environmental, social and community impacts.

2. LIVELIHOOD RESTORATION

- 2.1 The Parties acknowledge the benefits that will be delivered by the participation of all stakeholders (including relevant Local Authorities and Persons directly affected by the physical implementation of the Pipeline System) in the development of the routing of the Pipeline System. To that end, the Project Investor, in consultation with relevant stakeholders, shall develop one or several Livelihood Restoration Plans intended to mitigate the direct affect that the physical implementation of the Pipeline System may have upon Affected Persons. Without limiting the foregoing, the Parties shall cooperate in the development of the Livelihood Restoration Plans, together with any overarching livelihood restoration framework and any guide to land acquisition and compensation or "GLAC" that may be established pursuant to or as part of any Livelihood Restoration Plan.
- 2.2 Each Livelihood Restoration Plan will establish compensation principles for each entitlement and, in the case of the Relevant Rights to be acquired in respect of the Required Project Land the

Negotiation Procedures and compensation values and shall ensure that the particular needs of vulnerable groups (as defined in the Environmental and Social Policy) are taken into account.

- 2.3 The Livelihood Restoration Plans will be implemented with the intention that the livelihoods and living conditions of all Affected Persons are restored to the level they would have achieved if the Project Activities were not to take place.
- 2.4 In the unlikely event that the implementation of the Project requires physical displacements, the Parties and the relevant stakeholders (including relevant State Authorities, Local Authorities and Persons directly affected by the implementation of the Pipeline System) will agree a resettlement action plan which will, among other things, ensure that those Affected Persons will receive:
- (a) assistance during any relocation;
 - (b) enhanced housing at sites with comparable access to economic opportunities, civic infrastructure and community services;
 - (c) land under a tenure regime equivalent to or better than that lost by the Affected Person;
 - (d) development assistance, such as land preparation, credit facilities, training or job opportunities; and
 - (e) assistance to integrate economically and socially into host communities.
- 2.5 Where an acquisition of Relevant Rights requires the physical displacement of persons, that acquisition shall not be finalised until an appropriate level of compensation and assistance has been provided for so as to minimise the adverse impact on the Affected Persons.
- 2.6 The Parties acknowledge the need to publicly disclose Livelihood Restoration Plans and, if applicable, resettlement action plans at a local level in a manner that is timely, accessible, understandable and culturally appropriate for those affected. The final plans will be disclosed before the commencement of any construction related Project Activities in the affected area.
- 2.7 The Parties also acknowledge the need to establish local independent grievance redress mechanisms based on the social and cultural institutions of those affected to solve grievances and address complaints in a timely, impartial and transparent manner. If at the start of operation of the Pipeline System, livelihood restoration is incomplete, additional measures will be implemented to ensure satisfactory outcomes.

3. MINIMISING THE ADVERSE AFFECT OF PROJECT ACTIVITIES

The Parties acknowledge the importance of minimising the adverse affect of the performance of the Project Activities, particularly construction related Project Activities, on Affected Persons. In this respect, the Parties further acknowledge the need to act in a manner consistent with any Livelihood Restoration Plans and, in particular, to:

- (a) carry out all trial borings, trenching for surveys, the leaving of equipment on Project Land and the making up of temporary access roads, in each case as may be required prior to the commencement of construction work, with as little disturbance as is reasonably practicable and after consultation with Affected Persons;
- (b) provide Affected Persons with a prior notice of not less than 120 days of its intention to commence the construction works on the Required Project Land;

- (c) move pipes, vehicles and machinery for construction purposes in accordance with a programme made available in advance in the Albanian language to Affected Persons;
- (d) maintain all means of access to the Required Project Land that may be reasonably necessary for the purpose of the Project Activities and, to the extent required, construct and maintain suitable agreed temporary crossings reasonably required for access to the Land adjacent to the Required Project Land;
- (e) following the completion of the construction of the Pipeline System, restore roads and footpaths to the condition they were in immediately before the commencement of the construction, and to make them available for use pursuant to the terms agreed with the State (in the case of former State Land) or with the relevant landowners and occupiers (in the case of former Non-State Land), subject to the need to maintain the security of the Pipeline System and the conduct of future Project Activities; and
- (f) provide facilities for maintaining and allowing means of communication and access between parts of any Land that is adjacent to the Required Project Land and which is temporarily or permanently disconnected as a direct result of the construction of the Pipeline System by the Project Investor.

SCHEDULE 2**STANDARDS****PART 1****TECHNICAL AND SAFETY STANDARDS****Applicable standards for pipeline and stations:**

- (1) Technical rules and safety standards in force in Greece (as contemplated by Ministerial Decree No. 666 of 3 August 2009 issued under Article 7(2) of the Gas Law)
- (2) EN European Standard
- (3) EU European Directives
- (4) ANSI American National Standards Institute
- (5) API American Petroleum Institute
- (6) ASME American Society of Mechanical Engineers
- (7) ASTM American Society for Testing and Materials
- (8) DNV Det Norske Veritas
- (9) DIN Deutsche Institut für Normung
- (10) IEC International Electro-technical Commission
- (11) ISO International Standards Organisation
- (12) ITU International Telecommunication Union
- (13) MSS Manufacturer's Standardisation Society

If, pursuant to Albanian Law, any Project Participant is required to comply with requirements relating to safety and requirements relating to the protection of the environment, to the extent that compliance with both such requirements is not reasonably practicable, the requirements relating to safety will take precedence.

PART 2

ENVIRONMENTAL, SOCIAL, AND COMMUNITY HEALTH AND SAFETY STANDARDS

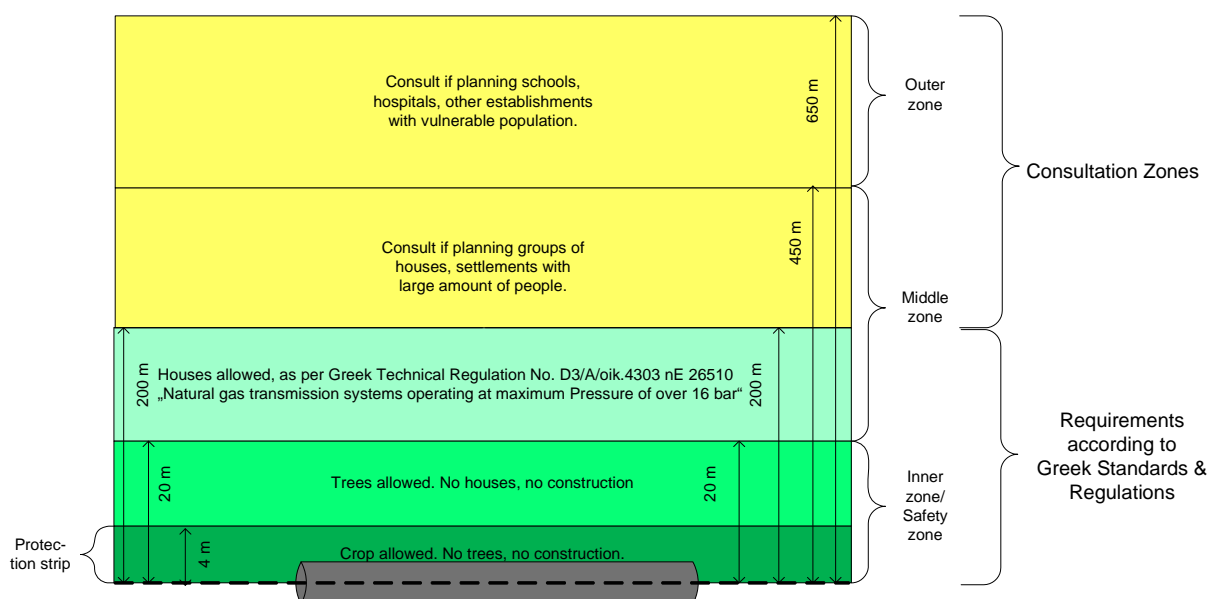
1. Council Directive 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment
2. The United Nations Economic Commission for Europe Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus, 1998)
3. Espoo Convention
4. The following Performance Requirements detailed in the Environmental and Social Policy:
 - (a) PR 1: Environmental and Social Appraisal and Management
 - (b) PR 2: Labour and Working Conditions
 - (c) PR 3: Pollution Prevention and Abatement
 - (d) PR 4: Community Health, Safety and Security
 - (e) PR 5: Land Acquisition, Involuntary Resettlement and Economic Displacement
 - (f) PR 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
 - (g) PR 7: Indigenous Peoples
 - (h) PR 8: Cultural Heritage
 - (i) PR 10: Information Disclosure and Stakeholder Engagement
5. The UN Global Compact on Human Rights
6. The Guiding Principles for Business and Human Rights, as endorsed by the United Nations Human Rights Council on 16 June 2011
7. The Voluntary Principles of Security and Human Rights developed by the governments of the United States and the United Kingdom, certain companies in the extractive and energy sectors and certain non-governmental organisations
8. Social and Environmental Standards as outlined in the Strategic Community Investment Handbook established and updated from time to time by the International Finance Corporation

PART 3

SAFETY AND CONSULTATION ZONE RESTRICTIONS AND REQUIREMENTS

The safety and consultation zone restrictions and requirements shall comply with best international practice and relevant European Standards (EN 1594:2009 as updated from time to time), including with respect to the following safety areas:

- (a) A **protection strip** shall be established to control all third-party activities in order to safeguard the pipeline against interference. Based on relevant legislation in neighbouring countries this zone shall have a width of 8m (4m on either sides of the pipeline).
- (b) A **safety zone** shall be established to ensure an adequate distance from buildings. Based on relevant legislation in neighbouring countries this zone shall have a width of 40m (20m on either side of the pipeline).
- (c) A **building restriction zone** with a width of 400m (that is, 200m on either side of the pipeline) shall be established in which the number of individual houses shall be managed in accordance with the Greek Technical Regulation No D3/A7ok.4303 nE 2610.
- (d) A **consultation zone** shall be established in which individual houses may be tolerated, but which should not be used by clusters of houses, buildings used by vulnerable populations (schools, hospitals, prisons etc.) and/or industrial facilities that either host large numbers of people (>300) or that are specifically exposed to fires etc.



ALBANIA

Similar restrictions shall apply to safety and consultation zones around the compressor stations and other infrastructure associated with any such pipelines. The width of such zones shall be defined by a quantitative risk assessment.

SCHEDULE 3

LIST OF AUTHORITY PERMISSIONS REQUIRED FOR THE PROJECT

No.	Names of the relevant permit/license/authorization	Laws under which permit/license/authorization is required ¹	Authority Responsible	Phase of the project it will be required
1	Special Permit	Law no. 9946 dated 30.06.2008 "On gas"	Council of Ministers	Planning
2	Environmental Declaration	<p>Law no. 10431 dated 09.06.2011 "On Protection of Environment" as amended</p> <p>Law no. 10440 dated 07.07.2011 "On Environmental Impact Assessment" as amended</p> <p>Law no. 9424 dated 06.10.2005 "On ratification of the "Protocol on strategic environmental impact assessment"</p>	Ministry of Environment, Forestry and Water Administration	Planning
3	Forest Crossing Approval	Law no. 9385, dated 04.05.2005 "On forestry and forestry services" as amended	<p>(depending to the surface)</p> <p>Parliament</p> <p>Council of Ministers</p> <p>Ministry of Environment, Forestry and Water Administration</p>	Planning
4	Pastures Crossing Approval	Law no. 9693, dated 19.03.2007 "On pastures funds" as amended	<p>Parliament</p> <p>Council of Ministers</p> <p>Ministry of Environment, Forestry and Water</p>	Planning

¹ The alternative laws set out in square brackets below reflect the fact that certain laws are currently intended to be replaced or amended. This list of laws will be finalised at the Signing Date to reflect the laws then in force

No.	Names of the relevant permit/license/authorization	Laws under which permit/license/authorization is required ¹	Authority Responsible	Phase of the project it will be required
			Administration	
5	Road Crossing Authorization	Law no. 8378, dated 22.07.1998 "On traffic code" as amended	National Roads Authority Municipality Commune Any other entity authorized by the local government or any private concessionaire	Planning
6	Railways Crossing Approval	Law no. 9317, dated 18.11.2004 "On the railways code of Republic of Albania"	Albania Railways (Public Authority)	Planning
7	Written Approval (Culture Inheritance)	Article 47 of Law no. 9048, dated 07.04.2003 "On culture inheritance" as amended	National Council of Restoration National Council of Archaeology	Planning Construction
8	Written Consent (Fire Protection)	Article 34(1/a) of Law no. 8766, dated 05.04.2001 "On fire protection and rescue" as amended	District Fire Protection Rescue Police	Planning
9	Written Approval (Public Health)	Article 12 of Law no. 7643, dated 02.12.1992 "On public health and state health inspectorate"	State Health Inspectorate of the District	Planning

No.	Names of the relevant permit/license/authorization	Laws under which permit/license/authorization is required ¹	Authority Responsible	Phase of the project it will be required
10	Development Request	<p>Article 74 and 78 of the Law no. 10119, dated 23.04.209 "On Territory Planning" as amended;</p> <p>Article 11, 17 and 20 of the COM Decision 502, dated 13.07.2011 "On the approval of the uniform regulation on territory development control".</p>	Municipality or Commune/ Ministry/ National Territory Council	Planning
11	Environmental Permit	<p>Law no. 10431 dated 09.06.2011 "On Protection of Environment" as amended</p> <p>Law no. 10440 dated 07.07.2011 "On Environmental Impact Assessment" as amended</p> <p>Law no. 10448 dated 14.07.2011 "On Environmental Permits"</p>	National Licensing Centre	Construction
12	Professional Construction License	COM Decision 42, dated 16.01.2008 "On the approval of the regulation for criteria and procedures of issuance of professional licenses on application, classification and regulation of legal persons, exercising construction activities" as amended	<p>Ministry of Public Work and Transport</p> <p>Special Commission on issuance of professional licenses</p>	Planning
13	Development and Construction Permit/ Infrastructure Permit	Article 12 of the COM Decision 502, dated 13.07.2011 "On the	Municipality or Commune/ Ministry/ National Territory	Planning

No.	Names of the relevant permit/license/authorization	Laws under which permit/license/authorization is required ¹	Authority Responsible	Phase of the project it will be required
		approval of the uniform regulation on territory development control".	Council	
14	Water use permit	Law no. 111/2012, dated 15.11.2012 "On integrated management of water reserves"	Basin Council National Council of Water	Construction
15	Water use authorization	Law no. 111/2012, dated 15.11.2012 "On integrated management of water reserves"	Basin Council National Council of Water	Construction
16	Water Discharge Authorization	Law no. 111/2012, dated 15.11.2012 "On integrated management of water reserves"	Basin Council National Water Council	Construction
17	Professional Water Drilling Permit	Law no. 111/2012, dated 15.11.2012 "On integrated management of water reserves" as amended	Basin Council National Council of Water	Construction
18	Special Authorization for Coastal Construction Activities	Law no. 111/2012, dated 15.11.2012 "On integrated management of water reserves" as amended	Basin Council National Council of Water	Construction
19	Use Permit	Article 78 of the Law no. 10119 "On Territory Planning" as amended	Municipality or commune/Ministry	Construction
20	Licences issued by ERE	Law no. 9946 dated 30.06.2008 "On natural gas sector" as amended	ERE	Operation
21	Labour Inspectorate Authorization	Law no. 7961 dated 12.07.1995 "The Albanian Labour Code" as amended	Labour Inspectorate	Operation

SCHEDULE 4

EXEMPTIONS FROM AND AMENDMENTS TO ALBANIAN LAW

(Through the enactment of a new Infrastructure Modernisation Law)

1. Article 14 of Law No. 9946, dated 30 June 2008, "On Natural Gas Sector" as amended, shall not apply to each Shipper (in its capacity as such) or any transaction undertaken pursuant to, or to any activity performed upstream of, the Albanian Network Tie-in pursuant to, any Albanian GSA.
2. The standards and processes defined by Law No. 10431 dated 9 June 2011 "On Protection of Environment", as amended, Law No. 10440 dated 7 July 2011 "On Environmental Impact Assessment" as amended and secondary legislation related to each of those laws, will not apply to the Project Participants to the extent inconsistent with the standards and processes listed in Part 2 of Schedule 2 (in each case as may be amended or replaced from time to time) and such standards and process listed in Part 2 of Schedule 2 will apply. Additionally, under the Environmental Permit, the Project Investor will not be required to commence Project Activities until the date falling five years (instead of two years) after the date on which that permit is granted.
3. Under Law No.10119, dated 23 April 2009 "On Territory Planning" as amended and relevant secondary legislation related to that law, pursuant to the permit for construction of the Albanian Facilities, the Project Investor will not be required to commence Project Activities until the date falling five years (instead of one year) after the date on which that permit is granted. Additionally, amendments are made to the extent required to give effect to Clause 28.6.
4. The provisions of Article 28 of the Expropriation Law restricting application of the said Article 28 to private property where a decision of expropriation has been taken, will be disapplied for the purposes of taking Non-State Land for temporary use. Such private property may, subject to compliance with this Agreement, be taken under Article 28 of the Expropriation Law regardless of whether a relevant decision of expropriation has been taken. In addition, limitations and restrictions of the right to use the immovable property by the owner and establishment of easement (servitude) rights in favour of third parties under this Agreement will be acknowledged and applied as a form of expropriation under the Law No. 8561, dated 22 December 1999 "On Expropriation and Temporary Use of Private Property for Public Interest".

SCHEDULE 5

ACKNOWLEDGEMENTS AND CONFIRMATIONS REGARDING THE APPLICATION OF ALBANIAN TAX LAW

In accordance with Clause 24, the following acknowledgements and confirmations as to the application of Albanian Law pertaining to Taxes are agreed by the Parties:

1. Development Impact Tax: It is acknowledged and confirmed that, in addition to the Project Investor's liabilities pursuant to Clause 30.1, the Project Investor is subject to the one-off tax charge of 0.1% on the investment value of the Albanian Facilities under Article 27 of Local Tax System Law No. 9632 dated 30 October 2006 and that no other similar tax charge shall apply additionally.
2. Real Estate Property Tax: It is acknowledged and confirmed that the Project Investor is subject to the tax provided for in Article 9.2 and Articles 20 up to 25 of the Local Taxes Law (Law No. 9632 of 30 October 2006 "On Local Taxes") if and to the extent the Project Investor owns buildings and agricultural land. It is acknowledged and confirmed that any physical part of the Pipeline System which is located below ground does not qualify as a building in the context of the cited law.
3. Real Estate Transfer Tax: It is acknowledged and confirmed that the Project Investor is subject to the tax provided for in Articles 9.5 and 28 of the Local Taxes Law (Law No. 9632 of 30 October 2006 "On Local Taxes") which may be applied on any transfer of the ownership title over the land and other real estate property (forming part of the Albanian Facilities) owned by the Project Investor and transferred by it, other than donation to the State which is currently explicitly exempted under Article 29 of the same law.
4. Urban Studies Duty: It is acknowledged and confirmed that Article 51 of the Urban Law (Law No. 8405 of 17 September 1998 "On Urbanity") has been repealed and that, as at the Base Date no other similar provision replacing or amending that law applies to the Project Investor.
5. Applicable Accounting Standards: It is acknowledged and confirmed that Article 19 of Income Tax Law No. 8438, dated 28 December 1998 permits the Project Investor to calculate Albanian Income Tax on the basis of accounts drawn up in accordance with IFRS subject to the tax adjustments specified in that Law. For Albanian Income Tax purposes, refer to Clause 24.6 of this Agreement and paragraph 9 of this Schedule 5.
6. Transfer Pricing Principles: It is acknowledged and confirmed that the Albanian Tax Administration shall apply the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations published from time to time by the Organisation for Economic Co-operation and Development to the arrangements between the Project Investor and its related parties as stipulated in Articles 7 and 9 of the OECD Model Tax Treaty.
7. Indirect Tax Treatment of gas imports for first line fill and for consumption in compressor stations: It is acknowledged and confirmed that:
 - (a) any Natural Gas imported by the Project Investor for the first line fill is subject to import VAT at the applicable rate and that this import VAT is recoverable by the Project Investor as the importer of record and that the import of such Natural Gas is subject to customs duties at 2% on the price payable by the Project Investor for delivery of that Natural Gas CIF (Incoterms); and
 - (b) the consumption of fuel gas in compressor stations is subject to import VAT at the applicable rate and that this import VAT is recoverable by the Project Investor as the

importer of record and that this Natural Gas is subject to customs duties of 2% on its market value, which shall be based upon the average spot market rate at the Italian Punto di Scambio Virtuale for the month in which the gas was consumed.

No other energy/consumption tax shall apply in addition to custom duties and import VAT in Albania.

8. Tax treatment of the development and construction cost recharges: It is acknowledged and confirmed that all costs incurred for the development and construction of the Trans Adriatic Pipeline (including the Albanian Facilities) shall be accumulated by the Project Investor and consequently, any recharge of development and construction costs initially incurred by the Project Investor's Permanent Establishments in the State to the Project Investor shall not be subject to any direct or indirect taxes in Albania.
9. Deductibility of expenses: It is acknowledged and confirmed that Article 20 of Income Tax Law No. 8438, dated 28 December 1998 and Paragraph 3.5 of Ministerial Instruction 5, dated 30 January 2006 and Article 21 of Income Tax Law No. 8438, dated 28 December 1998 and Paragraph 3.6 of Ministerial Instruction 5, dated 30 January 2006, are applied as to the deductibility of expenses.
10. Tax Treatment of the delivery of Natural Gas to customers: It is acknowledged and confirmed that except as specifically provided in paragraph 7 of this Schedule, no liability for any Tax shall arise as a consequence of the delivery of Natural Gas to customers in Albanian Territory at the Albanian Network Tie-in.
11. Import and Export Treatment: It is acknowledged and confirmed that no prohibitions or restrictions, irrespective of their names and origin, other than the duties, taxes or other charges set forth in this Agreement, whether made effective through quotas, import or export licences or other measures, shall be instituted or maintained by the State or any of the other State Parties on the importation or on the exportation of Natural Gas, other goods or services with respect to Project Activities.

SCHEDULE 6

EXISTING LICENCES

- I. Mining Permits crossing with TAP Pipeline Route
 1. Mining Exploitation Permit L 1545 - type of mineral Cooper - issued to North Star Mining shpk, located in Rehove-Commune Vithkuq-Korce, on date 15/04/2011
 2. Mining Exploitation Permit L780 - type of mineral Limestone - issued to Anonime shpk, located in Poshnje, Berat, on date 26/07/2004
 3. Mining Exploitation Permit L836 - type of mineral Limestone - issued to I.B.E. shpk, located in Poshnje, Berat, on date 30/12/2004
 4. Mining Exploitation Permit L1437 - type of mineral Sandstone Tiles - issued to D.K.S Group shpk, located in Vala, Polican, on date 16/09/2009
 5. Mining Exploitation Permit L1577 - type of mineral Limestone - issued to ARDMIR shpk, located in Kodra Konizbaltes, on date 18/06/2012
 6. Mining Exploitation Permit L889 - type of mineral Limestone - issued to Rubin Petrol Patos shpk, located in Guri i Bardhe-Veterik, Ura Vajgurore, on date 11/07/2005

- II. Crossing with TAP Pipeline Route - Agreement for Development and Production of Hydrocarbons in the oil-field of Patos – Marinza signed with Bankers Petroleum Ltd. (former Saxon International Energy Ltd.) approved by the CoM Decree nr.477, date 16.07.2004

- III. Hydro Power Central Concessions crossing with TAP Pipeline Route
 1. “Mollaj” Hydro Power Concession in the District of Korca, in the Water Basin of Devoll on the River Perroi i Dunavecit - issued to Private Consortium (Bilisht Kompani shpk and REJ shpk) on 15/06/2009
 2. “Osum no.5 Spathare” Hydro Power Concession in the District of Berat, in the Water Basin of Osum on the River Osum - issued to Private Consortium (Gejosumi LTD, Constructora Quebec LTDA, Orteng Equipamentos E Sistemas LTDA & Pëllumb Çela shpk)*
 3. “Osum no.8 Peshtan” Hydro Power Concession in the District of Berat, in the Water Basin of Osum on the River Osum- issued to Private Consortium (Gejosumi LTD, Constructora Quebec LTDA, Orteng Equipamentos E Sistemas LTDA & Pëllumb Çela shpk)*

- IV. Hydro Power Central Concessions potentially crossing with TAP Pipeline Route (note: conflicting data are available for axis of HPC dams’ coordinates)

1. “Osum no.6 Bogove” Hydro Power Concession in the District of Berat, in the Water Basin of Osum on the River Osum- issued to Private Consortium (Gejosumi LTD, Constructora Quebec LTDA, Orteng Equipamentos E Sistemas LTDA and Pëllumb Çela shpk)*
2. “Osum no.7 Polican” Hydro Power Concession in the District of Berat, in the Water Basin of Osum on the River Osum- issued to Private Consortium (Gejosumi LTD, Constructora Quebec LTDA, Orteng Equipamentos E Sistemas LTDA and Pëllumb Çela shpk)*

* The Concession Agreement for 8 (eight) HPPs of Osum River Cascade is expected to be approved by the Council of Ministers.

ANNEX 1

MAP OF THE CORRIDOR OF INTEREST

The attached map on the following page is provided for information. For a full scale map please refer to the version provided by the Project Investor with its Environmental and Social Impact Assessment application.

HOST GOVERNMENT AGREEMENT

26 JUNE 2013

Between

THE HELLENIC REPUBLIC

and

TRANS ADRIATIC PIPELINE AG

CONCERNING

THE TRANS ADRIATIC PIPELINE PROJECT

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PREAMBLE

THIS HOST GOVERNMENT AGREEMENT is entered into in the city of Athens in the Hellenic Republic on 26 June 2013,

BETWEEN:

- (1) **THE HELLENIC REPUBLIC** represented by the Ministry of Energy, Environment and Climate Change; and
- (2) **TRANS ADRIATIC PIPELINE AG**, a corporation organised and existing under the laws of Switzerland with a registered branch in Greece at 2-4 Messogion Ave, 115 27, Athens.

WHEREAS:

- (A) The Project Investor and the other Interest Holders wish to develop an efficient, secure, stable and predictable pipeline system originating in the Hellenic Republic at the border between the Hellenic Republic and the Republic of Turkey and progressing onward across the Hellenic Republic and the Republic of Albania and subsea across the Adriatic sea to the Italian Republic; such pipeline system to be utilised for the Transport of Natural Gas produced from phase II of the Shah Deniz field in the Republic of Azerbaijan, and subsequently from the wider region, for delivery into markets within the Italian Republic;
- (B) The Parties acknowledge that the Project is of strategic importance as it will enable the Hellenic Republic to strengthen its position as a core transit country for the European Union's energy security and diversity of supply objectives; bring potential supplies of Natural Gas to the Hellenic Republic (assisting the Hellenic Republic meet its own security and diversity of supply objectives); deliver fiscal revenues and other economic benefits to the Hellenic Republic by way of taxes, employment and growth; and provide a basis for further cooperation between the Parties in relation to future energy projects;
- (C) Based on the terms and conditions of this Agreement, the Project Agreements and other commercial arrangements entered into pursuant to and consistent with this Agreement, including the Implementation Contracts, the Project Investor shall, in the Hellenic Republic, have the right to implement the Project and construct, own and operate the Pipeline System and utilise the resulting capacity of the Pipeline System;
- (D) The State agrees to promote and protect investment in the Pipeline System and to safeguard the efficient, secure, stable and predictable development, ownership and operation of the Pipeline System within Greek Territory, in accordance with the express obligations in this Agreement, the Project Agreements, the Intergovernmental Agreement, the Community Treaties, the APA, the Energy Charter Treaty and the Convention between the Swiss Confederation and the Hellenic Republic for the Avoidance of Double Taxation with respect to Taxes on Income (concluded at Berne on 16 June 1983) and ratified by virtue of Greek Law 1502/1984, as amended and supplemented from time to time;
- (E) The State enters into this Agreement on behalf of, and so as to bind, all of the State Components;
- (F) It is contemplated that the shareholders in the Project Investor may change from time to time after the date of this Agreement; and
- (G) This Agreement is entered into by virtue of, in furtherance of and in elaboration of the intergovernmental agreement signed in Athens on 13 February 2013 between the Government of the

Hellenic Republic, the Government of the Republic of Albania and the Government of the Italian Republic concerning the Trans Adriatic Pipeline for the purpose, amongst other things, of implementing into Greek Law the State's obligations, agreements and undertakings under or in connection with the Intergovernmental Agreement.

THE PARTIES HERETO HAVE AGREED as follows:

INTERPRETATION AND SCOPE OF THE AGREEMENT

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Capitalised terms used in this Agreement (including the Preamble), and not otherwise defined herein, have the following meanings:

2010 OECD Transfer Pricing Guidelines means the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, 2010 edition.

Abandonment means the cessation of all Project Activities by the Project Investor, caused by reasons within the control of the Project Participants, which has continued for a period of at least five years.

Affiliate means, with respect to any Entity, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with that Entity. For the purposes of this definition, **control** shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an Entity, whether through the ownership of a majority or other controlling interest in the voting securities, equity or other ownership interest in an Entity, by law, or by agreement between Persons conferring such power or voting rights.

Agreed Interest Rate means interest at a rate per annum of 3% plus EURIBOR in effect on the Business Day immediately before the day of on which the obligation to make payment arose.

Agreement means this Host Government Agreement, including any Schedules and/or Annexes attached hereto, as amended, supplemented or otherwise modified from time to time.

Albanian HGA means the host government agreement in respect of the Project between the Project Investor and the Republic of Albania dated 5 April 2013.

APA means the advance pricing agreement entered into, or to be entered into, between the State and the Swiss Confederation on the allocation of income between the Project Investor and its Permanent Establishment in the State in accordance with article 24 of the Double Tax Treaty between the Swiss Confederation and the Hellenic Republic.

Authority Permission means any authorisation, consent, concession, licence, permit or other form of approval (including those referred to in Clause 16.2) by or with any State Component whether held or to be held in the name of the Project Investor or any other Project Participant relating to any Project Activity.

Best Available Terms means, at any time with respect to any goods, works, services or technology to be rendered or provided at any location, the prevailing rates then existing in the ordinary course of business between unrelated Persons for goods, works, services or technology which are of a similar

kind and quality provided at the same location and under terms and conditions comparable to those applicable to the subject goods, works, services or technology.

Business Day means any day on which clearing banks are customarily open for business in the Canton of Zug, Switzerland which is not a Saturday, Sunday or a public holiday in Athens, the Hellenic Republic.

Capital Expenditure means any expenditure which falls to be treated as capital expenditure in accordance with IFRS.

Change of Law means:

- (a) a change to a Greek Law occurring after the Signing Date, including changes resulting from:
 - (i) the amendment, repeal, withdrawal, termination or expiration of a Greek Law;
 - (ii) the enactment, promulgation or issuance of a new Greek Law;
- (b) the imposition of a requirement for any Authority Permission not in existence at the Signing Date;
- (c) after the grant of an Authority Permission (whether granted before or after the Signing Date), a change in the terms or conditions attaching to that Authority Permission or the addition of any terms or conditions, other than a change in such terms or conditions which is expressly provided for in the original terms or conditions of the Authority Permission; or
- (d) any Authority Permission that has been granted (whether granted before or after the Signing Date) ceasing to remain in full force and effect or, if granted for a limited period, not being renewed on a timely basis on application for renewal being duly made, or being renewed on terms or subject to conditions that are materially less favourable to the applicant than those attached to the original Authority Permission,

but excludes any Excluded Change of Law, decision or direction made by a Local Authority or Independent Authority Decision.

Commercial Operation Date means the date on which the Pipeline System commences or is deemed to commence commercial operations for the purpose of the gas transportation agreements between the Project Investor and the Shippers.

Community Treaties means the Treaty Establishing the European Community (the Treaty of Rome, as amended by the Treaty of Amsterdam, and the Treaty of Nice), the Treaty of Maastricht (as amended by the Treaty of Amsterdam and the Treaty of Nice) and the Treaty establishing the European Atomic Energy Community, and in so far as those Treaties are replaced and succeeded by the Treaty of Lisbon, that is, the Treaty of European Union and the Treaty on the Functioning of the European Union.

Constitution means the constitution of the Hellenic Republic, as may be amended or otherwise modified or replaced from time to time.

Contractor means any Person supplying directly or indirectly, whether by contract, subcontract (of any tier) or otherwise, goods, work, technology or services, including financial services (including inter alia, credit, financing, insurance or other financial accommodations) to the Project Investor or its Affiliates in connection with the Project to an annual contractual value of at least EUR 100,000,

excluding, however, any individual acting in his or her role as an employee of any other Person or any Person acting in the capacity of a Lender.

Convertible Currency means a currency which is widely traded in international foreign exchange markets, including euros and US dollars.

Corridor of Interest has the meaning given to it in Part 1 of Schedule 1.

Crossing Consents means any Authority Permissions, contractual or other types of consents or agreements required to be obtained or entered into in order to permit the construction of the Greek Facilities over, under or through any existing infrastructure, including any pipeline, cable, road, network or railway.

Crossing Infrastructure means any infrastructure (including any pipeline, cable, road, network or railway) that crosses or is proposed to cross any of the Greek Facilities (including the pipeline).

Discriminatory Change of Law means any Change of Law which:

- (a) requires the specification, operation, maintenance or decommissioning of all or part of the Greek Facilities, the Natural Gas to be Transported through it or the performance of the Implementation Contracts (in each case, as applicable) to be in accordance with standards or outcomes that are higher than those generally required in the State; and/or
- (b) discriminates against the Project Investor or any other Project Participant specifically.

Dispute has the meaning given to it in Clause 24.1.

Double Tax Treaty means any treaty or convention, to which the State is a party, relating to the avoidance of double taxation with respect to taxes on income or capital, including for the avoidance of doubt, the Convention between the Swiss Confederation and the Hellenic Republic for the Avoidance of Double Taxation with respect to Taxes on Income (concluded at Berne on 16 June 1983) and ratified by virtue of Greek law 1502/1984, as amended and supplemented from time to time.

Effective Date has the meaning given to it in Clause 2.2.

Energy Charter Treaty means the Energy Charter Treaty as opened for signature in Lisbon on 17 December 1994 and in force as of 16 April 1998.

Entity means any company, corporation, limited liability company, joint stock company, partnership, limited partnership, joint venture, unincorporated joint venture, association, trust or other juridical entity, organisation or enterprise duly organised by treaty or under the laws of any state or any subdivision thereof.

Environmental and Social Policy means the social and environmental and environmental performance requirements set out in the environmental and social policy issued by the European Bank for Reconstruction and Development in May 2008, as amended from time to time.

Ephorate MoU has the meaning given to it in Clause 16.7(b)(ii).

Espoo Convention means The United Nations Commission for Europe Convention on Environmental Impact Assessment in a Transboundary Context (Espoo, 1991), as in force in the Hellenic Republic.

EURIBOR means, for any day on which clearing banks are customarily open for business in London, the London interbank fixing rate for 3-months euro deposits, as quoted on Reuter's EURIBOR page on that day or, if the Reuter's EURIBOR page ceases to be available or both cease to quote such a rate, then as quoted in the London Financial Times, or if neither such source is available or ceases to quote such a rate, then such other source, publication or rate selected by the Project Investor, acting reasonably.

Excepted Property means:

- (a) within Greek Territory, assets or property of the State which are, as at the Signing Date, not subject to enforcement pursuant to article 4, par. 1 of Greek Law 3068/2002 (non-private property of the State);
- (b) outside of Greek Territory:
 - (i) premises of diplomatic missions of the State, as defined in the Vienna Convention on Diplomatic Relations signed in 1961;
 - (ii) consular premises of the State, as defined in the Vienna Convention on Consular Relations signed in 1963;
 - (iii) property which is used or intended for use in the performance of the functions of the diplomatic mission of the State or its consular posts, special missions, missions to international organisations or delegations to organs of international organisations or to international conferences;
 - (iv) assets and property of the State which are used for the performance of state functions;
 - (v) property of a military character or used or intended for use in the performance of military functions;
 - (vi) property forming part of the cultural heritage of the State or part of its archives and not placed or intended to be placed on sale; and
 - (vii) property forming part of an exhibition of objects of scientific, cultural or historical interest and not placed or intended to be placed on sale; and
- (c) both within and outside of Greek Territory, property of the central bank of the State or any other State Authority that assumes the functions of the central bank of the State from time to time,

where "property" includes accounts, bank deposits, cash, revenues, securities and rights, including rights against third parties.

Excluded Change of Law means any act or action which is undertaken in order to ratify, implement or otherwise bring into effect:

- (a) any amendment, modification or replacement of the Constitution;
- (b) any article of the Community Treaties or any regulation, directive or other law, decision or principle of the European Union which is directly enforceable in the Hellenic Republic or which the State is obliged to apply under the Community Treaties;

- (c) any obligation undertaken by the Hellenic Republic under the World Trade Organisation agreements, including the General Agreement on Tariffs and Trade, the General Agreement on Trade in Services, Trade-Related Aspects of Intellectual Property Rights, or other such agreements;
- (d) any amendment of general application to any Double Taxation Treaty;
- (e) any provision of a present or future international treaty (including, for the avoidance of doubt, any international agreement, protocol, covenant, convention, exchange of letters or like instrument), to which the Hellenic Republic is or shall become a party in the field of peace and security, defence and/or military cooperation, protection and preservation of cultural heritage, environment (including trans-boundary waters) and human rights obligations, in particular with respect to social (including social security), labour, health and safety standards and regulations;
- (f) the changes to or exemptions from Greek Law made directly by this Agreement, including those referred to in Clause 20;
- (g) any changes in the required premia or contributions to be made by employees in connection with state health insurance, state social security or otherwise arising out of any labour requirement; or
- (h) changes to Greek Law concerning labour matters, but only to the extent that such changes are of general application to all Persons acting within the Hellenic Republic.

Expropriation means any nationalisation or expropriation, or any measure having an effect equivalent to nationalisation or expropriation, including:

- (a) nationalising or expropriating the assets of a Project Participant;
- (b) taking of property or rights, or limiting of the use, enjoyment or exercise thereof, in a matter which is equivalent to nationalisation or expropriation, including nationalising or expropriating through the ownership of equity or equivalent interests therein;
- (c) the revocation of any material Authority Permission which is equivalent in effect to nationalisation or expropriation;
- (d) measures or effects which taken individually or separately may not constitute nationalisation or expropriation but when taken together are equivalent to nationalisation or expropriation; and
- (e) measures or effects in relation to any Tax which whether alone or in aggregate are equivalent to nationalisation or expropriation.

Fair Market Value means the value of a Project Participant's Investment to the extent that such Investment is taken, diminished, devalued, damaged or otherwise detrimentally affected as a result of the Expropriation, taking into account that Project Participant's business and investments, all as related to or affected by the Project, and determined on the basis of an ongoing concern utilising the discounted cash flow method, assuming a willing buyer and willing seller in a non-hostile environment and disregarding all unfavourable circumstances (including any diminution of value) leading up to or associated with the Expropriation, and in determining the said value, the principle of indemnification shall apply, with values determined as of the time immediately prior to the Expropriation. The discount rate to be used for the purposes of calculating the discounted cash flow shall be the weighted average cost of capital of the relevant Project Participant.

Force Majeure has the meaning given to it in Clause 21.2.

Foreign Capital Protection Law means Greek Law LD 2687/1953.

Greek Facilities means that part of the Pipeline System located or to be located in Greek Territory.

Greek Income Tax Law means Greek Law 2238/1994.

Greek Law means the laws of the State binding and legally in effect from time to time, including the Constitution, European Union law effective in the Hellenic Republic, all other laws, codes, decrees, by-laws, regulations, communiqués, declarations, principle decisions, orders, normative acts and policies, all international agreements to which the State is party together with all domestic enactments, laws and decrees for ratification or implementation of such international agreements, this Agreement, any law implementing this Agreement, the Intergovernmental Agreement and prevailing judicial interpretations of all such legal instruments.

Greek Network Tie-in means, collectively, the tie-in point or points in the Hellenic Republic being the connection between the Pipeline System and other Greek Natural Gas transmission systems and/or Greek distribution networks.

Greek Territory means the territory of the Hellenic Republic, including territorial sea and national airspace, as well as the maritime areas, over which the Hellenic Republic exercises or shall exercise sovereignty, sovereign rights or jurisdiction in accordance with international law.

Greek VAT Code means Greek Law 2859/2000, incorporating Vat Council Directive No. 2006/112/EC.

IFRS means:

- (a) those International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (**IASB**) (including, for the avoidance of doubt, International Accounting Standards issued by the International Accounting Standards Committee that have been adopted by the IASB);
- (b) those guidance notes and interpretations relating to the standards referred to in paragraph (a) developed by the International Financial Reporting Interpretations Committee or the Standing Interpretations Committee that have been approved or adopted by the IASB; and
- (c) all conventions, rules and procedures of international accounting practice which are regarded from time to time as permissible by the IASB.

Implementation Contracts means all existing and future agreements, contracts and other documents relating to the Project to which the Project Investor is party which are not the Project Agreements, including agreements with other Interest Holders, Lenders, Contractors and Shippers.

Independent Authority means any authority of the State which is legally independent from the central government of the State and which is not subject to the control or direction (whether in accordance with Greek Law or by convention or practice) of the central government of the State, including, as at the Signing Date, RAE.

Independent Authority Decision means a decision or direction made by an Independent Authority.

Interconnection Agreement has the meaning given to it in Clause 7.2.

Interconnector Turkey-Greece means the pipeline running from Karacabey in the Republic of Turkey via a border-crossing point near Kipoi in the Hellenic Republic to Komotini in the Hellenic Republic, being owned and operated by BOTAS Petroleum Pipeline Corporation for the infrastructure within the Republic of Turkey and being owned and operated by DESFA S.A. for the infrastructure within the Greek Territory.

Interest Holder means:

- (a) the Project Investor;
- (b) any Person holding any form of direct or indirect equity or other ownership interest in the Project Investor; or
- (c) any Affiliate, successor or permitted assignee of any Person referred to in paragraph (a) or (b) above.

Intergovernmental Agreement means the intergovernmental agreement signed in Athens on 13 February 2013 between the Government of the Hellenic Republic, the Government of the Republic of Albania and the Government of the Italian Republic concerning the Trans Adriatic Pipeline.

Investment for the purposes of this Agreement and any arbitration pursuant to Clause 24 herein, has the meaning ascribed to it by the Energy Charter Treaty in article 1(6) of the Energy Charter Treaty.

ITG Interim Use Agreement has the meaning given to it in Clause 7.1(c)(ii).

Land means:

- (a) all land, foreshores, seabeds, riverbeds and lakebeds;
- (b) the water columns above all seabeds, riverbeds and lakebeds;
- (c) the air space above and subsurface areas below all of the foregoing; and
- (d) all other geographical locations.

Lender means any financial institution (including commercial banks, multilateral lending agencies, bondholders, guarantors (other than Shareholders) and export credit agencies) or other Person providing any indebtedness, loan, financial accommodation (including any hedging or other derivative arrangement), extension of credit or other financing to any Interest Holder or insurance in respect thereof in connection with the Pipeline System (including any refinancing thereof), and any successor or permitted assignee of any such financial institution or other Person.

Local Authorities means organisations of local self government, as defined in article 102 of the Constitution.

Loss or Damage means any loss, cost, injury, liability, expense (including interest, penalties, reasonable attorneys' fees and reasonable disbursements), charge, penalty or damage suffered or incurred by a Party or Person, including any amounts paid or payable in respect of any litigation, proceeding or claim and, with respect to the Project Investor, any amounts payable under any Implementation Contract.

Ministry MoU has the meaning given to it in Clause 16.7(b)(i).

Natural Gas means any hydrocarbons that are extracted from the sub-soil in their natural state and are gaseous at normal temperature and pressure.

New HGA means any host government agreement in respect of the Project between the Project Investor and a sovereign state other than the Republic of Albania or the Hellenic Republic.

Non-State Land means any Land in Greek Territory other than State Land.

OECD means the Organisation for Economic Co-operation and Development.

OECD Model Tax Convention means the Model Tax Convention on Income and Capital of the OECD.

Offshore Section means Project Activities carried on in that part of the Adriatic Sea lying between the Italian Republic and the Republic of Albania, its bed and subsoil, the water column and the air space above it, which does not form part of the territorial sea of the Italian Republic, the Republic of Albania or the Hellenic Republic, determined in accordance with public international law.

Operating Expenses mean all actual expenses incurred by the Permanent Establishment in the State as accounted for above Earnings before Tax (EBT) in the permanent establishment's profit and loss account based on IFRS to be drawn up for purposes of Taxation in the State. This includes all expenses incurred by the Permanent Establishment in the State as well as all expenses allocated to the Permanent Establishment in the State by the Project Investor and does not include any income tax expenses.

Party means each of the parties to this Agreement.

Permanent Establishment has the meaning set out in the relevant Double Tax Treaty. If at any time no such treaty exists then "Permanent Establishment" shall have the same meaning as in the most recent version as at the date of execution hereof of the Organisation for Economic Co-operation and Development "Model Tax Convention on Income and Capital".

Permanent Establishment in the State means the Permanent Establishment of the Project Investor in the Hellenic Republic.

Person means any natural person or Entity.

Pipeline System means the Natural Gas pipeline system with a yearly capacity of 10 BCM (expandable to 20 BCM) intended to run from the border between the Hellenic Republic and the Republic of Turkey, crossing the Hellenic Republic and the Republic of Albania, to the vicinity of Lecce in the Italian Republic, including all physical assets associated with that pipeline system, including all plant, equipment, machines, pipelines, tanks, compressor stations, fibre optic cables and other ancillary physical assets but excludes any other trunk pipelines to which that pipeline system may be interconnected.

Project means the evaluation, development, design, construction, installation, financing, refinancing, ownership, insuring, operation (including the Transport of Natural Gas through the Pipeline System), repair, replacement, refurbishment, maintenance, expansion, extension (including laterals) and, at the relevant time, decommissioning of the Pipeline System.

Project Activities means the activities conducted or to be conducted by the Project Participants in connection with the Project.

Project Agreement means the ITG Interim Use Agreement, the Ministry MoU, each TSO Agreement, Ephorate MoU and Interconnection Agreement, and any agreement, contract, licence, concession or other document, other than this Agreement and the Intergovernmental Agreement to which, on the one hand, any State Component and, on the other hand, any Project Participant are or later become a party relating to the Project Activities, as any such agreement, contract or other document may be extended, renewed, replaced, amended or otherwise modified from time to time in accordance with its terms.

Project Investor means Trans Adriatic Pipeline AG, a corporation organised and existing under the laws of the Swiss Confederation.

Project Investor Representative has the meaning given to it in Clause 15.2(a).

Project Land means all the Land that is necessary for the implementation of the Project, including the Required Project Land (and, prior to the Required Project Land being identified pursuant to Part 1 of Schedule 1, the Corridor of Interest) and such other Land referred to or identified in, or pursuant to, Part 1 of Schedule 1.

Project Participant means each Interest Holder, Contractor, Shipper and Lender.

Public Access Road Works means those works to be undertaken by or on behalf of the Project Investor to upgrade certain public roads for the purpose of facilitating the Project Activities.

RAE means the Greek Regulatory Authority for Energy, namely the independent administrative authority that monitors the energy market in Greece or any authority that may, at any time, substitute RAE.

Relevant Rights means all those unencumbered rights of examination, testing, evaluation, analysis, inspection, construction, use, possession, occupancy, control, ownership, easement, assignment and enjoyment with respect to the Project Land in Greek Territory as are required to carry out the Project Activities.

Required Project Land has the meaning given to it in Part 1 of Schedule 1.

Savings means, in relation to any Change of Law, any savings or reduction of cost or expense, or increase in revenue or return, directly resulting from, or otherwise directly attributable to, that Change of Law, which is enjoyed or realised by the Project Investor directly in relation to the Project Activities, including a reduction or saving in capital costs, the costs of operation and maintenance or the costs of Taxes imposed on or payable by the Project Investor.

Second Period Paid Amount has the meaning given to it in Clause 12.7(a)(i).

Second Period SD Amount has the meaning given to it in Clause 12.7(a)(ii).

Second Period Tax Code has the meaning given to it in Clause 12.5(b).

Second Tax Period has the meaning given to it in Clause 12.5(b).

Signing Date means the date that this Agreement is executed by the Parties.

Signing Date Tax Code has the meaning given to it in Clause 12.5(a).

Shipper means any Person which has a legal entitlement (whether arising by virtue of any contract or otherwise) to Transport Natural Gas through all or any portion of the Pipeline System.

State means the Hellenic Republic.

State Aid Clearance means a decision of the European Commission that this Agreement and the obligations of the State under it do not constitute unlawful state aid within the meaning of the Community Treaties, or that, in the event that such measures amount to or contain state aid, such aid is compatible having regard to the Community Treaties.

State Authority means the central government of the State, including any organs, instrumentalities, branches and administrative subdivisions thereof, and any and all central, decentralised, regional, municipal, local and provincial authorities or bodies (but, for the avoidance of doubt, shall exclude any Local Authority or Independent Authority) of the State and any constituent element of the foregoing.

State Component means the State, the State Entities and the State Authorities and any Persons acting on behalf of, and all successors or permitted assignees of, any or all of the foregoing.

State Entity means any Entity in which, directly or indirectly, the State or any other State Authority has a controlling equity or ownership interest or similar economic interest, or which the State directly or indirectly controls. For purposes of this definition, **control** shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an Entity, whether through the ownership of a majority or other controlling interest in the voting securities, equity or other ownership interest in an Entity, by law or by agreement between Persons conferring such power or voting rights.

State Land shall mean any Land in Greek Territory which is owned or fully controlled by any State Component or Local Authority, but not, for the avoidance of doubt, any Non-State Land in Greek Territory.

State Representative has the meaning given to it in Clause 15.1(a).

TANAP means the Trans-Anatolian Pipeline, commencing at the border between the Republic of Georgia and the Republic of Turkey and ending, for the purposes of the Project, at the border between the Republic of Turkey and the Hellenic Republic.

Taxation Dispute means a dispute which primarily relates to the proper application of Greek Law and this Agreement in relation to the assessment of, and payment by, a Project Participant of Tax in accordance with Greek Law and not, for the avoidance of doubt, a dispute which relates to a breach of this Agreement, a Change of Law, an Expropriation or the application, implementation or interpretation of the APA.

Taxation Dispute Resolution Process has the meaning given to it in Clause 24.9.

Tax Law of the State means all Greek Laws relating to Tax, including the Double Tax Treaties.

Taxes means all existing and future levies, duties (including excise duties), customs duties (meaning duties implemented within the European Union according to Council Regulation (EEC) No. 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff), imposts, payments, fees, penalties, assessments, taxes (including VAT or sales taxes), charges, contributions and levies deemed to provide a benefit (*“antapodotika teli”* in Greek) payable to or imposed by a state, any organ or any subdivision of a state, whether central or local, or any other body having the effective power to levy any such charges within the territory of a state, and **Tax** shall mean any one of them and **Taxation** shall be construed accordingly.

Ten Year COD Date means the first 31 December to occur following the tenth anniversary of the Commercial Operations Date.

Third Period Paid Amount has the meaning given to it in Clause 12.8(a)(i).

Third Period SD Amount has the meaning given to it in Clause 12.8(a)(ii).

Third Period Tax Code has the meaning given to it in Clause 12.5(c).

Third Tax Period has the meaning given to it in Clause 12.5(c).

Transport means carriage, shipping or other transportation or transmission of Natural Gas via any legal arrangement whatsoever, including Transit as defined in article 7(10)(a) of the Energy Charter Treaty.

TSO means any Entity which acts as a transmission system operator in respect of any energy or power infrastructure located within Greek Territory.

TSO Agreements means the agreements, from time to time, between the Project Investor and any TSO.

Twenty-Five Year COD Date means the first 31 December to occur following the twentieth-fifth anniversary of the Commercial Operations Date.

Twenty Year COD Date means the first 31 December to occur following the twentieth anniversary of the Commercial Operations Date.

VAT means value added tax and any other similar Tax applicable to the supply, importation or intra-community acquisition of goods and services, Relevant Rights, works, services and/or technology within the territory of a state.

VAT Rate means the VAT rate applicable in the Hellenic Republic from time to time.

Year means a period of 12 consecutive months, according to the Gregorian calendar, starting on 1 January, unless another starting date is expressly indicated in the relevant provisions of this Agreement.

1.2 Interpretation

- (a) The division of this Agreement into clauses, subclauses and other portions and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation hereof.
- (b) The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular Clause, Subclause or other portion hereof.
- (c) Unless otherwise indicated, all references to a "Clause", "paragraph", "Subclause" or "Schedule" followed by a number or a letter refer to the specified Clause, paragraph, Subclause or Schedule of this Agreement.
- (d) Unless otherwise indicated, references to any date or time of day in this Agreement are to Central European Time and a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later.

- (e) If a period of time is described in this Agreement as being calculated from a given day or the day of an actual event, it is to be calculated exclusive of that day.
- (f) Where an expression is defined in this Agreement, another part of speech or grammatical form of that expression has a corresponding meaning.
- (g) A reference in this Agreement to any political or statutory body, organisation, ministry or similar entity shall include a reference to that political or statutory body, organisation, ministry or similar entity as reorganised, reconstituted, replaced or renamed from time to time.

1.3 Construction

- (a) Unless otherwise specifically indicated or the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders, and "include," "includes" and "including" shall be deemed to be followed by the words "without limitation".
- (b) Provisions of this Agreement which include the words "to be agreed", "notified", "permitted", "consented to", "decided", "approved", "approval" or cognate words require the relevant agreement, notification, permission, consent, decision or approval to be committed to writing and signed by a duly authorised representative of the relevant Party or Parties.

1.4 Documents and laws

- (a) A reference to this Agreement or another instrument includes any extension, renewal, amendment, modification, variation or replacement of either of them.
- (b) A reference in this Agreement to a law is a reference to a law of the State unless otherwise specified.
- (c) A reference in this Agreement to an international treaty, decree, formal law, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them whether made before or after the Signing Date.

2. EFFECTIVE DATE

2.1 Without prejudice to Clause 2.5, the effectiveness of this Agreement is subject to:

- (a) this Agreement being executed by the Parties;
- (b) the Intergovernmental Agreement being ratified by the State's Parliament, published in the Government Gazette of the Hellenic Republic and entering into force in accordance with its terms;
- (c) the law of the State's Parliament that ratifies this Agreement being published in the Government Gazette of the Hellenic Republic;
- (d) State Aid Clearance being obtained, provided that if State Aid Clearance is granted subject to modifications being made to this Agreement or subject to any other conditions, those modifications or conditions have been accepted in writing by the Project Investor; and
- (e) the Effective Date occurring in accordance with Clause 2.2.

2.2 If either Party considers that all of the pre-conditions set out in Clause 2.1 (other than the pre-condition described in Clause 2.1(e)) have been met, it shall notify the other Party. If the other Party agrees that all of the pre-conditions set out in Clause 2.1 (other than the pre-condition

described in Clause 2.1(e)) have been met, it shall confirm its agreement by notice to the first Party, the date of that notice to be the Effective Date. Without prejudice to Clause 2.5, on the Effective Date this Agreement shall become effective and enter into force.

2.3 Promptly following the Signing Date, the State shall:

- (a) present this Agreement to the State's Parliament for ratification and/or adoption in order to make this Agreement effective as part of Greek Law;
- (b) take all steps necessary to present drafts of enabling legislation and other laws as may be necessary to make this Agreement, and in particular, the rights, guarantees, exemptions, grants, privileges, standards, waivers and indemnifications of legal liability applicable to the Project effective as part of Greek Law;
- (c) use its best endeavours to obtain as soon as practicable any such ratification, including the publication, of the Agreement as well as the enactment of any such legislation prior to or along with such ratification and/or adoption; and
- (d) use its best endeavours to obtain State Aid Clearance.

2.4 The State shall, from time to time and upon the request of the Project Investor, respond in writing to the Project Investor's questions as to the State's progress in relation to its fulfilment of its obligations under Clause 2.3.

2.5 Notwithstanding that this Agreement shall become effective on the Effective Date, Clauses 1, 2, 15, 23, 24, 25, 27, 31, 34 and 35 shall become effective and commence upon the Signing Date.

2.6 Without limiting Clause 2.5, neither Party shall have any liability to the other should the Effective Date of this Agreement not occur for any reason.

3. RELATIONSHIP WITH TREATIES AND LAWS

3.1 Relationship with the Intergovernmental Agreement and the APA

- (a) The Parties acknowledge that this Agreement is the "Host Government Agreement" between the Hellenic Republic and the Project Investor referred to in the Intergovernmental Agreement.
- (b) This Agreement is entered into:
 - (i) in execution and implementation of, and conjunction with, the obligations of the State under the Intergovernmental Agreement and the APA (notwithstanding that the APA may not be in force as at the Effective Date);
 - (ii) in elaboration of the principles and undertakings set out in the Intergovernmental Agreement; and
 - (iii) for the purpose, amongst other things, of implementing into Greek Law the State's obligations, agreements and undertakings under or in connection with the Intergovernmental Agreement and the APA (notwithstanding that the APA may not be in force as at the Effective Date).
- (c) The State represents and warrants that:
 - (i) it has accomplished all ratifications and completed all parliamentary, legislative and other actions and enactments required by Greek Law to cause the Intergovernmental Agreement to

be effective and otherwise endow the Intergovernmental Agreement as binding on the State under international law and Greek Law;

- (ii) to the extent such actions have not been completed on the Effective Date, it will promptly after the APA is concluded accomplish all actions and enactments required by Greek Law to cause the APA to be effective and otherwise endow the APA as binding on the State and enforceable by the Project Investor under Greek Law;
- (iii) it has completed or it will complete promptly all parliamentary, legislative and other actions and enactments required by Greek Law to cause the terms of this Agreement and the various grants and obligations of the State Components under this Agreement in favour of the Project Participants to become effective in the State as part of Greek Law and as the binding obligations of the State Components; and
- (iv) without prejudice to its other obligations under this Agreement:
 - (A) it will facilitate, enable and support the implementation of the Project and provide transparent and non-discriminatory conditions for the implementation and execution of the Project;
 - (B) it agrees that the transport of Natural Gas for the Project shall be performed in accordance with the provisions of the Intergovernmental Agreement and European Union law relating to the same and without imposing any unreasonable delays, restrictions or charges;
 - (C) it will not, except through a competent authority pursuant to EU regulation 994/2010, on Security of Gas Supply, interrupt, curtail, delay or otherwise impede the (forward and/or reverse) flow of Natural Gas through the Pipeline System;
 - (D) if any event occurs or any situation arises which gives reasonable grounds to believe that a threat to interrupt, curtail or otherwise impede any aspect of the Project (other than the flow of Natural Gas through the Pipeline System) exists in respect of Greek Territory, it shall use all lawful and reasonable endeavours to eliminate that threat; and
 - (E) if any event occurs or any situation arises which interrupts, curtails or otherwise impedes any aspect of the Project in Greek Territory, it shall promptly give notice to the Project Investor of that event or situation, give reasonably full details of the reasons for the event or situation and (except in the case of interruption, curtailment or impeding of the flow of Natural Gas through the Pipeline System) shall, to the extent within its scope of influence, use all lawful and reasonable endeavours to eliminate the event or situation, to the extent that event or situation arises in Greek Territory, and shall promote the restoration of the affected aspect of the Project at the earliest possible opportunity.

3.2 Relationship with Greek Law

- (a) The Parties hereby acknowledge and agree that it is their mutual intention that as at the Effective Date, and taking into account those exemptions from and amendments to Greek Law contemplated by this Agreement (including those referred to in Clause 20):
 - (i) this Agreement shall form part of Greek Law and, among other things, shall be the Greek Law that implements the State's obligations, agreements and undertakings under or in connection with the Intergovernmental Agreement; and

- (ii) no Greek Law (including the interpretation thereof by any State Authority and the application procedures of any State Authority), other than the Constitution, principles of public international law enforceable in the Hellenic Republic and any international treaty that is binding on the Hellenic Republic, that is contrary to, or inconsistent with, the terms of the Agreement or any other Project Agreement shall limit, abridge or affect adversely the rights granted to the Project Investor or any other Project Participants under this Agreement or any other Project Agreement or otherwise amend, repeal or take precedence over the whole or any part of this Agreement or any other Project Agreement.
- (b) Notwithstanding the status that this Agreement shall have under Greek Law (including by virtue of Clause 3.1(b)), nothing in this Agreement shall limit or otherwise affect the rights and powers of the State to implement any Excluded Change of Law.

3.3 Relationship with the Community Treaties

No provision of this Agreement derogates, or shall require the State, any other State Component or any Independent Authority to derogate, from any requirement under the Community Treaties, including, for the avoidance of doubt, any requirement of any European Union law made under the Community Treaties.

3.4 Relationship with required Authority Permissions

The State confirms that those Authority Permissions listed in Schedule 3 are the key Authority Permissions required for the Project. For the avoidance of doubt, the listing in Schedule 3 of the key Authority Permissions required for the Project does not affect the Project Investor's obligations under Greek Law (including European Union law effective in the Hellenic Republic), but subject to the provisions of this Agreement, to obtain all Authority Permissions required for the Project whether or not they are listed in Schedule 3.

3.5 Relationship with the Energy Charter Treaty

The Parties agree that the Project, the rights of the Shippers under gas transportation agreements or capacity reservation agreements with the Project Investor and the rights of the Project Participants under this Agreement shall each be regarded as an "Investment" in the Hellenic Republic in the sense of article 1(6) of the Energy Charter Treaty and that, without limitation, the Persons listed below, in the capacities indicated below, shall be regarded as "Investors" in the sense of article 1(7) of the Energy Charter Treaty with respect to the same and the State shall not seek to assert otherwise, so long as those Persons have, at the relevant time, been notified to the State by the Project Investor under Clause 4.7.

Investors

- (a) The Project Investor, as owner and developer of the Pipeline System, including the Greek Facilities;
- (b) each direct and indirect shareholder of the Project Investor from time to time which is incorporated in a state which is a contracting party to the Energy Charter Treaty; and
- (c) each Shipper (in its capacity as such) which is a party to a gas transportation agreement or capacity reservation agreement with the Project Investor from time to time which is incorporated in a state which is a contracting party to the Energy Charter Treaty.

3.6 Relationship with other treaties

Nothing in this Agreement or in any of the Project Agreements shall deprive any Party, Project Participant, State Component or Independent Authority of its rights or any remedy to which it may be entitled, or affect any obligations such Persons or any State Component or Independent Authority may have from time to time under the Energy Charter Treaty, the Community Treaties or any other international treaty from time to time in force (including, for the avoidance of doubt, any international agreement, protocol, covenant, convention, exchange of letters or like instrument).

GENERAL OBLIGATIONS

4. GENERAL

- 4.1 The State acknowledges and agrees that the Project is a project of national importance and in the national and public interest of the Hellenic Republic.
- 4.2 The State agrees that a failure of any State Component to comply with the terms of this Agreement and any act by any State Component which is *ultra vires* or otherwise not in accordance with Greek Law shall be deemed to be a failure of the State to comply with the terms of this Agreement.
- 4.3 The Project Investor agrees that a failure of any Project Participant to comply with the terms of this Agreement which are applicable to that Project Participant shall be deemed to be a failure of the Project Investor to comply with the terms of this Agreement.
- 4.4 The Parties shall, and will ensure that each of the other State Components (in respect of the State) and Project Participants (in respect of the Project Investor) shall, actively and efficiently co-operate with each other in respect of the Project and shall abstain, and shall cause each other State Component (in respect of the State) and Project Participant (in respect of the Project Investor) to abstain, from any action having as its purpose the frustration, impediment or delay of the Project or of any Project Activities. The State will, in addition, use its best efforts to obtain any support from, and will actively seek the co-operation of, any Local Authorities, where that support or co-operation is necessary for such purpose.
- 4.5 For the purposes of the Project and subject to the terms of this Agreement and the Project Agreements, the State shall grant:
 - (a) to the Project Participants, the absolute and unrestricted right and privilege to implement and carry out the Project in accordance with Greek Law; and
 - (b) to the Project Investor, the exclusive and unrestricted right and privilege to construct, own, possess and control the Greek Facilities in accordance with Greek Law.
- 4.6 The State shall, in a timely fashion, issue, give or cause to be given, in writing, all decrees, enactments, orders, regulations, rules, interpretations, authorisations, approvals and consents necessary or appropriate to enable and require each State Component to perform in a timely manner all of their obligations as provided by this Agreement.
- 4.7 The Project Investor shall, to facilitate the administration of this Agreement and each Project Agreement, notify the State, from time to time, of those Persons who are Project Participants and provide the State with written evidence of such status with respect to the Project. Failure to notify or provide written evidence of a Project Participant's status will have the effect of denying such status until such status and rights are notified by the Project Investor.

4.8 The State and each of the other State Components shall take all necessary measures to facilitate all Project Activities associated with the Transport of Natural Gas via the Pipeline System or any part thereof (including the Greek Facilities), consistent with the principle of freedom of transit, and without distinction as to the origin, destination or ownership of such Natural Gas and without imposing any unreasonable delays, restrictions or charges.

4.9 Except as otherwise expressly provided in this Agreement (including under Clause 3.3), or with the prior written consent of the Project Investor, neither the State nor any other State Component shall grant any rights to use the Greek Facilities or rights in connection with the Project Land or grant to any Person any other rights that are inconsistent or conflict, or may interfere, with the full exercise or enjoyment by each Project Participant of its rights under this Agreement or any of the Project Agreements.

5. PROJECT AGREEMENTS ENTERED INTO BY STATE AUTHORITIES AND/OR STATE ENTITIES

5.1 The State shall ensure and guarantee (as primary obligor) the timely performance of the obligations and undertakings of each other State Component under each of the Project Agreements as and when such obligations and undertakings shall become due and performable according to the terms of the relevant Project Agreement.

5.2 The obligations of the State:

- (a) under this Agreement, including its obligations under Clause 5.1, shall be unaffected by the privatisation, insolvency, liquidation, reorganisation or any change in the ownership, organisational structure, viability or legal existence of any State Authority and/or State Entity;
- (b) under Clause 5.1, shall be unaffected by any act, omission, matter or other thing which, but for this provision, would reduce, release or prejudice any of its obligations under that Clause, including any amendment, variation, waiver, illegality, invalidity, insolvency or legal limitation to or in connection with any Project Agreement.

6. COMMITMENTS WITH RESPECT TO THE ACTIONS OF LOCAL AUTHORITIES

6.1 Subject to the mandatory limitations imposed by Greek Law (including the Constitution), the State shall:

- (a) cause the Local Authorities to comply with this Agreement as though the Local Authorities were State Authorities; and
- (b) perform its obligations under this Agreement as though the term "State Components" included all Local Authorities.

6.2 The Parties acknowledge the mandatory limitations imposed by Greek Law (including the Constitution) but agree that, notwithstanding those limitations, the State shall promptly take all legality control actions required to manage and procure that the Local Authorities act in a manner consistent with this Agreement.

7. THE EXISTING GREEK GAS NETWORK

7.1 Connection at the Greece-Turkey Border

- (a) The Parties acknowledge and agree that the Pipeline System, when constructed, is intended to interconnect with TANAP, when constructed, at the border between the Hellenic Republic and the Republic of Turkey.
- (b) The Parties further acknowledge and agree that the interface between TANAP and the Pipeline System will require the cooperation and facilitation of the State and, in that respect, the State shall use its reasonable endeavours to facilitate and establish any cross-border arrangements that may be necessary to support the interconnection between the Pipeline System and TANAP.
- (c) If the Project Investor reasonably believes that the commencement of commercial operation of TANAP may be delayed for any reason and, as a result of that delay, the Project Investor wishes to utilise, by way of a connection within Greek Territory and as an interim measure, the Interconnector Turkey-Greece for the purposes of transporting gas from the Turkish gas system to the Pipeline System:
 - (i) the Project Investor shall notify the State of the circumstances associated with the delay to the commencement of the commercial operation of TANAP and the basis upon which the Project Investor wishes to utilise the Interconnector Turkey-Greece, including in respect of the anticipated period of use and volumes of Natural Gas to be transported;
 - (ii) promptly following the Project Investor notifying the State pursuant to paragraph (i) above, the Parties shall, subject to Greek Law, agree in good faith the basis upon which the Project Investor may utilise the Interconnector Turkey-Greece for the purpose of transporting gas from the Turkish gas system to the Pipeline System, including with respect to the time period of that use, the volumes of Natural Gas to be transported, the terms governing such transportation and the levy or other fees payable by the Project Investor in respect of such usage. Any such agreement shall be documented in writing between the Parties or their nominees (the **ITG Interim Use Agreement**); and
 - (iii) in accordance with the terms of the ITG Interim Use Agreement, the State shall, subject to Greek Law, do all things reasonably necessary and within its power to enable the Project Investor to connect the Pipeline System to the Greek part of the Interconnector Turkey-Greece and thereafter receive Natural Gas from the Turkish gas system to the Pipeline System by way of the Interconnector Turkey-Greece.
- (d) In connection with Clause 7.1(c), the State acknowledges that under Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on Conditions for Access to the Natural Gas Transmission Networks and Repealing Regulation (EC) No 1775/2005, allocation of capacity in pipeline systems is to be made in an efficient manner and shall be compatible with market mechanisms. In view of the fact that the capacity of the Interconnector Turkey-Greece, with appropriate upgrades (noting that the State has no control over upgrades required in the Republic of Turkey), will be 11.0 BCMA (with load factor 0.9), the Parties anticipate that the Project Investor will be granted appropriate rights to utilise the Interconnector Turkey-Greece in accordance with Greek Law and the ITG Interim Use Agreement.

7.2 Greek Network Tie-Ins

- (a) The Parties (or their nominees) shall, in good faith, negotiate, agree and enter into one or more interconnection agreements containing terms and conditions in respect of the construction and operation of the interconnection between the Greek Facilities and the domestic Greek gas

transmission system and/or distribution networks and all related issues (each, an **Interconnection Agreement**). The Parties acknowledge and agree that there are likely to be several such interconnections and, consequently, several Interconnection Agreements.

- (b) No later than 120 days prior to the intended release by the Project Investor of the invitation to tender relevant to the pipeline construction in the Hellenic Republic, the Project Investor shall notify the State of the same. The State may, within 60 days of receiving the Project Investor's notification, nominate (without any requirement to meet any market criteria test) up to three locations for Greek Network Tie-Ins, such locations to be in addition to any locations for Greek Network Tie-Ins determined in accordance with the Project Investor's third party access exemption.
- (c) The Project Investor shall ensure that when the Greek Facilities are constructed, valved "T-pieces" to allow for interconnection are installed in the Pipeline System at each of those locations nominated by the State in accordance with Clause 7.2(b).

8. LOCAL SUPPORT

- 8.1 The Parties acknowledge that the Project represents a major investment in the Hellenic Republic that will create significant opportunities for Greek labour (both skilled and unskilled) and Greek contractors and further acknowledge the geographical advantage and local knowledge benefits that such labour and contractors will offer in respect of the Project.
- 8.2 The Project Investor shall, in accordance with the Community Treaties, the requirements of applicable World Trade Organisation agreements and other applicable law, ensure that the rules, procedures and qualification and evaluation criteria (including as to technical requirements) that it applies to the procurement processes that it conducts for the purpose of the Project Activities, including in respect of the construction and supply of materials for the Greek Facilities, encourage the use of Greek companies and labour throughout the Project supply chain by ensuring that there is no discrimination against Greek companies and, to the extent reasonably practicable, the Project Investor shall ensure that bidders are made aware of the benefits that Greek companies will offer in respect of the Project.

9. SECURITY

- 9.1 Without derogating from the provisions of the Energy Charter Treaty, the State shall, taking into account applicable international human rights standards, including the Guiding Principles for Business and Human Rights, as endorsed by the United Nations Human Rights Council on 16 June 2011, use its best endeavours to:

- (a) ensure that there are no disruptions to the Project Activities; and
- (b) protect the Project Activities in Greek Territory, the Greek Facilities and all Persons within Greek Territory involved in the Project Activities from Loss or Damage,

in each case caused by or which may result from war, sabotage, vandalism, blockade, revolution, riot, insurrection, civil disturbance, terrorism, kidnapping, commercial extortion, organised crime or any other destructive event.

- 9.2 The Project Investor shall cooperate with the State in order to allow the State to perform its obligations under Clause 9.1.
- 9.3 The State shall use all reasonable endeavours to assist the Project Investor to identify any unexploded ordnances that may be situated on or under, or in the immediate vicinity of, any Project Land. If during the performance of the Project Activities any unexploded ordnances (or items that

could reasonably be considered to be unexploded ordnances) are discovered, the State shall procure the prompt removal of such items by the State's security forces following notice of the same being provided to the State.

9.4 Crossing Infrastructure

- (a) If at any time any Person which is not a State Component wishes to install any Crossing Infrastructure, that Person shall be required to submit to the State an application for that installation. That Person shall not be entitled to install the relevant Crossing Infrastructure unless it receives the State's express consent.
- (b) The State shall promptly notify the Project Investor of any application it receives for the installation of any Crossing Infrastructure for the Project Investor's consideration and comment, such comments to be provided within a reasonable period of time after the State's notification.
- (c) The State shall not approve any application for the installation of any Crossing Infrastructure received pursuant to Clause 9.4(a) unless:
 - (i) that application has first been notified to the Project Investor in accordance with Clause 9.4(b);
 - (ii) the Project Investor has been provided with a reasonable period to comment on that application; and
 - (iii) the State has taken into account the Project Investor's comments in reaching a decision as to whether to approve the application.

If the State elects to approve an application for the installation of any Crossing Infrastructure received pursuant to Clause 9.4(a), each such approval shall be made subject to the relevant Person entering into an undertaking in a form reasonably required by the Project Investor (including as to the credit and credit support of the relevant Person) pursuant to which the Project Investor will be held harmless in respect of any Loss or Damage arising in connection with the installation and operation of the Crossing Infrastructure.

- (d) If at any time a State Component wishes to install any Crossing Infrastructure, that State Component shall apply directly to the Project Investor. The Project Investor shall consent to the installation of that Crossing Infrastructure provided that all relevant technical issues are agreed between the parties and the relevant State Component enters into an undertaking in a form reasonably required by the Project Investor pursuant to which the Project Investor will be held harmless in respect of any Loss or Damage arising in connection with the installation and operation of the Crossing Infrastructure.

10. PROJECT LAND

The Project Land shall be identified and certain rights in the Required Project Land shall be acquired in accordance with Schedule 1 and the Parties shall comply with their obligations in connection with Project Land as set out in Schedule 1.

11. ACCESS TO RESOURCES AND FACILITIES

At the request of the Project Investor and subject to any relevant standards described in this Agreement, the State and each of the other State Components shall exercise all reasonable

endeavours to assist any Project Participant in obtaining, on Best Available Terms and to the extent within the reasonable control of the State Components, with respect to the Project:

- (a) readily available water of sufficient quality and quantity located proximate to the Project Land in order to perform hydrostatic and other testing of the Pipeline System;
- (b) without prejudice to Greek Law (including European Union law effective in the Hellenic Republic), including in respect of customs matters, goods, works, services (excluding labour and human resources) and technology as may be necessary or appropriate for the Project in the reasonable opinion of the Project Investor; and
- (c) without prejudice to Clauses 12, 13 and 16 and Greek Law (including European Union law effective in the Hellenic Republic), including in respect of customs matters, with respect to jurisdictions and authorities outside Greek Territory, obtaining those rights, licences, visas, permits, approvals, certificates, authorisations and permissions necessary or appropriate for the Project which have any form of relationship with the Hellenic Republic, including in respect of:
 - (i) storage and staging of lines of pipes, materials, equipment and other supplies destined for or exiting from Greek Territory;
 - (ii) all marine vessels sailing to or from Greek Territory in connection with the performance of Project Activities; and
 - (iii) the import and/or export or re-export of any goods, works, services or technology necessary for the Project.

TAXES, IMPORT AND EXPORT, CURRENCY

12. TAXES

General

- 12.1 The State shall ensure that the treatment for Taxation purposes of Project Participants and each other Person with respect to any part of the Project or any related assets or activities will be no less favourable than that applicable to the State's nationals in the same circumstances under its general legislation relating to Taxation.
- 12.2 With respect to measures regarding any relevant Taxation or other payments, irrespective of their names or origin, the State shall co-operate with other states on a multilateral level to ensure a fair and transparent application of Taxation to the Project Participants and each other Person with respect to any part of the Project, or any related assets or activities in accordance with the spirit of the various bilateral double tax treaties concluded between the State and other states. The State shall endeavour to minimise the incidence and complexity of formalities relating to Taxes and to decrease and simplify documentation requirements relating to Taxes.
- 12.3 The State confirms that, except as otherwise expressly set out in the APA, it will not impose any Taxation in respect of the whole or any part of Project carried on outside Greek Territory (including, inter alia, Project Activities carried on in that part of the Adriatic Sea lying between the Italian Republic and the Republic of Albania, its bed and subsoil and the air space above it, which does not form part of the territorial sea of the State, determined in accordance with public international law).

12.4 The State undertakes to:

- (a) comply with and fully implement the APA in accordance with its terms; and
- (b) not amend, vary, suspend or terminate the APA without the prior written consent of the Project Investor except in those cases expressly provided for in the APA.

Application to the Project Investor

12.5 Subject to Clause 12.6 and except as otherwise expressly provided by or permitted under this Agreement, the Tax Law of the State:

- (a) as in force on the Signing Date, other than with respect to the VAT Rate (the **Signing Date Tax Code**), shall be valid and apply to the Project Investor until and including the Ten Year COD Date;
- (b) as in force on the day after the Ten Year COD Date, other than with respect to the VAT Rate (the **Second Period Tax Code**), shall be valid and apply to the Project Investor from the day after the Ten Year COD Date until and including the Twenty Year COD Date (the **Second Tax Period**); and
- (c) as in force on the day after the Twenty Year COD Date, other than with respect to the VAT Rate (the **Third Period Tax Code**), shall be valid and apply to the Project Investor from the day after the Twenty Year COD Date until and including the Twenty-Five Year COD Date (the **Third Tax Period**),

in each case, to the exclusion of all other Taxes during the relevant period.

12.6 Without prejudice to the remainder of this Clause 12 or Clause 17, the Project Investor shall be required to comply with the Tax Law of the State, as amended from time to time, in respect of the VAT Rate.

12.7 For each year of the Second Tax Period:

- (a) the Project Investor shall, within 30 days following the filing of its annual income tax return in relation to the relevant year, provide to the State a report setting out:
 - (i) all Taxes that have been incurred by the Permanent Establishment in the State during that year in accordance with the Second Period Tax Code (the **Second Period Paid Amount**);
 - (ii) all Taxes that would have been incurred by the Permanent Establishment in the State during that year had the Signing Date Tax Code been in place (the **Second Period SD Amount**); and
 - (iii) a comparison between the Second Period Paid Amount and the Second Period SD Amount; and
- (b) if in respect of the relevant year:
 - (i) the Second Period Paid Amount is less than the Second Period SD Amount by more than 20% of the Second Period SD Amount, the Project Investor shall pay to the State such amount that is in excess of that 20% threshold within 60 days of the date of the report provided by the Project Investor under Clause 12.7(a); or

- (ii) the Second Period Paid Amount is greater than the Second Period SD Amount by more than 20% of the Second Period SD Amount, the State shall pay to the Project Investor such amount that is in excess of that 20% threshold within 60 days of the date of the report provided by the Project Investor under Clause 12.7(a).

12.8 For each year of the Third Tax Period:

- (a) the Project Investor shall, within 30 days following the filing of its annual income tax return in relation to the relevant year, provide to the State a report setting out:
 - (i) all Taxes that have been incurred by the Permanent Establishment in the State during that year in accordance with the Third Period Tax Code (the **Third Period Paid Amount**);
 - (ii) all Taxes that would have been incurred by the Permanent Establishment in the State during that year had the Signing Date Tax Code been in place (the **Third Period SD Amount**); and
 - (iii) a comparison between the Third Period Paid Amount and the Third Period SD Amount;
- (b) if in respect of the relevant year:
 - (i) the Third Period Paid Amount is less than the Third Period SD Amount by more than 20% of the Third Period SD Amount, the Project Investor shall pay to the State such amount that is in excess of that 20% threshold within 60 days of the date of the report provided by the Project Investor under Clause 12.8(a); or
 - (ii) the Third Period Paid Amount is greater than the Third Period SD Amount by more than 20% of the Third Period SD Amount, the State shall pay to the Project Investor such amount that is in excess of that 20% threshold within 60 days of the date of the report provided by the Project Investor under Clause 12.8(a).

Corporate income tax

- 12.9 The Permanent Establishment in the State shall be subject to Greek income tax pursuant to Greek Income Tax Law as that Tax exists and is applied at the Signing Date, as modified by the provisions of this Agreement.
- 12.10 The allocation of income between the Project Investor and the Permanent Establishment in the State shall follow applicable OECD principles, including the 2008 commentary to art. 7 of the OECD Model Tax Treaty and the arm's length principle as laid down in the 2010 OECD Transfer Pricing Guidelines, and shall be agreed between the Hellenic Republic and the Swiss Confederation as part of the APA.
- 12.11 Based on the allocation of functions, risks and tangible and intangible assets between the Project Investor and the Permanent Establishment in the State, under the arm's length principle the Permanent Establishment in the State will receive:
 - (a) compensation on its Operating Expenses incurred, accrued and allocated in each fiscal year which compensation:

- (i) in the case of depreciation on the Pipeline System and interest expenses incurred in connection with the construction, improvement or upgrading of the Pipeline System, shall be on a cost basis without any mark up; and
- (ii) in the case of all other Operating Expenses, shall be on a cost plus oriented basis;
- (b) as from the Commercial Operation Date onwards, an additional annual (being for 12 month fiscal periods) return as a percentage on the part of the book value of the Pipeline System as of the Commercial Operation Date, according to IFRS, attributable to the Greek Facilities over the entire Project life in each fiscal year. The aforesaid percentage will amount to a minimum of 3.9%; and
- (c) if the book value of the Pipeline System, according to IFRS, attributable to the Greek Facilities should increase after the Commercial Operation Date, this higher value shall be the basis for the return according to Clause 12.11(b) as from the year onwards this increase becomes effective.

12.12 It is acknowledged that, notwithstanding any other provisions in this Agreement to the contrary, Double Tax Treaties shall have effect to give benefits with respect to Taxes related to the whole and any part of the Project Activities.

Withholding tax

- 12.13 No Taxes shall be imposed, withheld or deducted from or with respect to any remittance of profit from the Permanent Establishment in the State to the Project Investor.
- 12.14 No withholding Taxes will be imposed on management fees, headquarter costs (inclusive of Capital Expenditure and interest expenses) or any other amounts for services rendered abroad which are allocated from the Project Investor to the Permanent Establishment in the State.

Taxation and Fees on Real Estate

- 12.15 The Project Investor shall not be subject to the 15% special real estate tax (per Greek Law 3091/2002) and nor shall the Project Investor be required to file the respective annual tax returns.
- 12.16 In assessing real estate property tax in connection with the Project Investor, any value of the equipment shall be excluded from the taxable basis for determining the real estate property tax on the buildings.

Value added tax

- 12.17 The State acknowledges that VAT should not be a cost to the Project (either directly or by virtue of any reverse charge mechanism), which is in line with the principle of neutrality of VAT systems to provide businesses with a taxable business activity with a general right to recover input VAT.
- 12.18 Accordingly, the State agrees as follows:
- (a) The place of supply of the Natural Gas transportation services provided by the Project Investor to the Shippers shall be the place where the latter established their business, or if the services are provided to a fixed establishment of the Shipper located in a place other than the place where it has established its business, the place of supply of those services shall be the place where the fixed establishment is located.

- (b) Amounts charged by the Project Investor to the Permanent Establishment in the State shall not be subject to Greek VAT. Income allocated to the Permanent Establishment in the State by the Project Investor and amounts charged by the Permanent Establishment in the State to the Project Investor pursuant to Clauses 12.10 and 12.11, including construction costs, shall not be charged with Greek VAT and the Permanent Establishment in the State shall have the right to recover input VAT according to the Greek VAT Code provisions applied within the State on the basis that the Project Investor provides VAT-able Natural Gas transportation services to the Shippers.
- (c) The receipt of liquidated damages payments by the Project Investor (including through its Permanent Establishment in the State) will not give rise to a liability to account for VAT or trigger pro rata computations.
- (d) Consistent with applicable Greek Law, including European Union law effective in the Hellenic Republic (including the Greek VAT Code, Greek Law 2960/2001 (the Greek customs code) and EU Directive 2006/112/EC), the supply of services in connection with the Project which relates directly to the supply of goods placed under a suspensive customs regime, or which are rendered within such duly designated customs area whereby the goods remain under such a suspensive regime, are exempt from VAT.
- (e) With regard to VAT related issues in the case of import/export or intra-EU acquisitions of goods destined to be used for the construction or for the maintenance of the Pipeline System, or for any other purpose pertaining to this Agreement, the relevant provisions of applicable Greek Law (including European Union law effective in the Hellenic Republic) shall apply (including the Greek VAT Code, Greek Law 2960/2001 (the Greek customs code) and EU Directive 2006/112/EC).

Miscellaneous

12.19 All refunds of VAT by the tax administration of the State (including in respect of construction related VAT) shall be made within 180 days commencing on the Permanent Establishment submitting its VAT refund claim. If a refund is not made within that 180 day period, the tax administration must pay interest on the amount of the refund as follows:

- (a) where the refund is credited against another Tax liability, such interest accrues from the 181st day from the refund claim to the date of payment of Tax against which the credit is made; and
- (b) where the refund is being paid such interest accrues for the period from 180 days after the refund claim until the refund is paid.

The interest rate applicable in such circumstances shall be the interest rate referred to in the general provisions of Greek Law. Interest is payable in all circumstances and may not be waived by the State (including by the tax administration of the State) nor appealed, except to the extent there are errors in calculations of the relevant interest amounts or to the extent that the Tax liability to which it applies is changed. Without prejudice to Clause 28.3(b), such interest payments, as well as any other interest payments made under this Agreement, including pursuant to Clause 28.5, are subject to Greek Income Tax Law.

12.20 Consistent with Greek Law, the Permanent Establishment in the State shall be entitled to assign against a monetary consideration any right it may have in respect of a Tax related refund (including in respect of construction or other input VAT) to any third party, and that third party shall be entitled to receive the relevant refund, or set-off that refund against that third party's Tax liabilities at that third party's election. Such assignments of claims shall not be charged with Greek VAT or stamp

duty. If such an assignment is made without any financial consideration, the payment of gift tax and the submission of certificate of art. 105 of Greek Law 2961/2001 will be required.

- 12.21 In respect of any compensation including any interest on such compensation paid or received under or in connection with this Agreement, the Project Investor, and not the Permanent Establishment in the State, shall be deemed as the payer or the recipient (as applicable) of that compensation.
- 12.22 Subject to this Agreement, the Project Participants and their respective employees, shall have no liability or responsibility to the State for any failure on the part of any other Project Participant to comply with the Tax Law of the State regarding Taxes relating to the whole or any part of the Project Activities.
- 12.23 The provisions of this Clause 12 shall not be changed during the period of this Agreement without the consent of both Parties. In no event shall any changes to this Clause 12 be retroactive.

13. IMPORT AND EXPORT

- 13.1 Notwithstanding the definition of Taxes and without prejudice to current Greek Law (including European Union law effective in the Hellenic Republic) applicable to customs matters, all matters concerning customs duties in connection with the Project Activities are addressed solely in this Clause 13 to the exclusion of any provision of Clause 12 which, but for this Clause 13.1, would apply.
- 13.2 The State and each of the other State Components shall accord Natural Gas and other goods and services associated, directly or indirectly, with the Project Activities, treatment no less favourable in connection with their import into and/or export out of the State (as the case may be) than that which would be accorded to like goods and services of like origin which are not associated with the Project.
- 13.3 The State shall minimise the incidence and complexity of import and export formalities and decrease and simplify import and export documentation requirements in connection with the goods and/or services referred to above.
- 13.4 In determining the location of fiscal metering stations at the border between the Hellenic Republic and the Republic of Albania and at the border between the Hellenic Republic and the Republic of Turkey, the Parties agree and acknowledge that:
- (a) such location must enable the State to comply with European Union law effective in the Hellenic Republic, including with respect to customs matters; and
 - (b) single fiscal metering stations at each border, rather than a fiscal metering station on each side of each border, represent the optimal approach so as to avoid unnecessary capital expenditure for the Project.
- 13.5 The State shall use its best endeavours to accommodate the aspiration set forth in Clause 13.4(b) recognising that any such accommodation shall be subject to the requirements of European Union law as set forth in Clause 13.4(a) above.
- 13.6 Without prejudice to current Greek Law (including European Union law effective in the Hellenic Republic) applicable to customs matters, the provisions of this Clause 13 shall extend to fees, charges, formalities and requirements imposed by the State and/or any State Authority in connection with importation, transit and exportation with respect to any Project Activities, including, but not limited to those relating to consular transactions, such as consular invoices and certificates; quantitative restrictions; licensing; exchange control; statistical services; documents, documentation and certification; analysis and inspection; and quarantine, sanitation and fumigation.

- 13.7 The Parties agree that no excise duties on Natural Gas according to Greek Law 2960/2001 (National Customs Code), in conjunction with Greek Law 2093/1992 and Council Regulation (EEC) No. 2658/87, as it is in force, as well as Council Directive No. 2003/96/EC, shall be applicable to any part of the Project or any Project Activities at the stage of its transportation via the Greek Territory. For products that are subject to excise duties that are released for consumption in Greece or are received by other Member States where they have been released for consumption in order to be used at the stage of construction, operation or maintenance, the relevant excise duties shall be chargeable according to applicable Greek Law (including European Union law effective in the Hellenic Republic).

14. FOREIGN CURRENCY

- 14.1 The State confirms that, as at the Effective Date, the Project Participants have the right under Greek Law, *inter alia*:

- (a) to bring into, hold or take out of Greek Territory foreign currency and to open, maintain and operate, without restriction, foreign currency bank and other accounts in Greek Territory;
- (b) to open, maintain and operate local currency bank and other accounts in Greek Territory;
- (c) to exchange any currency at market rates or at official rates which are set at non-market rates;
- (d) to purchase and/or convert local currency with and/or into foreign currency;
- (e) to transfer, hold and retain foreign currency outside Greek Territory;
- (f) to be exempt from all mandatory conversions, if any, of foreign currency into local currency or any other currency;
- (g) to pay abroad, directly or indirectly, in whole or in part, in foreign currency, the salaries, allowances and other benefits received by any foreign employees;
- (h) to pay Contractors (whether local or foreign), directly or indirectly, in whole or in part, in foreign currency, for their goods, works, technology or services supplied to the Project; and
- (i) to make any payments provided for under any Project Agreement or Implementation Contract in foreign currency,

and the State shall ensure that the Project Participants shall at all times after the Effective Date have such rights under Greek Law with respect to the Project Activities.

- 14.2 The State shall take all steps and measures required to ensure that it and each other State Component has available to it at all times sufficient Convertible Currency and effective means of payment to transfer to the relevant Person full value at the relevant time.

IMPLEMENTATION

15. REPRESENTATIVES

15.1 State Representative

- (a) The State shall appoint within 30 Business Days of the Signing Date its representative for all matters arising in connection with this Agreement and who shall be authorised to give notices to and otherwise communicate with the Project Investor on behalf of the State (the **State Representative**).

The Parties acknowledge that the State shall have the right, upon reasonable notice to the Project Investor, to substitute the State Representative.

- (b) The Project Investor shall be entitled to rely upon the communications, actions, information and submissions of the State Representative as being the communications, actions, information and submissions of the State.

15.2 Project Investor Representatives

- (a) The Project Investor shall appoint within 30 Business Days of the Signing Date one or more representatives, committees, or other organisational or functional bodies by or through whom the Project Investor may act with the intention of facilitating the method and manner of the Project Investor's timely and efficient exercise of its rights and/or performance of its obligations under this Agreement (the **Project Investor Representative(s)**).
- (b) Upon the appointment of the Project Investor Representative(s), the State shall be entitled to rely upon the communications, actions, information and submissions of a Project Investor Representative in respect of that Project Investor Representative's notified area of authority as being the communications, actions, information and submissions of the Project Investor. The Parties further acknowledge that the Project Investor shall have the right, upon reasonable notice to the State, to remove, substitute or discontinue the use of one or more Project Investor Representative(s), provided that there shall always be at least one Project Investor Representative.

16. AUTHORITY PERMISSIONS

- 16.1 Upon the request of any Project Participant in relation to a specific Authority Permission or a specific Project Activity, the State shall promptly provide written detailed descriptions of all the documentation or other information required to be submitted in order to obtain that specific Authority Permission or those Authority Permissions associated with that specific Project Activity (as the case may be).

- 16.2 The State shall:

- (a) on a priority basis within the relevant timeframe prescribed by Greek Law (or, where no such time period is prescribed, within 60 days of the submission of the relevant application); and
- (b) subject to the relevant Project Participant's application satisfying the mandatory requirements to be fulfilled in order for the Authority Permission to be granted (including the payment of any mandatory fees and charges associated with the provision of that Authority Permission),

provide each Authority Permission necessary as a mandatory requirement of Greek Law or appropriate in the reasonable opinion of the Project Investor to enable it and all other Project Participants to carry out the Project Activities in a timely, secure and efficient manner and/or to exercise their rights and fulfil their obligations in accordance with this Agreement and the Project Agreements.

- 16.3 The State's obligations under Clause 16.2 apply with respect to all Authority Permissions, including in relation to:
 - (a) customs clearances;
 - (b) import and export licences;

- (c) visas, labour permits and residence permits;
 - (d) rights and licences, in accordance with relevant Greek Law, to operate communication and telemetry facilities (including the dedication of a sufficient number of exclusive radio and telecommunication frequencies as requested by the Project Investor to allow the uniform and efficient operation of the Pipeline System within and outside Greek Territory) for the secure and efficient conduct of Project Activities;
 - (e) rights to establish such branches, Permanent Establishments, Affiliates, subsidiaries, offices and other forms of business or presence in Greek Territory as may be reasonably necessary in the opinion of any Project Participant to properly conduct the Project Activities, including the right to lease or, where appropriate, purchase or acquire any real or personal property required for Project Activities or to administer the businesses or interests in the Project;
 - (f) rights to operate vehicles and other mechanical equipment, and in accordance with relevant Greek Law (including European Union law effective in the Hellenic Republic), the right to operate aircraft, ships and other watercraft in Greek Territory;
 - (g) environmental and safety approvals;
 - (h) approvals for the construction and operation of the Greek Facilities;
 - (i) any crossing of any existing infrastructure or regulated geographic features by any part of the Greek Facilities, including any roads, railways or rivers;
 - (j) the implementation of the Public Access Road Works;
 - (k) the temporary relocation of any existing infrastructure or regulated geographic feature, including any roads, railways or rivers, for the purpose of undertaking any Project Activities in Greek Territory;
 - (l) waste management permits, including in relation to the handling of contaminated soil and materials and the creation of disposal facilities where no, or insufficient, land fill capacity is available in the relevant area; and
 - (m) water use (including in relation to water withdrawal and the lowering of ground water) and wastewater treatment permits.
- 16.4 Subject to Clause 3.3 and the relevant domestic legislation, the State shall, or shall procure that the relevant State Authority shall at the request of a Project Participant and to the extent reasonably practicable, seek to combine multiple Authority Permissions into a single Authority Permission where such multiple Authority Permissions relate to the same or similar subject matter.
- 16.5 With the exception of permits referring to environmental protection legislation, the Espoo Convention and subject to Clause 3.3, in the event that a Project Participant has complied with the mandatory requirements provided by Greek Law in making its application for any Authority Permission, and the competent State Authority has not responded to that Project Participant within the period referred to Clause 16.2, the application of that Project Participant shall be deemed to be approved and the competent State Authority shall have no power to review that deemed approval other than on the basis of fraud, immediate safety concerns, national security or compelling (*epitaktiko*) public interest.
- 16.6 With the exception of permits referring to environmental protection legislation and subject to Clause 3.3, where a State Authority has provided an opinion or ruling in respect of the procedure for the

approval of the environmental terms for the Project, that State Authority shall not be required to provide an opinion on subsequent Authority Permissions or permitting stages on similar issues.

16.7 Archaeological Authority Permissions

- (a) In any case where, by operation of Greek Law or by decision of any State Authority, there is a requirement in connection with the Project for the issuance of a decision by the Central Archaeological Council on how to deal with antiquities found during the works for the implementation of the Project, such decision shall be issued by the Central Archaeological Council and notified by the Central Archaeological Authority within two months of the application of the Project Investor for that decision.
- (b) In derogation from Greek Law 4072/2012, the Project Investor shall enter into:
 - (i) a memorandum of understanding, in the form set out in Schedule 5, with the Ministry of Culture in respect of the overall approach to be taken in respect of those archaeological works that may be required as a result of the Project (the **Ministry MoU**). It is intended that this memorandum of understanding shall be signed by the parties to it after the issuance of the installation permit of the Greek Facilities but before the commencement of the construction of the Greek Facilities; and
 - (ii) special memoranda of understanding with each Ephorate in respect of those archaeological works that, as a result of the Project, may be required in that Ephorate's jurisdiction (each, an **Ephorate MoU**). Each Ephorate MoU shall be in substantially the same form as that set out in Schedule 4.
- (c) If, for the purpose of the Project, trial excavations in respect of archaeological works are required either as part of the environmental terms approval for the Project or as a requirement of any competent archaeological State Authority, the competent local Ephorate shall agree with the Project Investor the time, location, budget and nature of those trial excavations such that the Project Investor will be able to commence those trial excavations under the supervision of the competent Regional Services of the General Secretariat of the Ministry of Education, Religious Affairs, Culture and Sports within 45 days of its relevant application.

16.8 Crossing Consents

- (a) The State shall facilitate the conclusion and granting of all Crossing Consents to the Project Investor required or desirable for the performance of the Project Activities. The State's facilitation shall include assistance:
 - (i) during the design phase of the Project, if the Project Investor applies to the relevant owner or operator in order to establish that Crossing Consent; and
 - (ii) during the construction phase of the Project, if the construction Contractor proposes a detailed crossing design for approval and submits it to the owner or operator of the existing infrastructure in order to obtain the relevant Crossing Consent.
- (b) By way of deviation from any existing provisions of Greek Law on the crossing of existing infrastructure, the approval from the company, State Component or Independent Authority which owns or operates any existing infrastructure (including any pipeline, cable, road, network or railway) in relation to Crossing Consents shall be granted within a 30 day period, provided that the reasonable technical requirements of the relevant company, State Component or Independent Authority are met.

- (c) In relation to Greek Law 2971/2001, and notwithstanding the foregoing provisions of this Clause 16.8, the crossing of all rivers and riverbanks, as well as any riparian zone, required or desirable for the performance of the Project Activities shall be permitted by way of a single crossing permit provided by the competent State Authority. Any procedures provided for under Greek Law 2971/2001 in relation to crossing and/or granting of riparian zones shall have a maximum duration of one month.

16.9 Re-routing of the Greek Facilities

If for any reason it becomes necessary to alter the route of the Greek Facilities (including the route of the pipeline or the location of any above ground facilities), the State shall use its best endeavours to expedite the granting or amendment of all Authority Permissions affected by that alteration so as to maintain the Project's delivery schedule.

17. CHANGE OF LAW

17.1 Changes of Law that lead to Loss or Damage

- (a) If any Change of Law has the effect of impairing, conflicting or interfering with the implementation of the Project, or limiting, abridging or adversely affecting the value of the Project or any of the rights, indemnifications or protections granted or arising under this Agreement or any Project Agreement or of directly imposing any other Loss or Damage on the Project Investor, the Project Investor shall, within one year of the date when it could with reasonable diligence have become aware of the effect of the Change of Law upon the Project, give notice thereof in writing to the State.
- (b) Without prejudice to Clause 17.5, the State shall compensate the Project Investor for the Loss or Damage it incurs as a result of the Change of Law. Such compensation shall, if the relevant Project Investor so requires, be paid in the Convertible Currency nominated by the Project Investor and shall take the form of:
 - (i) to the extent that the Change of Law imposes any Loss or Damage that requires Capital Expenditure, the State shall compensate that Loss or Damage to the Project Investor promptly following the Project Investor's written demand for the same; and
 - (ii) to the extent that the Change of Law imposes any Loss or Damage that does not require Capital Expenditure, the State shall reimburse the Project Investor a financial sum that compensates the Project Investor against the Loss or Damage either, at the Project Investor's election:
 - (A) immediately as a lump sum, if the Project Investor is able to calculate on a reasonable basis the Loss or Damage incurred or likely to be incurred by the Project Investor during the life of the Project and provide reasonable evidence of the basis of such calculation to the State;
 - (B) in the form of advance annual payments to the Project Investor during the remaining life of the Project, with the amount of such payments to be adjusted yearly to reflect the actual Loss or Damage caused by the Change of Law; or
 - (C) on an ongoing basis promptly as and when such Loss or Damage is incurred.

17.2 Changes of Law that lead to Savings

If, as a result of any Change of Law, the Project Investor is able to realise Savings in connection with the Project, and the Project Investor in fact realises such Savings, then the Project Investor shall, if

so requested in writing by the State (such request to be made no later than one year after the State could, with reasonable diligence, have become aware of the effect of the relevant Change of Law), compensate the State for one-half of the amount of such Savings. Such compensation shall, if the State so requires, be paid in Convertible Currency and shall, at the option of the Project Investor, take the form of:

- (a) reimbursement to the State of one-half of the Savings realised by the Project Investor as a result of the Change of Law, promptly as and when such Savings are realised; or
- (b) reimbursement to the State of one-half of the Savings realised by the Project Investor as a result of the Change of Law, in the form of equal annual payments to the State during the remaining expected life of the Project. In this case, such payments shall bear interest at the Agreed Interest Rate. Such interest shall accrue from the date(s) when the relevant Savings are realised by the Project Investor to the date(s) when payments are made to the State.

17.3 Thresholds for Change of Law compensation

- (a) Neither Party shall have any obligation to the other Party to pay compensation pursuant to Clause 17.1 or 17.2 (as applicable) in any calendar Year unless the aggregate Loss or Damage or (as applicable) Savings resulting from all Changes of Law that have occurred during that calendar Year exceeds €250,000.
- (b) If in a calendar Year Changes of Law give rise to claims that in aggregate exceed €250,000, the Party that is obliged to pay compensation pursuant to Clause 17.1 or 17.2 (as applicable) shall pay that compensation in full and, for the avoidance of doubt, that compensation will not be subject to any reduction to account for the €250,000 claiming threshold.

17.4 Application to changes to the Tax Law of the State

Without prejudice to Clause 17.5, the Parties agree and acknowledge that Clauses 17.1, 17.2 and 17.3 are not intended to apply to changes to the Tax Law of the State, other than with respect to any change of Tax Law that constitutes a Discriminatory Change of Law.

17.5 No Discriminatory Change of Law

The State shall not implement or bring into effect any Discriminatory Change of Law.

18. EXPROPRIATION

- 18.1 No Investment owned or enjoyed, directly or indirectly, by any Project Participant in relation to the Project shall be Expropriated except where such Expropriation is:
 - (a) for a purpose which is a public purpose;
 - (b) not discriminatory;
 - (c) carried out under due process of law; and
 - (d) accompanied by the payment of prompt, adequate and effective compensation that is no less than that provided for in this Clause 18.
- 18.2 Subject to Clause 18.3, the compensation payable to each Project Participant (other than Shippers in their capacities as Shippers) upon an Expropriation of an Investment of that Project Participant shall be no less than the Fair Market Value of the Investment expropriated as calculated at the time

immediately before the Expropriation or impending Expropriation became known in such a way as to affect the value of the Investment.

- 18.3 The compensation payable to the Project Investor upon the Expropriation of substantially the whole of the Project Investor's Investment in Greek Territory shall in no case be lower than the sum of:
- (a) all of the amounts payable by the Project Investor under any Implementation Contract, including those Implementation Contracts with the Lenders;
 - (b) all of the equity or subordinated debt invested in the Project Investor by any Person holding any form of direct or indirect equity or other ownership interest in the Project Investor to the extent that that equity or subordinated debt has not been returned to those Persons;
 - (c) a sum equal to the net present value of the anticipated return on equity that would have been realised by those Persons holding any form of direct or indirect equity or other ownership interest in the Project Investor had the Expropriation not occurred; and
 - (d) those other Losses or Damages directly arising out of the Expropriation.
- 18.4 If an Expropriation by the State or any State Entity which directly or indirectly causes any Shipper (in its capacity as a Shipper) to suffer any Loss or Damage, the State shall pay to that Shipper compensation in the amount that fully compensates the Shipper for all such Loss or Damage.
- 18.5 Compensation under this Clause 18 shall, at the request of the relevant Project Participant, be expressed in, and payable in, the Convertible Currency nominated by the relevant Project Participant. Notwithstanding Clause 28.5, compensation shall also include interest at the Agreed Interest Rate, calculated on a daily basis and compounded every six months, from the date of Expropriation until the date of payment.
- 18.6 Any dispute in respect of this Clause may be submitted by the relevant Project Participants (or any of them) for resolution pursuant to Clause 24 (which Clause shall for the purposes of disputes in respect of this Clause be read as if every reference to "Party" were a reference to "Project Participant"). For the avoidance of doubt, articles 26(3)(b)(i) and (c) of the Energy Charter Treaty shall not, as between the Parties and Project Participants, apply in respect of any such dispute.

19. FOREIGN CAPITAL PROTECTION

- 19.1 The State confirms that the Project shall benefit from the Foreign Capital Protection Law.
- 19.2 At the same time that this Agreement is ratified by the Greek Parliament, the State shall ensure that, pursuant to article 3 of the Foreign Capital Protection Law, a presidential decree is adopted which confirms that the Project shall benefit from the Foreign Capital Protection Law.
- 19.3 The benefits and protections afforded to the Project pursuant to the Foreign Capital Protection Law shall be in addition to, and shall not limit in any way, the benefits and protections available to the Project Participants under this Agreement, the Energy Charter Treaty, any bilateral investment treaty or otherwise.

20. PROJECT SPECIFIC EXEMPTIONS AND AMENDMENTS

On and from the Effective Date and without prejudice to Clause 3.2, the exemptions from and amendments to Greek Law set out in Schedule 6 shall come into force as part of Greek Law for the purposes of the Project only.

21. FORCE MAJEURE

21.1 Non-performance or delays in performance on the part of either Party with respect to any obligation or any part thereof under this Agreement, other than an obligation to pay money, shall be suspended to the extent that it is caused or occasioned by Force Majeure.

21.2 Force Majeure with respect to a Party shall be limited to the following events only:

- (a) natural disasters (earthquakes, landslides, cyclones, floods, fires, lightning, tidal waves, volcanic eruptions and other similar natural events or occurrences);
- (b) epidemics, blockades, acts of public enemies, acts of trespass, sabotage, insurrection, acts of terrorism, riots and disobedience;
- (c) civil wars and wars (whether declared or not) between sovereign states;
- (d) international embargoes against sovereign states;
- (e) the closing of any harbours, docks or canals;
- (f) the imposition of any rationing, allocation or similar controls;
- (g) nuclear, chemical or biological contamination;
- (h) pressure waves caused by devices travelling at supersonic speeds;
- (i) strikes or other labour disputes which are not limited to the employees of the affected Party and/or its Related Persons;
- (j) the inability to obtain necessary goods, materials, services or technology; and
- (k) the inability to obtain or maintain any necessary means of transportation.

and, in every case, the specified circumstance and any resulting effects preventing the performance of the Project Activities by the Party or that Party's obligations, or any part thereof, shall not be treated as Force Majeure unless:

- (i) they are beyond its reasonable control; and
- (ii) those circumstances were not caused or contributed to by its negligence or the negligence of one of its Related Persons or by its (or one of its Related Person's) breach of this Agreement or any other Project Agreement.

For the purposes of this Clause 21.2, a Party's "**Related Persons**" are:

- (A) in the case of the State, any other State Component; and
- (B) in the case of the Project Investor, any other Project Participant.

21.3 No provision of any Greek Law shall act to provide either Party with any greater relief or excuse from its liabilities and/or obligations in connection with this Agreement in any circumstance which is outside the control of that Party than the relief or excuse from its liabilities and/or obligations that is provided under this Agreement.

22. INSURANCE

22.1 The Project Investor shall:

- (a) effect and maintain, or cause to be effected and maintained, insurances with respect to the Project Activities in such amounts and in respect of such risks, in accordance with the internationally accepted standards and business practices of the Natural Gas pipeline industry. Such insurances may include duly certified self-insurance and may be obtained outside the Hellenic Republic; and
- (b) inform the State of such insurances and shall, upon the request of the State, provide the State with copies of certificates of insurance and other statements from brokers or underwriters confirming any such insurance.

22.2 Other than with respect to insurances which are mandatory under Greek Law, the Project Investor shall not be in breach of its obligations under Clause 22.1(a) if it has failed to effect or maintain or cause to be effected or maintained any insurances as a result of:

- (a) those insurances not being available in the worldwide insurance market with insurers having a credit rating of at least A minus with Standard & Poor or equivalent with Moody's or Fitch;
- (b) the premiums with respect to those insurances being substantially uneconomic in the context of the Project having regard to the risks being covered and/or the terms and conditions of the relevant insurance policy, including any exclusions or deductibles; or
- (c) those insurances no longer being effected or maintained for projects similar to the Project or activities similar to the Project Activities.

22.3 The insurances effected and maintained in accordance with this Clause must provide that the insurer shall not have any right of subrogation to any claim of the Project Investor against the State for Loss or Damage to the extent based on any contractual right under this Agreement or in reliance on any legal right otherwise established by this Agreement.

DISPUTE RESOLUTION

23. WAIVER OF IMMUNITY

To the fullest extent permitted by Greek Law, on its own behalf and on behalf of each other State Component, the State irrevocably and unconditionally:

- (a) submits to the jurisdiction of the Greek courts and any other competent courts of any other jurisdiction in relation to the recognition of any judgment or order of the Greek courts and any other competent courts of any other jurisdiction in support of any arbitration in relation to any Dispute and in relation to the recognition of any arbitral award and waives and agrees not to claim any sovereign or other immunity from the jurisdiction of the Greek courts or the competent courts of any other jurisdiction in relation to the recognition of any such judgment or court order or arbitral award and agrees to ensure that no such claim is made on its behalf;
- (b) consents to the enforcement of any order or judgment in support of arbitration or any award made or given in connection with any Dispute and the giving of any relief in the Greek courts and any other competent courts of any other jurisdiction whether before or after final arbitral award including:

- (i) relief by way of interim or final injunction or order for specific performance or recovery of any property other than Excepted Property;
 - (ii) attachment of its assets other than Excepted Property; and
 - (iii) enforcement or execution against any property, revenues or other assets (irrespective of their use or intended use) other than Excepted Property; and
- (c) waives and agrees not to claim any sovereign or other immunity from the jurisdiction of the Greek courts or any competent courts of any other jurisdiction in relation to such enforcement and the giving of such relief (including to the extent that such immunity may be attributed to it), and agrees to ensure that no such claim is made on its behalf.

24. DISPUTE SETTLEMENT

- 24.1 Any dispute (excluding a Taxation Dispute, but including a dispute as to whether a dispute is a Taxation Dispute) arising under this Agreement, or in any way connected with this Agreement (including this Agreement's establishment and any questions regarding arbitrability or the existence, validity, interpretation, performance, breach or termination of this Agreement, or the consequences of its nullity, or any dispute relating to any non-contractual obligations arising out of or in connection with this Agreement), or any dispute (excluding a Taxation Dispute, but including a dispute as to whether a dispute is a Taxation Dispute) arising from Project Activities (a **Dispute**) shall, subject to Clause 24.2, be finally settled by arbitration pursuant to Clauses 24.3 to 24.8 (inclusive) to the exclusion of any other remedy or dispute resolution forum. Each of the Parties hereby gives its unconditional consent to any such submission to arbitration.
- 24.2 Without prejudice to any injunctive or interlocutory relief which may be available to the Parties, prior to initiating any arbitration pursuant to Clause 24.3:
- (a) the Party raising the Dispute shall first serve a written notification of the Dispute to the other Party, such notice to briefly describe the nature and circumstances of the Dispute;
 - (b) the Parties shall take reasonable measures to resolve the Dispute amicably; and
 - (c) a Party shall only be entitled to refer the Dispute to arbitration pursuant to this Clause 24 if the Parties have not reached an amicable agreement after one month of the date of the notice referred to in Clause 24.2(a).
- 24.3 The Party initiating arbitration pursuant to this Clause 24.3 shall submit the Dispute, at its option, to:
- (a) the International Centre for Settlement of Investment Disputes, established pursuant to the Convention on the Settlement of Investment Disputes between States and Nationals of other States opened for signature at Washington, 18 March 1965 (hereinafter referred to as the **ICSID Convention**) for the Disputes that are in its jurisdiction pursuant to article 25 of the ICSID Convention; or
 - (b) an arbitral tribunal established under the Rules of Arbitration of the International Chamber of Commerce in force on the date of the Dispute,
- which choice shall be final and binding on the other Party.
- 24.4 The number of arbitrators shall be three. Without prejudice to the default powers of any relevant arbitral institution to constitute a tribunal, the tribunal shall be constituted as follows:

- (a) each Party shall nominate an arbitrator for appointment;
- (b) the third arbitrator, who shall act as a chairman of the tribunal, shall be chosen by the two arbitrators appointed by or on behalf of the Parties. The chairman of the tribunal shall be of a nationality other than the nationality of the Parties;
- (c) if within 30 days from the end of the one month period after which the Party submitted the Dispute to arbitration, either Party has failed to appoint an arbitrator, or the two party appointed arbitrators have failed to select the third arbitrator within 30 days after both arbitrators have been appointed, the President of the International Chamber of Commerce shall appoint such arbitrator or arbitrators as have not been appointed.

24.5 If ICSID jurisdiction is unavailable or denied for resolution of any Dispute (including by reason of the State's withdrawal from or reservation to the ICSID Convention), the Party initiating arbitration shall be entitled to submit the Dispute to arbitration in accordance with Clause 24.3(b).

24.6 The language of the arbitration shall be English.

24.7 The tribunal shall have the power to order any interim or conservatory measures it deems appropriate. Upon being rendered, the tribunal's award shall be final and binding upon the Parties and the Parties undertake to comply voluntarily with its terms without delay.

24.8 Unless the Parties agree otherwise in writing, the Parties agree that the seat of any arbitration held pursuant to this Clause shall be Vienna and that all hearings shall be held in that city.

Taxation Disputes

24.9 Subject to Clause 24.11, all Taxation Disputes shall be resolved by the Greek Tax Administration and/or the Greek courts in accordance with applicable Greek Law (the **Taxation Dispute Resolution Process**).

24.10 If:

- (a) a Project Participant challenges or appeals, or intends to challenge or appeal, any tax audit, tax assessment notice, tax payment or similar act, finding or determination by a State Component or Local Authority in respect of Taxes and, pursuant to the Taxation Dispute Resolution Process, that Project Participant is required to make payment of 50 per cent. of the amount that is the subject of the challenge or appeal or any other amount required by Greek Law (including as precondition to that challenge or appeal being considered), that Project Participant's obligation to pay shall, subject to Clause 24.11(b), be capped at an amount of €1,000,000. Provided that Project Participant has (subject to that cap) made the relevant payment, the relevant State Component, Local Authority or competent court shall hear and consider the appeal or challenge in accordance with applicable Greek Law;
- (b) at any time after the Signing Date no requirement to make payment of the entire or part of the amount that is the subject of a challenge or appeal (including as a precondition to that challenge or appeal being considered) exists under Greek Law, the Taxation Dispute Resolution Process for the purposes of this Agreement shall be automatically revised such that under the Taxation Dispute Resolution Process there shall be no requirement to make payment of an amount that is the subject of a challenge or appeal (including as precondition to that challenge or appeal being considered).

24.11 If a dispute exists as to whether a dispute is a Taxation Dispute or not, the relevant Project Participant may elect, as an interim measure, to concurrently comply with the Taxation Dispute Resolution Process, in which case (and notwithstanding any Greek Law to the contrary):

- (a) pending determination as to whether the dispute is a Taxation Dispute, no judgments, determinations or rulings will be made pursuant to that Taxation Dispute Resolution Process and, to the extent necessary, the relevant proceedings will be suspended immediately prior to the making or any such judgment, determination or ruling;
- (b) if the dispute is determined to be a Taxation Dispute, the Taxation Dispute Resolution Process shall continue provided that, notwithstanding the cap referred to in Clause 24.10(a), the relevant Project Participant shall, as a precondition to such continuance, be required to pay within 15 Business Days of that determination 50 per cent. of the amount that is the subject of the challenge or appeal or any other amount required by Greek Law. If the relevant Project Participant fails to pay the full amount within 15 Business Days, it shall be deemed to have withdrawn its challenge or appeal and the amount that was the subject of the challenge or appeal shall become immediately due and payable in accordance with Greek Law; or
- (c) if the dispute is determined to be a Dispute:
 - (i) the Taxation Dispute Resolution Process shall be abandoned;
 - (ii) any amounts paid by the relevant Project Participant pursuant to the Taxation Dispute Resolution Process which were the subject of the challenge or appeal shall be returned by the relevant State Component or Local Authority to the relevant Project Participant within 15 Business Days of that determination; and
 - (iii) the Dispute shall be finally settled by arbitration pursuant to Clauses 24.3 to 24.8 (inclusive) to the exclusion of any other remedy or dispute resolution forum.

24.12 For the avoidance of doubt and notwithstanding any Greek Law to the contrary, the determination of any Dispute shall prevail over any judgment, determination or ruling made pursuant to the Taxation Dispute Resolution Process.

Valid and enforceable

24.13 The provisions of this Clause shall be valid and enforceable notwithstanding the illegality, invalidity, or unenforceability of any other provisions of this Agreement.

25. GOVERNING LAW OF THIS AGREEMENT

This Agreement, including Clause 24, and any non-contractual rights and obligations arising out of or in connection with it are governed by Greek law as it exists at the Signing Date.

FINAL PROVISIONS

26. NATURE OF THIS AGREEMENT

This Agreement shall at all times have a dual nature, being both part of Greek Law (including as the implementing law of the Intergovernmental Agreement) and a private contract between the Project Investor and the State.

27. AMENDMENTS TO THIS AGREEMENT

27.1 No variations or amendments of this Agreement shall be binding on the Parties unless:

- (a) for the purpose of this Agreement being both part of Greek Law (including as the implementing law of the Intergovernmental Agreement) and a private contract, that variation or amendment is:
 - (i) set out in writing and expressed to vary or amend this Agreement;
 - (ii) signed by the authorised representatives of each of the Parties; and
- (b) in addition to the requirements set out in Clause 27.1(a), for the purpose of this Agreement forming part of Greek Law (including as the implementing law of the Intergovernmental Agreement), that variation or amendment is, to the extent required under the Intergovernmental Agreement, agreed under the Intergovernmental Agreement and approved by way of an enacting law of the State's Parliament.

27.2 The State shall not amend, rescind, declare invalid or unenforceable, or otherwise seek to avoid or limit this Agreement as a fully effective part of Greek Law without the prior written consent of the Project Investor.

27.3 If the Albanian HGA is at any time amended or the Project Investor enters into a New HGA:

- (a) the Project Investor shall promptly notify the State of that amendment or New HGA, such notification to include a copy of the amendment or New HGA; and
- (b) to the extent that any amendment to the Albanian HGA or New HGA, when taken with the whole of the Albanian HGA or that New HGA, provides to that host state a material advantage that is not available to the State under this Agreement:
 - (i) the Parties shall seek to determine an appropriate amendment to this Agreement that will provide that material advantage to the State; and
 - (ii) if the Parties have failed to agree such an amendment within 90 days of commencing discussions, either Party may refer to the matter to arbitration in accordance with Clause 24.3 and the arbitral tribunal shall have the power to determine the terms of such amendment.

28. CONDITIONS RELATING TO PAYMENTS

28.1 Any award or claim for payment under this Agreement shall be paid by the relevant Party on or before 30 days after receipt of the related award or undisputed claim for payment or on such later date as may be prescribed by Tax Law procedures associated with any Taxation Dispute Resolution Process.

28.2 All monetary compensation payable by a Party to the other Party under or in connection with this Agreement shall, if the recipient Party so requires, be paid in the Convertible Currency nominated by the recipient Party.

28.3 Payments by the Project Investor

- (a) Subject to Clauses 28.3(b) and 28.3(c), except where a deduction or withholding must be made pursuant to any applicable law, any payment to be made by the Project Investor under or in

connection with this Agreement will be made clear of and without any deduction for or on account of any set off, counterclaims, deductions or withholdings of any nature whatsoever and by whomsoever imposed.

- (b) If any form of deduction or withholding from any payment must be made due to any law other than Greek Law, the Project Investor shall pay that additional amount which is necessary to ensure that the State receives a net amount equal to the full amount that would have been received if the payment had been made without that deduction or withholding.
- (c) Without prejudice to any other claim that may be available to the Project Investor pursuant to or in connection with this Agreement, the Project Investor shall have the right to set off any amounts (including any amount attributable to any Tax) due and payable by any State Component (other than a State Entity) to the Project Investor under or in connection with this Agreement or the Project Activities against any amounts (including any amount attributable to any Tax) due and payable by the Project Investor to any State Component (other than a State Entity) under or in connection with this Agreement or the Project Activities.

28.4 Payments by the State

- (a) Subject to Clauses 28.4(b) and 28.4(c), except where a deduction or withholding must be made pursuant to any applicable law, any payment to be made by the State under or in connection with this Agreement will be made clear of and without any deduction for or on account of any present or future Taxes, levies, imposts, duties, charges, fees, set off, counterclaims, deductions or withholdings of any nature whatsoever and by whomsoever imposed.
- (b) If any form of deduction or withholding from any payment must be made due to any law (including Greek Law) or if any amount paid (including any payment of interest) is subject to any Tax, including stamp duty (irrespective of the legal classification of such payment) the State shall pay that additional amount which is necessary to ensure that the recipient of that payment receives and is entitled to retain a net amount equal to the full amount that would have been received and which it would have been entitled to retain if the payment had been made without that deduction or withholding and was not subject to any Tax.
- (c) Without prejudice to any other claim that may be available to the State pursuant to or in connection with this Agreement, the State shall have the right to deduct any amounts (including any amount attributable to any Tax) previously assessed and notified to the Project Investor in accordance with Greek Law and which are due and payable by any Project Participant to any State Component (other than a State Entity) under or in connection with this Agreement or the Project Activities from any amounts (including any amount attributable to any Tax) due and payable by the State to the Project Investor under or in connection with this Agreement or the Project Activities.

28.5 Agreed Interest Rate

If any Party fails to pay any amount due and payable by it under the Agreement or under any judgment or award in connection with this Agreement, that Party shall, in addition to such amount, be liable to pay to the Party to whom the same was due, interest (calculated on a daily basis and compounded every six months) on such overdue amount from the date due until the date of actual payment, after as well as before judgment or award, at the Agreed Interest Rate.

29. EXPIRY AND TERMINATION

- 29.1 Without prejudice to Clauses 2.5 and 30, this Agreement shall have a term beginning on the Effective Date and expiring on the earlier of: (a) the Twenty-Five Year COD Date and (b) the date

on which the Project Investor permanently ceases to carry out the Project Activities (as notified by the Project Investor to the State) unless terminated earlier in accordance with this Clause 29.

29.2 If:

- (a) pursuant to article 12 of the Intergovernmental Agreement, a party withdraws from the Intergovernmental Agreement as a result of:
 - (i) the Pipeline System not being selected by the Shah Deniz consortium to transport natural gas from the Caspian Region to Europe; and
 - (ii) the Project Investor failing to identify, in agreement with the parties to the Intergovernmental Agreement, an alternative source of supply within the time period referred to in article 12 of the Intergovernmental Agreement,

either Party may immediately terminate this Agreement by providing notice of the same to the other Party; or

- (b) the Project Investor has not taken steps to commence the construction phase of the Project by not later than 48 months after the Effective Date, the State shall have the right to give written notice to the Project Investor of the termination of this Agreement. Such termination shall become effective 60 days after actual receipt by the Project Investor of the termination notice unless within that 60 day period the Project Investor provides evidence of taking steps toward an imminent commencement of the construction phase of the Project. The State's right to terminate pursuant to this Clause 29.2(b) shall, unless exercised at an earlier time, expire upon the Project Investor providing evidence of taking steps toward an imminent commencement of the construction phase of the Project. In addition, the above-referenced 48 month period shall be extended if and to the extent of any delays caused by:
 - (i) the failure or refusal of any State Component to perform any of its obligations under this Agreement or any other Project Agreement; or
 - (ii) any Force Majeure affecting the Project Investor; or
- (c) an Abandonment occurs:
 - (i) the State shall have the right to give written notice to the Project Investor requesting the Project Investor to recommence the Project Activities within six months of receiving the State's notice;
 - (ii) if the Project Investor fails to recommence the Project Activities within six months of receiving the State's notice, the State shall have the right to give written notice to the Project Investor of the termination of this Agreement, provided that if the Project Investor disputes either that an Abandonment has occurred or that it has failed to recommence the Project Activities, this Agreement shall continue in full force and effect pending the resolution of such matter in accordance with Clause 24.

29.3 Termination or expiry of this Agreement shall be without prejudice to:

- (a) the rights of the Parties (including those Persons which are no longer Parties) and other Persons in connection with any accrued liability of the Parties as at the date of termination;
- (b) the full performance of all obligations under this Agreement which have accrued prior to termination;

- (c) those rights and obligations which expressly or impliedly survive termination; and
- (d) the survival of all waivers and indemnities provided herein in favour of a Party (or former Party) or other Person.

29.4 Subject to Clause 29.5, the State may terminate this Agreement if a Person, who in the State's sole discretion, constitutes a danger to the State's national security or international political interests becomes able to exercise control over the Project Investor. The State may not exercise this termination right in respect of any Person at any time after the date falling 90 days after receiving notice from the Project Investor of that person becoming able to exercise control. For the purposes of this Clause 29.4 and Clause 29.5, **control** has the meaning attributed to it with reference to Council Regulation (EC) No. 139/2004.

29.5 The Project Investor may notify the State in advance of any proposed transaction which might result in any Person acquiring control of the Project Investor and requesting the State to confirm whether or not the State believes a right to terminate this Agreement under Clause 29.4 would arise by reason of that transaction. If, as at the date falling 30 days after the Project Investor's notification, the State has not confirmed that it believes such a right would arise, then the State may not terminate this Agreement under Clause 29.4 on the grounds of the circumstances resulting from that transaction.

29.6 This Clause 29 exhaustively sets out the circumstances in which this Agreement may be cancelled or terminated and neither Party shall have any other right (whether arising under Greek Law or otherwise) to seek or declare any cancellation or termination of this Agreement.

30. FURTHER OPPORTUNITIES

If at any time during the term of this Agreement, either Party considers that:

- (a) there may be further opportunities to exploit the Pipeline System, including with respect to alternative sources of Natural Gas; and/or
- (b) extending the term of this Agreement may provide material benefits in respect of promoting further investment in the Southern Gas Corridor,

the relevant Party shall notify the other Party and they shall meet to discuss and negotiate, in good faith, amendments to this Agreement to support such objectives, including with a view to securing and maintaining ongoing stable, transparent and non-discriminatory conditions for the implementation and execution of the Project. For the avoidance of doubt, nothing in this Clause 30 shall oblige either Party to agree any amendment to this Agreement.

31. SUCCESSORS AND PERMITTED ASSIGNEES

31.1 Subject to relevant Greek and/or international legislation, the State agrees that the rights and benefits of the Project Investor under this Agreement include the right to transfer its rights under this Agreement in accordance with the provisions of this Clause 31.

31.2 Subject to Clause 31.4, any assignment or transfer of rights and/or obligations under this Agreement by the Project Investor shall require the prior notification of the Project Investor to the State and shall include the details of such transferred rights and/or obligations and the proposed recipient thereof, and if the Project Investor so elects, delivery to the State of an agreement duly executed by the Project Investor and the proposed recipient of such rights and/or obligations; provided, however, that the State shall have the right within 20 days of receipt of such notification to disapprove such assignment or transfer if the proposed assignee or transferee:

- (a) poses a threat to the national security of the Hellenic Republic;
- (b) is an Entity incorporated or organised in a jurisdiction which is subject to European Union or United Nations sanctions;
- (c) (if the Project Investor intends to transfer its obligations under this Agreement) does not have the technical and/or financial capability to perform the Project Investor's obligations under this Agreement.

31.3 Upon delivery of the form of agreement as contemplated by this Clause 31.2, the State shall promptly execute the agreement and return the same to the Project Investor.

31.4 The State hereby consents to any assignment (by way of security) or grant of other security interests to the Lenders (or an Entity acting on behalf (including as agent or trustee) of the Lenders) of the benefit of, or rights under, this Agreement.

31.5 Any purported assignment or transfer of the Project Investor's rights and/or obligations under this Agreement which is not made in compliance with this Clause 31 shall be void and have no effect.

31.6 Any change in control of the Project Investor, within the meaning of article 65 of Greek Law 4001/2011, shall be promptly notified by the Project Investor to both the State and to RAE in accordance with that law.

32. DECOMMISSIONING

Following the Project Investor's permanent cessation of the Project Activities, the Project Investor shall decommission the Project according to the terms of the decommissioning plan to be established as set out in the environmental and social impact assessment process (as may be amended from time to time) included in Schedule 2, unless the State agrees to have all rights in relation to the Greek Facilities transferred to it or its nominee. The Project Investor shall have no obligations in relation to the decommissioning of the Project other than those provided for in this Clause 32.

33. PROJECT FINANCING COOPERATION

33.1 The State acknowledges that the Project Investor intends to finance the development of the Project on a limited or non-recourse project finance basis. The State further acknowledges that such financing is fundamental to the successful implementation of the Project and that such financing will be in respect of the entire Project rather than any specific part of the Project. Subject to the Project Investor reimbursing the State for any reasonably incurred legal fees in connection with the same, the State agrees to cooperate with the Project Investor in its pursuit of such limited or non-recourse project finance based debt or bond financing for the Project, such co-operation to include the following:

- (a) providing potential Lenders, Interest Holders and any or their respective Affiliates with such non-proprietary/non-secret data that is available to the State and is reasonably required by such Persons;
- (b) at financial closing, providing legal opinions, which may include customary qualifications, to the Project Investor, Lenders, Interest Holders and any or their respective Affiliates regarding such matters customary for a limited recourse debt or bond financings;
- (c) executing such other documents as are reasonably necessary or reasonably appropriate to extend directly to any and all applicable Lenders the representations, warranties, guarantees,

covenants, undertaking and obligations of the State as, and to the extent, set forth in this Agreement.

33.2 The State acknowledges its willingness to enter into a direct agreement with the Lenders (or the agent or trustee of the Lenders) on terms to be agreed between the State and such Lenders those terms to be customary for a limited recourse debt or bond financing. Such a direct agreement shall not impose any requirement on the State to guarantee, assume or provide any other form of surety for any part of the Project Investor's debt to the Lenders.

33.3 The State shall use its best endeavours to ensure that any security granted by the Project Investor to the Lenders (or any agent or trustee of the Lenders) with respect to the Greek Facilities is perfected and fully enforceable by the Lenders in accordance with the terms upon which the security is granted.

34. NOTICES

34.1 A notice, approval, consent or other communication given under or in connection with this Agreement (in this Clause 34, a **Notice**):

- (a) must be in writing in the English language;
- (b) shall be delivered by hand, or by internationally recognised courier delivery service, or sent by facsimile transmission or email to the Party to which it is required or permitted to be given or made at such Party's address, facsimile number or email address specified below and marked for the attention of the person so specified, or at such other address, facsimile number or email address and/or marked for the attention of such other person as the relevant Party may from time to time specify by Notice given in accordance with this paragraph.

34.2 Any notice or other document sent by email shall be sent as an email attaching the actual notice or other document in a non-editable PDF format. No notice or other document shall be sent in the body of an email.

34.3 The relevant details of each party at the date of this Agreement are:

The State

Address: The Ministry of Environment, Energy and Climate Change, 119 Messogion Ave., 101 92 Athens, Greece,

Facsimile: +30 210 69 69 608,

E-mail: gg.eka@eka.ypeka.gr

Attention: Prof. Konstantinos Mathioudakis, General Secretary for Energy and Climate Change

or

Address: The Ministry of Environment, Energy and Climate Change, General Secretariat for Energy and Climate Change, General Directorate for Energy, 119 Messogion Ave., 101 92 Athens, Greece,

Facsimile: +30 210 69 69 034

Email: ZacharopoulosA@eka.ypeka.gr

Attention: Mr. Athanasios Zacharopoulos, Deputy Head of Petroleum Policy Directorate

The Project Investor

Address: 2-4 Messogion Ave, 115 27, Athens, Greece

Facsimile: +30 210 74 54 300

Email: rikard.scoufias@tap-ag.com

Attention: Rikard Scoufias, Country Manager Greece

- 34.4 In the absence of evidence of earlier receipt, any Notice shall take effect from the time that it is deemed to be received in accordance with Clause 34.5.
- 34.5 Subject to Clause 34.4, a Notice is deemed to be received:
- (a) in the case of a notice delivered by hand at the address of the addressee, upon delivery at that address;
 - (b) in the case of internationally recognised courier delivery service, when an internationally recognised courier has delivered such communication or document to the relevant address and collected a signature confirming receipt;
 - (c) in the case of a facsimile, on production of a transmission report from the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient; and
 - (d) if sent by email, upon the generation of a receipt notice by the recipient's server or, if such notice is not so generated, upon delivery to the recipient's server.
- 34.6 A Notice received or deemed to be received in accordance with Clause 34.5 on a day which is not a Business Day or after 5.00 p.m. on any Business Day, according to local time in the place of receipt, shall be deemed to be received on the next following Business Day.

35. MISCELLANEOUS

35.1 Nature of obligations

The obligations undertaken by each Party under this Agreement shall be several, independent, absolute, irrevocable and unconditional, and shall each constitute an independent covenant of that Party, separately enforceable from all other obligations of that Party under this Agreement and the obligations of any State Component or Project Participant under the Project Agreements, without regard to the non-performance, invalidity or unenforceability of any of those other obligations.

35.2 Liability with Respect to Third Parties

Subject to Clause 35.4, nothing in this Agreement shall:

- (a) create any rights or liabilities, whether contractual or under Greek Law, pursuant to which any third party (other than a Project Participant that is a third party to this Agreement) may bring any claim against the State, any other State Component or any Project Participant; or
- (b) affect or otherwise alter the rights of the Parties as against third parties and the rights of third parties as against the Parties under Greek Law.

35.3 Waiver

- (a) The rights of each Party under this Agreement:
 - (i) may be exercised as often as necessary;
 - (ii) unless otherwise expressly provided in this Agreement, are cumulative and not exclusive of rights and remedies provided by law; and
 - (iii) may be waived only in writing and specifically.
- (b) Delay by a Party in the exercise or non-exercise of any right under this Agreement is not a waiver of that right.
- (c) A waiver (whether express or implied) by one of the Parties of any of the provisions of this Agreement or of any breach of or default by the other Party in performing any of those provisions shall not constitute a continuing waiver and that waiver shall not prevent the waiving Party from subsequently enforcing any of the provisions of this Agreement not waived or from acting on any subsequent breach of or default by the other Party under any of the provisions of this Agreement.

35.4 Third Party Rights

- (a) Notwithstanding Clause 35.2, all rights and indemnities expressed to be in favour of any third party (including each Project Participant) under this Agreement may be enforced by those third parties, notwithstanding that such third parties are not party to this Agreement.
- (b) Subject to Clause 27, but notwithstanding any other provision of this Agreement benefiting any third party (including this Clause 35.4) the Parties shall not be required to obtain the consent of any third party for any amendment, waiver, variation or termination to or under (as the case may be) this Agreement.

35.5 Representations

- (a) Each Party acknowledges that, in agreeing to enter into this Agreement, it has not relied on any express or implied representation, warranty, collateral contract or other assurance (except those repeated in this Agreement and the documents referred to in it) made by or on behalf of any other Party at any time before the signature of this Agreement. Each Party waives all rights and remedies which, but for this Clause 35.5(a), might otherwise be available to it in respect of any such representation, warranty, collateral contract or other assurance.
- (b) Nothing in Clause 35.5(a) limits or excludes any liability for fraud.

35.6 Relationship of the Parties

Nothing in this Agreement shall be deemed to constitute a partnership between the Parties nor be deemed to constitute any Party the agent of any other Party for any purpose.

35.7 Entire Agreement

This Agreement, and the documents referred to in it, contains the whole agreement between the Parties relating to the transactions contemplated by this Agreement and supersedes all previous agreements between the parties relating to the subject matter of this Agreement. Except to the extent otherwise required by law, no terms shall be implied (whether by custom, usage or otherwise) into this Agreement.

35.8 Further Assurance

Each Party agrees, upon the request of the other, to execute any documents and take any further steps as may be reasonably necessary in order to implement and give full effect to this Agreement.

35.9 Counterparts

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same Agreement and any Party may enter into this Agreement by executing a counterpart.

35.10 Severability

- (a) The provisions contained in each Clause of this Agreement shall be enforceable independently of each of the others and their validity shall not be affected if any of the others are invalid. If any of those provisions is void but would be valid if some part of the provision were deleted, the provision in question shall apply with such modification as may be necessary to make it valid.
- (b) Without limiting Clause 35.10(a), if any amendment, deviation, exemption or adjustment to Greek Law made by this Agreement is found to be unconstitutional or, notwithstanding Clause 3.3, to be inconsistent with a requirement under the Community Treaties, including, for the avoidance of doubt, any requirement of any European Union law made under the Community Treaties, the Parties shall negotiate an amendment to this Agreement with the intention that a functionally equivalent position is achieved.
- (c) The State shall not be liable to the Project Investor if any amendment, deviation, exemption or adjustment to Greek Law made by this Agreement is found to be unconstitutional or, notwithstanding Clause 3.3, to be inconsistent with a requirement under the Community Treaties, including, for the avoidance of doubt, any requirement of any European Union law made under the Community Treaties.

35.11 Confidentiality

The State and the Project Investor shall maintain, and the State shall cause each of the other State Components and each Independent Authority to maintain, the confidentiality of all data and information of a non-public or proprietary nature that they may receive, directly or indirectly, from the other pertaining to any of the Project Participants or the Project.

35.12 Costs

Each of the Parties shall pay its own costs and expenses of and incidental to the negotiation, preparation and completion of this Agreement.

35.13 Language

The language of this Agreement and all notices, demands, requests, statements, certificates or other documents or communications under this Agreement shall be in English unless otherwise agreed in writing. This Agreement is made in both Greek and English and both texts shall have equal force and effect. If this Agreement or any related documents are translated into another language, the English and Greek versions shall prevail.

The Parties have caused this Agreement to be executed by their duly authorised representatives:

THE GOVERNMENT OF THE HELLENIC REPUBLIC

By:

By:

IOANNIS STOURNARAS

ASIMAKIS PAPAGEORGIOU

MINISTER OF FINANCE

DEPUTY MINISTER OF ENVIRONMENT,
ENERGY AND CLIMATE CHANGE

THE PROJECT INVESTOR

Trans Adriatic Pipeline AG

By:

KJETIL TUNGLAND

MANAGING DIRECTOR

SCHEDULES TO THE HOST GOVERNMENT AGREEMENT

SCHEDULE 1

PROJECT LAND

PART 1

REQUIRED PROJECT LAND

Definitions

In this Schedule, in addition to those definitions set out in Clause 1, the following terms shall have the following meanings:

Above Ground Facilities means those parts of the Greek Facilities that are necessary for controlling the flow of Natural Gas and/or for ensuring the safety and maintenance of the Pipeline System, including compressor stations, metering and pigging stations, receiving terminals and block valve stations.

Affected Persons means those Persons (including informal Land users) whose Land is acquired, encumbered or impaired, or whose rights with respect to such Land are acquired, encumbered or impaired as a result of the Project Investor obtaining Relevant Rights over the Required Project Land and includes those Persons that are landowners, occupiers or informal users of Land adjacent to Required Project Land.

Commencement Point means point, situated at the border between the Hellenic Republic and the Republic of Turkey, determined by the Project Investor as being technically optimal for the Pipeline System's commencement and interconnection with the relevant upstream facilities.

Construction Corridor means that Temporary Land identified by the Project Investor in accordance with paragraph 6.3 extending from the Commencement Point to the Exit Point, within which the centreline of the Pipeline System Corridor will be located and that is required for the construction of the Pipeline System and related Project Activities during the Construction Phase.

Construction Phase means the period from the date that the physical construction of the Greek Facilities commences until the date that the Pipeline System is commissioned for commercial operation and all construction equipment has been removed from the Temporary Land.

Corridor of Interest means that area of Land identified in maps GPL00 - ASP - 642 - Y - TAE – 0052 / at 04 and GPL00 - ERM - 642 - Y - TAE - 0012 / at 03 (each of which form part of the Project Investor's environmental and social impact assessment submitted under Greek Law) with a width of generally two kilometres at any one point (subject to certain routing options) and extending from the Commencement Point to the Exit Point.

Emergency Situation means a situation where harm to persons or property has occurred or where imminent harm to persons or property is reasonably likely to occur if that situation is not addressed.

Encumbrance means any mortgage, mortgage pre-notation, lien, judgment, execution, pledge, charge, security interest, restriction, easement, claim, deficiency in title or chain of ownership, or encumbrance of any nature whatsoever, whether arising by operation of Greek Law or otherwise created.

Energy Law means Greek Law 4001/2011 on operation of Electricity and Natural Gas Energy Markets, Research, Production and Hydrocarbons Transmission Networks and other provisions transporting into

Greek law European Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC.

Excess Land has the meaning given to it in paragraph 6.5.

Exit Point means the point, situated on the border between the Hellenic Republic and the Republic of Albania, determined by the Project Investor as being technically optimal for the Pipeline System's crossing from the Hellenic Republic into the Republic of Albania.

Facilities Land means that Permanent Land identified by the Project Investor in accordance with paragraph 6.3 that is required for the installation of the Above Ground Facilities.

Failed Negotiation means a failed negotiation determined in accordance with the performance requirements of the European Bank for Reconstruction and Development as set out in the Environmental and Social Policy, as certified by the Project Investor.

Hazardous Materials means any natural or artificial substance which (whether alone or in conjunction with any other substance) gives rise to a risk of causing harm to persons or any other physical entity or causing damage to the environment and includes any controlled, special, hazardous, pollutant, contaminant, flammable, toxic, radioactive, corrosive, caustic or dangerous waste, material, water or otherwise hazardous substances (including petroleum, its derivatives, by-products and other hydrocarbons and asbestos).

Livelihood Restoration Plan means the document to be established by the Project Investor on the basis of the Environmental and Social Policy that defines the entitlements of Affected Persons, establishes common Replacement Values in respect of the Land associated with the Affected Persons and outlines the land access and expropriation processes contemplated by this Agreement (in each case, in a manner consistent with this Agreement).

Municipal Land means State Land owned by Local Authorities.

Negotiation Procedures has the meaning given to it in paragraph 7.1(b).

Permanent Access Road Land means that Permanent Land identified by the Project Investor in accordance with paragraph 6.3 that is required for the construction, use and maintenance of permanent access roads to facilitate Project Activities during both the Construction Phase and the Post Construction Phase.

Permanent Land means the Land required by the Project Investor for both the Construction Phase and the Post Construction Phase.

Pipeline System Corridor means that Permanent Land which is not Facilities Land within the Construction Corridor identified by the Project Investor in accordance with paragraph 6.3 and extending from the Commencement Point to the Exit Point within, over or under which the Pipeline System (other than the Above Ground Facilities) is to be located.

Post Construction Phase means the period from the end of the Construction Phase until the expiry or earlier termination of this Agreement.

Pre-Construction Phase means the period from the Effective Date until the commencement of the Construction Phase.

Preferred Project Area means an area of Land extending from the Commencement Point to the Exit Point with a width of approximately 200 metres, subject to certain areas being wider to reflect the engineering of the Pipeline System and the projected construction methodology for the Pipeline System, together with that

Land that has been preliminarily identified by the Project Investor as Land that may be required for Temporary Access Road Land, Permanent Access Road Land and Road Upgrade Land.

Replacement Value means the value to replace the losses experienced by an Affected Person, generally on the basis of a fair market valuation and taking into account transaction costs, but which will, in any case, be no lower than the amount of compensation that would be payable in the relevant circumstance under the Energy Law.

Required Project Land means the Permanent Land, the Temporary Land and the Road Upgrade Land.

Road Upgrade Land means that Land adjacent to existing public roads required for the purpose of the Public Road Access Works.

Temporary Access Road Land means that Temporary Land identified by the Project Investor in accordance with paragraph 6.3 that is required for the construction, use and maintenance of temporary access roads to facilitate Project Activities during the Construction Phase.

Temporary Land means the Land required by the Project Investor for the Construction Phase only.

1. APPLICABLE STANDARDS

- 1.1 The State shall, and shall procure that the other State Components shall, perform its obligations under this Schedule:
 - (a) within the limits of its authority; and
 - (b) in accordance with its obligations under public international law and Greek Law (as amended by this Agreement).
- 1.2 The Parties acknowledge that the processes set out in Part 1 of this Schedule shall be performed within the context described in Part 2 of this Schedule.

2. NATURE OF THE OBLIGATIONS UNDER THIS SCHEDULE

- 2.1 For the avoidance of doubt:
 - (a) nothing in this Schedule shall require the State to make any payment to any Person (including any Affected Person) in respect of the acquisition of the Relevant Rights for the purpose of the Project; and
 - (b) the Parties acknowledge and agree that Project Investor, of its own volition, has elected to comply with broader requirements in respect of the acquisition of the Relevant Rights, including the performance requirements of the European Bank for Reconstruction and Development as set out in the Environmental and Social Policy and adjusted from time to time and the additional standards and requirements set forth in Schedule 2. The State bears no liability or responsibility (other than those express obligations set out in this Agreement) in respect of that election by the Project Investor.
- 2.2 The Project Activities are carried out in implementation of the Intergovernmental Agreement; therefore, articles 165-172, 173 par. 1, 174 and 175 of the Energy Law are applicable, as provided in articles 177 and 176 par.1 of the Energy Law, subject to the following adjustments, which are required to enable the Project Investor to comply with the above broader requirements imposing obligations on the Project Investor that are in addition to those provided in the Energy Law:

- (a) in addition to publication of the Ministerial Decision provided for under article 165 par. 1 of the Energy Law in the Government Gazette, the Project Investor shall also be obliged to comply with the following condition for the acquisition of any Relevant Rights in relation to Non-State Land granted under the above provisions of the Energy Law: to submit a certification to the State in accordance with paragraph 7.1(c) that there has been a Failed Negotiation in respect of the relevant Non-State Land. Following such certification, the Project Investor shall automatically acquire the Relevant Rights over the relevant Non-State Land without any other conditions or formalities subject only to the payment of compensation to the Affected Persons in accordance with this Schedule. This provision is for the sole benefit of the Project Investor and shall not create any rights for any Affected Persons and/or third parties;
- (b) financial compensation to the relevant Affected Persons will be granted in accordance with paragraph 8 of this Schedule and, to the extent applicable, shall be based on Replacement Values;
- (c) to the benefit of Local Authorities, all Required Project Land which is Municipal Land shall be granted to the Project Investor in accordance with article 170 of the Energy Law and the relevant Local Authorities shall be compensated in accordance paragraph 8 of this Schedule;
- (d) article 169 par. 3 of the Energy Law shall apply subject to payment of compensation to the relevant Affected Persons at a level consistent with the principles set out in the relevant Livelihood Restoration Plan. If at the time of payment of this compensation, the decision of the General Secretary of Decentralised Administration on land values and amounts of compensation, according to the provisions of the Energy Law, has not been issued, the Project Investor shall pay any difference between the compensation actually paid and the one determined subsequently by the above decision of the General Secretary of Decentralised Administration, at a later stage, and in any case, no later than one year from the issuance of this decision. Payments under this clause shall be made in accordance with article 169 par. 2 of the Energy Law;
- (e) the zone described in article 166 par. 2 of the Energy Law (the permanent easement zone) shall be reduced by one meter on each side of the pipeline axis, namely it shall have a width of four (4) meters to the left and four (4) meters to the right of the pipeline axis, instead of five (5) meters, to the benefit of the environment and any Affected Persons; The Minister of Environment, Energy and Climate Change may decide to impose, when considered necessary for the installation of the pipeline and in particular, in order to enable the above reduction of the permanent easement zone, temporary occupation and use of other territorial zones which are adjacent to one or both of the four (4) meter zones referred to in paragraph (d) above, and whose united or split total width may not exceed thirty (30) meters.

2.3 The following shall not apply for all purposes in connection with the Project Investor's acquisition of Relevant Rights in accordance with this Schedule, including through notarial deed:

- (a) article 23 of Greek Law 4014/2011;
- (b) article 24 of Greek Law 2945/2001;
- (c) articles 35 and 72 of Greek Law 998/1979; and
- (d) article 60 of Legislative Decree 86/1969.

2.4 By virtue of a notarial deed which is registered with the competent local land registry or cadastre, as the case may be, a holder of a mortgage or mortgage pre-notation can agree with the Project Investor

that a Relevant Right created by virtue of notarial deed is deemed to be prior to the mortgage or mortgage pre-notation.

3. ADMINISTRATION

- 3.1 Within 10 Business Days after the Effective Date of the Agreement, the Project Investor and the State will designate to each other in writing those Persons, agencies and regulatory bodies which each will be entitled to communicate with and rely on in giving the various notices and securing and confirming the various rights described in this Schedule. Such notified contact persons or bodies shall be subject to change, from time to time, on not less than 5 Business Days' prior written notice.
- 3.2 Subject to Clause 35.11 of this Agreement, applicable privacy and data protection restrictions under Greek Law and applicable human rights standards, the Project Investor shall have the right to use, publicise and/or export any data and information obtained by the Project Investor or any other Project Participant in connection with the activities described in this Schedule.

4. GENERAL ACTIVITIES IN RESPECT OF PROJECT LAND

- 4.1 In respect of Project Land and subject to paragraph 1.1 above, the State and each other State Component shall:
- (a) pursuant to Clause 16 of this Agreement, issue, or cause to be issued, all necessary permits, authorisations, land registration certificates and other Authority Permissions required under Greek Law for the Project Investor to acquire and exercise those Relevant Rights obtained pursuant to this Schedule;
 - (b) provide to the Project Investor information within its possession, including cadastral information, maps and databases, as the Project Investor may reasonably request in connection with the acquisition of the Required Project Land from time to time;
 - (c) take all necessary steps to ensure that the Project Investor is able to enjoy the Relevant Rights that are made available to it in the Required Project Land;
 - (d) not grant to any Person other than the Project Investor any Relevant Rights or other rights in connection with the Required Project Land which are inconsistent or may interfere with the full exercise and enjoyment by each Project Participant of the Relevant Rights granted under or in accordance with this Agreement;
 - (e) ensure that all Relevant Rights that are made available to the Project Investor continue for a consecutive period of no less than the term of this Agreement unless this Agreement expressly provides for a shorter period to apply;
 - (f) not revoke any Relevant Rights made available to the Project Investor without the prior written consent of the Project Investor;
 - (g) protect, defend and indemnify the Project Investor from and against any Loss or Damage arising in connection with any and all third-party claims or demands (including any and all third party claims or demands from any Person claiming to be an Affected Person if the Project Investor has, at the time of the claim and acting in good faith, already compensated another Person in respect of applicable Relevant Rights) arising from or related to:
 - (i) the Project Investor's or a Project Participant's exercise of the Relevant Rights; or

- (ii) the performance (whether in part or whole or in accordance with the Greek Law or not) of the State Components' obligations under this Schedule,

to the extent that any such third-party claims or demands are caused by or arise from any breach by any State Component of this Agreement; and

- (h) protect, defend and indemnify the Project Investor from and against any Loss or Damage arising in connection with the discovery of any pre-existing Hazardous Materials in any of the Required Project Land which was previously State Land (other than land described in article 171 par. 3, second subparagraph of the Energy Law), provided that the State shall have no obligation to protect, defend or indemnify the Project Investor to the extent that such Loss or Damage arose as a result of the Project Investor failing to act as a properly skilled and experienced contractor in the applicable circumstances.

4.2 The obligations of the State and the other State Components in this paragraph 4 shall apply equally to State Land and Non-State Land other than as expressly set out in paragraph 4.1(h).

4.3 The competent State Components shall use reasonable endeavours to proactively assist and support, as far as reasonably practicable, the Project Investor in the identification and acquisition of the Required Project Land and the required Relevant Rights and in respect of all other activities contemplated by or arising out of the activities undertaken in connection with this Schedule.

4.4 Cadastral Information

- (a) The Parties shall (or, in the case of the State, shall cause Ktimatologio SA to) promptly following the Signing Date in good faith negotiate and enter into an agreement pursuant to which they shall cooperate in relation to the preparation and finalisation of cadastral information in relation to the Project Land (the **Cadastral Agreement**).
- (b) The State shall ensure that the Ktimatologio SA complies with all of its obligations under the Cadastral Agreement in a prompt and timely manner. For the purposes of this Agreement, the Cadastral Agreement shall be deemed to be a Project Agreement.

5. ACCESS TO PROJECT LAND IN THE PRE-CONSTRUCTION PHASE

5.1 Project Investor Activities

- (a) In relation to Non-State Land, during the Pre-Construction Phase the Project Investor shall, subject to compliance with paragraphs 5.1(b) and 5.1(c), have the right in accordance with article 6 of Law 2882/2001 to access such Non-State Land as is necessary to enable the Project Investor and the other Project Participants to carry out those Project Activities that are required or desirable to be performed in anticipation of the construction of the Pipeline System, including with respect to the gathering of cadastral and other Land ownership and use information and, should the Project Investor so decide, preliminary archaeological and hazardous material investigations.
- (b) Prior to utilising the right of access described in paragraph 5.1(a), the Project Investor shall use its reasonable endeavours to enter into discussions with, and reach negotiated agreements with, relevant landowners and other Affected Persons in respect of that right.
- (c) If during the Pre-Construction Phase, despite the reasonable endeavours of the Project Investor, the Project Investor is unable within a two month period to contact the relevant landowners and/or other Affected Persons or to reach a reasonable agreement with those persons in respect of accessing the relevant Non-State Land upon reasonable, the Project Investor may provide notice of the same to the State and shall thereafter, together with any other Project Participants, be entitled to access the

relevant Non-State Land notwithstanding that contract has not been made or an agreement has not been reached (as applicable). When accessing Non-State Land in such circumstances, the Project Investor shall seek to minimise the duration of its access and any interference to the relevant landowners and other Affected Persons.

- (d) In relation to State Land, during the Pre-Construction Phase the Project Investor and the other Project Participants shall have the right to access State Land for the purpose of carrying out those Project Activities that are required or desirable to be performed in anticipation of the construction of the Pipeline System.
- (e) It is recognised that the Project Investor will commence the activities contemplated by this paragraph 5 before the Effective Date and may have notified the State as contemplated by paragraph 5.1(c) above in respect of Non-State Land before that date.

6. IDENTIFICATION OF REQUIRED PROJECT LAND

- 6.1 The process set out in this paragraph 6 for the identification of the Required Project Land and the required Relevant Rights is in addition to, and not in substitute of, applicable Greek Law which relates to the conduct of environmental and social impact assessments, the identification and approval of the location of the Greek Facilities, the issuance of Applicable Permissions for the Project Activities, the negotiation for the acquisition of Relevant Rights and the undertaking of any expropriation of Relevant Rights.
- 6.2 The Project Investor acknowledges and agrees that the route of the Greek Facilities through Greek Territory may raise defence related issues or other issues of national interest and the route of the Greek Facilities may, as part of the identification process described in this paragraph 6, need to be adjusted to address such issues.

6.3 Phase 1 – Pre-Construction Phase

- (a) Corridor of Interest

The Parties acknowledge the Corridor of Interest and agree that the Corridor of Interest reflects, as at the Signing Date, the Land that the Project Investor considers may be required for Project Activities. It is intended that the Corridor of Interest will be further refined as the engineering of the Pipeline System proceeds.

- (b) Preferred Project Area

- (i) Following further engineering works and consultations with relevant stakeholders based on the Corridor of Interest, the Project Investor will select the Preferred Project Area that the Project Investor considers will be required for the further implementation of the Project Activities and notify the State of the same.
- (ii) The notification provided by the Project Investor under paragraph 6.3(b)(i) will include maps and diagrams setting out the Preferred Project Area, as well as a written description setting out the basis for the selection of the Preferred Project Area.
- (iii) While the Preferred Project Area will be based on the Corridor of Interest, the Parties acknowledge that deviations from the Corridor of Interest may be necessary to accommodate the results of further analysis and route refinement.
- (iv) Within 40 Business Days of receiving the notification of the Preferred Project Area from the Project Investor, the State shall have the right to approve the notified configuration of the

Preferred Project Land and in the event of non-approval provide the Project Investor with its written comments including a detailed reasoning. The Project Investor shall, taking into account the State's written comments, proceed to an appropriate reconfiguration of the Preferred Project Area submitting it to the State for new approval following the hereinabove procedure.

(c) Required Project Land

- (i) Following further engineering works and consultations with relevant stakeholders based on the Preferred Project Area, the Project Investor will notify the State of the Required Project Land and the particular Relevant Rights that are required over each part of the Required Project Land.
- (ii) Promptly following the Project Investor's notification of the Required Project Land, the State shall issue the act provided for in article 165, par 1 of the Energy Law in respect of that Land.
- (iii) Without limiting the generality of paragraph 6.3(c)(i), it is intended that:
 - (A) the Construction Corridor will, in general, be of a width of 38 metres, subject to certain areas being wider to reflect the engineering of the Pipeline System and the projected construction methodology for the Pipeline System;
 - (B) the Pipeline System Corridor (other than the Facilities Land) will, in general, be of a width of 8 metres, with the pipeline lying in the centre of the Pipeline System Corridor;
 - (C) the Relevant Rights over the Facilities Land and the Permanent Access Road Land are intended to be rights of ownership vested in the Project Investor;
 - (D) the Relevant Rights over the Pipeline System Corridor are intended to be easement rights vested in the Project Investor;
 - (E) the Relevant Rights over the Temporary Land are intended to be lease, licence or other temporary rights (as the Project Investor may negotiate) vested in the Project Investor, except as provided in paragraph 7.1(d)(ii) below; and
 - (F) the Relevant Rights over the Road Access Land are intended to be rights of ownership vested in the State.
- (iv) The notification provided by the Project Investor under paragraph 6.3(c)(i) will include maps and diagrams of the Required Project Land detailed to a level which will enable the State to perform its obligations under this Schedule in connection with the acquisition of the Relevant Rights required over each part of the Required Project Land. The notification will also include a written description setting out the basis for the selection of the Required Project Land and how the comments, if any, made by the State with respect to the Preferred Project Area have been taken into account.
- (v) The Required Project Land shall be based on the Preferred Project Area, however deviations from the Preferred Project Area shall be permitted provided that:
 - (A) when identifying the Required Project Land pursuant to paragraph 6.3(c)(i), the Project Investor shall identify those deviations (if any) that have been made from the

Preferred Project Area together with a description of why those deviations have been made; and

- (B) within 40 Business Days of receiving notice of such deviations, the State shall have the right to approve the notified deviations and in the event of non-approval provide the Project Investor with its written comments including a detailed reasoning. The Project Investor shall, taking into account the State's written comments, proceed to an appropriate reconfiguration of the Required Project Land submitting it to the State for new approval following the hereinabove procedure.

6.4 Potential re-routing

If, following the Project Investor's identification of the Required Project Land pursuant to paragraph 6.3(c)(i) (including at any time during the Construction Phase), the Project Investor reasonably considers that additional Land is required for the purposes of the Project (including as a result of any re-routing of the Greek Facilities), the Project Investor shall notify the State of that additional Required Project Land and the State shall promptly:

- (a) revise the act referred to in paragraph 6.3(c)(ii); or
- (b) issue a new act as provided for in article 165, par 1 of the Energy Law in respect of the changed Required Project Land,

and this Agreement shall apply equally to that additional Land.

6.5 Phase 2 – Post Construction Phase

- (a) When the Project Investor considers that the Construction Phase has been completed, it will notify the State and relinquish all Relevant Rights over the Temporary Land.
- (b) At any time, and from time to time, following the completion of the construction of the Pipeline System, the Project Investor may notify the State that certain areas of the Permanent Land are no longer required for Project Activities (the **Excess Land**).
- (c) If the Excess Land was previously Non-State Land, the Project Investor will provide the former owner with the option to take over all Relevant Rights over the Excess Land for no or nominal consideration before triggering paragraph 6.5(e).
- (d) The notification provided by the Project Investor under paragraph 6.5(b) shall include maps and diagrams of the Excess Land detailed to a level which will enable the State to remove the Relevant Rights over the Excess Land together with the basis for the selection of the Excess Land as well as a notification of the Project Investor on the outcome of the provisions of paragraph 6.5(c).
- (e) Promptly after receiving the notification provided by the Project Investor under paragraph 6.5(b), the State shall acquire all Relevant Rights over the Excess Land that has not been handed over pursuant to paragraph 6.5(c) for no or nominal consideration in accordance with Greek Law. The Project Investor shall provide all reasonable assistance that the State may require in performing the acquisition.

6.6 Phase 3 – Expansion Phase(s)

If at any time, and from time to time, the Project Investor wishes to expand, extend or undertake material works (other than for the purpose of a spur line to any market outside the Hellenic Republic, the Republic of Albania or the Italian Republic, unless the Parties otherwise agree) with respect to

the Pipeline System and requires additional Project Land either permanently or for construction purposes, the provisions of this Schedule shall apply *mutatis mutandis* to any additional Relevant Rights required with respect to the implementation of that expansion, extension or material works.

7. ACQUISITION OF RELEVANT RIGHTS OVER THE REQUIRED PROJECT LAND

7.1 Project Investor Activities

- (a) Following the Project Investor's identification of the Required Project Land pursuant to paragraph 6.3, the Relevant Rights required over that part of the Required Project Land that is Non-State Land will be acquired in accordance with this paragraph 7.1.
- (b) To the extent that the Relevant Rights over the Required Project Land relate to Non-State Land, the Parties acknowledge the need to attempt to obtain those Relevant Rights in the accordance with negotiation procedures described in the relevant Livelihood Restoration Plan, including that part of the Livelihood Restoration Plan setting out the guide to land acquisition and compensation or "GLAC", (the **Negotiation Procedures**).
- (c) It is intended that the expropriation of Relevant Rights relating to Non-State Land will only be used after negotiations for agreements or settlements in respect of the relevant Non-State Land, including in relation to any Encumbrances over that Non-State Land, have been the subject of a Failed Negotiation, as certified by the Project Investor.
- (d) The certification of a Failed Negotiation by the Project Investor shall constitute conclusive evidence that such a failure has occurred. Where a Failed Negotiation occurs:
 - (i) in respect of Required Project Land for the Pipeline System Corridor, the Project Investor may notify the State of the same and the Relevant Rights in respect of the relevant Non-State Land shall automatically be conferred to the Project Investor in accordance with, and subject to, paragraph 2.2(a) above;
 - (ii) in respect of Required Project Land which is Temporary Land, the Project Investor shall notify the State of the same and the Relevant Rights in respect of that Temporary Land shall automatically be conferred to the Project Investor under article 18 par. 5 of the Constitution upon the Project Investor paying compensation to the relevant Affected Persons in accordance with this Schedule;
 - (iii) in respect of other Required Project Land, the State shall proceed in accordance with article 171 of the Energy Law to provide the Relevant Rights in respect of the Relevant Non-State Land to the Project Investor as described in paragraph 6.3(c)(iii) above. In this respect, articles 11, 12 and 13 of Greek Law 3894/2010 (as amended) shall apply with references to "Invest In Greece" to be read as "Project Investor".
- (e) To the extent that the Relevant Rights over the Required Project Land relate to State Land:
 - (i) the Project Investor shall consult with any Affected Persons that are not State Components in respect of that Land and attempt to obtain the Relevant Rights of those Affected Persons through negotiated settlements in the accordance with the Negotiation Procedures;
 - (ii) after acquiring such Relevant Rights, or if the Project Investor certifies that it has failed in acquiring any Relevant Rights, the Project Investor shall notify the State of the remaining Relevant Rights required and the applicable State Land and the Relevant Rights in respect of that State Land shall automatically be conferred to the Project Investor in accordance with, and subject to, paragraph 2.2(b) above;

- (iii) those Affected Persons who have not agreed a negotiated settlement shall be entitled to compensation in accordance with the Livelihood Restoration Plan; and
- (iv) in no circumstance shall any payment made by the Project Investor, in accordance with the Negotiation Procedures or otherwise, to Affected Persons that are not State Components or Local Authorities in respect of any Relevant Rights over State Land constitute, deem or otherwise indicate that such Affected Person holds, as a matter of Greek Law, any rights of ownership or other rights over that State Land.

7.2 State Assistance

The competent State Components shall use reasonable endeavours to assist, as far as reasonably practicable, the Project Investor's attempt to obtain Relevant Rights over the Required Project Land in accordance with the Negotiation Procedures.

7.3 Road Upgrade Land

- (a) The Relevant Rights over the Road Upgrade Land will be acquired in the name of the State irrespective of whether such acquisition is undertaken by the State or by the Project Investor in compliance with the provisions of the Livelihood Restoration Plan. The State shall retain those Relevant Rights for the duration of this Agreement.
- (b) The State shall make available the Road Upgrade Land, together with the public road to which the Road Upgrade Land relates, to the Project Investor for the purpose of the implementation of the Public Road Access Works promptly upon the request of the Project Investor.

8. FINANCIAL COMPENSATION

8.1 Project Investor Activities

- (a) Where the Project Investor obtains access to any Project Land for the purposes described in paragraphs 5.1(a) or 5.1(d), the Project Investor will arrange to pay financial compensation to the relevant Affected Persons in accordance with:
 - (i) the terms agreed by the Project Investor and the relevant Affected Person; or
 - (ii) if no terms have been agreed, at a level consistent with the principles set out in the relevant Livelihood Restoration Plan.
- (b) Where the Project Investor obtains Relevant Rights over any Non-State Land or where the State obtain Relevant Rights over any Road Upgrade Land that is Non-State Land:
 - (i) through negotiated agreements or settlements, the Project Investor will arrange to pay financial compensation to the relevant Affected Persons (which, to the extent applicable, shall be the applicable Replacement Value) in accordance with the terms of those negotiated agreements or settlements;
 - (ii) through any compulsory or expropriation procedure, then notwithstanding that such Relevant Rights have been acquired by the State and then transferred to the Project Investor, the Project Investor will arrange to pay financial compensation to the relevant Affected Persons at a level consistent with the principles set out in the relevant Livelihood Restoration Plan which, to the extent applicable, shall be the applicable Replacement Value,
- (c) Where the Project Investor obtains Relevant Rights over any State Land, the Project Investor shall:

- (i) to the extent that an Affected Person is not a State Component or a Local Authority, pay financial compensation in accordance with the terms of any negotiated agreement or settlements, or if there is no negotiated agreement or settlement, at a level consistent with the principles set out in the relevant Livelihood Restoration Plan; and
- (ii) to the extent that an Affected Person is a State Component or a Local Authority, pay compensation at a level consistent with the principles set out in the relevant Livelihood Restoration Plan, with the exception of land described in article 171 par. 3, second subparagraph of the Energy Law for which the Project Investor shall not be required to pay any compensation.

8.2 State Obligations

The State shall use its best endeavours to facilitate the Project Investor's payment of compensation to Affected Persons as provided for in this Schedule 1, including, at the Project Investor's request:

- (a) assisting in the establishment of any committees or other organisations to assist in the disbursement of compensation to Affected Persons; and
- (b) facilitating, on a basis to be agreed by the Parties, the establishment of escrow or other bank accounts to assist in the disbursement of compensation to Affected Persons.

8.3 Limitation of claims related to land use that started after the cut-off date

Notwithstanding any other provision of this Agreement or any Greek Law to the contrary, no informal user of any Required Project Land shall be considered an "Affected Person" for the purpose of obtaining compensation either in accordance with this Agreement or under Greek Law when this informal land use commenced after a cut-off date to be specified by the Project Investor and thereafter published in accordance with the relevant Livelihood Restoration Plans.

9. EMERGENCY ACCESS

- (a) If in the reasonable opinion of the Project Investor there exists an Emergency Situation in relation to the Pipeline System, the Project Participants shall:
 - (i) as soon as reasonably practicable, notify the relevant State Authorities of that Emergency Situation; and
 - (ii) be entitled to enter and cross all Non-State Land and all State Land (other than State Land that is subject to military, security or other form of State use that requires all persons to obtain security clearance before entering) for the purpose of accessing the relevant part of the Pipeline System as expediently as possible so as to address that Emergency Situation.
- (b) The State Components shall do all things necessary to facilitate the Project Participants' exercise of the right specified in paragraph 9(a).
- (c) If a Project Participant enters, or intends to enter, into Land pursuant to the right specified in paragraph 9(a), the Project Participant shall notify any affected landowners as soon as reasonably practicable of that entry or that intention to enter, as the case may be.
- (d) The Project Investor shall be fully responsible for any Loss or Damage arising out of the exercise of the right specified in paragraph 9(a).

PART 2

PROJECT LAND CONTEXT

1. CONTEXT FOR THE IDENTIFICATION OF PROJECT LAND

- 1.1 The Parties acknowledge that the selection of the route of the Pipeline System, the acquisition of the Relevant Rights and the implementation of the Project Activities may have economic or environmental impacts and may result in economic or physical displacements. With these concerns in mind the Project Investor and the State will cooperate in addressing such risks of impact or potential displacement in accordance with performance requirement 5 of the Environmental and Social Policy and the processes outlined in this Schedule.
- 1.2 The Parties acknowledge that the identification of the Required Project Land and the Relevant Rights will be undertaken:
- (a) in the context of the Project's engineering development (including the development of the front end engineering design and the subsequent detailed design);
 - (b) in a manner that takes into account requests from the State Components and Local Authorities and suggestions from other stakeholders;
 - (c) to optimise the Pipeline System Corridor and its configuration for construction and commercial purposes;
 - (d) so as to take into account technical and commercial feasibility, safety (both during and after construction), the nature of the terrain and spatial constraints, environmental and social issues, cost, schedule and the ultimate operability of the Pipeline System;
 - (e) in a transparent manner and in close collaboration with relevant stakeholders, affected populations and relevant State Components and Local Authorities, with relevant issues, processes and decisions to be documented in the Environmental and Social Impact Assessment;
 - (f) to avoid to the extent reasonably practicable impacts on defined "no-go zones", including military installations, highly protected areas, urban areas and Land and resources earmarked for development in the public interest; and
 - (g) with the intention of minimising adverse environmental, social and community impacts.

2. LIVELIHOOD RESTORATION

- 2.1 The Parties acknowledge the benefits that will be delivered by the participation of all stakeholders (including relevant Local Authorities and Persons directly affected by the physical implementation of the Pipeline System) in the development of the routing of the Pipeline System. To that end, the Project Investor, in consultation with relevant stakeholders, shall develop one or several Livelihood Restoration Plans intended to mitigate the direct affect that the physical implementation of the Pipeline System may have upon Affected Persons. Without limiting the foregoing, the Parties shall cooperate in the development of the Livelihood Restoration Plans, together with any overarching livelihood restoration framework and any guide to land acquisition and compensation or "GLAC" that may be established pursuant to or as part of any Livelihood Restoration Plan.

- 2.2 Each Livelihood Restoration Plan will establish compensation principles for each entitlement and, in the case of the Relevant Rights to be acquired in respect of the Required Project Land, the Negotiation Procedures and compensation values and shall ensure that the particular needs of vulnerable groups (as defined in the Environmental and Social Policy) are taken into account.
- 2.3 The Livelihood Restoration Plans will be implemented with the intention that the livelihoods and living conditions of all Affected Persons are restored to the level they would have achieved if the Project Activities were not to take place.
- 2.4 In the unlikely event that the implementation of the Project requires physical displacements, the Parties and the relevant stakeholders (including relevant State Authorities, Local Authorities and Persons directly affected by the implementation of the Pipeline System) will agree a resettlement action plan which will, among other things, ensure that those Affected Persons will receive:
- (a) assistance during any relocation;
 - (b) enhanced housing at sites with comparable access to economic opportunities, civic infrastructure and community services;
 - (c) land under a tenure regime equivalent to or better than that lost by the Affected Person;
 - (d) development assistance, such as land preparation, credit facilities, training or job opportunities; and
 - (e) assistance to integrate economically and socially into host communities.
- 2.5 Where an acquisition of Relevant Rights requires the physical displacement of persons, that acquisition shall not be finalised until an appropriate level of compensation and assistance has been provided for so as to minimise the adverse impact on the Affected Persons.
- 2.6 The Parties acknowledge the need to publicly disclose Livelihood Restoration Plans and, if applicable, resettlement action plans at a local level in a manner that is timely, accessible, understandable and culturally appropriate for those affected. The final plans will be disclosed before the commencement of any construction related Project Activities in the affected area.
- 2.7 The Parties also acknowledge the need to establish local independent grievance redress mechanisms based on the social and cultural institutions of those affected to solve grievances and address complaints in a timely, impartial and transparent manner. If at the start of operation of the Pipeline System, livelihood restoration is incomplete, additional measures will be implemented to ensure satisfactory outcomes.

3. MINIMISING THE ADVERSE AFFECT OF PROJECT ACTIVITIES

The Parties acknowledge the importance of minimising the adverse effect of the performance of the Project Activities, particularly construction related Project Activities, on Affected Persons. In this respect, the Parties further acknowledge the need to act in a manner consistent with any Livelihood Restoration Plans and, in particular, to:

- (a) carry out all trial borings, trenching for surveys, the leaving of equipment on Project Land and the making up of temporary access roads, in each case as may be required prior to the commencement of construction work, with as little disturbance as is reasonably practicable and after consultation with Affected Persons;

- (b) provide Affected Persons with a prior notice of not less than 120 days of its intention to commence the construction works on the Required Project Land;
- (c) move pipes, vehicles and machinery for construction purposes in accordance with a programme made available in advance in the Greek language to Affected Persons;
- (d) maintain all means of access to the Required Project Land that may be reasonably necessary for the purpose of the Project Activities and, to the extent required, construct and maintain suitable agreed temporary crossings reasonably required for access to the Land adjacent to the Required Project Land;
- (e) following the completion of the construction of the Pipeline System, restore roads and footpaths to the condition they were in immediately before the commencement of the construction, and to make them available for use pursuant to the terms agreed with the State (in the case of former State Land) or with the relevant landowners and occupiers (in the case of former Non-State Land), subject to the need to maintain the security of the Pipeline System and the conduct of future Project Activities; and
- (f) provide facilities for maintaining and allowing means of communication and access between parts of any Land that is adjacent to the Required Project Land and which is temporarily or permanently disconnected as a direct result of the construction of the Pipeline System by the Project Investor.

SCHEDULE 2

ENVIRONMENTAL, SOCIAL, AND COMMUNITY HEALTH AND SAFETY STANDARDS

1. Council Directive 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment
2. The United Nations Economic Commission for Europe Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus, 1998)
3. The Espoo Convention
4. The following Performance Requirements detailed in the Environmental and Social Policy:
 - (a) PR 1: Environmental and Social Appraisal and Management
 - (b) PR 2: Labour and Working Conditions
 - (c) PR 3: Pollution Prevention and Abatement
 - (d) PR 4: Community Health, Safety and Security
 - (e) PR 5: Land Acquisition, Involuntary Resettlement and Economic Displacement
 - (f) PR 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
 - (g) PR 7: Indigenous Peoples
 - (h) PR 8: Cultural Heritage
 - (i) PR 10: Information Disclosure and Stakeholder Engagement
5. The UN Global Compact on Human Rights
6. The Guiding Principles for Business and Human Rights, as endorsed by the United Nations Human Rights Council on 16 June 2011
7. The Voluntary Principles of Security and Human Rights developed by the governments of the United States and the United Kingdom, certain companies in the extractive and energy sectors and certain non-governmental organisations
8. Social and Environmental Standards as outlined in the Strategic Community Investment Handbook established and updated from time to time by the International Finance Corporation

SCHEDULE 3

LIST OF AUTHORITY PERMISSIONS REQUIRED FOR THE PROJECT

No.	Name of the relevant Authority Permission	Laws under which Authority Permission are required	Authority Responsible	Phase of the project it will be required
1	Approval of Environmental Terms	L. 4014/11 MD 1958/12 (as amended by MD 20741/12) For Public Consultation: JMD 37111/03, means of informing citizens on the procedure of approval of environmental terms	Ministry of Environment, Energy and Climate Change / Special Environmental Service (EYIE)	Design Phase
2	Characterization of Land Cover Forms	L. 4014/11 MD 15277/12 L 998/79 and amendments	Forestry Authorities	Design Phase
	Intervention License to Forest Areas	L. 4014/11 MD 15277/12 L. 998/79 and amendments	Incorporated in the Approval of Environmental Terms	Design Phase
3	Independent Natural Gas System Permit	MD Δ1/A/5815/2010	Regulatory Energy Authority (as defined in L. 4001/11)	Design Phase
4	Independent Natural Gas System Management Permit	MD Δ1/A/5815/2010	Regulatory Energy Authority (as defined in L. 4001/11)	Design Phase
5	Installation Act	L. 4001/11 , in combination with IGA, HGA and relative MD to be issued	Ministry of Environment, Energy and Climate Change / Dept. of Petroleum Installations	Design Phase

No.	Name of the relevant Authority Permission	Laws under which Authority Permission are required	Authority Responsible	Phase of the project it will be required
6	Installation Permit	L. 3982/11 MD 483/35/2012 par.7, ar. 228, L.4072/12 MD Δ3/A/4303/2012 (as amended by MD Δ3/A/8857/2012)	Ministry of Environment, Energy and Climate Change / Dept. of Petroleum Installations	Design Phase / Prior to Construction
7	Protocol of Installation in Forest Areas	L. 998/79 and its amendments Circular of Regional Dept. of Forests 97936/3698/26.09.2008	Forestry Authorities	Prior to Construction
8	Crossing Agreements	Various Laws depending on the crossing (eg L 2696/99 art. 47 par.3 for crossing highways and Regional, Prefectural, Municipal roads etc)	Various Authorities	Design Phase
	Crossing Permits	Various Laws depending on the crossing (eg L 2696/99 art. 47 par.3 for crossing highways and Regional, Prefectural, Municipal roads etc)	Various Authorities	Construction
9	Building Construction Approval and Building Construction Permit	L. 4030/2011 L. 4067/12 PD 24.05.85 (Gov. Gaz. 270/Δ/85)	Municipal Building Construction Authority	Design Phase / Prior to Construction
10	Operation Permit	L. 3982/11 MD 483/35/2012 par.7, ar. 228, L.4072/12 MD Δ3/A/4303/2012 (as amended by MD Δ3/A/8857/2012)	Ministry of Environment, Energy and Climate Change / Dept. of Petroleum Installations	Prior to Operation Phase

No.	Name of the relevant Authority Permission	Laws under which Authority Permission are required	Authority Responsible	Phase of the project it will be required
11	Compatibility with General and Special Spatial Planning	Not specified, but generally, all projects have to be compatible to General and Special Spatial Planning		

SCHEDULE 4

FORM OF EPHORATE MOU

MEMORANDUM OF UNDERSTANDING

Memorandum No: 201[]

In Athens, today, [•] the following parties:

- (A) The [•] Ephorate of [Prehistoric and Classical Antiquities]/[Byzantine Monuments] headquartered in [•] and legally represented herein by the Head of the Ephorate, Mr./Ms. [•] (the **Ephorate**); and
- (B) Trans Adriatic Pipeline AG of Lindenstrasse 2, in 6340 Baar, Switzerland, registered at the Commercial Register of Canton of Zug under the no. CH-170.3.030.511-2, acting through its Greek branch and legally represented herein by Mr./Ms. [•] (the **Project Investor**)

(together referred to as the **Parties**)

With regard to:

- (I) the provisions of Law 3028/2002 (Government Gazette 153/A/26.06.2002), “For protection of Antiquities and Cultural Heritage in general”;
- (II) the Circular 6418/27.05.03 of the General Secretariat of Ministry of Culture;
- (III) the Host Government Agreement between the Hellenic Republic and the Project Investor dated [●];
- (IV) The Memorandum of Understanding and Cooperation dated [•], which has been executed between the Project Investor and the Ministry of Education, Religious Affairs, Culture and Sports (hereinafter the “**General Memorandum**”); and
- (V) the document ref. [•] of the Ephorate which approves the signing of this Memorandum of Understanding and Cooperation (this **Memorandum**).

have agreed the following:

PREAMBLE

1. This Memorandum provides for:
 - a. the supervision by the Ephorate, for the possible existence of archaeological findings (**Findings**), of the works to be undertaken by or on behalf of the Project Investor for the purpose of creating a trench (the **Trench**) for the laying of a natural gas transmission pipeline (the **Pipeline**) for the Trans Adriatic Pipeline project (the **Project**) in the area of [•]¹; and
 - b. if Findings are discovered:

¹ The area of responsibility of the Ephorate is to be included here.

- (i) the methods, conditions and requirements for conducting trial and rescue archaeological excavations (together, the **Rescue Works**) within the plots of land numbers [•] (as further described in the attached topographic diagram), which have a total surface of [•] square meters (the **Findings Site**), prior to the final release of the Finding Site to the Project Investor; and
 - (ii) the methods for the storage, custody, maintenance, documentation and publication of any Findings which may arise from any Rescue Works.
2. The purpose of this Memorandum is to facilitate, systemise and accelerate the Rescue Works within the framework of the Project by promoting smooth and efficient cooperation between the Ephorate and the Project Investor.
3. All terms of this Memorandum are essential and any modification to this Memorandum shall only be effective if made in writing by mutual agreement of both Parties. For any matter not provided for in this Memorandum, the relevant provisions of applicable law and any publicly known administrative procedures (in each case, to the extent relevant) which govern the protection of antiquities shall be applicable.

ARTICLE 1 – SCOPE OF THIS MEMORANDUM

1. The scope of this Memorandum is to set out the procedure for:
 - a. the supervision by the Ephorate, for the possible existence of Findings in the Trench, of the construction works of the Project Investor. An example of the cross section of the Trench is attached hereto as Annex A.
 - b. the carrying out of Rescue Works if Findings are discovered.
 ((a) and (b) together being the **Archaeological Works**)
2. The Project Investor shall be fully responsible for the costs associated with the performance of the Archaeological Works (which includes, but is not limited to, preparing for any Rescue Works, safeguarding any Findings, performing surveys, cleaning, maintenance, studies and, to the extent reasonably associated with the Project, the publication of the Findings) pursuant to article 37(6) of law 3028/2002.
3. The Ephorate shall perform, without delay, those archaeological surveys and precautionary measures with respect to any antiquities within those areas affected by the Project which are deemed to be necessary by any competent authority prior to the Project Investor commencing any construction work in those areas.

ARTICLE 2 – DESCRIPTION OF RESCUE WORKS AND TIME SCHEDULE

1. The Rescue Works to be undertaken pursuant to this Memorandum shall be focused on the construction zone of the Trench and, specifically, in the following locations which have been nominated by the Ephorate:
 - [Location 1]
 - [Location 2]
 - [Location ...]

The Rescue Works are to cover the Trench together with, where necessary and agreed by the Parties, a [5] meter wide zone (measured from the relevant axis) in those areas of the above described locations where that additional zone is necessary. If there is a need to expand the Rescue Works to the abovementioned additional zones beyond the Trench, the Ephorate shall be responsible to secure the relevant rights over this additional land from the relevant right holders in accordance with Greek law 3028/2002, as amended and in force.

A topographic diagram with the routing of the Pipeline within the area covered by this Memorandum (including the locations described above) is attached to this Memorandum as Annex B.

2. The Rescue Works will have a maximum duration of [•] months, with a planned commencement date of on or about [•] and a termination date of on or about [•]. The duration of the Rescue Works is subject to extension only if such an extension is (i) absolutely necessary and (ii) the result of a delay to the Rescue Works which has been caused by objective circumstances. Any extension to the duration of the Rescue Works shall be limited to an additional maximum period of [•]. The decision with respect to the granting of an extension to the duration of the Rescue Works will be taken by the Project Investor following submission of a written request for the same from the Ephorate.
3. After the completion of the Rescue Works, a decision (as required by the applicable law for the conservation / protection of antiquities) shall be issued by the General Directorate of Antiquities of the Ministry of Education and Religious Affairs, Culture and Sports, following consultation with the competent Central Archaeological Council. For this purpose, following the completion of the Rescue Works, the Ephorate shall ensure that the requirement for a decision will be introduced with the highest priority at the next scheduled meeting of the Central Archaeological Council. If the decision requires the conservation, transport, storage, etc of the Findings, the additional costs will be borne by the Project Investor.

ARTICLE 3 – RESPONSIBILITIES

1. The Archaeological Works, including with respect to the protection, maintenance and promotion of the Findings, are the sole responsibility of the Ephorate. In this respect, the Ephorate shall be solely responsible for the management, supervision and responsibility of all Archaeological Works, any associated scientific research and the care for, documentation, evaluation, storage, preservation, study, and publication of the Findings.
2. The Project Investor shall not interfere in the Archaeological Works except where required to do so by applicable Law (including as a result of a health and safety incident) or as may be approved by the Ephorate.
3. Except where approved by the Ephorate, the Project Investor shall not have access to (except where unavoidable prior to their discovery) or take any of the Findings and nor shall the Project Investor exploit any of the Findings.

ARTICLE 4 – PERSONNEL

1. The personnel to be used by the Ephorate for the purpose of the performance of the Rescue Works described in this Memorandum shall be:
 - [•] archaeologists.
 - [•] technicians.
 - [•] workers.
 - [•] accountant.

- [•] [any other special personnel if required]

(together, the **Personnel**)

The total monthly cost for the Personnel shall not exceed an amount of [•] €.

2. The Project Investor may require the Ephorate to increase the number of Personnel for the purpose of accelerating the Rescue Works subject to the Project Investor also agreeing a commensurate increase to the total monthly cost referred to in sub-paragraph (2) above.
3. The Personnel shall be engaged by the Project Investor or an entity nominated by the Project Investor.
4. Prior to engaging each of the Personnel, the Project Investor shall provide the Ephorate with a description of the qualifications of the proposed person. The Ephorate may reject any of the proposed person within 7 days of receipt of the relevant description by the Project Investor on the grounds that the proposed person is not appropriately qualified in view of the particular nature of the Rescue Works. A failure by the Ephorate to respond within 7 days shall be deemed to be an approval of the proposed person.
5. The relevant contract for each of the Personnel engaged by the Project Investor or an entity nominated by the Project Investor in accordance with this article shall provide that, subject to applicable law, such person:
 - a. shall be subject to the management of the Ephorate when undertaking any Rescue Works; and
 - b. shall be subject to appropriate discipline or termination if that person acts in a dangerous or negligent manner in the performance of the Rescue Works.
6. The Parties shall ensure that the Personnel comply with the Project Investor's health, safety and environmental rules when accessing any Project site (including any Findings Site).

ARTICLE 5 – EQUIPMENT, INFRASTRUCTURE AND ACTIVITIES

1. The Parties acknowledge and agree that certain infrastructure may be required to support the performance of the Archaeological Works and that such infrastructure may include:
 - a. in respect of a topographical survey, the design of an oriented grid for the purpose of any Rescue Works in the areas described in article 3 and additional levelling surveys, if required; and
 - b. in respect of any Rescue Works, the construction and/or installation of simple mobile structures for the coverage of excavation squares, a storage warehouse for tools and Findings and electrical drums together with supporting infrastructure such as generators, pressure pumps, all kinds of tools, materials, instruments and equipment needed for the Rescue Works (i.e. [•]), protective materials (i.e. nylon, cloth, umbrellas), [•] mobile hutches for excavation, fuels, appropriate transfer means for any Findings, stationery, pegs, bounding rope, paint colours, sieves, plastic bags, ladders, crates, metal cabinets, pharmacies, digital levels etc.
2. The infrastructure required for Rescue Works shall, subject to an agreement being reached in that respect between the Parties, be provided by the Project Investor.

ARTICLE 6 – PRELIMINARY STAGE

1. The Project Investor shall, during the performance of Rescue Works, take all reasonably necessary measures to avoid damage to those archaeological sites which are the subject of Rescue Works.
2. The Parties agree that, in order to avoid delay, the Project Investor shall use its reasonable endeavours to deliver those sites which are to be the subject of Rescue Works already fenced and, to the extent required for conducting the relevant works, free of vegetation and from any additional materials which are not archaeological back-fillings.

ARTICLE 7 – ELABORATION OF RESCUE WORKS

1. Mr./Mrs. [•] (who is public servant of the Ephorate, archaeologist with a grade of [•]) (the **Ephorate Representative**) shall be responsible (including with respect to all scientific supervision) for the onsite performance of the Rescue Works.
2. The Ephorate Representative shall plan and coordinate the Rescue Works and cooperate with the representatives of the Project Investor and any contractors of the Project Investor to resolve any problem that may arise.
3. The Ephorate Representative shall be entitled to assign tasks to contract archaeologists. All archaeologists shall be obliged to maintain daily a written log of excavations and to compile a brief report in relation to their supervision field on a weekly basis.

ARTICLE 8 – EXCAVATION AND ARCHAEOLOGICAL DOCUMENTATION

The Parties acknowledge that the logbooks maintained by the archaeologists on a daily basis (as referred to in article 7(3)), as well as all other documentation relating to the Archaeological Works (including the final report lists of each field, catalogues of Findings, drawings and photographs) shall be collected by the head archaeologist (as nominated by the Ephorate) and delivered to the archaeologist of the Ephorate who is responsible for the excavation at the end of each month or following completion of the research of each field. The latter shall compose the final report and list of Findings of each section.

ARTICLE 9 – RECORDING OF FINDINGS

The Parties acknowledge that recording crews (composed of a surveyor and planners) will be required in sections of the (surface) survey, trial trenching and excavations in order to record, under the instructions of the field archaeologist, any Findings in a timely and accurate manner. The excavation monitoring team, joined by staff experienced in recording, shall prepare general plans for each section, which shall be certified by the head of the Ephorate and shall be filed in the plan archive of the Ephorate. The cost of the recording of the Findings shall be borne by the Project Investor.

ARTICLE 10 – PHOTOGRAPHING OF FINDINGS

The Parties acknowledge that the field archaeologists shall take digital photographs for documentation purposes in connection with the Rescue Works. General shots, video, special photography of Findings, computer processing of the same, and their printing, if and when deemed necessary, shall be assigned, following a reasonable proposal of the Ephorate, to professional photographers. All photographic material, together with relevant catalogue, shall be delivered by the relevant Rescue Works monitoring group, after having been associated with the final report and the catalogue of Findings in the photo file of the Ephorate. The cost of photographing the Findings shall be borne by the Project Investor.

ARTICLE 11 – MAINTENANCE OF FINDINGS

1. All Findings shall be maintained, under the responsibility of the Ephorate, by appropriate personnel in the laboratories of the Ephorate or in places which will be created if such laboratories are not sufficient to accommodate the new findings.
2. [The Project Investor shall ensure the availability of qualified and ancillary maintenance personnel, as well as the necessary infrastructure (machinery, tools and materials) throughout the duration of the Rescue Works and for a reasonable time beyond that time period, which shall not exceed [•] months, in order for the final excavation report and Findings' list to be completed.]

ARTICLE 12 – TRANSPORTATION OF FINDINGS AND SECURITY OF SITES

1. Responsibility for the transfer of the movable Findings lies with the Ephorate. The transfer shall be performed by means of appropriate transport which shall be provided specifically for that purpose by the Project Investor. All moveable Findings shall be transported to the archaeological warehouses of the Ephorate or to such other sites as may be nominated by the Ephorate. Transportation shall be provided on a daily basis. All transfers provided for in this paragraph must be completed within [2] months following a relevant request by the Project Investor to the Ephorate.
2. After the discovery of any Findings, the Project Investor shall procure the security of the relevant site throughout the duration of the Rescue Works in order to safeguard the Findings. The services of the General Secretariat of the Ministry of Culture shall be responsible for any security required following the completion of the Rescue Works.

ARTICLE 13 – PROTECTION OF FINDINGS

For the purpose of the maintenance and protection of any discovered Findings, the current provisions of the relevant archaeological legislation shall be applicable and the relevant expenses shall, to the extent required by that legislation, be borne by the Project Investor.

ARTICLE 14 – BUDGET AND PAYMENTS

1. The budget for the recruitment of the necessary Personnel for the Rescue Works, as defined in article 4(1) above, is estimated at the amount of [•]€.
2. The budget for all other Archaeological Works and the supply of infrastructure and materials, as described in this Memorandum, is estimated at the amount of [•] €.
3. The incurrence of any costs in addition to the budgets provided under paragraphs (1) and (2) above shall require the prior written approval of the Project Investor following a written request by the Ephorate which is accompanied by appropriate supporting documentation.
4. The Ephorate has assigned Mr./Mrs. [•] (who is public servant of the Ephorate, archaeologist) as an accounting officer in respect of the financial matters associated with this Memorandum.

5. Subject to the foregoing provisions of this Memorandum, the Project Investor shall pay each month to the Ephorate an amount equal to those costs properly incurred by the Ephorate under this Memorandum. Prior to such payment, the Ephorate shall provide all necessary supporting documentation with respect to the claimed costs for approval by the Project Investor.
6. Each of the Parties shall keep appropriate records of the financial and other transactions relating to this Memorandum.
7. For the avoidance of doubt, to the extent that there are any overlapping financial obligations in this Memorandum and the General Memorandum, performance of such obligations under any of them will discharge the Project Investor from any parallel obligation under the other.

ARTICLE 15 – SUPERVISION OF WORK PROGRESS

1. Without limiting the responsibility of the Ephorate with respect to the Archaeological Works, the Project Investor shall be entitled to observe the progress of those works.
2. In order to support the Project Investor's supervision of the progress of the Archaeological Works, the Ephorate shall provide the Project Investor a brief report on the progress of the works, accompanied by daily recordings of the works and resources used and an updated timetable for the release of the relevant area on a [•] basis.

ARTICLE 16 – PROMOTION OF THE ARCHAEOLOGICAL WORK

The Parties shall work together for the promotion of any Findings by all measures agreed to be appropriate, including through publications, meetings, events and permanent or temporary exhibitions.

This Memorandum shall come into force following its signature by representatives of both Parties.

In witness of the agreement of the Parties, this Memorandum has been signed in duplicate, with each Party holding one (1) original version.

THE AGREEING PARTIES

[Signature blocks to be included]

SCHEDULE 5

MOU WITH THE MINISTRY OF CULTURE

MEMORANDUM OF UNDERSTANDING AND COOPERATION

In Athens, today, [•] the following parties:

1. The Ministry of Education, Religious Affairs, Culture and Sports (hereinafter the “**Ministry**”), headquartered in Athens, 20-22 Bouboulinas Street, legally represented herein by the Head of the General Directorate of Antiquities and Cultural Heritage, Mr./Ms. [•] and the Head of the General Directorate of Restoration, Museums, and Technical Works, Mr./Ms. [•] and
2. Trans Adriatic Pipeline AG, Lindenstrasse 2, in 6340 Baar, Switzerland, registered at the Commercial Register of Canton of Zug under the no. CH-170.3.030.511-2 (referred to as “**Project Investor**”),

together referred to as the “**Parties**”;

With regard to:

- A) The provisions of Law 3028/2002 (Gov’t Gazette 153/A/26.06.2002), “For protection of Antiquities and Cultural Heritage in general”.
- B) Presidential Decree 191/2003 (Gov’t Gazette 146/A/13.06.2003) on “Organization of the Ministry of Culture”.
- C) Article 81, “Manner of performance of archaeological works”, of Law 1958/1991 (Gov’t Gazette 122/A), “Athletic Societies Anonymes and other provisions”.
- D) Presidential Decree 99/1992 (Gov’t Gazette 46/A/23.03.1992), on “Study and execution of archaeological works in general”.
- E) Presidential Decree 63/2005 (Gov’t Gazette 98/A/22.04.2005), on “Codification of Legislation for the Government and for governmental bodies”.
- F) Presidential Decree 191/2003 (Gov’t Gazette 146/A/13.06.2003), “Organization of the Ministry of Culture”.
- G) Ministerial Decision [ΥΠΠΟΤ/ΔΟΕΠΥ/ΤΟΠΥΝΣ/77040/06.08.2010], (Gov’t Gazette 1354/B/01.09.2010) “Establishment of the non-autonomous ‘Office for Coordination and Monitoring of Archaeological Research and Operations within the Framework of Major Works’ in the Department of Archaeological Sites, Monuments, and Archaeognostic Research, in the Division of Prehistoric and Classical Antiquities [(“D.P.C.A.”)] in the General Directorate of Antiquities and Cultural Heritage of the Ministry of Culture and Tourism”.
- H) Presidential Decree 96/2012 (Gov’t Gazette 154/A/24.07.2012), “Establishment of the General Secretariat of Culture in the Ministry of Education and Religious Affairs, Culture and Sports”.
- I) Presidential Decree 85/2012 (Gov’t Gazette 141/A/21.06.2012), “Establishment and renaming of Ministries, transposition and abolishment of services”.
- J) Law 3812/2009 (Gov’t Gazette 234/A/2009), “Reform of the Recruitment System in the Public Sector and other provisions”.
- K) the Host Government Agreement between the Hellenic Republic and the Project Investor dated [●] (the “**Host Government Agreement**”); and
- L) The principles of Sustainable Development.

Stated, agreed, and accepted the following:

PREAMBLE

1. This Memorandum provides for:
 - a. the supervision by the competent Ephorates, for the possible existence of archaeological findings (“**Findings**”), of the works to be undertaken by or on behalf of the Project Investor for the purpose of creating a trench (the “**Trench**”) for the laying of a natural gas transmission pipeline (the “**Pipeline**”) for the Trans Adriatic Pipeline project (the “**Project**”); and
 - b. if Findings are discovered during the above process:
the methods, conditions and requirements for conducting trial and rescue archaeological excavations (together, the “**Rescue Works**”) during the implementation phase of the Project, as well as the methods for the storage, custody, maintenance, documentation, and publications of any Findings which may arise from any Rescue Works, under the provisions of Law 3028/02.
(a) and (b) together being the “**Archaeological Works**”)
 - c. protection of monuments which may be affected by construction works, under the provisions of the above Law.
2. The purpose of this Memorandum is to facilitate, systemize, and accelerate the Archaeological Works, as well as works to protect and promote monuments, within the framework of construction of the Project having as a main target the prompt release of the Trench and completion of construction works, to avoid any delays in the progress of the construction of the Pipeline.
3. All terms of this Memorandum are essential, and any amendment to it must be in writing by mutual agreement between the parties. Otherwise, the provisions of current legislation and any publicly known administrative procedures (in each case, to the extent relevant) governing the protection of antiquities shall apply, which shall not be affected by this in any way, unless provided otherwise in this Memorandum.
4. Terms defined in the Host Government Agreement shall have the same meaning when used in this Memorandum, unless otherwise defined herein.

Article 1

Terms of cooperation

1. Communication and any necessary consultation on any matters relating to implementation of the Archaeological Works within the framework of the Project shall take place between the Central Office of the Ministry (“Office of Coordination and Monitoring of Archaeological Operations of the Directorate of Prehistoric and Classical Antiquities within the framework of Major Works”) (hereinafter: the “**Office**”), or the competent Regional Services of the Ministry, and the representative appointed by the Project Investor.
2. Costs of the Archaeological Works and projects for protection, maintenance, and promotion of monuments, archaeological sites, and historical places, carried out within the zone defined in article 3 par. 5 below, as well as costs for protection works, maintenance, and promotion of any Findings or monuments which may be affected by the construction of the Project, shall be borne completely by the Project Investor, in accordance with article 37, paragraph 6 of Law 3028/2002.
3. The Archaeological Works, including with respect to the protection, maintenance, and promotion of the Findings, are the sole responsibility of the Regional Services of the Ministry, the heads of which shall be solely responsible for the management, supervision, and responsibility of the Archaeological

Works, any associated scientific research, and the care for documentation, evaluation, storage, preservation, study, and publication of the Findings. The Project Investor shall not interfere in the Archaeological Works except where required to do so by applicable Law (including as a result of a health and safety incident) or as may be approved by the competent Ephorates. The abovementioned shall not limit the right of the Project Investor to request information from the competent Regional Services in relation to the above Archaeological Works.

4. The studies which will be necessary, following an opinion by the competent advisory body, for protection, preservation, and promotion of monuments and archaeological sites within the zone of the Project defined in article 3 par. 5 below and the area secured for the needs of the Project, and which will be developed either through specialized staff engaged by the Project Investor, or through commissioning of a specialized consultant office by the Project Investor and supervised by the Ministry, shall be the responsibility of the Project Investor.

Article 2

Schedule of Archaeological Research

1. The Project Investor is required to notify the Ministry two months prior to the start of construction of the Project, as well as to provide the Project time schedule and projected program for the sections that will be built in priority. Within 30 days after the above notification, the competent Central Services of the Ministry shall notify the Project Investor, via the Office, of the “basic plan – budget” for the work under their authority, which shall be funded from the budget of the Project. This will include:
 - Areas to be crossed by the Project where archaeological investigations are required through trial trenching, as well as existing monuments which may be affected by the construction work.
 - The competent Regional Services of the Ministry and the chief archaeologist for each section of the Project.
 - Any necessary individual studies for protection and maintenance of monuments.
 - Existing infrastructure of the Ministry which is available for storage, maintenance, etc. of any Findings in each area.
 - Approximate budget for research expenditures on regions where archaeological research is known to be needed.
 - Detailed time schedule of the Archaeological Works in line with the Project time schedule.

These will be identified on a geographic chart with imprints of the Project implementation zone, to be provided by the Project Investor.

The “basic plan – budget” shall be amended on a semi annual basis by the Office depending on the progress of the work, the section schedules, and research findings, on the authority of the Ministry and in consultation with the Project Investor.

2. The Project Investor shall have the right to elaborate any seismic, geotechnical and hydrogeological research, prior to the commencement of any archaeological research in consultation with the competent Ephorates of the Pipeline route.
3. The competent Ephorates of Antiquities will monitor all earthworks, including deforestation, surface digging, excavation, landscaping, and embankments, in all sections of the Project. If information from the detailed archaeological documentation report indicates that there is a need for immediate and continuous monitoring of the excavation work, field archaeologists will be engaged for the needs of the Project, and will be appointed as supervisors and monitor all of the above works, in all sections of the Project. They will submit reports to the competent Ephorates of Antiquities on a weekly basis, covering progress of the Archaeological Works, the number of workers employed in

the Archaeological Works, any Findings, and a timetable for completion covering each Archaeological Work. Teams performing the above tasks are required to follow the directives of designated officials of the Ministry, as regards the manner and means of work, as well as, where appropriate, with regard to the type of machinery.

4. In the event that the Project passes through an area where there are no visible antiquities or superficial indications of the same (shreds or otherwise) and the construction is done with embankments without any excavation work on the soil surface, other than removal of topsoil (φυτικές γαίες) and/or construction of a culling layer, then trial excavations will not take place under any circumstances. If archaeological evidence is found during the removal of topsoil within the zone defined in article 3 par. 5 below, then a trial survey shall be conducted.
5. In the event that antiquities are discovered, mechanical excavation shall cease and excavation research will begin as set out in Article 3 below. Otherwise, immediately after completion of excavation work, the area shall be handed over by the competent service of the Ministry for the implementation of the Project. In the case of the first section of this paragraph, and following completion of excavation researches, i.e. the excavation work and documentation (preliminary reports of results, photographic and sketched surveys for the purpose of dating and interpretation of the Findings), the competent Regional Services of the Ministry shall send (within 15 days at the most) the relevant case file, depending on the authority to the Office, in order for the subject to be introduced with absolute priority at the next scheduled Meeting of the competent central consulting body of the Ministry, the Central Archaeological Council [C.A.C.], or the Central Council of Modern Monuments [C.C.M.M.] respectively, depending on which has authority, in accordance with the provisions of Article 50 of Law 3028/2002, so that there are no delays in delivery of the spaces and in order to respect the timeframe of the Project.
6. If the competent Council decides that the continuation of the works for the implementation of any section of the Project shall not be permitted, the Project Investor shall be entitled to propose an alternative routing for the relevant section of the Project. In all other cases, and following completion of any additional necessary Archaeological Works provided in the Council's decision, the area shall be handed over immediately, without any delays, by the competent Ephorates to the Project Investor for the continuation of the Project.
7. To avoid delays, the Project Investor shall use its reasonable endeavors to deliver those sites which are to be the subject of Rescue Works, already fenced and to the extent required for conducting the relevant works, free of any vegetation and from any additional materials which are not archaeological back-fillings. There must also be predictions regarding runoff of rainwater and retaining/bracing of slopes adjacent to buildings and streets, in the event of excavation.
8. In order for research to be conducted quickly and efficiently, it is essential for the Project Investor to secure the necessary logistics/infrastructure in a timely manner.

Article 3

Extent and duration of the archaeological research

1. If, during the course of trial excavations or during the course of work, in any part of the Project, the presence of antiquities is established, work shall cease immediately, to be followed by rescue excavations.
2. The Heads of the competent Regional Services of the Ministry, prior to the commencement of any excavation or other archaeological work, shall make a preliminary estimate of the duration of the survey or intervention, and the required number of personnel of each specialty, in collaboration with the Project Investor, in order to meet staggered deadlines for implementation of the Project so far as

- possible. The completion time for the excavation project may be revised only for the reasons and as provided for in each individual MoU with the competent Ephorates.
3. During the surveys, a diary of the work shall be kept, signed by the chief archaeologist, in which will be recorded:
 - a. Employees, by specialty and assignment.
 - b. Necessary transportation or other work.
 - c. Work stoppages due to weather or other problems.
 4. On a monthly basis, a debriefing/program report shall be delivered to the Project Investor, which will contain:
 - a. The number of workers.
 - b. Other expenses in accordance with the obligations of the Project Investor, accompanied by the relevant invoices and/or legal vouchers or other equivalent accounting documents.
 - c. A summary of excavation results which will be reflected in the geographic chart.
 - d. An assessment of compliance with plans which shall also be reflected in the geographic chart on an appropriate scale in order to reflect the form of the Project, the boundaries of the zone occupied by the Project, and the excavation grid.
 - e. Requests for redefinition of time or expansion of the work, as well as issues related to the preliminary report of results after completion of excavation for the purpose of dating and interpretation of them (recording, maintenance, documentation, etc.), always accompanied by the required budget.
 5. The Rescue Works are to cover the Trench for the laying of the Pipeline together with, where necessary and agreed by the Project Investor and the Office or the competent Regional Services of the Ministry (as the case may be), a zone of a maximum width of five (5) meters measured from the relevant axis in those areas where that additional zone is necessary. It is emphasized that according to the applicable legal framework, except for the Above Ground Facilities land, the Project Investor has only easement rights for the construction and installation of the Pipeline, without any ownership right over the relevant land.
 6. For the Above Ground Facilities, the Rescue Works shall be limited to the actually excavated area for the construction of the Project and shall be extended beyond that area within the ownership/expropriation limits of the Facilities, only when necessary for correct scientific understanding and assessment of the Findings, and documentation and protection of the monuments.
 7. The direction, scientific oversight, and responsibility for all types of Archaeological Works, such as (surface) surveys, and Rescue Works, shall be the responsibility of the competent Head of the Ephorate of Antiquities of the Ministry, who shall plan and coordinate the Archaeological Works and shall cooperate with the Project Investor to solve any problems. The Head of the Ephorate shall also assign tasks to field archaeologists, whose chief shall be designated, as the case may be and according to the ability of the Regional Service, an archaeologist of the Service with a permanent or indefinite employment relationship.
 8. The Ephorates of Antiquities must cooperate closely with each other, as well as with the Office, in order to coordinate their actions, to avoid delays and bureaucratic obstacles.
 9. The Project Investor must take all measures necessary for monitoring and prevention of damage to existing monuments which are adjacent to the Project zone. The Project Investor shall bear responsibility and expenses for restoration of any damaged monuments and the surrounding area over which the Project Investor has ownership, easement or expropriation rights. Wherever the competent Services of the Ministry deem it necessary, deformations (static and dynamic) will be monitored by instruments in order to avoid damage to monuments and buildings.

Article 4

Excavation – archaeological documentation

The Parties acknowledge that the logbooks maintained by the archaeologists on a daily basis, as well as all other documentation relating to the Archaeological Works (including the final report lists of each field, catalogues of Findings, drawings and photographs) shall be collected by the head archaeologist (as nominated by each Ephorate) and delivered to the archaeologist of that Ephorate who is responsible for the excavation at the end of each month or following completion of the research of each field. The latter shall compose the final report and list of Findings of each section.

Article 5**Findings Recording**

1. The Parties acknowledge that recording crews (composed of a surveyor and planners) will be required in sections of the (surface) survey, trial trenching, and excavations, in order to record, under the instructions of the field archaeologist, any Findings in a timely and accurate manner and to ensure swift and uninterrupted continuation of the excavation.
2. The excavation monitoring team, joined by staff experienced in recording shall prepare general plans for each section, which shall be certified by the head of the competent Ephorate and shall be filed in the plan archive of the competent Ephorate. The Cost of the recording of the Findings shall be borne by the Project Investor.

Article 6**Photographing of Findings**

1. The Parties acknowledge that the field archaeologists shall take digital photographs for documentation purposes in connection with the Archaeological Works. General shots, video, special photography of Findings, computer processing of the same, and their printing shall be assigned, following a reasonable proposal of the competent Ephorates to professional photographers.
2. All photographic material together with relevant catalogs shall be delivered by the relevant Rescue Works monitoring group, after having been associated with the final report and the catalog of Findings in the photo file of the competent Regional Service of the Ministry. The cost of photographing the Findings shall be borne by the Project Investor.

Article 7**Storage, Maintenance and documentation of movable Findings**

1. All Findings shall be maintained under the responsibility of the Regional Services of the Ministry by appropriate personnel in their laboratories or in places which will be created, if such laboratories are not sufficient to accommodate the new Findings.
The need for new storage sites, the recruitment of additional maintenance personnel, the need for additional equipment of the existing laboratories and the final timetable regarding the funding of the relevant expenses by the Project Investor shall be discussed between the competent Services of the Ministry and the Project Investor, following relevant request from the Services of the Ministry or the Project Investor. The whole process shall be coordinated by the Office.
2. The Project Investor shall ensure the availability of qualified and ancillary maintenance personnel, as well as the necessary infrastructure (machinery, tools and materials) throughout the duration of the Rescue Works and following a request of the competent Regional Services of the Ministry, in consultation with the Office, and approval of the Project Investor for a reasonable time, beyond that

time period which shall not exceed [6] months, in order for the final excavation report and the Findings' list to be completed.

3. Responsibility for transfer of the movable Findings lies with the competent Ephorates. The transfer shall be performed by means of appropriate transport which shall be provided specifically for that purpose by the Project Investor. All movable Findings shall be transported to the archeological warehouses of the Regional Services of the Ministry or to such other sites as may be nominated by the competent Ephorate. Transportation shall be provided on a daily basis. All transfers provided for in this paragraph must be completed within [2] months following a relevant request by the Project Investor to the competent Ephorates.
4. Upon discovery of antiquities in each excavation sector and in order to ensure the protection of movable Findings during the reasonable time period required until their storage, the Project Investor shall procure for the security of the site throughout the duration of the excavation and shall be obliged to engage and provide, as appropriate, security personnel for this purpose which shall be engaged 24 hours a day with rotating shifts.
5. The total expenditure for the Archeological Works, namely the supervision of the excavation work, the conduct of Rescue Works pursuant to article 37 of L. 3028/2002 and the undertaking of precautionary measures to protect the monuments against risks during the implementation of the Project, the research, excavations, management and promotion of archeological Findings shall be funded by the Project Investor. The budget of such expenses shall not exceed the amount of [•]Euros (this amount will be filled in at the time of execution of this MoU on the basis of a 5% calculation on the amount of the excavation works).

Article 8

Protection of antiquities

1. For the purpose of maintenance and protection of any discovered Findings, the current provisions of the relevant archeological legislation shall be applicable and the relevant expenses shall, to the extent required by that legislation, be borne by the Project Investor.
2. If amendments regarding the location or the routing of the Project are required for the purpose of maintaining and protecting the antiquities, following an Opinion of the competent bodies of the Ministry, the Project Investor shall be **promptly** informed so that the relevant agreements and actions shall take place.
3. In case where, for any reason whatsoever, an early discontinuation or termination of the relevant construction agreement for the project occurs, the Findings shall be immediately covered under terms and procedure to be set forth by a decision of the Minister of Culture and Tourism following an opinion of the C.A.C. or C.C.M.M. pursuant to the provisions of L.3028/2002.

Article 9

Personnel

1. The definition/determination and specialty of the necessary scientific and technical personnel to carry out archaeological research and works in the framework of the Project shall be effected in the individual memoranda to be executed between the competent Ephorates and the Project Investor along with the work timetable which may be amended depending on the progress and the type of works required at every stage of the archeological research. The above personnel shall be engaged by the Project Investor or an entity nominated by the Project Investor.
2. Prior to engaging each of the personnel, the Project Investor shall provide the competent Ephorate with a description of the qualifications of the proposed person. The competent Ephorate may reject

any of the proposed persons within 7 days of receipt of the relevant description by the Project Investor on the grounds that the proposed person is not appropriately qualified in view of the particular nature of the Archaeological Works. A failure by the competent Ephorate to respond within 7 days shall be deemed to be an approval of the proposed person.

3. In case a member or members of the scientific and technical personnel need(s) to be replaced for reasons affecting the progress of the archeological researches and works, the competent Directorate of the General Directorate of Antiquities and Cultural Heritage or the General Directorate of Restoration, Museums, and Technical Works proceeds with the necessary actions, following recommendation of the competent Regional Services of the Ministry and after the Project Investor having been informed on the matter, has stated its opinion and proposed the substitute(s). The engagement of the substitute(s) is obligatory for the Project Investor.
4. The Project Investor may require the competent Ephorate to increase the number of personnel for the purpose of accelerating the Archaeological Works subject to the Project Investor also agreeing a commensurate increase to the total monthly cost for the personnel as provided for in each individual memorandum with the competent Ephorates.
5. In case one of the contracting parties wishes to accelerate the works in a specific section, in order for the deadlines to be met, it may raise the issue of overtime work. The Ministry shall be responsible for the organization and monitoring of the works during the overtime work.
6. The employees in the archeological projects, as well as in the projects regarding the protection and promotion of monuments, archeological sites and historical places shall be obliged to perform the work assigned to them, taking orders and instructions only by the Head of the competent Regional Service of the Ministry, who shall exercise control over their work.
7. The Parties shall ensure that the personnel comply with the Project Investor's health, safety and environmental rules when assessing any Project Site.
8. The work schedule to be followed is that of the Project site, whilst the employees might work overtime pursuant to par. 5 of Article 9. Moreover, any change to the working hours might take place following a joint request of the competent Regional Services of the Ministry, if the matter concerns the protection and security of revealed antiquities.

Article 10

Infrastructure

1. The infrastructure is comprised of the following categories:
 - a. General infrastructure, including the creation of office space and temporary storage space in a separate premise or in the Project site along with the necessary networks.
 - b. Infrastructure of surface research, trial trenching and excavation and the consumables required.
2. The provision of the above shall, subject to an agreement being reached in that respect between the competent Ephorate and the Project Investor, be ensured by the Project Investor.

Article 11

Promotion and publications of the archaeological work

Pursuant to the terms in Paragraph 6 of Article 37 of Law 3028/2002, necessary costs for maintenance, study and publication of any Findings shall be covered by the Project Investor, following an agreement with the competent Regional Service of the Ministry.

The parties shall work together for promotion and publicizing of any Findings in accordance with current legislation (article 39 of Law 3028/2002), as well as preservation and promotion of archaeological

monuments, by all measures deemed appropriate (e.g. publications, meetings, events, permanent or temporary exhibitions, provision of access to archaeological sites and labeling of the same, transportation and preservation of monuments in adjacent areas, etc.).

On the initiative and by request of the Project Investor, it is possible to enhance and promote the archaeological project, through the exhibition of casts and photographs on the installations of the construction site. The relevant proposal – study shall be formed in consultation with the competent Regional Services of the Ministry and shall be submitted, through the Office, to the competent Departments of the Ministry, for approval by the Central Service, following an opinion of the C.A.C. or the C.C.M.M.

Article 12

Individual Memoranda of Understanding and Cooperation

Special Memoranda of Understanding and Cooperation shall be drafted in substantially the same form as that set out in Schedule 4 of the Host Government Agreement, which will take into account all articles of this Memorandum and will contain additional terms which will concern the Project. They will be co-signed by the relevant Heads of the Regional Services of the Ministry and the Project Investor.

For the avoidance of doubt, to the extent that there are any overlapping financial obligations in the above Special Memoranda of Understanding and Cooperation and this Memorandum, performance of such obligations under any of them will discharge the Project Investor from any parallel obligation under the other.

Article 13

Compliance/Competence

Responsibility and supervision of compliance with the terms of this Memorandum shall be borne by:

- The competent Departments of the Central Service of the Ministry, assisted by the Office, the competent Regional Services, and
- The Project Investor.

Article 14

Final provision

This Memorandum shall be in force following its signature by representatives of both Parties. In witness of the agreement of the parties to the above, this memorandum is drafted and signed in triplicate.

THE AGREEING PARTIES

SCHEDULE 6

PROVISIONS RELATING TO AUTHORITY PERMISSIONS

1. Environmental Terms Approval (ETA)

- 1.1 By virtue of a decision of the General Secretary of the Ministry of Environment, Energy and Climate Change, following a reasoned proposal by the competent authority, the deadlines specified in article 3 paragraph 2(b) of Greek Law 4014/2011 and article 4(B) of Ministerial Decision 167563/EYΠΠΕ/2013 (GG 964/B/19.04.2013) shall be extended up to maximum of three months in total.
- 1.2 For the avoidance of any doubt, the granting of an Independent Natural Gas System Permit shall not be a prerequisite for the ETA.
- 1.3 If the procedure laid down in article 10(4) of Greek Law 4014/2011 needs to be followed for the purpose of the Project, the State shall procure that (i) the request to the European Commission for obtaining its opinion on the issue shall be submitted within 45 days of a relevant request by the Project Investor; and (ii) the issuance of the relevant decision by the Minister of Environment, Energy and Climate Change be made within 45 days following receipt of the opinion of the European Commission.

2. Characterisation of Land Cover Forms

- 2.1 For the avoidance of any doubt, granting of an Independent Natural Gas System Permit will not be a prerequisite for the Characterisation of Land Cover Forms.

3. Installation Act

- 3.1 For the avoidance of doubt, granting of an Independent Natural Gas System Permit (the **INGSP**) will not be a prerequisite for the issuance of the Installation Act for the purposes of the Project.

4. Installation Permit

- 4.1 For the purposes of acquiring of a certificate of land uses, specific and special deviations from existing land uses shall be allowed provided that a presidential decree will be issued upon a proposal made by the Minister of Environment, Energy and Climate Change, following consultations with the Central Council of Town Planning Issues and Contestations (ΣΥΠΙΟΘΑ). The presidential decree shall be issued within six (6) months of the Project Investor's application. It is hereby clarified, for the avoidance of doubt, that the granting of the ETA shall be sufficient for the issuance of the presidential decree and there shall be no requirement for the prior acquisition of any Relevant Rights over the Project Land.
- 4.2 It is hereby clarified for the avoidance of doubt that the submission of titles of easement rights or other Relevant Rights shall not constitute a prerequisite for the issuance of the Installation Permit in relation to the pipeline. Specifically with regard to the above ground facilities, the existence of titles of ownership shall be examined at the stage of assessment of the building construction permit and shall not impede commencement of the licensing procedure, processing of the application or issuance of the Installation Permit.
- 4.3 For the avoidance of any doubt, granting of the INGSP or the Independent Natural Gas System Management Permit will not be a prerequisite for the issuance of the Installation Permit. For the

purposes of applying for the issuance of the Installation Permit, the Project Investor shall be considered to be the operator of the INGS.

5. Protocol of Installation in Forest Areas

- 5.1 For the avoidance of any doubt, the granting of an INGSP will not be a prerequisite for the issuance of the Protocol of Installation in Forest Areas.

6. Building Construction Approval and Building Construction Permit

- 6.1 The Project Investor shall be entitled to apply to the competent authority for the issuance of the building construction approvals and permits required for the implementation of the Project before the issuance of the Installation Permit. The Installation Permit will not be a prerequisite for the issuance of the building construction approvals. Nevertheless, the relevant building construction permits will only be granted subject to submission of the Installation Permit to the authority competent for their issuance.

7. Compatibility with General and Special Spatial Planning

- 7.1 For the avoidance of any doubt, it is stated that the Project serves the purposes set out in the General Plan for Land Planning and Sustainable Development (Ministerial Decision 6876/4871/2008 (Government Gazette 128/A/2008)). In particular, the Project is important for the purposes of upgrading the country to an energy hub, and enhancing the international role of Greece as a centre for transfer of natural gas. To this end, article 6, paragraph B.2(c) of the General Plan for Land Planning and Sustainable Development shall be read as to also include completion of the Project.
- 7.2 Furthermore, the Project is of public interest and serves the targets and purposes set out in the following regional plans:
- 7.3 The East Macedonia and Thrace Regional Plan (MD 29310/2003, Government Gazette 1471/B/9.10.2003);
- 7.4 The Central Macedonia Regional Plan (MD 674/2004, Government Gazette 218/B/6.2.2004); and
- 7.5 The Western Macedonia Regional Plan (MD 26295/2003, Government Gazette 1472/B/9.10.2003).
- 7.6 The State hereby undertakes the obligation to explicitly refer to and include the implementation of the Project in any revision and/or amendment of the above regional plans.
- 7.7 The Project does not qualify as an “industrial investment” within the meaning of the Special Sectoral Plan for Industry (JMD 11508/2009, Government Gazette 151/AAP/13.4.2009), and therefore, the above plan does not apply to the Project.

8. Class location

- 8.1 The Greek Facilities will be constructed according to the specifications laid down in Ministerial Decision D3/A/oik.4303/PE/26510/5.3.2012 “Technical Regulation: Natural Gas Transmission Systems with Maximum Operation Pressure exceeding 16 bar”, as amended and in force, including any provisions thereof in relation to Class Location (zoning).
- 8.2 Article 29 par. 6 of Greek Law 3734/2009 shall apply, *mutatis mutandis*, in relation to the Project.

**INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE GOVERNMENT OF
THE REPUBLIC OF TURKEY
AND
THE GOVERNMENT OF
THE REPUBLIC OF AZERBAIJAN
CONCERNING
THE TRANS ANATOLIAN NATURAL GAS PIPELINE SYSTEM**

AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF TURKEY
AND THE GOVERNMENT OF THE REPUBLIC OF AZERBAIJAN CONCERNING
THE TRANSIT PASSAGE OF NATURAL GAS ORIGINATING AND
TRANSITTING FROM THE REPUBLIC OF AZERBAIJAN TO AND THROUGH
THE TERRITORY OF THE REPUBLIC OF TURKEY VIA THE TRANS
ANATOLIAN NATURAL GAS PIPELINE SYSTEM

PREAMBLE

The Government of the Republic of Turkey and the Government of the Republic of Azerbaijan (hereinafter referred to individually as “State” and collectively as “States”):

Recognising the importance of gas export pipelines from the Republic of Azerbaijan to and through the Republic of Turkey and successful cooperation in the energy sphere between Azerbaijan and Turkey;

Underlining their successful cooperation in similar projects such as the Baku-Tbilisi-Ceyhan Main Export Crude Oil Pipeline and the Baku-Tbilisi-Erzurum Gas Pipeline as well as the sale of Natural Gas from Stage 1 of the Shah Deniz Field;

Acknowledging that development and cooperation in the energy sector between them will further strengthen their commercial and economic relations;

Wishing, in the case of the Republic of Azerbaijan, to further develop and exploit its Natural Gas resources both onshore Azerbaijan and in the Azerbaijani sector of the Caspian Sea and to export the produced Natural Gas originating and transiting from Azerbaijan to and through the Territory of the Republic of Turkey to exit points in Turkey and at the borders between Turkey and Greece and between Turkey and Bulgaria and other points to be agreed by the States, and in the case of the Republic of Turkey to diversify its sources of Natural Gas and promote Natural Gas transit across Turkey;

Underlining that Transit Passage is of a transnational nature requiring uniform and non-discriminatory standards, physically and operationally uninterrupted infrastructure and is in accordance with applicable international agreements including the Energy Charter Treaty;

In the light of their signature of an Intergovernmental Agreement on 25 October 2011 regarding the sale of Gas from stage 2 of the Shah Deniz Field and Transit Passage of Natural Gas originating and transiting from the Republic of Azerbaijan to and through the Territory of the Republic of Turkey and including their commitment to supporting and progressing the TANAP Project as a new, independent and standalone pipeline to provide secure and uninterrupted Transit Passage of Natural Gas through the Territory of the Republic of Turkey from the Georgia/Turkey border to exit points within Turkey and to exit points on the borders of Turkey with Greece and Bulgaria and other points to be agreed by the States;

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Acknowledging the Memorandum of Understanding entered into on 24 December 2011 between the Republic of Turkey and the Republic of Azerbaijan, regarding the TANAP Project with the intention of establishing a project consortium Entity (hereinafter referred to as the TANAP Project Entity) in which the participating interest of the Turkish Participants as defined in such Memorandum of Understanding will be 20% (twenty per cent) and the participating interest of the Azerbaijani Participants as defined in such Memorandum of Understanding will be 80% (eighty per cent); and

Recognising that the realisation of the TANAP Project has strategic importance for the States and envisages private initiative and enterprise, that it is necessary for the development of stage 2 of the Shah Deniz field and wishing to safeguard the efficient and secure development, ownership and operation of the TANAP System;

HAVE AGREED AS FOLLOWS:

**PART I:
INTERPRETATION AND SCOPE OF THE AGREEMENT**

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1. Definitions

Unless otherwise defined herein, capitalised terms used in this Agreement (including the Preamble), shall have the same meaning as in the attached Host Government Agreement and not otherwise defined therein, shall have the following meaning:

"Agreement" shall mean this Intergovernmental Agreement, as amended, supplemented or otherwise modified from time to time.

"Constitution" means the constitution of a State, as the same may be amended, modified or replaced from time to time.

"Host Government Agreement" shall mean the agreement entered into on the date hereof between the government of the Republic of Turkey, on the one hand, and TANAP Project Entity, on the other hand, relating to the TANAP System, as appended to this Agreement as such Agreement may be hereafter amended, modified or extended in accordance with the terms thereof.

"Impediment" shall mean any event that occurs or situation which arises that threatens to interrupt, curtail or otherwise impede the Project Activities in the territory of a State.

"SD2 Gas Sales Agreement" means the gas sales agreement entered into by SOCAR (as seller) and BOTAS (as buyer) dated 25 October 2011 for the sale and purchase of Gas from Azerbaijan.

"TANAP Committee" shall have the meaning set out in Article 4.3 of this Agreement.

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1.2. Interpretation

- 1.2.1 The division of this Agreement into articles, sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.
- 1.2.2 Unless otherwise indicated, all references to an "Article" followed by a number or a letter refer to the specified Article of this Agreement.
- 1.2.3 The terms "this Agreement," "hereof," "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular Article or other portion hereof.

1.3. Construction

Unless otherwise specifically indicated or the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders, and "include," "includes" and "including" shall be deemed to be followed by the words "without limitation".

ARTICLE 2 RELATIONSHIP BETWEEN THIS AGREEMENT AND OTHER INTERNATIONAL AND DOMESTIC OBLIGATIONS

- 2.1. Each State confirms and warrants that the execution and performance of this Agreement is within the powers of its government.
- 2.2. Nothing in this Agreement shall derogate from the rights or obligations of any State under the Energy Charter Treaty or any other international treaty or rule of international law.
- 2.3. The Republic of Turkey shall conclude on or about the date of this Agreement a Host Government Agreement with the TANAP Project Entity attached to this Agreement which shall be an integral part of this Agreement and will become binding in accordance with the provisions of Article 13.1 hereunder.

PART II: GENERAL OBLIGATIONS

ARTICLE 3 PERFORMANCE AND OBSERVANCE OF THIS AND OTHER RELATED AGREEMENTS

- 3.1. This Agreement together with the Host Government Agreement establishes the procedures and principles applicable to the TANAP Project and the Transit Passage of Natural Gas within the TANAP System.
- 3.2. Each State undertakes to fulfil and perform each of its obligations under this Agreement.

- 3.3. The provisions of this Agreement shall not limit the scope of the obligations of the parties under the Host Government Agreement.

ARTICLE 4 SUPPORT AND CO-OPERATION

- 4.1. The States shall co-operate in order to establish and maintain necessary and favourable conditions for the implementation and execution of the Project Activities and for the construction, ownership and operation of the TANAP System by the TANAP Project Entity and each State shall ensure that its State Authorities and/or State Entities take all actions necessary for such implementation and execution. Each State, its State Authorities and/or its State Entities shall lend their full support for, and undertake to promote, support and facilitate the measures necessary for, the financing, implementation and operation of the TANAP Project by the TANAP Project Entity and the Project Participants in accordance with the provisions of this Agreement and the Host Government Agreement.
- 4.2. Without prejudice to the generality of the foregoing article, the Republic of Turkey shall:
- 4.2.1. ensure that its State Authorities facilitate the establishment of the TANAP Project Entity or a branch of the TANAP Project Entity within its jurisdiction, allowing it to obtain the licences necessary for the TANAP Project;and
- 4.2.2. ensure that its State Authorities entrusted with regulatory, administrative or other governmental authority shall exercise that authority in a manner consistent with that State's obligations under this Agreement.
- 4.3. The States hereby establish a committee consisting of two (2) representatives from each State to oversee compliance with and facilitate the application and implementation of this Agreement and the Host Government Agreement ("TANAP Committee"). Such representatives shall be authorised and empowered by the respective State to act on its behalf with regard to any matter brought before the TANAP Committee in respect of the TANAP Project. TANAP Consortium Members and the TANAP Project Entity may bring any matters falling within the scope of this Article 4.3 directly to the TANAP Committee. Within 30 days from the entry into force of the Agreement the first TANAP Committee meeting shall be convened. The TANAP Committee shall meet in good faith at all reasonable times and as often as reasonably required, including full consultation with the TANAP Project Entity, for the purposes of enabling and supporting the implementation of Project Activities.
- 4.4. The States agree and acknowledge that SOCAR (or its Affiliates) will establish an Entity in order to construct, install, possess, own, control and operate an electronic communication infrastructure (fibre-optic cable) along the Pipeline Corridor of the

TANAP System in accordance with the grants of rights and obligations made in Article 37.8 of the Host Government Agreement.

ARTICLE 5 LAND RIGHTS

The Republic of Turkey shall facilitate the grant or the acquisition of Land Rights necessary for the realisation of the TANAP Project under fair, transparent and legally enforceable terms and conditions.

ARTICLE 6 CONNECTIONS TO OTHER SYSTEMS

The Republic of Turkey shall support and facilitate interconnection with other gas pipeline systems on the Georgia-Turkey border, the Greece-Turkey border, the Bulgaria-Turkey border and national transmission system of the Republic of Turkey.

ARTICLE 7 TRANSIT PASSAGE

- 7.1. The Republic of Turkey shall ensure the freedom of Transit Passage and shall take all measures and actions, emergency or otherwise, to prevent the taking of any Transit Passage Gas by any State Authority or State Entity (except where the State Entity is entitled to take such Gas as a party to a commercial gas transportation agreement with the TANAP Project Entity).
- 7.2. The Republic of Turkey shall ensure that the Transit Passage Gas shall not be interrupted, delayed, restricted or curtailed except as permitted as the case may be under the Host Government Agreement.
- 7.3. Neither the Republic of Turkey nor any State Authority nor State Entity shall demand or require to be paid any fee, charge or requirement for payment of any kind for the right of Transit Passage save as expressly set out in the Host Government Agreement.
- 7.4. The TANAP Project Entity shall be entitled to use itself and/or to market to Shippers the total capacity of the TANAP System in its sole discretion and to negotiate, agree and charge the tariffs to be charged to Shippers under commercial gas transportation agreements with those Shippers provided that the Ministry of Energy and Natural Resources of the Republic of Turkey is notified about such capacity allocations, tariff calculation methodology, if any, and tariffs.
- 7.5. Each State shall use reasonable endeavours to remove or avoid Impediments on its territory.
- 7.6. With acknowledgement of the SD2 Gas Sales Agreement, the States agree that all Gas to be delivered under the SD2 Gas Sales Agreement will be transported via the TANAP System from the Entry Point to the Exit Point(s) in Eskişehir and the

Thrace Region within the Territory subject to: (i) the same tariff (adjusted for the actual transportation distance in the Territory) as applies to other Gas from stage 2 of the Shah Deniz field transiting through the TANAP System; and (ii) the achievement of a commercial gas transportation agreement between BOTAŞ and the TANAP Project Entity.

- 7.7. In the event of (i) curtailment of capacity in the TANAP System or (ii) a shortage of Gas produced from stage 2 of the Shah Deniz field development available for delivery into the TANAP System at the Entry Point, allocation of available capacity or volumes, as applicable, shall be made on a pro-rata basis among all eligible Shippers of Gas produced from stage 2 of the Shah Deniz field development.
- 7.8. The States expressly agree that all volumes of Gas belonging to the Republic of Azerbaijan and planned to be shipped via the TANAP System in excess of an initial volume of sixteen (16) billion cubic meters per Year will first be offered to buyers in the Republic of Turkey.
- 7.9. The expansion of the TANAP System above the initial capacity of thirty two (32) billion cubic meters per Year shall be subject to the mutual agreement of the States.
- 7.10. The States agree that the TANAP System must have capacity sufficient at least to include production from the stage 2 of the Shah Deniz field and shall be scalable to accommodate future Natural Gas volumes originating and transiting from the Republic of Azerbaijan.
- 7.11. The States agree that the participating interest of state entities owned by the Republic of Azerbaijan in the TANAP Project Entity shall not be less than 51% (fifty one per cent) of the total participating interest.

ARTICLE 8

TECHNICAL, SAFETY AND ENVIRONMENTAL STANDARDS

Each State shall cooperate and coordinate with the other and the TANAP Project Entity in the application of the relevant technical, safety and environmental standards in accordance with the standards and practices set forth in the domestic law of the Republic of Turkey and international industry practices.

ARTICLE 9

SECURITY

The States recognise the importance of providing security to the TANAP Project in accordance with the provisions of Host Government Agreement.

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PART III TAXES

ARTICLE 10 TAXES

The Host Government Agreement shall set forth the legal framework for the imposition of Taxes and/or the granting of Tax exemptions or privileges, as well as for the imposition of and/or the granting of exemptions from Tax compliance and filing obligations, including specific terms and conditions of any such Taxes, exemptions, privileges and/or obligations.

PART IV FINAL PROVISIONS

ARTICLE 11 RESPONSIBILITY

Any failure of, or refusal by, a State to fulfil or perform its obligations, take all actions and grant all rights and benefits as provided in this Agreement shall constitute a breach of such State's obligations under this Agreement.

ARTICLE 12 DISPUTE SETTLEMENT

- 12.1. Should a dispute arise over the interpretation and application of the provisions of this Agreement, the States shall use their best endeavours first to resolve it through referral to the TANAP Committee or diplomatic channels.
- 12.2. If the dispute has not been settled within a period of six months from the date on which the matter was raised by either State, it may be submitted at the request of either State to an arbitration tribunal which shall be composed of three (3) arbitrators appointed in accordance with the provisions of this Article.
- 12.3. Each State shall select one arbitrator, who may be its national, and those two arbitrators shall designate by mutual agreement a national of a third country, who shall be the Chairman of the tribunal. All the arbitrators must be appointed within 30 days from the date of notification by one State to the other of its intention to submit the dispute to arbitration.
- 12.4. If the period specified in Article 12.3 has not been met, and in the absence of any other agreement, either State shall invite the President of the International Court of Justice ("ICJ") to make the necessary appointments. If the President of the ICJ is a national of either State or if he or she is otherwise prevented from discharging the said function, the member of the ICJ next in seniority, who is not a national of either State, and not otherwise prevented from discharging the said function, shall be invited to make the necessary appointments.
- 12.5. Such arbitration tribunal shall be constituted for each individual case in the following way. The arbitration tribunal shall reach its decision by a majority of

votes. Such decision shall be final and binding upon both States. Each State shall bear the expenses of its own member of tribunal and of its representation in the arbitral proceedings, the expenses connected with the activity of the Chairman of the arbitration tribunal and remaining expenses shall be borne by the two States in equal shares. The arbitration tribunal can, however, provide in its decision that one of the States shall bear a higher proportion of expenses and such decision shall be binding upon both States.

- 12.6. Unless the States agree otherwise, the dispute shall be settled under the Arbitration Rules of United Nations Commission on International Trade Law (UNCITRAL) by the arbitration tribunal.
- 12.7. Unless the States agree otherwise, the seat of arbitration shall be Geneva, Switzerland.
- 12.8. The arbitration tribunal shall decide the dispute in accordance with this Agreement and applicable rules and principles of international law.
- 12.9. Each State acknowledges, consents and agrees that any dispute between a State and a Project Participant related to the TANAP Project under the Host Government Agreement or an applicable Project Agreement shall be subject to private international arbitration in accordance with the terms of such agreement.

ARTICLE 13 ENTRY INTO FORCE

- 13.1. The Government of each State hereby covenants to the other that, following execution of this Agreement, it shall promptly and properly take such measures in order to make it effective under its Constitution as the prevailing legal regime of such State in respect of the TANAP Project under its domestic law and a binding obligation under international law.
- 13.2. This Agreement shall enter into force on the date of receipt of the last written notification by which the States notify each other through diplomatic channels of the completion of their internal legal procedures required for the entry into force of this Agreement.
- 13.3. This Agreement may be amended and supplemented upon mutual agreement of both States. All amendments and supplements shall be settled in separate protocol(s) which shall form an integral part of this Agreement and which shall enter into force according to the provisions of this Article.

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**ARTICLE 14
COMPETENT AUTHORITIES**

For the purpose of implementing this Agreement the States designate the following competent authorities: Ministry of Industry and Energy of the Republic of Azerbaijan and Ministry of Energy and Natural Resources of the Republic of Turkey.

**ARTICLE 15
TERMINATION**

This Agreement shall terminate upon the termination or expiration of the Host Government Agreement. The Republic of Turkey undertakes that the Host Government Agreement will only be terminated in accordance with its terms.

DONE on this 26 June 2012 in İstanbul in two originals each in the Turkish, Azerbaijani and English languages, all texts being equally authentic. In case of divergence of interpretations, the English text shall prevail.

**FOR THE GOVERNMENT OF THE
REPUBLIC OF TURKEY**

**FOR THE GOVERNMENT OF THE
REPUBLIC OF AZERBAIJAN**

H.E. Taner YILDIZ
Minister of Energy and Natural Resources
of the Republic of Turkey

H.E. Natig ALIYEV
Minister of Industry and Energy
of the Republic of Azerbaijan

WITNESSED BY

WITNESSED BY

Recep Tayyip ERDOĞAN
Prime Minister
of the Republic of Turkey

Ilham ALIYEV
President
of the Republic of Azerbaijan

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APPENDIX 1: This Host Government Agreement is attached to and forms an integral part of the Intergovernmental Agreement dated 26 June 2012

**HOST GOVERNMENT AGREEMENT
BETWEEN
THE GOVERNMENT OF
THE REPUBLIC OF TURKEY
AND
TRANS ANATOLIAN
GAS PIPELINE COMPANY B.V.
CONCERNING
THE TRANS ANATOLIAN NATURAL GAS PIPELINE SYSTEM**

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This **HOST GOVERNMENT AGREEMENT** is made between:

the **GOVERNMENT OF THE REPUBLIC OF TURKEY**, represented by the Ministry of Energy and Natural Resources; and

TRANS ANATOLIAN GAS PIPELINE COMPANY B.V., a company organized and existing under the laws of the Netherlands (hereinafter referred to as the "**TANAP Project Entity**")

(each a "**Party**" and together the "**Parties**").

WITNESSETH:

WHEREAS, the TANAP Consortium Members are considering the development of a secure and efficient pipeline system, to be known as the Trans Anatolian Natural Gas Pipeline System, for the Transit Passage, receipt and/or delivery of Natural Gas at the Entry Point and at various Exit Points to, within and across the territory of the Republic of Turkey for delivery to European markets, including the gas market of the Republic of Turkey;

WHEREAS, this Agreement is entered into pursuant to the TANAP Intergovernmental Agreement between the Republic of Azerbaijan and the Republic of Turkey and in furtherance of the Intergovernmental Agreement between the Republic of Turkey and the Republic of Azerbaijan dated 25 October 2011;

WHEREAS, on 24 December 2011, the Republic of Turkey and the Republic of Azerbaijan, entered into the Memorandum of Understanding regarding the TANAP Project with the intention of establishing a project consortium Entity (hereinafter referred to as the TANAP Project Entity) in which the participating interest of the Turkish Participants as defined in such Memorandum of Understanding will be 20% (twenty per cent) and the participating interest of the Azerbaijani Participants as defined in such Memorandum of Understanding will be 80% (eighty per cent);

WHEREAS, the Republic of Turkey and the Republic of Azerbaijan further agreed in the TANAP IGA that the TANAP Project Entity shall have the rights and exemptions granted under this Agreement provided that state entities owned by the Republic of Azerbaijan will always have at least 51% (fifty one per cent) participating interest in the TANAP Project Entity;

WHEREAS, the TANAP Consortium Members intend to invest in the TANAP System, as well as to operate and utilise and/or market its capacity to Shippers, through the TANAP Project Entity on the terms and conditions of this Agreement as well as the Project Agreements and in accordance with international standards and practices;

WHEREAS, the Host Government wishes to facilitate and support the TANAP Project and to promote and protect Investment in the TANAP System within its Territory, recognising that this Investment is of a kind that is to be encouraged by the creation of stable, equitable, favourable and transparent conditions in accordance with the objectives and principles of the Energy Charter Treaty;

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WHEREAS, it is intended that the TANAP IGA and the signed text of this Agreement, forming part of it, together comprise the framework of principles and procedures applicable to the TANAP Project; and

WHEREAS, the Host Government acts on behalf of the State and the State Authorities in matters such as those provided in this Agreement.

NOW, THEREFORE, for and in consideration of these premises, the Parties hereby agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

- 1.1 Capitalised terms used in this Agreement (including the Preamble) and not otherwise defined herein, shall have the meanings ascribed to them below:

"Advance Corporation Tax" has the meaning ascribed to it in Article 23.3 of this Agreement;

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with that Person. For purposes of this definition, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of a majority or other controlling interest in the voting securities, equity or other ownership interest in an Entity, by law, or by agreement between Persons conferring such power or voting rights;

"Agreed Interest Rate" means for each day of an Interest Period with respect to any amount due and payable under or pursuant to this Agreement, interest at the rate per annum equal to LIBOR plus 1 (one) percentage point in effect on the Business Day immediately preceding the first day of the initial applicable Interest Period and, thereafter, as in effect on the Business Day immediately preceding the first day of each succeeding Interest Period;

"Agreement" means this host government agreement which will become effective in accordance with Article 2, including all appendices attached hereto, together with any written extension, renewal, replacement, amendment or other modification hereof signed by all the Parties, all of which by this reference are incorporated herein;

"Application Requirements" has the meaning ascribed to it in Article 7.1 of this Agreement;

"Best Available Terms" means, at any time with respect to any goods, works, services or technology to be rendered or provided at any location, the commercially competitive cost-based terms reasonably obtainable in the relevant market, except where the State or a State Entity or State Authority is the sole provider of such goods, works, services or technology in the Territory,

in which case it shall be a price equal to that which such Entity charges other Entities, whether State owned or private;

"Best Endeavours" means the taking by the relevant Person of all lawful steps in such Person's power which a prudent and determined Person would have taken under the circumstances;

"BOTAŞ" means Boru Hatları ile Petrol Taşıma A.Ş., a corporation incorporated under the laws of the Republic of Turkey whose head office is at Bilkent Plaza A-2 Blok Bilkent, Ankara, Turkey;

"Business Day" means any day on which clearing banks are customarily open for business (excluding Saturdays, Sundays and public holidays) in the Republic of Turkey;

"Change of Law" means, in relation to the Republic of Turkey, any of the following which comes into effect after the Effective Date of this Agreement:

- (a) any international agreement which has been signed and ratified by the State, legislation, directive, order, promulgation, issuance, enactment, decree, regulation or similar legislative act of the State, a State Authority or a State Entity (including any which relate to Taxes); and/or
- (b) any change to any of the foregoing (including any change by way of or resulting from amendment, repeal, withdrawal, termination or expiration) (whether such legislative acts in (a) came into effect before or after the Effective Date of this Agreement); and/or
- (c) any change in the jurisprudence of the superior courts of the Republic of Turkey which is binding on the lower courts;

"Commercial Operation Start Date" means the first date on which Gas enters the TANAP System at the Entry Point pursuant to a commercial gas transportation agreement;

"Contractor" means any Person supplying, whether by contract, or sub-contract (provided that such sub-contract has a total contract value of at least USD 150,000 (one hundred and fifty thousand USD)), goods, work, technology or services, including consultancy services, financial services (including inter alia, credit, financing, insurance or other financial accommodations) to the TANAP Project Entity and/or to the Operating Companies, in connection with the TANAP Project, excluding however any natural person acting in his or her role as an employee of any other Person;

"Corporation Tax" has the meaning ascribed to it in Article 23.2 of this Agreement;

"Costs" means, in relation to any Shipper which is controlled by one or more TANAP Consortium Members or their Affiliates any new or increased cost or expense, and in relation to the TANAP Project Entity or any Operating Company

any new or increased cost or expense and any reduction in revenue resulting from, or otherwise attributable to, any Discriminatory Change of Law and that is incurred or suffered in connection with the TANAP Project by any Interest Holder. Such costs or expenses may include:

- (a) capital costs;
- (b) financing costs;
- (c) costs of operation and maintenance; and/or
- (d) taxes, royalties, duties, imposts, levies or other charges imposed on or payable by the Interest Holder;

"Decommissioning Plan" has the meaning ascribed to it in Article 32.2 of this Agreement;

"Designated State Authority" has the meaning ascribed to it in Article 5.1 of this Agreement;

"Discriminatory Change of Law" has the meaning ascribed to it in Article 29.1 of this Agreement;

"Economic Equilibrium" means the economic value to any Interest Holder of the relative balance established under this Agreement and the Project Agreements established pursuant to this Agreement at the applicable date between the rights, interests, exemptions, privileges, protections and other similar benefits provided or granted to such Person and the concomitant burdens, costs, obligations, restrictions, conditions and limitations agreed to be borne by such Person;

"Effective Date" has the meaning ascribed to it in Article 2.1 of this Agreement;

"Energy Charter Treaty" means the Energy Charter Treaty as opened for signature in Lisbon on 17 December 1994;

"Entity" means any company, corporation, limited liability company, partnership, limited partnership, enterprise, joint venture, unincorporated joint venture, association, trust or other juridical entity, organisation or enterprise duly organised by treaty or under the laws of any state or any subdivision thereof;

"Entry Point" means the entry point to the TANAP System at the border of the Republic of Turkey with Georgia as nominated or modified by the TANAP Project Entity and subject to approval by the Host Government;

"Environmental and Social Impact Assessment" or the **"ESIA"** has the meaning ascribed to it in Article 17.2 of this Agreement;

"Environmental and Social Standards" has the meaning ascribed to it in Article 17.1;

"Exit Point" means any exit point from the TANAP System whether at the border of the Republic of Turkey with the Republic of Bulgaria and/or the Hellenic Republic and/or within the Territory; or any other exit point as nominated or modified by the TANAP Project Entity and subject to approval by the Host Government;

"Expropriation" has the meaning ascribed to it in Article 30;

"Facilities" means all physical assets, equipment and installations of any type from time to time owned, in the possession of, or operated or legally controlled by or on behalf of the TANAP Project Entity in the Territory for the purposes of the Project Activities;

"Fair Market Value" means the value to a Project Participant of its Investment with the intention of putting the Project Participant in the position it would have been in if no Expropriation had occurred having taken into account the effects of the Expropriation on its overall business including any related Investments in relation to TANAP Project. Such value shall be calculated assuming a going concern, assuming a willing buyer and a willing seller in a non-hostile environment, and disregarding all unfavourable circumstances leading up to or associated with the Expropriation;

"Force Majeure" has the meaning ascribed to it in Article 28;

"Foreign Currency" means a currency which is widely traded in international foreign exchange markets;

"Foreign Employee" means any employee of any Project Participant that is not a citizen of the State;

"Host Government" means the Government of the Republic of Turkey;

"ICC Rules" means the Rules of Arbitration of the International Chamber of Commerce;

"Initial Operation Period" means the period of twenty-five (25) Years from the Effective Date;

"Interest Holder" means:

- (a) the TANAP Project Entity;
- (b) Operating Companies;
- (c) any Shipper which is controlled by one or more TANAP Consortium Members or its Affiliates, where "control" has the same meaning as in the definition of Affiliate; or

- (d) any successor or permitted assignee of any Person referred to in (a) to (c) above;

"Interest Period" means, for purposes of the definition of "Agreed Interest Rate", a period of thirty (30) days, beginning the first day after the date on which any such amount becomes due and payable and ending thirty (30) days thereafter, with each succeeding Interest Period beginning on the first day after the last day of the Interest Period it succeeds;

"International Financial Reporting Standards" means the international financial reporting standards as adopted by the International Accounting Standards Board or a successor organization;

"Land Registry Law" means the "Land Registry Law" numbered 2644 published in the official gazette of the State on 29 December 1934, as may be amended or replaced from time to time;

"Land Rights" means those rights of examination, testing, evaluation, analysis, access, inspection, construction, use, possession, occupancy, control, assignment and enjoyment (other than ownership) with respect to land in the Territory as set forth in Appendix 2 to this Agreement. The term "Land Rights" is used in its broadest sense to refer not only to the Project Land within, over or under which the Facilities, as completed, will be located, but also such other and additional lands (including seabeds and coasts which will be granted in accordance with National Laws), access routes and land rights within the Territory as the TANAP Project Entity and its designated Contractors may require and designate for the purposes of conducting Project Activities or any other activities necessary for enabling the conduct of Project Activities desired by the TANAP Project Entity for the Project Land in respect of the Facilities;

"Land Rights Entity" has the meaning ascribed to it in Article 16.1 of this Agreement;

"Lender(s)" means any financial institution or other Person providing or mandated to provide any indebtedness, loan, financial accommodation, extension of credit, or other financing or insurers providing political risk insurance to the TANAP Project Entity and/or TANAP Consortium Members in connection with the financing of the TANAP Project (including in respect of any refinancing thereof), and any successor or permitted assignee of any such financial institution or other Person providing financing;

"LIBOR" means the London Interbank Offered Rate (expressed as an annual percentage rate) for three months US Dollar deposits as published by Reuters (or an equivalent successor) at around 11:00 am London time on the relevant day, or if such rate has ceased to be available, any successor or equivalent generally accepted reference rate (in US Dollars for three months) agreed by the Parties and, if no such successor or equivalent generally accepted reference rate exists, the reasonably available funding costs (in US Dollars for three months) of the Person to whom payment is owed;

"Local Currency" means the legal currency issued by the State;

"Loss or Damage" shall mean any loss, or damage, including any cost, injury, liability, obligation, expense (including interest, penalties, attorneys' fees and disbursements), litigation, proceeding, claim, charge or penalty suffered or incurred by a Person, but excluding any indirect or consequential losses or damages and loss or deferral of profit unless caused by any gross negligence or wilful misconduct imputable to such Person;

"National Laws" means the law, including legislation of all kinds, applicable and as may be amended or replaced from time to time in the Territory;

"Natural Gas" or "Gas" means any hydrocarbon or mixture of hydrocarbons and other gases consisting primarily of methane, all of which is substantially in the gaseous phase at an absolute pressure of one decimal zero one three two five (1.01325) bar and at a temperature of fifteen degrees Celsius (15°C);

"Natural Gas Market Law" means the "Natural Gas Market Law" numbered 4646 published in the official gazette of the State on 2 May 2001, as may be amended or replaced from time to time;

"Operating Company" means one or more Entities appointed or selected in accordance with the provisions of Article 6 of this Agreement;

"Person" means any physical person or any Entity;

"Pipeline Corridor" means a sixteen (16) metres wide area of land within the Construction Corridor (including exclusive control of the area above such land to a specified height and rights to such land's subsurface to a specified depth) extending from the Entry Point to the Exit Points;

"Primary Term" has the meaning ascribed to it in Article 2.2 of this Agreement;

"Project Activities" means any and all of the activities conducted by any and all of the Project Participants in connection with the TANAP System including, engineering studies, technical studies, evaluation, development, design, permitting, project development, acquisition of Land Rights, construction, commissioning, installation, financing, insuring, ownership, operation (including the Transit Passage by and on behalf of the TANAP Project Entity or the Shippers), commercial exploitation, repair, replacement, refurbishment, maintenance, capacity expansion or extension (such as laterals), protection and decommissioning of the TANAP System, procurement of personnel, services, plant and material including long lead items, implementation of Project Agreements, this Agreement and all other relevant contracts and agreements, maintenance, repair, and all activities connected with any expansion or extension of the TANAP System;

"Project Agreement" means any agreement (other than this Agreement) or contract, to which, on the one hand, the Host Government, any State Authority or State Entity and, on the other hand, any Project Participant are or later become a party relating to Project Activities, as any such agreement, contract or other document may be extended, renewed, replaced, amended or otherwise modified from time to time in accordance with its terms;

"Project Land" means (i) the Construction Corridor and (ii) those other designated areas of land (contiguous or non-contiguous), including access routes, notified to the State Authorities by the TANAP Project Entity used as the locations upon or under which the TANAP System exists, from time to time, throughout the life of the TANAP Project;

"Project Participants" means the TANAP Project Entity, the TANAP Consortium Members, Interest Holders, Contractors, Operating Companies, Shippers or Lenders;

"Reasonable Endeavours" means endeavours available to the Party concerned as are appropriate in the relevant circumstances;

"SD2 Gas Sales Agreement" means the gas sales agreement entered into by SOCAR (as seller) and BOTAS (as buyer) dated 25 October 2011 for the sale and purchase of Gas from Azerbaijan;

"Shipper" means a Person contracting with the TANAP Project Entity for the use of transportation capacity in the TANAP System;

"SOCAR" means the State Oil Company of the Republic of Azerbaijan;

"State" means the sovereign state of the Republic of Turkey;

"State Authorities" means the Host Government and each and every aspect thereof at every level in respect of the Territory, including all central and local authorities or bodies (whether or not part of or controlled by any superior legal authority in the governmental hierarchy) and any and all instrumentalities, branches and subdivisions of any of the foregoing, and any entity that is directly or indirectly controlled by the State or one or more of its State Authorities;

"State Entity" means any Entity in which, directly or indirectly, the State or the Host Government has equity or similar economic interest or which is directly or indirectly controlled by the Host Government, including agents and representatives of the Host Government. For purposes of this definition, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, by law, or otherwise, provided, however, that any State Entity which may also be a Project Participant will not be a State Entity whenever it is acting in the role of a Project Participant;

"State Land(s)" means the lands that have not been registered with the land registry records as they have not been subjected to cadastral work yet or they are classified as unoccupied lands or areas allocated for common usage of public or public services (roads, pasture, meadow, summer pasture, winter quarters, and etc.) and those lands registered in the name of the Treasury of the Republic of Turkey, within the Territory;

"TANAP Consortium Member" means an Entity holding a participating interest in the TANAP Project Entity;

"TANAP Intergovernmental Agreement" or **"TANAP IGA"** means the intergovernmental agreement signed by and between the Republic of Turkey and the Republic of Azerbaijan on 26 June 2012 concerning the TANAP System together with its appendices as set forth therein, including as such agreement may be extended, renewed, replaced, amended or otherwise modified at any given moment in time in accordance with its terms;

"TANAP Project" means the TANAP System and the Project Activities all as defined and contemplated by this Agreement, the TANAP Intergovernmental Agreement and the Project Agreements, intended to be operational and ready to transport Natural Gas volumes in line with the commencement of production from stage 2 of the Shah Deniz field;

"TANAP System" means the Natural Gas pipeline system including attendant Facilities through the Territory from an Entry Point on the Turkey-Georgia border to Exit Points in the Territory and to Exit Points on the Turkey-Greece and/or Turkey-Bulgaria border and any other Exit Points as agreed by the State and the Republic of Azerbaijan via mainly 56 inch pipeline and having initial capacity sufficient at least to include production from stage 2 of the Shah Deniz field, and including any expansions to accommodate additional Gas volumes originating or transiting from the Republic of Azerbaijan;

"Taxes" means all existing or future taxes, levies, duties, customs duties, import duties, export duties, imposts, VAT, withholdings, fees, assessments or other similar charges payable to or imposed by the State or a State Authority, together with interest, penalties and fines (including financial sanctions and administrative penalties) with respect thereto, and **"Tax"** means any of the foregoing;

"Taxation Office" means any taxation office of the State and any successor thereto;

"Technical Standards" means those codes and regulations regarding the construction, installation, operation and maintenance of the Facilities as set forth in Article 20 and Appendix 1 of this Agreement;

"Territory" means the land territory of the Host Government, its territorial sea and the air space above it, as well as the maritime areas over which it has jurisdiction or exercises sovereign rights in accordance with public international law;

"Transit Certificate" means the certificate which shall be granted in accordance with the Transit Law, for the carrying out of those Project Activities that are within the scope of the Transit Law;

"Transit Law" means the "Law on Transit Passage Through Petroleum Pipelines" numbered 4586 published in the official gazette of the State on 29 June 2000, as may be amended or replaced from time to time;

"Transit Passage" means the transit, carriage, passage or transportation of Natural Gas originating or transiting from the Republic of Azerbaijan through the TANAP System across the Territory of the Republic of Turkey and destined for the member states of the European Union, other European states or other states neighbouring the Republic of Turkey; and includes the transportation of Natural Gas destined for delivery to the Turkish market for as long as it is within the TANAP System;

"Transit Passage Gas" means the Natural Gas in Transit Passage;

"US Dollars" or **"USD"** means the legal currency of the United States of America;

"VAT" means value added tax applicable to the provision of goods, works, services or technology; and

"Year" means a Gregorian calendar year.

1.2 Interpretation

- (a) The division of this Agreement into articles, sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.
- (b) Unless otherwise indicated, all references to an "Article" or "Section" followed by a number or a letter refer to the specified Article or Section of this Agreement.
- (c) The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof.

1.3 Construction

Unless otherwise specifically indicated or the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders, and "include", "includes" and "including" shall be deemed to be followed by the words "without limitation".

Reference to any Person under this Agreement shall include reference to any successors or permitted assignees of such Person.

1.4 Knowledge

References in this Agreement to "knowledge", "awareness" and synonymous terms shall, unless the context indicates the contrary, be deemed to refer to actual rather than to constructive or imputed knowledge.

**ARTICLE 2
EFFECTIVE DATE AND TERM**

- 2.1 This Agreement shall enter into force and become effective and binding on the date (the "**Effective Date**") on which the TANAP Intergovernmental Agreement has entered into force.
- 2.2 Subject to Article 2.3, this Agreement shall continue for a primary term of forty-nine (49) years following the Effective Date (the "**Primary Term**").
- 2.3 Any extension of the term of this Agreement beyond the Primary Term shall be subject to mutual agreement of the Parties.

**ARTICLE 3
TRANSIT PASSAGE OF NATURAL GAS**

- 3.1 Unless otherwise agreed under this Agreement, the Host Government grants to the TANAP Project Entity the exclusive right to conduct the Transit Passage via the TANAP System to its full extent, consistent with the principle of freedom of transit, free of any fees, charges and costs or any other kind of payment and without distinction or discrimination as to the origin, destination or ownership of such Natural Gas, and without imposing any delays or restrictions, other than those specifically provided for in Article 3.2.
- 3.2 The Host Government shall use Best Endeavours to ensure the uninterrupted, unimpeded, unrestricted and uncurtailed flow of Transit Passage Gas and shall take appropriate measures and actions to avoid and prevent the interruption or curtailment of such Transit Passage Gas, except as specifically provided under this Agreement, any Project Agreement and/or where there are reasonable grounds for the Host Government to believe that the continuation of the Transit Passage creates or would create any danger or hazard to public health and safety or the environment or any disproportionate danger or hazard to property.
- 3.3 The Host Government acknowledges and agrees that it shall (i) not take any Transit Passage Gas and shall take preventative measures to this end; and (ii) not claim title to or ownership of or otherwise claim or exert other property or possessory rights over any Transit Passage Gas and, for the avoidance of doubt, this Article 3.3 is not related to any State Authority's or State Entity's right to take delivery of Transit Passage Gas under the terms of a commercial gas transportation agreement to which such State Authority or State Entity is a party, at the designated Exit Point(s).

- 3.4 The TANAP Project Entity shall have the exclusive right to use and/or market to Shippers the total capacity of the TANAP System at its sole discretion and to negotiate, agree and charge tariffs to Shippers under commercial gas transportation agreements with such Shippers without any requirement for approval by State Authorities and/or State Entities. The TANAP Project Entity shall notify to the Designated State Authority, for information purposes only, the tariff calculation methodology, if any, and the tariffs and capacity allocations agreed with the Shipper(s) under each commercial gas transportation agreement which the TANAP Project Entity enters into.
- 3.5 The Host Government confirms that all Gas to be delivered under the SD2 Gas Sales Agreement will be transported from the Entry Point to the Exit Point(s) in Eskişehir and the Thrace Region within the Territory via the TANAP System subject to: (i) the same tariff (adjusted for the actual transportation distance in the Territory) as applies to other Gas from stage 2 of the Shah Deniz field transiting through the TANAP System; and (ii) the achievement of a commercial gas transportation agreement between BOTAŞ and the TANAP Project Entity.
- 3.6 In the event of (i) curtailment of capacity in the TANAP System or (ii) a shortage of Natural Gas produced from stage 2 of the Shah Deniz field available for delivery into the TANAP System at the Entry Point, allocation of available capacity or volumes, as applicable, shall be made on a pro-rata basis among all eligible Shippers of Natural Gas produced from stage 2 of the Shah Deniz field.

ARTICLE 4 RIGHTS OF THE TANAP PROJECT ENTITY

- 4.1 For the purposes of the TANAP Project, the Host Government hereby agrees that the TANAP Project Entity shall have:
- (a) the right to implement and carry out the TANAP Project, conduct all Project Activities, and enjoy all other rights provided to it by the State Authorities under the terms of this Agreement and the Project Agreements;
 - (b) the right to (as the case may be) construct, own, use, possess, operate or control the TANAP System under the terms of this Agreement and the Project Agreements; and
 - (c) the right to implement in accordance with this Agreement the TANAP System for Transit Passage of Natural Gas up to a volume of thirty two (32) billion cubic meters per Year in consultation with the Host Government, and above a volume of thirty two (32) billion cubic meters per Year subject to the approval of the governments of the State and the Republic of Azerbaijan.

ARTICLE 5 DESIGNATED STATE AUTHORITY

- 5.1 The Host Government hereby authorises and appoints the Ministry of Energy and Natural Resources of the Republic of Turkey, to act as the Designated State Authority (the “**Designated State Authority**”). If requested by the TANAP Project Entity, the Designated State Authority, shall provide assistance:
- (a) for the issuance of rights, licences, visas, permits, certificates, authorisations, approvals, consents and permissions provided in this Agreement;
 - (b) for the provision of information, documentation, data and other materials specified by this Agreement or any Project Agreement or appropriate to evidence any grants of rights hereunder or under any Project Agreement in a form sufficient and appropriate to facilitate the carrying out of the TANAP Project or Project Activities or any part thereof;
 - (c) for the submission and receipt of notifications, certifications and other communications provided herein; and
 - (d) with respect to the State Authorities and State Entities, as appropriate to facilitate the implementation of the TANAP Project.
- 5.2 The Designated State Authority shall, promptly following the Effective Date, nominate a direct point of contact for the TANAP Project Entity with respect to the TANAP Project.

ARTICLE 6 OPERATOR

- 6.1 The TANAP Project Entity shall have the right and sole discretion to establish, own and control and/or appoint or select one or more Operating Companies for operating the TANAP System that have been incorporated in the Territory and without being subject to any requirements or restrictions in relation to shareholding structure.
- 6.2 The TANAP Project Entity shall use Reasonable Endeavours to utilise local expertise in services needed for operating the TANAP System.
- 6.3 Any Operating Company shall be entitled to exercise rights of the TANAP Project Entity arising under this Agreement and/or any Project Agreement to which it is a party in relation to Project Activities.

ARTICLE 7 APPLICATION REQUIREMENTS

- 7.1 Upon request by the TANAP Project Entity, the Designated State Authority shall use Reasonable Endeavours to provide a list of the documentation necessary to obtain a specific licence, consent, permit, authorisation, exemption, visa,

certificate, approval or permission (the "**Application Requirements**") on the part of the TANAP Project Entity and such other Project Participants as the TANAP Project Entity may designate in order to carry out Project Activities. Any absence in the list or future requirements imposed by the legislation shall not remove the obligations of the Project Participants. The Application Requirements may be updated from time to time.

- 7.2 Upon request of the TANAP Project Entity, subject to the submission of the Application Requirements therefor, the Host Government shall use Reasonable Endeavours to ensure that any relevant State Authority and/or State Entity provides, within forty-five (45) days but in no event later than the period set forth in the applicable National Laws, all licences, consents, permits, authorisations, exemptions, visas, certificates, approvals or permissions necessary or appropriate (and any renewals or extensions as applicable), to enable TANAP Project Entity and all other Project Participants to carry out all Project Activities in a timely, secure and efficient manner, including:
- (a) operation of the Facilities;
 - (b) use and enjoyment of the Land Rights (subject to the provisions of Article 16 and Appendix 2 Land Rights);
 - (c) customs clearances;
 - (d) import and export licences regarding all equipment, materials, machinery, vehicles, tools, spare parts and supplies and all other goods which will be used in connection with the Project Activities;
 - (e) visas, work permits and residence permits;
 - (f) rights to open and maintain bank accounts;
 - (g) rights to lease or, where appropriate, acquire office space and employee accommodations;
 - (h) rights and licences, in accordance with relevant National Laws, to operate communication and telemetry facilities (including the dedication of a sufficient number of exclusive radio and telecommunication frequencies as requested by the TANAP Project Entity to allow the uniform and efficient operation of the TANAP System) for the secure and efficient conduct of Project Activities;
 - (i) rights to establish such branches, permanent establishments, offices and other forms of business or presence in the Territory as may be reasonably necessary in the opinion of any Project Participant to properly conduct Project Activities, including the right to lease or, where appropriate, purchase or acquire any real or personal property required for Project Activities or to administer the businesses or interests in the TANAP Project; and

- (j) rights to operate vehicles and other mechanical equipment, and in accordance with relevant National Laws, the right to operate aircraft, ships and other water craft, in the Territory.

- 7.3 Without prejudice to Articles 23 and 24 all costs, fees, payments or other relevant expenses as may be revised from time to time in relation to licences, consents, permits, authorisations, exemptions, visas, certificates, approvals or permissions provided pursuant to Article 7.2 shall be paid by the relevant Project Participants in accordance with National Laws provided that such costs, fees, payments or expenses shall be non-discriminatory.

ARTICLE 8 COOPERATION

- 8.1 The Host Government shall within the limits of its authority provide its support and cooperation and take appropriate actions for the efficient and timely implementation, conduct and execution of Project Activities contemplated by this Agreement and the Project Agreements.

- 8.2 The Host Government shall co-operate with the TANAP Project Entity in relation to the process of raising finance for the TANAP Project. In this respect, upon request of the TANAP Project Entity, solely for the purpose of assisting in any attempt to finance all or any part of the TANAP Project or all or any part of its Project Activities within the Territory, the Host Government, on its own behalf and on behalf of the State Authorities, shall confirm in writing, or, as appropriate, execute such documents as are necessary or appropriate to extend directly to any and all applicable Lenders (including multilateral lending agencies and export credit agencies) the representations, covenants and undertakings of the State Authorities as, and to the extent, set forth in this Agreement. If required for the purposes of Lenders' step-in rights, the Host Government shall negotiate direct agreement(s) with the Lenders.

For the avoidance of doubt, this Article 8 does not oblige the Host Government to provide finance for the TANAP Project, the TANAP System, the TANAP Project Entity or the TANAP Consortium Members or to accept financial liabilities in respect of them.

- 8.3 The TANAP Project Entity and Contractors (including those which may be State Entities) shall:
- (a) have the right to procure all services, works, goods and equipment for construction, installation, commissioning and decommissioning of the TANAP System in compliance with internationally accepted competitive procurement procedures which shall not discriminate against or prevent participation of Turkish companies in relation to such tenders. The application of a bidder evaluation scheme shall consider all export credit agency and non-export credit agency covered bids on a non-discriminatory and transparent basis;

- (b) select Turkish companies for the provisions of such services, works, goods and equipment where the offers of Turkish companies are better than or equal to those of companies from other countries in terms of price, quality, availability and other material requirements of any tender;
- (c) acknowledge and agree that the Designated State Authority shall have the right to monitor the TANAP Project Entity's and Contractors' compliance with the principles set out in this Article 8.3.

ARTICLE 9
COMMITMENTS WITH RESPECT TO CERTAIN AGREEMENTS ENTERED INTO
BY THE STATE, STATE AUTHORITIES AND/OR STATE ENTITIES

- 9.1 The privatisation, insolvency, liquidation, reorganisation or any change in the viability, ownership, organisational structure or legal existence of any State Authority or State Entity party to any Project Agreement shall not affect the rights and obligations of the Host Government hereunder or in respect of such Project Agreement.
- 9.2 The Host Government shall, throughout the entire term of this Agreement and of the Project Agreements to which any State Authority or State Entity is a party, ensure that the obligations of such State Authority or State Entity under this Agreement or any Project Agreement are always vested in and undertaken by an Entity authorised to perform and capable of performing such obligations. All obligations of the State Authorities and State Entities under this Agreement and any Project Agreement shall be, and for all purposes hereby be conclusively deemed to be, the obligations of the Host Government.

ARTICLE 10
NON-INTERRUPTION OF PROJECT ACTIVITIES

- 10.1 Without prejudice to its obligations under Article 3 and except as otherwise specifically provided in this Agreement or any other Project Agreement, the Host Government shall not, and shall neither permit nor require any State Entity or State Authority to, interrupt, curtail, frustrate, delay or otherwise impede any Project Activities provided always that where there are reasonable grounds to believe that the continuation of the Project Activities in the Territory creates or would create any danger or hazard to public health and safety or the environment or any disproportionate danger or hazard to property, the Host Government may interrupt the Project Activities in its Territory only to the extent and for the length of time necessary for the removal of the danger or hazard.
- 10.2 If any event occurs or any situation arises which there are reasonable grounds to believe threatens to interrupt, restrict, curtail, frustrate, delay or otherwise impede the Project Activities (a "threat" for the purpose of this Article 10), the Host Government and its State Authorities shall use Reasonable Endeavours to prevent and eliminate such threat, save for any event or situation which is a consequence of operational maintenance or any failure by the TANAP Project Entity, its Contractors and any Operating Company.

ARTICLE 11
THE HOST GOVERNMENT'S REPRESENTATION

The Host Government hereby acknowledges that, as of Effective Date, it has the power to enter into and carry out this Agreement and to perform its obligations hereunder.

ARTICLE 12
TANAP PROJECT ENTITY'S REPRESENTATIONS AND WARRANTIES

12.1 The TANAP Project Entity hereby represents and warrants to the Host Government that, as of the Effective Date:

- (a) it is duly organised, or incorporated, and validly existing in accordance with the legislation of the jurisdiction of its organisation or incorporation, has the lawful power to engage in the business it presently conducts and contemplates conducting, and is duly approved (or to the best of its knowledge is capable of being duly licensed and will in due course become duly approved) or qualified as a national or foreign corporation (as the case may be) in each jurisdiction wherein the nature of the business transacted by it makes such approval or qualification necessary;
- (b) it has the power to enter into and carry out this Agreement and to perform its obligations under this Agreement and all such actions have been duly authorised by all necessary procedures on its part;
- (c) the execution, delivery and performance of this Agreement will not conflict with, result in the breach of, constitute a default under or accelerate performance required by any of the terms of its organisational or incorporation documents or any agreement, decree or order to which it is a party or by which it or any of its assets is bound or affected;
- (d) this Agreement has been duly and validly executed and delivered by it and constitutes a legal, valid and binding obligation upon it, enforceable in accordance with its terms;
- (e) there are no actions, suits, proceedings or investigations pending or, to its knowledge, threatened against it before any court, arbitral tribunal or any governmental body which individually or in the aggregate may result in a material adverse effect on its business or assets or its condition, financial or otherwise, or in any impairment of its ability to perform its obligations under this Agreement, and it has no knowledge of any violation or default with respect to any order, decree, writ or injunction of any court, arbitral tribunal or any governmental body which may result in any such material adverse effect or such impairment;
- (f) it has complied with all laws applicable to it such that it has not been subject to any fines, penalties, injunctive relief or criminal liabilities which individually or in the aggregate have materially affected or may materially

affect its business operations or financial condition or its ability to perform its obligations under this Agreement; and

- (g) no representation or warranty by it contained in this Agreement contains any untrue statement of material fact or omits to state a material fact necessary to make such representation or warranty not misleading in light of the circumstances under which it was made.

ARTICLE 13 BOOKS AND RECORDS

- 13.1. The TANAP Project Entity shall keep copies of books of account, originals or copies of contracts and copies of other files and records reasonably necessary for the Project Activities. Such files and records shall be available for inspection and audit on an annual basis by representatives of the Host Government giving thirty (30) days' notice, unless otherwise mutually agreed, at the TANAP Project Entity's office in the Territory, for as long as may be required by National Laws.
- 13.2. All such books or accounts and other records shall be kept and maintained in the currency of account for the relevant transaction and in accordance with the International Financial Reporting Standards.

ARTICLE 14 INSURANCE

- 14.1 With regard to insurance, the TANAP Project Entity shall effect and maintain insurance and (where applicable) shall cause its Contractors and Operating Companies to effect and maintain insurance, in such amounts and in respect of such risks related to the TANAP Project, as are in accordance with the internationally accepted standards and business practices of the international Natural Gas pipeline industry, having due regard to the location, size and technical specifications of the Project Activities, subject at all times to the availability of such insurance coverage on reasonable commercial terms, and such insurance may be obtained from such companies (including captive insurance companies of the TANAP Consortium Members) as selected by the TANAP Project Entity (or, where applicable, the relevant Contractor or Operating Company). Such insurance coverage, without prejudice to the generality of the foregoing, where available on commercially reasonable terms shall include:
 - (a) loss, damage, injury or death caused by seepage, pollution or contamination or adverse environmental impact in the course of or as a result of the Project Activities;
 - (b) the cost of removing debris or wreckage and cleaning-up operations (including seeping, polluting or contaminating substances) following any accident in the course of or as a result of the Project Activities; and
 - (c) loss or damage to property or bodily injury or death suffered by any third party in the course of or as a result of the Project Activities.

- 14.2 Prior to the commencement of construction of the TANAP System, the TANAP Project Entity shall inform and provide to the Host Government copies of certificates of insurance or other statements from brokers, insurers or underwriters confirming any insurance providing coverage with respect to Project Activities or procured pursuant to this Article 14 and shall do likewise at the renewal of each insurance. If such insurances outlined in Article 14.1 above are not available at commercially reasonable terms, notice shall be given as soon as practicable to the Host Government together with details of reasonable alternative measures to cover the risk such as self-insurance mechanisms.

ARTICLE 15 GOVERNMENT FACILITATION

- 15.1 The Host Government shall (i) to the extent within its authority, give sympathetic consideration to develop and propose to the relevant legislative body, and support the making, passage and enactment of all laws, decrees, decisions or other legislative and regulatory steps as are or may become necessary under its laws to enable the TANAP Project Entity to implement the terms of this Agreement and all Project Agreements and to authorise, enable and support the Project Activities and the activities and transactions contemplated by this Agreement and all Project Agreements; and (ii) use Reasonable Endeavours to cause to be given, in writing, all decrees, orders, regulations, rules, interpretations, authorisations, approvals and consents necessary or appropriate to evidence and perform the obligations under this Agreement.
- 15.2 The Host Government shall, to the extent possible (and, where appropriate, through the Designated State Authority in accordance with Article 5), keep the TANAP Project Entity informed in respect of the development of any laws or regulations in connection with its obligations under this Agreement.

The TANAP Project Entity shall apply to the Designated State Authority for a Transit Certificate and the Designated State Authority shall provide assistance with and coordinate the filing of such application. The Designated State Authority shall not unreasonably withhold any approvals, authorisations and provisions required for, and shall ensure that no unreasonable delay occurs in the granting of, the Transit Certificate.

- 15.3 The Host Government shall assist the TANAP Project Entity in establishing TANAP System interconnections with the national Natural Gas transmission network in the Territory in accordance with National Laws and other transmission networks at the Entry Point and Exit Point(s), as such may be required from time to time.

ARTICLE 16 LAND RIGHTS

- 16.1 Without prejudice to the provisions of Article 5.1 above, the Host Government shall authorise and appoint a State Entity for the purposes of performing the

State's obligations in relation to Land Rights (the "**Land Rights Entity**"), as set forth in this Article 16.

- 16.2 The Land Rights and, in particular, the rights of exclusive use, construction, possession and control (excluding ownership) respecting the Project Land as shall be granted by the State Authorities to the TANAP Project Entity in this Agreement constitute rights to property other than ownership of land.
- 16.3 The Host Government shall assist the TANAP Project Entity with the acquisition and exercise of Land Rights to the extent set out in this Article 16 and Appendix 2, subject always to observing the rights of any other Entity in respect of any infrastructure (including pipeline) which pre-exists the notification of the Construction Corridor by the TANAP Project Entity to the Host Government. Any right granted or made under this Agreement is granted by the Host Government in relation to the carrying out of the TANAP Project and Project Activities by the TANAP Project Entity.
- 16.4 The Host Government shall perform the obligations under this Article 16 and Appendix 2 within the limits of its authority and in accordance with National Laws, provided always that where the Host Government is able to expedite the process in respect of Land Rights or to facilitate the grant thereof, all in accordance with such obligations, laws and regulations, then the Host Government shall use its Reasonable Endeavours in this respect.
- 16.5 The obligations of the Host Government under this Article 16 and Appendix 2 are conditional on the TANAP Project Entity meeting all verifiable and appropriate costs and expenses in relation to the acquisition of the Land Rights which shall include:
 - (a) paying costs and expenses arising as a result of any additional obligations and requirements generated from the application of Environmental and Social Standards as defined in Article 17 and/or principles set forth in the Performance Standard 5 of the International Finance Corporation (Land Acquisition and Involuntary Resettlement); costs and expenses subject to this Article 16.5(a) shall be paid by the TANAP Project Entity;
 - (b) being responsible under the terms of the National Laws for settling or paying compensation for the acquisition of all Project Land to the Persons from whom the Land Rights were acquired (whether State Authorities or other Persons or Entities); and
 - (c) indemnifying the Host Government against any such costs and expenses and all claims.
- 16.6 In respect of Project Land and subject to Articles 16.4 and 16.5 above, the Host Government shall:
 - (a) in the case of State Land, make Land Rights available to the TANAP Project Entity in accordance with the procedures that are established

under the National Laws, and cause other relevant State Authorities to do so;

- (b) in the case of non-State Land, assist the TANAP Project Entity in acquiring Land Rights in accordance with the procedures that are established under the National Laws;
- (c) where the Land Rights Entity has the established capability and expertise to conduct or manage the process of acquiring Land Rights on behalf of third parties, the Host Government shall ensure that an offer is made to the TANAP Project Entity to do so on its behalf on reasonable cost based terms;
- (d) use Reasonable Endeavours (to the extent permitted by the National Laws) to issue, or cause to be issued, and support applications for the issuing of all necessary licences, consents, permits, authorisations or exemptions and land registration certificates required under applicable National Laws and regulations for the TANAP Project Entity to acquire and exercise the Land Rights in all Project Land and to provide public notice of the rights of the TANAP Project Entity to such Land Rights.

The TANAP Project Entity shall not be subject to the restrictive provisions of the Land Registry Law regarding acquisition of rights *in rem* for foreign Persons and foreign capital companies.

16.7 The Host Government shall grant to the TANAP Project Entity:

- (a) the exclusive and unrestricted rights *in rem* (excluding ownership) to use, occupy, possess, control and construct upon and/or under the land within the Project Land (as appropriate) for the purpose of conducting the Project Activities; and
- (b) the right to restrict or allow at the TANAP Project Entity's sole discretion use, occupation, possession and control of, and construction upon and/or under the Project Land by any other Persons except for those required for the public services that would need to be procured by State Authorities. State Authorities shall always use Best Endeavours not to intervene with the Project Land and not adversely to affect the Project Activities.

16.8 The Host Government shall within the limits of its authority assist and procure that the relevant State Authorities assist, the TANAP Project Entity in exercising the Land Rights obtained under this Article subject to the TANAP Project Entity meeting any appropriate costs incurred in doing so.

16.9 Subject to this Agreement, the TANAP Project Entity shall share with the State any graphic and non-graphic data collected while exercising the Land Rights and in the course of identifying the Construction Corridor.

16.10 The TANAP Project Entity, taking into account the pre-existing infrastructure (including pipelines) as set forth under Article 16.3, rights of way in the

Territory and the applicable environment, health, safety and social requirements relating thereto, shall notify to the Host Government a Construction Corridor and Pipeline Corridor for the construction of the TANAP System and the subsequent conduct of the Project Activities. For this purpose, the Land Rights Entity and the TANAP Project Entity shall agree the terms and procedures with regard to the acquisition and grant of the Land Rights as set forth under this Article 16 and Appendix 2.

ARTICLE 17

ENVIRONMENT, HEALTH, SAFETY AND SOCIAL IMPACT

- 17.1 The environmental, social and community health impact standards relating to the TANAP Project shall be established by the TANAP Project Entity, after completion of an environmental and social impact assessment to be conducted in respect of the TANAP Project in accordance with this Article 17 and shall be recorded in written form (to be prepared by the TANAP Project Entity for approval by the Host Government) (the **"Environmental and Social Standards"**). Such Environmental and Social Standards shall comply with National Laws and shall also take due account of international standards and practices generally prevailing in the Natural Gas pipeline industry, including relevant Performance Standards of the International Finance Corporation.
- 17.2 The TANAP Project Entity shall develop, for approval by the Host Government, an environmental and social impact assessment (including an environmental and social investment programme) for the TANAP Project (the **"Environmental and Social Impact Assessment"** or the **"ESIA"**), in accordance with the Environmental and Social Standards. The ESIA shall be developed in coordination and consultation with applicable State Authorities and/or State Entities and shall be assessed and approved in accordance with the National Laws.
- 17.3 Following the approval of the Environmental and Social Standards and the ESIA by the Host Government, the TANAP Project Entity shall at all times pursue the Environmental and Social Standards and the ESIA throughout its Project Activities.
- 17.4 Without prejudice to the TANAP Project Entity's obligations pursuant to this Article 17, if a seepage or release of Natural Gas occurs from the Facilities, or any other event occurs which is causing or likely to cause material environmental damage or material risk to human health and safety, as a result of fault or negligence of any responsible Project Participant, the TANAP Project Entity shall immediately take all necessary action to:
 - (a) prevent to the extent reasonably possible further environmental and safety damage; and
 - (b) restore, so far as reasonably possible, the environment to the baseline conditions as per the ESIA that would have existed if the damage had not occurred including compensatory measures to restore interim losses

that occur from the date of damage occurring until the complete restoration.

- 17.5 On request from the TANAP Project Entity, the Host Government shall, in addition to any indemnification obligations the State Authority and/or the State Entity may have under this Agreement, use its Best Endeavours to make available promptly and in reasonable quantities, any labour, materials and equipment not otherwise immediately available to the TANAP Project Entity or its Contractors at TANAP Project Entity's cost to assist in any remedial or repair effort in respect of any event to which Article 17.4 applies.
- 17.6 Without prejudice to the TANAP Project Entity's obligations under Article 17.4, if, and to the extent, the TANAP Project Entity fails to comply with its obligations under this Article 17, the Host Government shall be entitled to take all necessary preventive or restorative measures itself and to recover the reasonable costs therefor from the responsible Project Participant.
- 17.7 The TANAP Project Entity shall implement and administer in respect of the Project Activities a health, safety and environmental ("**HSE**") program (subject to review of the Host Government). Such HSE program shall comply with National Laws and shall also take due account of international standards and practices generally prevailing in the natural gas pipeline industry and shall include development of an HSE manual establishing the TANAP Project Entity's and its Contractors' HSE guidelines and requirements. While performing the Project Activities, the TANAP Project Entity shall, and shall cause all of its Contractors to, comply with the requirements of the HSE program. During performance of the Project Activities, the TANAP Project Entity shall take precautions for the safety of physical persons and shall provide protection to prevent injury to physical persons and damage to property.

ARTICLE 18 PERSONNEL

- 18.1 To the extent permitted by National Laws, the TANAP Project Entity shall have the right to employ or enter into contracts with, for the purposes of conducting the Project Activities, such Persons and their respective personnel (including citizens of the State and Foreign Employees) who, in the opinion of the TANAP Project Entity, demonstrate the requisite knowledge, qualifications and expertise to conduct such activities.
- 18.2 Except as otherwise provided in this Agreement and subject to National Laws, the Host Government shall permit the free movement within its Territory of the Foreign Employees referred to in Article 18.1 and of their property intended for their private use.
- 18.3 Without prejudice to the provisions of Article 18.4 below, the Host Government shall ensure that the State Authorities shall not cause or permit to exist any restriction on the entry or exit of any Foreign Employees referred to in Article 18.1 with respect to the TANAP Project, subject only to the enforcement of

immigration (including visa, work permit and residence permit regulations), customs, criminal and other National Laws.

- 18.4 In view of the restrictions currently applicable under National Laws in relation to the granting of work permits to Foreign Employees who are engineers, the Host Government shall ensure that its State Authorities do not apply any restrictive provisions of National Laws that may hinder, curtail, delay or prevent the granting of a work permit to any Foreign Employees who are engineers.

ARTICLE 19 LABOUR STANDARDS

- 19.1 The labour standards applicable to the TANAP Project shall be the rules that are established pursuant to National Laws.
- 19.2 All employment programmes and practices applicable to employees working on the TANAP Project in the Territory, including hours of work, leave, remuneration, fringe benefits and occupational health and safety standards, shall not be less beneficial than is provided by the State's relevant legislation generally applicable to its citizens.

ARTICLE 20 TECHNICAL STANDARDS

The TANAP Project Entity shall be entitled to apply a uniform set of Technical Standards for the TANAP Project and the Project Activities. It is agreed that for the purposes of construction or operation of any Facilities or the conduct of any Project Activities, notwithstanding the standards set out in National Laws, the standards from time to time in effect of the organisations set forth in Appendix 1 of this Agreement shall be acceptable for all purposes.

ARTICLE 21 ACCESS TO RESOURCES AND FACILITIES

- 21.1 The Host Government shall use Reasonable Endeavours to provide and/or make available within its Territory to the TANAP Project Entity and to each Project Participant, on their reasonable request and at their cost and expense on Best Available Terms under market conditions, all goods, works and services as may be necessary or appropriate for the TANAP Project in the reasonable opinion of the requesting TANAP Project Entity or Project Participant and that are owned or controlled by State Authority and/or State Entity (including raw materials, electricity, water, gas, communication facilities, other utilities, onshore construction and fabrication facilities, supply bases, vessels, import facilities for goods and equipment, warehousing and means of transportation, and information which may be of use for Project Activities including information regarding geology, hydrology and land drainage, archaeology and ecology), all with respect to the TANAP Project.
- 21.2 The TANAP Project Entity and its relevant Contractors shall have the right to use, store and possess any mapping data and maps of such scale as are

reasonably necessary to conduct the Project Activities in accordance with National Laws. In particular, the Host Government shall use Reasonable Endeavours to support any request by the TANAP Project Entity for the use, storage and/or possession of mapping data and maps outside the Territory in accordance with National Laws.

- 21.3 The TANAP Project Entity shall apply for permits for the performance of survey flights over the Corridor of Interest in accordance with National Laws.
- 21.4 The Host Government shall support the acquisition by the TANAP Project Entity of any data regarding infrastructure that are reasonably necessary for the construction and operation of the TANAP System.
- 21.5 The State Authorities hereby consent to any Project Activities or actions taken preparatory to, or in connection with, the TANAP Project by the Project Participants that comply with the Technical Standards as described in Article 20 and Appendix 1.

ARTICLE 22 SECURITY

- 22.1 Commencing with the initial Project Activities relating to route identification and evaluation and continuing throughout the life of the TANAP Project:
- (a) notwithstanding the obligation of the TANAP Project Entity under Article 22.1(b), the Host Government shall, consistent with the functions of the State under its National Laws in preserving security within the Territory, exert all lawful and reasonable endeavours to provide the security of the TANAP System and Project Activities in accordance with National Laws;
 - (b) the TANAP Project Entity shall provide the security of manned Facilities, including material storage yards and permanent installations, in accordance with National Laws; and
 - (c) the Parties will develop a security plan to co-ordinate these activities.
- 22.2 Unless otherwise provided under National Laws, the obligations of the Host Government under this Article 22, under no circumstances, shall cause the Host Government to be liable for Loss or Damages of the TANAP Project Entity.

ARTICLE 23 TAXES

- 23.1 General
- (a) For the term of this Agreement and except as otherwise specifically provided herein, the TANAP Project Entity or any Operating Company shall be subject to the Taxes applicable under National Laws in effect as of the signature date of this Agreement.

(b) No withholding tax applicable under National Law shall be levied upon:

- (i) interest paid or accrued in connection with any loan provided by any TANAP Consortium Member and/or its Affiliate in connection with Project Activities to the TANAP Project Entity or any Operating Company (including the interest paid or accrued by the branch in the Territory on the loan obtained from the head office of the TANAP Project Entity); and
 - (ii) profit remitted to the TANAP Project Entity's head office by any branch of the TANAP Project Entity in the Territory or on any dividend distributed by the TANAP Project Entity to the TANAP Consortium Members.
- (c) The TANAP Project Entity and/or any Operating Company shall be exempt from VAT and special consumption tax applicable to fuel Gas, line-fill Gas and balancing Gas provided that such Gas is imported by the TANAP Project Entity and/or any Operating Company through the TANAP System, and solely used as fuel Gas, line-fill Gas and balancing Gas for the TANAP System. For this purpose, the TANAP Project Entity and/or any Operating Company shall provide necessary information demanded by relevant State Authority and/or State Entity.
- (d) Subject only to the provisions of Article 7, 24.5 and 29, to the extent any provisions of this Article 23 are or could be construed as being inconsistent with the other provisions of this Agreement, the provisions of this Article 23 shall govern.

23.2 Corporation Tax

Subject to the following, the TANAP Project Entity shall be liable to pay Corporation Tax in accordance with National Laws:

- (a) The TANAP Project Entity shall not be liable to make pre-paid Corporation Tax returns or payments.
- (b) TANAP Project Entity shall keep and maintain its books and records, compute its Corporation Tax liability and prepare its Corporation Tax returns exclusively in US Dollars. The TANAP Project Entity's books and records with respect to Project Activities shall be maintained in accordance with International Financial Reporting Standards.
- (c) All payments by the TANAP Project Entity regarding Corporation Tax, and any interest, penalties and fines thereon shall be made in US Dollars.
- (d) The Taxation Office to which the TANAP Project Entity makes any Corporation Tax payment will issue to the TANAP Project Entity an official tax receipt evidencing the payment by the TANAP Project Entity of Corporation Tax within ten (10) days after any such payment. Such tax receipts shall state the date and amount of such payment, the currency

(US Dollars) in which such payment was made and any other particulars customary in the State for such receipts.

23.3 Advance Corporation Tax

- (a) Following the Commercial Operation Start Date, the TANAP Project Entity shall be liable to make payments of tax ("**Advance Corporation Tax**") which will be credited against its Corporation Tax liability, based on the volume of Transit Passage Gas measured at the Entry Point in each calendar quarter except any fuel Gas, Gas balancing and line-fill Gas.
- (b) The Advance Corporation Tax rate shall be 5.95 USD (five US Dollars and ninety five cents) per thousand cubic metres of Gas measured at the Entry Point.
- (c) Starting from the Commercial Operation Start Date, the rate of Advance Corporation Tax shall be amended annually by using the escalation rate of two per cent (2%) per Year.
- (d) The Advance Corporation Tax shall be payable quarterly in arrears on the twenty-fifth (25th) day of the month following the end of each calendar quarter. Any late payments of Advance Corporation Tax shall be subject to interest at the Agreed Interest Rate from the due date until the payment date.
- (e) In the event that the Corporation Tax liability of the TANAP Project Entity in a Year exceeds the amount of Advance Corporation Tax paid in respect of that Year, the TANAP Project Entity shall not be liable to make any additional Corporation Tax payment.
- (f) The payment of Advance Corporation Tax shall discharge in full the TANAP Project Entity's liability for Corporation Tax.
- (g) The Taxation Office to which the TANAP Project Entity makes any Advance Corporation Tax payment will issue to the TANAP Project Entity an official tax receipt evidencing the payment by the TANAP Project Entity of such tax within ten (10) days after any such payment. Such tax receipts shall state the date and amount of such payment, the currency (US Dollars) in which such payment was made and any other particulars customary in the State for such receipts.

23.4 Other

- (a) The TANAP Project Entity shall be entitled to benefit from all investment incentives, on the best terms available thereunder, under National Laws, regulation or similar legislative acts of the State, a State Authority or a State Entity.
- (b) For purposes of this Article 23, the term TANAP Project Entity includes any branch thereof in the Territory.

- (c) The TANAP Project Entity and any Operating Company shall be subject to the Taxes in relation to environmental protection arising from international obligations of the State.
- (d) All obligations of the TANAP Project Entity to make payments of Advance Corporation Tax and/or Corporation Tax shall not be set off or recouped out of any amounts otherwise payable hereunder to TANAP Project Entity or any TANAP Consortium Member by the Host Government.

ARTICLE 24

CUSTOMS, IMPORT AND EXPORT

- 24.1 Without prejudice to the provisions of Article 24.2, at any time and from time to time, each Project Participant shall have the right to import into or export or re-export from the Territory, free of customs duty and restrictions, whether in its own name or on its behalf, all equipment, materials, machinery, tools, spare parts, vehicles and supplies and all other goods (other than liquid fuels and lubricants) which will be used in connection with the Project Activities.
- 24.2 To the extent permitted by National Laws, each Foreign Employee of each Project Participant, shall have the right to import into or export or re-export from the Territory, free of customs duties and restrictions all goods, works, services or technology for its own use and personal consumption; provided, however, that subject to Article 23, all sales by any such Person within the Territory of any such imported goods to any other Person will be taxable in accordance with National Laws.
- 24.3 All equipment, machinery, tools or technology necessary or appropriate for temporarily use in connection with the TANAP Project which are temporarily imported into the Territory shall be subject to the temporary import regime as defined in National Laws.
- 24.4 The authorisations and exemptions granted under this Article 24 may be restricted by National Laws generally applicable for the protection of environment, public health, safety and public order.
- 24.5 Natural Gas transported (including transportation losses of TANAP System and any fuel Gas, line-fill Gas and balancing Gas supplied from the Shippers), or to be transported, by the TANAP Project Entity for any Shipper or for its own account through the TANAP System shall be considered as goods-in-transit for all purposes of the customs laws of the State and shall be exempt from customs duties.
- 24.6 All imports to and exports from the Territory in connection with the TANAP Project shall be subject to the procedures and documents required by National Laws. Each Project Participant shall pay any customs service/documentation fees (and these fees cannot be construed as Taxes) to the extent they are nominal and consistent with the actual costs of providing such customs

service/documentation and are of a non-discriminatory nature, but in no event shall the customs service/documentation fees exceed the following:

Declared Value of Shipment	Fees
0 USD to 100,000 USD	0.15% of value
100,001 USD to 1,000,000 USD	150 USD plus 0.10% of value over 100,000 USD
1,000,001 USD to 5,000,000 USD	1,050 USD plus 0.07% of value over 1,000,000 USD
5,000,001 USD to 10,000,000 USD	3,850 USD plus 0.05% of value over 5,000,000 USD
More than 10,000,000 USD	6,350 USD plus 0.01% of value over 10,000,000 USD

ARTICLE 25 FOREIGN CURRENCY

- 25.1 The Host Government confirms that, for the duration of and in order and only in relation to the conduct of the Project Activities, each of the Project Participants shall have the right:
- (a) to bring into or take out of the Territory Foreign Currency and to utilise, without restriction, Foreign Currency accounts in the Territory and to exchange any currency at market rates;
 - (b) to open and maintain bank accounts in Local Currency inside the Territory and to open and maintain bank accounts in Foreign Currency both inside and outside the Territory;
 - (c) to purchase and/or convert Local Currency with and/or into Foreign Currency;
 - (d) to transfer, hold and retain Foreign Currency outside the Territory;
 - (e) to be exempt from all mandatory conversions, if any, of Foreign Currency into Local Currency or other currency;
 - (f) to pay abroad, directly or indirectly, in whole or in part, in Foreign Currency, the salaries, allowances and other benefits received by any Foreign Employees;
 - (g) to pay Contractors abroad, directly or indirectly, in whole or in part, in Foreign Currency, for their goods, works, technology or services supplied to the TANAP Project;
 - (h) to make any payments provided for under this Agreement or any Project Agreement in Foreign Currency; and

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- (i) to set TANAP System tariffs in Foreign Currency and to invoice and receive payment for TANAP System tariffs in Foreign Currency, whether inside and/or outside the Territory, at the option of the TANAP Project Entity.
- 25.2 All payments to be made by the State Authorities under any Project Agreement shall be made in US Dollars and on the basis of the rate of exchange of the Central Bank of the Republic of Turkey at the time of payment, except that any such payments with respect to Taxes that have been paid shall be made in the currency in which such Taxes were paid.
- 25.3 All payments made by Project Participants under this Agreement or any Project Agreement shall be made in US Dollars or in the currency agreed in this Agreement or such Project Agreement and on the basis of the rate of exchange of the Central Bank of the Republic of Turkey at the time of payment, except that any such payments with respect to Taxes that have been paid shall be made in the currency in which such Taxes were paid.

ARTICLE 26

LIABILITY OF TANAP PROJECT ENTITY

- 26.1 Without prejudice to the right of the Host Government, any State Authority and any State Entity to seek full performance by a TANAP Project Entity of its obligations under this Agreement and any Project Agreement to which it is a party, the TANAP Project Entity shall be liable to the Host Government, any State Authority and any State Entity for any Loss or Damage caused by or arising from any breach of any obligation of the TANAP Project Entity under this Agreement and any Project Agreement.
- 26.2 If a Loss or Damage is caused by, or arises as a result of, any breach of any obligation under this Agreement or any Project Agreement by both the Host Government, a State Authority or a State Entity, on the one hand, and TANAP Project Entity, on the other hand, the TANAP Project Entity shall only be liable to the extent of its fault.
- 26.3 For the avoidance of doubt, the liability of the TANAP Project Entity to any third party (other than the Host Government, any State Authority or any State Entity under this Agreement or any Project Agreement) for Loss or Damage suffered by such third party as a result of the TANAP Project Entity's or any Project Participant's conduct of any Project Activities shall not be governed by this Agreement but by National Laws or other applicable laws, as the case may be.
- 26.4 All monetary relief payable under this Article 26 shall be paid in US Dollars and shall bear interest at the Agreed Interest Rate from the date the Loss or Damage was incurred until the date of payment.

ARTICLE 27
LIABILITY OF THE HOST GOVERNMENT

- 27.1 Without prejudice to the rights of the TANAP Project Entity to seek performance by the Host Government or by any State Authority or any State Entity of their obligations under this Agreement or any Project Agreement, the Host Government shall be liable for any Loss or Damage caused by or arising from any breach of any obligations of the Host Government, any State Authority and any State Entity under this Agreement and any Project Agreement.
- 27.2 With respect to all monetary compensation under this Article 27, all amounts shall be expressed and paid in US Dollars and shall bear interest at the Agreed Interest Rate from the date the Loss or Damage was incurred until the date of payment.
- 27.3 If a Loss or Damage is caused by or arises as a result of a breach of any obligation under this Agreement or any Project Agreement by both the Host Government, a State Authority or a State Entity, on the one hand, and the TANAP Project Entity, on the other hand, the Host Government, State Authority or State Entity, as applicable, shall only be liable to the extent of its fault.
- 27.4 The Host Government's liability under this Article 27 shall not extend to any obligation of a State Entity under this Agreement or a Project Agreement which has been undertaken by the State Entity in its capacity as a TANAP Consortium Member.

ARTICLE 28
FORCE MAJEURE

- 28.1 Any Party shall be excused for non-performance or delay in performance (of an obligation or any part thereof other than the payment of money) to the extent that such non-performance or delay in performance is caused by Force Majeure.
- 28.2 "Force Majeure" shall mean, in respect of an obligation (or any part thereof) of a Party, a situation that prevents the performance of that specific obligation due to unforeseeable events that are beyond the control of such Party, and not imputable to its fault or negligence or to any breach of its obligations under this Agreement, including, to the extent applicable to a Party and subject to the foregoing, due to any of the following:
- (a) natural disasters (extreme weather, accidents or explosions, earthquakes, landslides, cyclones, floods, fires, lightning, tidal waves, volcanic eruptions, supersonic pressure waves, epidemic or plague and other similar natural events or occurrences);
 - (b) disasters (including nuclear and chemical contamination or ionising radiation);

- (c) structural shift, landslip or subsidence affecting generally a part or parts of the TANAP System;
 - (d) strike, work to rule or go slow or any other labour disputes;
 - (e) compliance by a Party with a change in law that affects its ability to fulfil its obligations under this Agreement (provided, however, that in respect of the Host Government, the Host Government's obligations under Article 29 and Article 30 shall not be released);
 - (f) inability to obtain necessary goods, materials, services or technology, the inability to obtain or maintain any necessary means of transportation;
 - (g) acts of wars between the sovereign states (in respect of the Host Government, other than where the State has initiated the war by violating the principles of international law), act of sovereign enemy or blockade;
 - (h) acts of rebellion, riot, civil commotion, act of terrorism, insurrection or sabotage;
 - (i) international boycotts, sanctions, international embargoes (other than, in respect of the State, those decided by the United Nations); and
 - (j) in relation to TANAP Project Entity only, expropriatory acts.
- 28.3 If a Party is prevented from carrying out its obligations or any part thereof under this Agreement as a result of Force Majeure, it shall promptly notify in writing the other affected Party to whom performance is owed. The notice shall:
- (a) specify the obligations or part thereof that the Party cannot perform;
 - (b) fully describe the event of Force Majeure;
 - (c) estimate the time during which the Force Majeure will continue; and
 - (d) specify the measures proposed to be adopted by it to remedy or abate the Force Majeure.
- 28.4 Following the notice foreseen in Article 28.3 and for so long as the Force Majeure continues, any obligations or parts thereof which cannot be performed because of the Force Majeure, other than the obligation to pay money, shall be suspended to the extent affected by Force Majeure.
- 28.5 Any Party that is prevented from carrying out its obligations or parts thereof (other than an obligation to pay money) as a result of Force Majeure shall take such actions as are reasonably available to it and expend such funds as necessary and reasonable to remove or remedy the Force Majeure and resume performance of its obligations and all parts thereof as soon as reasonably practicable.

- 28.6 Where the Host Government is prevented from carrying out its obligations or any part thereof (other than an obligation to pay money) as a result of Force Majeure, it shall take, and shall also procure that relevant State Authority or State Entity take, such action as is reasonably available to it or them to mitigate any Loss or Damage suffered by the TANAP Project Entity during the continuance of the Force Majeure and as a result thereof.
- 28.7 Where the TANAP Project Entity is prevented from carrying out its obligations or any part thereof (other than an obligation to pay money) as a result of Force Majeure it shall take such action as is reasonably available to it to mitigate any Loss or Damage suffered by the Host Government, any State Authority, State Entity during the continuance of the Force Majeure and as a result thereof.

ARTICLE 29
DISCRIMINATORY CHANGE OF LAW

- 29.1 **"Discriminatory Change of Law"** means any Change of Law that:
- (a) discriminates against any of the Interest Holders or their businesses or operations in relation to the TANAP Project (whether or not (b) or (c) below is satisfied);and/or
 - (b) applies to the TANAP Project and not at all or not to the same extent to other transit Natural Gas pipeline projects; and/or
 - (c) applies to Interest Holders and not to other Entities with a participating interest in other transit Natural Gas pipelines; and/or
 - (d) whether or not of general application, alters any of the following procedures and principles specifically covered in the following Articles of this Agreement:
 - (i) Article 2
 - (ii) Articles 3.1 to 3.4
 - (iii) Articles 4.1(a) to (c)
 - (iv) Article 10
 - (v) Article 16
 - (vi) Article 23
 - (vii) Article 24
 - (viii) Article 25.

For the avoidance of doubt any changes occurring in the fees, charges and duties set out in Article 7.3 and Article 24.5 (provided always that the fees mentioned in Article 24.5 shall not exceed the maximum amounts payable as set out therein) as a result of the usual regular adjustments made to such fees, charges and duties on an annual basis, shall not be construed as a Discriminatory Change of Law.

The parties hereby acknowledge and agree that the TANAP Project is not subject to the Natural Gas Market Law and its related regulations. A Change of Law regarding:

- (a) connection to the national Natural Gas transmission network;
- (b) usage of the national Natural Gas transmission network; and/or
- (c) import of Natural Gas to and export of Natural Gas from the Territory,

shall not be a Discriminatory Change of Law, if it does not have any effect on the TANAP Project.

29.2 If any Discriminatory Change of Law within the scope of Article 29.1 is enacted or otherwise comes into effect and:

- (a) renders any material obligation of the Host Government, any State Authority or State Entity, or any specific rights conferred on any Interest Holder under this Agreement or any Project Agreement void or unenforceable; or
- (b) has the material effect of impairing, conflicting or interfering with the implementation of the TANAP Project, or limiting, abridging or adversely affecting the value of the TANAP Project or the Economic Equilibrium or any of the rights, indemnifications or protections granted or arising under this Agreement or any Project Agreement; or
- (c) has the material effect of imposing (directly or indirectly) any Costs on any Interest Holder,

the Interest Holders so affected shall, within one (1) Year of the date when it could with reasonable diligence have become aware of the effect of the Discriminatory Change of Law as aforesaid, give notice in writing to the Host Government.

29.3 The Interest Holders that have given such notice and the Host Government shall endeavour to resolve the matter through amicable negotiations.

29.4 If the Host Government and the Interest Holders do not reach an amicable solution within ninety (90) days after the delivery of such notice, the Interest Holders may submit the matter to arbitration pursuant to Article 34.

29.5 In the arbitration, subject always to the relevant conditions of this Article 29 being fulfilled, the Interest Holders shall have the right to demand that the Host Government compensates the affected Interest Holders for the Costs incurred as a result of the Discriminatory Change of Law. Such compensation shall at the request of the affected Interest Holders be paid in US Dollars and shall, at the option of the Host Government, be in the form of:

- (i) reimbursement by the Host Government of the Costs incurred by the affected Interest Holders as a result of the Discriminatory Change of Law within thirty (30) days unless agreed otherwise; or
- (ii) reimbursement by the Host Government of the Costs incurred by the affected Interest Holders as a result of the Discriminatory Change of Law, in the form of equal annual payments during the remaining expected life of the TANAP Project. In this case, such payments shall bear interest at a reasonable market rate which is not less than the rate at which the recipient is able itself to borrow funds. Such interest shall accrue from the date(s) when the relevant Costs are incurred to the date(s) when payments are received from the Host Government; or
- (iii) where it affects the TANAP Project Entity, a reduction in the amount of any Tax otherwise payable under Article 23 hereof.

The amount of any reimbursement of Costs paid under this Article 29 shall be taken into account in assessing the amount of Loss or Damage under Article 27.

- 29.6 The obligations in this Article 29 shall not apply in relation to a Discriminatory Change of Law which is a proportionate measure in relation to environmental protection, public health, safety, social requirements, labour rights or human rights.
- 29.7 Where a Change of Law amounts to an Expropriation, it shall be governed by Article 30, instead of by this Article 29.

ARTICLE 30 EXPROPRIATION

30.1 No Investment of any Investor (as such terms used in this Agreement are defined in the Energy Charter Treaty regardless of whether the Investor is organised under the laws of a Contracting Party as such term is defined in the Energy Charter Treaty or a third state) in relation to the TANAP Project shall be nationalised, expropriated or subject to a measure or measures having effect equivalent to nationalisation or expropriation (hereinafter referred to as "**Expropriation**") except where such Expropriation is:

- (a) for a purpose which is in the public interest;
- (b) not discriminatory;

- (c) carried out under due process of law; and
 - (d) accompanied by the payment of prompt, adequate and effective compensation.
- 30.2 The compensation for Expropriation shall amount to the Fair Market Value of the Investment expropriated at the time immediately before the Expropriation or impending Expropriation became known in such a way as to affect the value of the Investment.
- 30.3 Appropriate provision shall be made at or prior to the time of Expropriation for the determination and payment of compensation and it shall be paid without delay. Fair Market Value shall be expressed in US Dollars and shall include interest at the Agreed Interest Rate from the date of Expropriation until the date of payment.
- 30.4 Any dispute relating to an Expropriation may be submitted to arbitration in accordance with the provisions of Article 34 and for this purpose:
- (a) Article 34 shall be read as if every reference to "Parties", "Party", "TANAP Consortium Member" and/or "Project Participant" were a reference to "Investor"; and
 - (b) "due process" within the meaning of Article 30.1(c) above shall be conducted so as to allow for final determination by arbitration under Article 34.

ARTICLE 31 SUCCESSORS AND PERMITTED ASSIGNEES

- 31.1 In accordance with the provisions of this Article 31, each TANAP Consortium Member may transfer, assign, share or otherwise deal with all or any part of its participating interest in the TANAP Project Entity, and the TANAP Project Entity may transfer, assign, share or otherwise deal with all or any part of its rights and obligations under this Agreement, in any case with binding effect on the State Authorities.
- 31.2 The TANAP Consortium Members and the TANAP Project Entity shall inform the Host Government about the intention of any other Entity to participate in the TANAP Project Entity as a TANAP Consortium Member. The participation of any such Entity shall be effective, and each TANAP Consortium Member may be entitled to transfer the whole or any part of their participating interests in the TANAP Project Entity to such Entity to effect such participation, forty-five (45) days after the delivery of a written notification by the TANAP Project Entity to the Host Government and a parent company guarantee issued by such participating Entity in the form defined in the Appendix 3. The Host Government shall have the right to refuse the participation of such Entity by serving a notice to the TANAP Project Entity and TANAP Consortium Members within such forty-five (45) day period; the Host Government may only exercise

such right if the proposed participant poses a threat to the State's national interest or contradicts the provisions of Article 7.11 of the TANAP IGA.

- 31.3 Subject to the compliance of the provisions of Article 7.11 of the TANAP IGA, each TANAP Consortium Member shall have the right to freely transfer at any time the whole of its participating interest in the TANAP Project Entity to any of its Affiliates, or the whole or any part of its participating interest in the TANAP Project Entity to any other TANAP Consortium Member, and the TANAP Project Entity shall have the right to freely transfer at any time the whole of its rights and obligations under this Agreement to any of its Affiliates, in each case provided that such Affiliate or transferee TANAP Consortium Member (as applicable) has the necessary financial and technical capability to perform its obligations under this Agreement. Any such transfer shall be effective upon the delivery of a written notification of the transfer by the transferor to the Host Government, including a confirmation of the transferee that it accepts the transfer.
- 31.4 The TANAP Project Entity shall have the right to transfer at any time this Agreement to any other Entity with the prior written consent of the Host Government, provided that such other Entity has the necessary financial and technical capability to perform its obligations under this Agreement. Such transfer shall be effective forty-five (45) days after the delivery of a written notification by the TANAP Project Entity to the Host Government. The Host Government shall have the right to refuse such transfer by serving a notice to the TANAP Project Entity within such forty-five (45) day period; the Host Government may reject such transfer if the transferee poses a threat to the State's national interest or contradicts the provisions of Article 7.11 of the TANAP IGA.
- 31.5 As security for any financing of the TANAP Project pursuant to the Article 8.2, the TANAP Project Entity shall have the right at any time to transfer its rights and to assign its claims under this Agreement, whether current, future or conditional, in whole or in part, to or for the benefit of any Lender, or to create in their favour any pledge or other similar interest in such rights or claims, and the TANAP Consortium Members shall have the right at any time to transfer to create in favour of any Lender any pledge or other similar interest in such TANAP Consortium Member's participating interest in the TANAP Project Entity. The assignment or transfer shall become effective forty-five (45) days after the delivery of a written notice to the Host Government by the TANAP Project Entity. The Host Government shall have the right to reject such transfer if the Lender is a threat to the State's national interest.
- 31.6 Without prejudice to this Article 31, the Host Government undertakes to cooperate with the TANAP Project Entity and the TANAP Consortium Members for the compliance with any formalities to effect any permitted assignment or transfer.

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ARTICLE 32 DE-COMMISSIONING

- 32.1 Following the expiry under Article 2 of this Agreement or early termination by the Host Government pursuant to Article 35 of this Agreement, the TANAP Project Entity shall decommission the TANAP System according to the terms of a Decommissioning Plan referred to in Article 32.2, unless the Parties agree a basis on which the TANAP System shall be transferred to the Host Government.
- 32.2 No later than ten (10) Years prior to the expiry of this Agreement, the TANAP Project Entity shall provide to and agree with the Host Government within six (6) months a written plan describing the proposed actions for decommissioning (the "**Decommissioning Plan**"). The Decommissioning Plan shall include a fund for decommissioning of the TANAP System, all of which shall be in accordance with international gas pipeline industry standards and practices and National Laws. The Decommissioning Plan and revision of it (if any) shall be subject to the approval of the Host Government, which shall not be unreasonably withheld.
- 32.3 The TANAP Project Entity shall have no obligations or liabilities in relation to the decommissioning of the TANAP System other than those provided for in this Article 32.

ARTICLE 33 APPLICABLE LAW

This Agreement shall be governed and construed in accordance with the laws of Switzerland.

ARTICLE 34 DISPUTE RESOLUTION

- 34.1 Consent to Arbitration
- (a) The Parties hereby irrevocably consent to the submission of any dispute arising out of or in any way connected with this Agreement to international arbitration in accordance with the provisions of this Article 34. For the avoidance of doubt, a "dispute" for the purposes of this Article 34 shall mean any dispute, difference or claim, including any dispute relating to the formation, termination or validity of this Agreement.
 - (b) Disputes shall if possible be settled amicably.
 - (c) If a dispute cannot be settled amicably within sixty (60) days from the date on which either Party to the dispute has requested amicable settlement, the dispute shall be finally resolved under the ICC Rules. In the event of any conflict between the ICC Rules and the arbitration provisions of this Agreement, this Agreement shall govern.

- (d) The Parties may agree in writing upon an alternative arbitration procedure.
- (e) Without prejudice to any rights the Project Participants may have to bring claims to arbitration under any relevant Project Agreement (provided that such Project Agreement grants arbitration rights) or under any bilateral or multilateral investment treaty to which the State is a party, the Parties agree that this Article 34 shall not entitle:
 - (i) a Project Participant other than the TANAP Project Entity to initiate an arbitration under this Agreement except in the case of a Project Participant bringing a claim under Article 30; or
 - (ii) a Project Participant to assert a right or initiate an arbitration under the TANAP IGA.
- (f) For the avoidance of doubt, the TANAP Project Entity shall be entitled to initiate an arbitration to claim compensation for any Costs and Loss and Damage that may be incurred by the Interest Holders pursuant to this Agreement.

34.2 Constitution of the Arbitration Tribunal and Language of Proceedings

- (a) The seat of arbitration shall be Geneva, Switzerland.
- (b) The arbitration tribunal may decide to conduct hearings in Geneva or İstanbul.
- (c) An arbitration tribunal constituted pursuant to this Agreement shall consist of three arbitrators, except for disputes of an aggregate value of no more than ten million US Dollars (USD 10,000,000) in which case there shall be a sole arbitrator.
- (d) The language of the arbitral proceedings shall be English.

34.3 Subrogation

The right of the Parties to refer a dispute to arbitration pursuant to this Agreement shall not be affected by the fact that it has received partial compensation from any third party with respect to any loss or injury that is the subject of the dispute with regard to the uncompensated loss or injury.

34.4 Award and Enforcement

- (a) An arbitral award issued pursuant to this Agreement shall be final and binding on the Parties upon being rendered. The Parties undertake to comply with any such award without delay. Awards shall be entered and executed in accordance with the law of any court having jurisdiction.

- (b) Where monetary damages are rendered in an award, they shall be payable and payment shall be made in US Dollars and any interest due shall be calculated at the Agreed Interest Rate from the date of the event, breach, or other violation giving rise to the dispute to the date when the award is paid in full.

ARTICLE 35 TERMINATION

- 35.1 Except as may be expressly provided in this Agreement, no Party shall amend, rescind, terminate, declare invalid or unenforceable, elect to treat as repudiated, suspended or otherwise seek to avoid or limit this Agreement or any Project Agreement without the prior written consent of the other Party.
- 35.2 If the TANAP Project Entity has not taken its final investment decision in respect of the TANAP Project by 31 December 2014 (or the expiry date of any agreed extension) for any reason other than Force Majeure, or failure by the State or any State Authority or State Entity to perform any of their obligations in a timely manner, the Host Government shall have the right to give written notice to the TANAP Project Entity of the termination of this Agreement. Such termination shall become effective three hundred and sixty (360) days after receipt by the TANAP Project Entity of such termination notice, unless within said three hundred and sixty (360) day period the TANAP Project Entity take final investment decision in respect of the TANAP Project. In addition, for the purposes of this Article 35.2 the date of 31 December 2014 (or the expiry date of any agreed extension) shall be extended as described in Article 35.4 if and to the extent of any delays caused by Force Majeure or by failure by State or any State Authority or State Entity to perform any of their obligations in a timely manner.
- 35.3 If the TANAP Project Entity has not started construction of the TANAP Project by 31 December 2016 (or the expiry date of any agreed extension) for any reason other than Force Majeure, or failure by the State or any State Authority or State Entity to perform any of their obligations in a timely manner, the Host Government shall have the right to give written notice to the TANAP Project Entity of the termination of this Agreement. Such termination shall become effective one hundred and eighty (180) days after receipt by the TANAP Project Entity of such termination notice, unless within said one hundred and eighty (180) day period the TANAP Project Entity starts construction of the TANAP Project. In addition, for the purposes of this Article 35.3 the date of 31 December 2016 (or the expiry date of any agreed extension) shall be extended as described in Article 35.4 if and to the extent of any delays caused by Force Majeure or by failure by State or any State Authority or State Entity to perform any of their obligations in a timely manner.
- 35.4 Upon finalization of any event of Force Majeure or any activity constituting failure by the State or any State Authority or State Entity to perform any of their obligations in a timely manner, if, in the opinion of the TANAP Project Entity, such Force Majeure or such failure shall cause a delay in taking its final investment decision in respect of the TANAP Project and/or starting

construction of the TANAP Project, as the case may be, the TANAP Project Entity shall give a notice to the Host Government by providing detailed information on the specifics of the impact of such event of Force Majeure or such failure on its activities which are on the critical path leading towards its final investment decision and/or starting construction together with the extent and duration of time extension requested.

- 35.5 Subject to Articles 35.5 and 35.6 but without prejudice to a Party's other remedies under this Agreement including the Host Government's termination rights under Articles 35.2 and 35.3, any Party may, by written notice to the other Party, terminate this Agreement if after the end of the Initial Operation Period, the other Party commits a material breach of its obligations to that Party under this Agreement and the Party in breach fails, within one hundred and eighty (180) days of receiving such notice, either:
- (a) to remedy the material breach (and where payment of damages is an adequate remedy for such material breach, full payment of such damages by the Party in breach shall be deemed to be remedying such material breach) and its effects to the reasonable satisfaction of the Party giving notice (or to commence and diligently comply with appropriate measures to do so); or
 - (b) in the case of a material breach that cannot itself be remedied, to put in place and diligently comply with measures reasonably satisfactory to the other Party to prevent a recurrence of such breach.
- 35.6 Notwithstanding any of the foregoing, no right to termination shall arise hereunder to the extent that the breach in question is caused by or arises from any breach of this Agreement or any Project Agreement by the Party seeking to terminate this Agreement (or, if that Party is the Host Government, by any State Authority or State Entity).
- 35.7 If the Host Government becomes entitled to terminate this Agreement (other than under Article 35.2 or 35.3), it shall not terminate this Agreement without first giving the Lenders the right to cure any breach or failure by the TANAP Project Entity within the time period provided in the direct agreement (if any) between the Host Government and the Lenders. The Lenders shall have the right to substitute the TANAP Project Entity with a suitable replacement Entity subject to terms of such direct agreement.
- 35.8 Any early termination of this Agreement shall be without prejudice to the rights of the Parties respecting the full performance of all obligations accruing prior to termination.

ARTICLE 36 NOTICES

- 36.1 A notice, approval, consent or other communication given under or in connection with this Agreement (in this Article 36 referred to as a "**Notice**"):

- (a) shall be in writing in the English and Turkish language;
- (b) shall be deemed to have been duly given or made when it is delivered by hand, or by internationally recognised courier delivery service, or sent by facsimile transmission to the Party to which it is required or permitted to be given or made at such Party's address or facsimile number specified below and marked for the attention of the person so specified, or at such other address or facsimile number and/or marked for the attention of such other person as the relevant Party may at any time specify by Notice given in accordance with this Article 36; and
- (c) for the avoidance of doubt, a Notice sent by electronic mail will not be deemed valid.

The relevant details of each Party at the date of this Agreement are:

The Government of the Republic of Turkey

Name: Ministry of Energy and Natural Resources
 Address: Nasuh Akar Mahallesi Türkocağı Caddesi 2/1, Bahçelievler, Ankara, Turkey
 Facsimile: +90 (312) 215 66 54
 Attention: Department of Transit Petroleum Pipelines

The TANAP Project Entity

Name: Trans Anatolian Gas Pipeline Company B.V.
 Address: Kızılırmak Mahallesi Ufuk Üniversitesi Caddesi Fariya Business Center No:8 Kat 1/13-24 Kat 2/17-18-19-20 Çukurambar, Ankara, Turkey
 Facsimile:
 Attention:

36.2 In the absence of evidence of earlier receipt, any Notice shall take effect from the time that it is deemed to be received in accordance with Article 36.3 below.

36.3 Subject to Article 36.4 below, a Notice is deemed to be received:

- (a) in the case of a Notice delivery by hand at the address of the addressee, upon delivery at that address;
- (b) in the case of internationally recognised courier delivery service, when an internationally recognised courier has delivered such communication or document to the relevant address and collected a signature confirming receipt; or
- (c) in the case of a facsimile, on production of a transmission report from the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient. Any Notice transmitted by facsimile should be followed by written notice

given not later than three (3) Business Days in the form of a letter addressed as set forth above for such Party.

- 36.4 A Notice received or deemed to be received in accordance with Article 36.3 above on a day which is not a Business Day or after 5:00 p.m. on any Business Day, according to local time in the place of receipt, shall be deemed to be received on the next following Business Day.
- 36.5 Each Party undertakes to notify the other Party by Notice served in accordance with this Article 36 of such Party's new contact details when the details specified herein are no longer appropriate for the service of Notice.

ARTICLE 37 MISCELLANEOUS

- 37.1 The Parties agree that the TANAP Project including this Agreement is within the scope of the Transit Law.
- 37.2 This Agreement, together with all appendices attached hereto, shall constitute the entire agreement of the Parties with respect to the matters addressed herein. This Agreement may not be amended or otherwise modified, except by the written agreement of the Parties and such amendment or modification will become effective upon ratification.
- 37.3 No waiver of any right, benefit, interest or privilege under this Agreement shall be effective unless made expressly and in a writing referencing the Article (including any applicable Section thereof) providing that right, benefit, interest or privilege. Any such waiver shall be limited to the particular circumstance in respect of which it is made and shall not imply any future or further waiver.
- 37.4 Interest shall accrue at the Agreed Interest Rate on any amount, if any, payable under or pursuant to this Agreement from the time that amount is payable through the date on which that amount, together with the accrued interest thereon, is paid in full.
- 37.5 The Host Government on the one hand, and the TANAP Project Entity on the other hand, shall maintain or cause to be maintained the confidentiality of all data and information of a non-public or proprietary nature that they may receive, directly or indirectly, from the other or pertaining to the TANAP Project.
- 37.6 This Agreement is executed in English and Turkish language originals. In the event of any conflict, the English language version shall prevail.
- 37.7 The Host Government, on the one hand, and the TANAP Project Entity, on the other hand, reserve to themselves all rights, counterclaims and other remedies and defences which such Party has under or arising out of this Agreement. All obligations of the Host Government to make payments to the TANAP Project Entity or, where relevant, to any TANAP Consortium Member, under this Agreement, shall not be set off or recouped out of any amounts otherwise payable hereunder to the Host Government by such TANAP Project Entity.

- 37.8 Without prejudice to the rights of the TANAP Project Entity under this Agreement, the Host Government and the TANAP Project Entity hereby grant to SOCAR or an Entity which will be established by SOCAR (or its Affiliates) (within the context of this Article 37.8 referred to as "Communication Entity") the right to construct, install, possess, own, control and operate electronic communication infrastructure (fibre-optic cable) along the Pipeline Corridor of the TANAP System for the purpose of transit communication between the Republic of Azerbaijan and countries other than the State. Such Communication Entity may provide services through such electronic communication infrastructure within the Territory provided that such service complies with National Laws and regulations including all licence requirements in accordance with National Laws. All costs, fees, payments or other relevant expenses arising as a result of any obligations and requirements generated from the evaluation, construction or operation of such electronic communication infrastructure shall be borne by such Communication Entity.

Done in the city of İstanbul on 26 June 2012.

H.E .Taner YILDIZ
Minister of Energy and Natural Resources
of the Republic of Turkey

Rovnaq ABDULLAYEV
President of the State Oil Company
of the Republic of Azerbaijan

in the name and on behalf of
**The Government of
the Republic of Turkey**

in the name and on behalf of
**Trans Anatolian
Gas Pipeline Company B.V.**

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APPENDIX 1 - TECHNICAL STANDARDS

ACI	American Concrete Institute
AISC	American Institute of Steel Construction
API	American Petroleum Institute
AGA	American Gas Association
ASCE	American Society of Civil Engineers
ANSI	American National Standards Institute
ASME	American Society of Mechanical Engineers
ASNT	American Society of Non-destructive Testing
ASTM	American Society for Testing and Materials
AWPA	American Wood Preservers Association
AWS	American Welding Society
CAN	Canadian Standards
CECE	CENELEC Electronic Components
GBE	British Gas Code of Practice
BSI	British Standards Institution
DIN	Deutsche Institut für Normung
DNV	Det Norske Veritas
EUMA	Engineering Equipment and Materials Association
IEC	International Electrotechnical Commission
IEEE	Institute of Electrical and Electronics Engineers (USA)
EIA	Electronic Industries Association

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EI	Energy Institute (UK)
ISA	Instrument Society of America
ISO	International Standards Organisation
NACE	National Association of Corrosion Engineers (USA)
NEMA	National Electrical Manufacturers Association (USA)
NFPA	National Fire Prevention Association (USA)
PRCI	Pipeline Research Council International
SSPC	Steel Structures Painting Council
UBC	Universal Building Code
MSS	Manufacturers Standardisation Society of the Valves and Fittings Industry
FM	Factory Mutual Approvals Guidelines
HIS	Hydraulics Institute Standards
FCI	Fluid Control Institute
JPL	Jet Propulsion Laboratory
UL	Underwriters Laboratory
WB	World Bank
WHO	World Health Organisation
PFI	Pipe Fabrication Institute
TSE	Turkish Standards Institution

APPENDIX 2 LAND RIGHTS

DEFINITIONS

In this Appendix 2, all capitalised terms not otherwise defined will have the same meaning as specified in the Agreement to which this Appendix 2 is appended. Additionally, the following terms will have the following meanings:

"Construction Corridor" means an area of land (including exclusive control of the area above such and to a specified height and rights to the land's subsurface to a specified depth) within the Preferred Route Corridor extending from the Entry Point to the Exit Points, within which the centreline of the Pipeline Corridor will be located, and such other areas determined by the TANAP Project Entity in its sole discretion as reasonably necessary for the conduct of Project Activities within which Land Rights required for the construction and installation phase as set forth under Phase 2 in Section 3 of this Appendix 2 will be exercised, all as notified by the TANAP Project Entity to the State Authorities, including the Land Rights Entity.

"Corridor of Interest" means an area of land ten (10) kilometres wide and extending from the Entry Point to the Exit Points, all as notified by the TANAP Project Entity to the State Authorities.

"Preferred Route Corridor" means an area of land within the Corridor of Interest five hundred (500) metres wide and extending from the Entry Point to the Exit Points, all as notified by the TANAP Project Entity to the State Authorities.

"Specified Corridor" means an area of land within the Preferred Route Corridor one hundred (100) metres wide and extending from the Entry Point to the Exit Points, all as notified by the TANAP Project Entity to the State Authorities.

1. LAND RIGHTS

- 1.1 This Appendix 2 sets forth and provides for the Land Rights in the Territory and associated rights (including rights of exclusive use, occupation, possession and control, rights of ingress and egress, rights of construction upon and/or under (other than ownership), licences to enter and perform Project Activities on the land of third parties, and all other similar rights in the Territory) which are to be notified by the TANAP Project Entity to the Land Rights Entity as the phased implementation of the Project Activities (including later repairs, replacements, capacity expansions and extensions of the Facilities) requires, obtained by the Land Rights Entity in accordance with Article 16 of this Agreement, and granted to the TANAP Project Entity in respect of the Project Activities.
- 1.2 The Land Rights granted to the TANAP Project Entity will be enforceable by the TANAP Project Entity against all State Authorities and against all third parties.
- 1.3 The Land Rights Entity will cause all landowners and occupiers of affected properties and/or land rights to observe and respect all of the Land Rights obtained by the Land Rights Entity and granted to the TANAP Project Entity

permanently, temporarily and/or from time to time, as the case may be, to enable the construction and operation of the Facilities and the conduct of all other Project Activities. Without limiting the foregoing and that which is provided in the Agreement to which this Appendix 2 is appended, the State Authorities will assist the TANAP Project Entity in avoiding and in rectifying any interference by third parties with the TANAP Project Entity exercise and enjoyment of the Land Rights, including any encroachments on the areas constituting Project Land or affecting the Facilities.

- 1.4 Subject to the foregoing and without limiting that provided in the Agreement to which this Appendix 2 is appended, the Land Rights will include all of the rights as hereinafter provided for the phased development of the Project Activities.

2. PHASE 1 - PRECONSTRUCTION PHASE (ROUTE SELECTION)

2.1 Corridor of Interest

Without limiting the rights which may be necessary and will be granted in order to accomplish route selection, during the preconstruction phase the following rights will be required and will be obtained and secured subject to mandatory provisions of National Laws with respect to matters such as national security, defence, public safety and civil aviation and other similar matters by the State Authorities and granted to the TANAP Project Entity respecting the Corridor of Interest:

- (a) Rights to fly and land fixed wing or helicopter surveillance craft within and across the borders of the Territory.
- (b) Rights to record and map any property within the Corridor of Interest by video tape and by photographs.
- (c) Rights of access to and use of detailed maps and photographic records of the Corridor of Interest for, among other evaluations, desktop route study exercises.
- (d) Rights of free and safe access and passage from time to time on and off the public highways and other roadways and offshore areas within and across the borders of the Territory for vehicles and vessels to perform reconnaissance, including rights to make video/photographic records of said area.

If the TANAP Project Entity determines in its sole discretion that construction and installation of the Facilities is not viable within any previously designated Corridor of Interest or portion thereof, the TANAP Project Entity will have the right to so notify the Land Rights Entity and the TANAP Project Entity will have the further right to modify the existing or designate a new Corridor of Interest for further study as aforesaid.

2.2 Preferred Route Corridor

Once the Corridor of Interest has been assessed and confirmed by notice to the Land Rights Entity, and without limiting the rights which may be necessary and will be granted in order to conduct Project Activities, the following rights with respect to the entire Corridor of Interest will be required and will be obtained and secured by the Land Rights Entity and granted to the TANAP Project Entity for the selection by the TANAP Project Entity of the Preferred Route Corridor:

- (a) All rights defined in Section 2.1 and, in addition, vehicular access (including the right to create temporary and/or permanent access roads) at the TANAP Project Entity discretion on and off the public highways within and across the borders of the Territory for detailed route reconnaissance.
- (b) Full access to all relevant and non-classified information held at the central and local levels of the State Authorities respecting:
 - (1) geology
 - (2) hydrology and land drainage
 - (3) archaeology
 - (4) ecology
 - (5) mining, mineral deposits and waste disposal
 - (6) urban and rural planning and development, including relevant topographical standards and criteria of the State
 - (7) the environment
 - (8) seismology
 - (9) highways and navigations
 - (10) utility and commercial service apparatus records, including pipeline crossings
 - (11) areas under current or former restriction by the State
 - (12) State Authorities' structure and administration requirements
 - (13) agricultural and forestry
 - (14) current and prior land development, ownership, use and occupation
 - (15) meteorology

(16) oceanography

- (c) If the TANAP Project Entity determines in its sole discretion that construction and installation of the Facilities is not viable within any previously designated Preferred Route Corridor or portion thereof, the TANAP Project Entity will have the right to so notify the Land Rights Entity and the TANAP Project Entity will have the further right to modify the existing or designate a new Preferred Route Corridor for further study, as aforesaid.

2.3 Specified Corridor

From the information gained in Sections 2.1 and 2.2 above, the Specified Corridor will be defined by the TANAP Project Entity and notified to the Land Rights Entity. Within this Specified Corridor the TANAP Project Entity and its Contractors will conduct further detailed studies as provided herein. In respect of the Specified Corridor, the Land Rights Entity will obtain and secure in addition to the rights defined in Sections 2.1 and 2.2 above, the necessary additional Land Rights and grant to the TANAP Project Entity such rights so that the TANAP Project Entity will possess the full right of access to and passage within the Specified Corridor for the following activities:

- (a) Topographical survey in accordance with relevant topographical standards and criteria of the State requiring pedestrian and on/off highway vehicular access within and across the borders of the Territory at the TANAP Project Entity discretion. These rights will extend over the area necessary to undertake the survey and could extend outside the Specified Corridor, as notified by the TANAP Project Entity.
- (b) Geotechnical survey rights for vehicles, vessels, equipment and service personnel to enter on to land and offshore areas to excavate trenches or boreholes and record information, including the right of removal of such material from the site as is necessary.
- (c) Cathodic protection resistivity and soil sample surveys requiring vehicular and pedestrian access on to land to take and remove soil samples for further analysis.
- (d) One or more land and offshore use surveys.

The right to undertake surveys will include the right to leave monitoring equipment on site to collect necessary data.

- 2.4 Subject to the provisions of Article 16 of this Agreement, the TANAP Project Entity will have the right to use, publicise and export any data and information obtained by the TANAP Project Entity and its Contractors in connection with the activities described in this Appendix 2.

- 2.5 If the TANAP Project Entity determines in its sole discretion that construction and installation of the Facilities is not viable within any previously designated Specified Corridor or portion thereof, the TANAP Project Entity will have the right to so notify the Land Rights Entity and the TANAP Project Entity will have the further right to modify the existing or designate a new Specified Corridor for further study, as aforesaid.

3. PHASE 2 - FACILITIES CONSTRUCTION AND INSTALLATION PHASE

If the TANAP Project Entity determines in its sole discretion that the construction and installation of the Facilities is viable within any previously designated Specified Corridor, the TANAP Project Entity will have the right to so notify the Land Rights Entity and such Specified Corridor will thereafter be designated the Construction Corridor. At the earliest practicable date after such designation, the Land Rights Entity will cause all the unregistered lands within the Construction Corridor to be registered with relevant land registries and cause the acquisition of all the lands owned by Persons within the Construction Corridor in the name of the Land Rights Entity. The Land Rights Entity will use Best Endeavours to complete the acquisitions of land owned by Persons as promptly as possible within the framework of principles set forth under Article 16 of this Agreement.

- 3.1 The Land Rights Entity will thereafter obtain, secure and grant to the TANAP Project Entity the following Land Rights:
- 3.2 Right to possess, use, construct and operate over the Pipeline Corridor and Facilities (as appropriate) for the conduct of all Project Activities, through an independent and continuous rights *in rem* (other than ownership) valid for a term of forty nine (49) years, which is either established directly in favour of the TANAP Project Entity over lands owned by the Land Rights Entity (as a result of its land acquisitions pursuant to Article 16 and this Appendix 2) and/or by way of the transfer of the independent and continuous rights *in rem* (other than ownership) that shall be established in favour of the Land Rights Entity over lands owned by the State Authorities.
- 3.3 Right to transport all construction material, plant and equipment within the Territory and cross border by land or air without hindrance, including the right to construct and maintain temporary and permanent roads and to use such airfields as are designated, from time to time, by the TANAP Project Entity.
- 3.4 Right to designate and use other areas of land, both in the vicinity of the proposed Facilities and remote from the Facilities, for the conduct of all Project Activities, including for pipe storage dumps, site compounds, construction camps, fuel storage dumps, parking areas, roads and other activity sites. TANAP Project Entity shall solely be responsible for the land acquisition and payments regarding this acquisition subject to this Section 3.4.
- 3.5 Right to install generation and transmission equipment and to connect to any existing electricity supply and, where necessary, the right to lay cables from such supply to the Construction Corridor.

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- 3.6 Right of entry on to such land and offshore areas with all necessary materials and equipment to lay and construct and thereafter use, maintain, protect, repair, alter, renew, augment, expand, inspect, remove, replace or render unusable the Facilities as is required for construction and installation of the Facilities and right to commence and undertake construction and installation.
- 3.7 Right to receive confirmation that each affected landowner and/or occupier and/or any other land right holder (including other pipeline operators) has been made aware of and has consented to and/or has been compensated in accordance with the Environmental and Social Standards (as defined in Article 17), any Lender requirements and principles set forth in the International Finance Corporation Performance Standard 5, Land Acquisition and Involuntary Resettlement, for the rights acquired by the TANAP Project Entity through the State Authorities.
- 3.8 Right to receive from the State Authorities details of land ownership and use, including names and addresses of landowners and occupiers and details of land holding defined on plans showing all such details for all property falling within two hundred and fifty (250) metres either side of the Construction Corridor.
- 3.9 All rights of access (including the right to construct and use temporary or permanent roads) over other land between the public highway and the Construction Corridor, not affected by the construction or operation of the Facilities, such routes to be defined by notice from the TANAP Project Entity prior to road construction and/or use. For the avoidance of doubt, TANAP Project Entity shall not be granted with any rights *in rem* with respect to lands set forth hereunder this Section 3.9. TANAP Project Entity shall solely be responsible for the acquisition of these rights and payments regarding this acquisition subject to this Section 3.9.
- 3.10 The right to the exclusive use, possession and control, and the right to construct upon and/or under, and peaceful enjoyment of, these Land Rights without hindrance or interruption.
- 3.11 The right of the TANAP Project Entity to require that it will be unlawful for any Person without prior written consent of the TANAP Project Entity:
 - (a) to use explosives within an area of 500 (five hundred) metres either side of the Facilities.
 - (b) to undertake any pile-driving within fifty (50) metres either side of the Facilities.
 - (c) to encroach on the Construction Corridor or other areas where land has been granted to the TANAP Project Entity to conduct Project Activities.
 - (d) to cross or otherwise interfere with the TANAP Project Entity's Land Rights with any road, railway, power line, utility, pipeline or other public project ("Crossing Project") and the TANAP Project Entity will in no

event be required to consider a request for consent to such Crossing Project unless and until the State Authorities have approved the proposed Crossing Project and the party proposing the Crossing Project has provided to the TANAP Project Entity(1) details of the proposed Crossing Project sufficient, in the sole opinion of the TANAP Project Entity, to enable the TANAP Project Entity to assess in its sole discretion the practicability of conducting the Crossing Project safely, efficiently, and without unreasonably interfering with Project Activities and (2) a guarantee of compensation to the TANAP Project Entity for any costs incurred by the TANAP Project Entity to accommodate the Crossing Project. The TANAP Project Entity agree that for the purposes of this paragraph (d), where a Crossing Project has been approved by the State Authorities and subject to the conditions set out in (1) and (2) above, the TANAP Project Entity will not unreasonably withhold its consent and the assessment of such Crossing Project shall be given priority without causing unreasonable delay.

- 3.12 The right, in accordance with National Laws, to extract and source appropriate local materials for construction purposes and to dispose of waste arising from Project Activities, including during the construction and any later repair, replacement, capacity expansion or extension process.
- 3.13 Any additional regulatory and other administrative compliance requirements.

4. PHASE 3 - POST CONSTRUCTION PHASE

Following the completion of the Facilities, the TANAP Project Entity will require the following Land Rights, all of which will be obtained and secured by the State Authorities and granted to the TANAP Project Entity:

- (a) The exclusive use, possession and control of (other than ownership), as well as the right to construct upon and/or under, the Project Land if required, the right to establish encumbrances in favour of Lenders.
- (b) All rights previously described to the extent applicable to the use and enjoyment of the Facilities once constructed (including temporary and permanent roads), the construction and use of additional Facilities within Project Land and the future maintenance, protection, repair, alteration, renewal, augmentation, capacity expansion, extension, inspection, removal, replacement or the rendering unusable of any such Facilities.
- (c) The right to add any equipment as the TANAP Project Entity deem necessary.
- (d) The right to fly along the route of the Facilities within and across the borders of the Territory, in accordance with relevant provisions of National Laws, to inspect it and to land wherever it is deemed necessary to ensure the safe and efficient operation of the Facilities.

- (e) The right to erect and thereafter maintain the Facilities, including SCADA, marker posts, cathodic protection test posts and aerial marker posts or signalling equipment and any other equipment or installations necessary for the Project Activities in such locations and positions as deemed necessary by the TANAP Project Entity.
- (f) The right of access over any land between the public highway and Pipeline Corridor and other Project Land without prior notice in cases of emergency.
- (g) Subject to the Project Agreements, the right to allow use of the Facilities by third parties under such terms and conditions as the TANAP Project Entity and the Interest Holders may elect.

5. GOVERNMENTAL NOTIFICATIONS

- 5.1 Within fifteen (15) days after the Effective Date of this Agreement, the TANAP Project Entity and the Host Government will designate to each other in writing those persons, agencies and regulatory bodies which each will be entitled to communicate with and rely on in giving the various notices and securing and confirming the various rights described herein. Such notified contact persons or bodies will be subject to change, from time to time, on not less than fifteen days prior written notice (except for emergencies).
- 5.2 The Land Rights Entity shall, jointly with the TANAP Project Entity develop a land acquisition program and budget, and for this purpose form acquisition working groups.
- 5.3 TANAP Project Entity shall have the right to monitor through the joint land acquisitions working groups the activities of the Land Rights Entity envisaged hereto and all costs and expenses incurred in relation with the acquisition of Land Rights as set forth under Article 16 and this Appendix 2.
- 5.4 Engineering studies/works in relation to Land Rights shall be performed and executed by the TANAP Project Entity or its Contractors, unless agreed otherwise between the Land Rights Entity and the TANAP Project Entity or their Contractors. All information required for the acquisition of land within the Pipeline Corridor (including landowners, address of landowners, land register information, maps and drawings) shall be provided by the TANAP Project Entity or its Contractors, unless agreed otherwise. Such relevant information shall be submitted to the Land Rights Entity in a complete and proper form. During these engineering studies and works, the TANAP Project Entity shall define the Construction Corridor by taking into account the State Authorities and State Entities written comments.

APPENDIX 3 – FORM OF PARENT COMPANY GUARANTEE

To: The Government of the Republic of Turkey, Ministry of Energy and Natural Resources

Date

We refer to the host government agreement dated 26 June 2012 (the "Host Government Agreement") concerning the Trans Anatolian Natural Gas Pipeline System between the Government of the Republic of Turkey ("the Government") and the Trans Anatolian Gas Pipeline Company B.V. ("the TANAP Project Entity"):

1. Capitalized terms not defined in this letter shall have the meaning given to them in the Host Government Agreement.
2. [***] ("New Participant") is intending to participate in the TANAP Project as a TANAP Consortium Member. The New Participant's percentage participating interest in the TANAP Project Entity from time to time shall be defined as the "Percentage Interest Share".
3. [***] ("Guarantor") hereby unconditionally and irrevocably guarantees to the Government in accordance with this guarantee the payment of the Percentage Interest Share of any sums due by the TANAP Project Entity under or pursuant to the Host Government Agreement and any relevant Project Agreement to which the TANAP Project Entity is a Party and not paid by the TANAP Project Entity pursuant to the terms and conditions of the Host Government Agreement or relevant Project Agreement ("Guaranteed Monies"), except to the extent that such failure of the TANAP Project Entity is due to breach of the Host Government Agreement or any relevant Project Agreement by the Host Government, any State Authority or any State Entity.
4. Subject to clause 2 above, the Guarantor shall pay the Percentage Interest Share of the Guaranteed Monies to the Government within twenty-eight (28) days following receipt of a written demand by the Government.
5. This guarantee shall become effective as of the date of signature of the Guarantor below and shall terminate on the earlier of:
 - (a) the date on which the New Participant ceases to be a TANAP Consortium Member (provided that in such situation the Guaranteed Monies covered by this guarantee shall include the Percentage Interest Share of all Guaranteed Monies accrued up to and including the date on which the New Participant ceases to be a TANAP Consortium Member); or
 - (b) the date on which all the obligations of the TANAP Project Entity under the Host Government Agreement and any relevant Project Agreement to which the TANAP Project Entity is a Party have been discharged in full.
6. This guarantee shall be governed by the same law as provided under Article 33 (Applicable Law) of the Host Government Agreement. Any dispute under this guarantee shall be resolved by arbitration in the same place and in the same manner as provided under Article 34 of the Host Government Agreement.

Yours faithfully,

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APPENDIX 4 – LETTER AGREEMENT

Arrangements in respect of the TANAP Project Entity

Pursuant to discussions between the negotiating teams over recent days, the State Oil Company of the Republic of Azerbaijan ("SOCAR") and Boru Hatları ile Petrol Taşıma A.Ş. ("BOTAS"), in consideration of the mutual covenants and undertakings herein and subject to the provisions of the IGA and HGA, hereby agree to the following terms regarding a variety of matters arising out of the proposed TANAP Project; its Intergovernmental Agreement ("IGA"); its Host Government Agreement ("HGA"); and the proposed participation of BOTAS in the TANAP Project Entity (established by SOCAR in the Netherlands under the name of Trans Anatolian Gas Pipeline Company B.V. ("TANAP Co. B.V.") and/or its successors or assignees:

1. Subject to the achievement of all other provisions hereunder and irrespective of the distribution of the twenty per cent (20%) participating interest in the TANAP Project Entity among the Turkish Participants, SOCAR agrees to fund or cause to be funded all capital requirements attributable to the five per cent (5%) participating interest of BOTAS ("BOTAS Share"), starting with its subscription for shares in the TANAP Project Entity through completion of construction of the TANAP System and its commissioning ("SOCAR Funding Obligation");
2. BOTAS in turn shall be responsible for repayment of the SOCAR Funding Obligation ("BOTAS Payment Obligation") in accordance with a fully termed funding agreement to be agreed by the parties in advance of BOTAS' subscription for shares in the TANAP Project Entity ("BOTAS Funding Agreement");
3. BOTAS Payment Obligation shall not include, whether directly or indirectly, any escalation factor;
4. Among other terms, the BOTAS Funding Agreement will set out the SOCAR entity's charge over 100% of all proceeds attributable to the BOTAS Share until such time as the SOCAR Funding Obligation is fully repaid; obligations in respect of any external third party Project financing; security and governance rights in respect of the BOTAS Share until the SOCAR Funding Obligation is repaid, etc.;
5. If the dividends payable by the TANAP Co. B.V. to Turkish Participants in the Netherlands are subject to payment of withholding tax in the Netherlands then SOCAR and Turkish Participants will cause the TANAP Co. B.V. to change the jurisdiction or to be replaced by another TANAP Project Entity organized in the different jurisdiction where no withholding tax on the dividends will be applicable, including, but not limited to, in the jurisdiction of the Republic of Turkey. In case that no such jurisdiction is available, SOCAR will be responsible for payment of the Turkish Participants' withholding tax on dividends obligation arising in the Netherlands.

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Agreed to this on 26 June 2012 in İstanbul, The Republic of Turkey.

For and on behalf of
Boru Hatları ile Petrol Taşıma A.Ş.

Mehmet KONUK
Acting General Director

İbrahim Tan
Deputy General Director

For and on behalf of
The State Oil Company of the Republic of Azerbaijan

Rovnag ABDULLAYEV
President

WITNESSED this on 26 June 2012, in İstanbul, The Republic of Turkey.

H.E. Taner YILDIZ
Minister of Energy and Natural Resources
of the Republic of Turkey

H.E. Natig ALIYEV
Minister of Industry and Energy
of the Republic of Azerbaijan

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TREATY
ON THE WEST AFRICAN GAS PIPELINE PROJECT

BETWEEN

THE REPUBLIC OF BENIN

AND

THE REPUBLIC OF GHANA

AND

THE FEDERAL REPUBLIC OF NIGERIA

AND

THE REPUBLIC OF TOGO

WHEREAS

The State Parties to the present Treaty,

CONSIDERING the Heads of Agreement for the Supply and Transmission of Natural Gas signed by the State Parties on September 5, 1995 and the Memorandum of Understanding on the West African Gas Pipeline signed on August 11, 1999, by the State Parties on the one hand and Chevron Nigeria Limited, Ghana National Petroleum Corporation (replaced by the Volta River Authority), Nigerian National Petroleum Corporation, The Shell Petroleum Development Company of Nigeria Limited, Société Beninoise de Gas S.A. and Société Togolaise de Gas S.A, on the other hand.

CONFIDENT that the West African Gas Pipeline will provide a new market for Natural Gas and expanded sources of energy in the West African Region, will greatly improve the balance of energy requirements and resources in the region and will foster closer relations between the State Parties.

DESIROUS to contribute to the development of relations and exchanges between the Members State Parties of ECOWAS and to the development of their energy programmes in accordance with Article 28 of the Revised Treaty of ECOWAS.

DESIROUS ALSO to permit the construction, the ownership and operation of the West African Gas Pipeline by the private sector.

RECOGNISING that the West African Gas Pipeline should be governed by a harmonised legal and fiscal regime, regulated by a joint authority and made subject to the jurisdiction of a common judicial body.

RECOGNISING THEREFORE that the effective and harmonised implementation of the West African Gas Pipeline will require that each State Party adopts uniform legislation governing the West African Gas Pipeline and that a WAGP Authority and a WAGP Tribunal be hereby established.

DO HEREBY AGREE AS FOLLOWS

ARTICLE I Interpretation

Definition of words and expressions

1. The words and expressions that appear in this Treaty shall have the respective meanings given to them in this Article:

Board of Governors means the Board of Governors of the WAGP Authority;

Committee of Ministers means the committee to be set up in accordance with Article IX(1);

the Company means West African Gas Pipeline Company Limited;

Depository means the Depository of this Treaty in accordance with Article XII;

Director General means the director general of the WAGP Authority;

Enabling Legislation means the domestic legislation passed by each State Party to govern the West African Gas Pipeline;

Fiscal Review Board means the fiscal review board established under Article VI;

International Project Agreement means the agreement to be signed by the State Parties and the Company in accordance with Article VII, a true copy of which is to be added as an Exhibit to this Treaty in accordance with Article VII;

Report of the Authority has the meaning assigned to it under Article IV;

Rules of Procedure means the rules of procedure to be established by the Committee of Ministers in accordance with Article VI;

State Parties means the Republic of Benin, the Republic of Ghana, the Federal Republic of Nigeria and the Republic of Togo, as well as all other such states that have acceded to this Treaty in accordance with Article XV;

Treaty means this treaty between the State Parties;

WAGP Authority means the West African Gas Pipeline Authority established under Article IV;

WAGP Regulations means regulations governing the construction and operation of the Pipeline System, to be made or adopted by the Relevant Minister of each State Party under the Enabling Legislation;

WAGP Tribunal means the tribunal established under Article VI;

West African Gas Pipeline (or WAGP) has the meaning assigned to it under Article II(3).

Other terms and expressions

2.(1) All other terms and expressions that appear in this Treaty shall have the meaning assigned to them in the International Project Agreement.

(2) Words in the singular include the plural unless the context otherwise requires.

(3) Unless otherwise indicated, references to "Articles", "Sections" and "Paragraphs" refer to articles, sections and paragraphs of this Treaty.

ARTICLE II

General Principles

Construction and operation of the WAGP

- 1.(1) The State Parties undertake to permit the construction and operation of the West African Gas Pipeline and to take, jointly or severally, all measures that are necessary or expedient for its construction and operation.
- (2) The West African Gas Pipeline shall be developed and operated in accordance with the terms of the legal instruments specified in Article VII.
- (3) The West African Gas Pipeline, as more particularly described in the International Project Agreement, shall be a high pressure Natural Gas pipeline, with associated compression and metering stations, interconnection points and laterals to Cotonou, Lomé and Tema, (together with such extensions and expansions as the State Parties shall from time to time agree) which shall link the outlet point of the Escravos-Lagos Natural Gas pipeline at Alagbado (Nigeria) to Takoradi (Ghana) transiting through the territorial waters of Benin, Togo and Ghana.

Purpose and nature of WAGP

- 2.(1) The West African Gas Pipeline is intended to transport Natural Gas to electricity-generating companies and other industrial buyers and users of Natural Gas in the West African region.
- (2) The West African Gas Pipeline shall be an open access transporter to the extent contemplated in the International Project Agreement.

ARTICLE III

Legislative and Regulatory Measures

Approval of the Treaty by State Parties' Legislature

1. To the extent required under its Constitution, each State Party shall as soon as practicable after signature of this Treaty and the addition of the Exhibit as provided in Article VII:-
 - (a) take all steps necessary to present this Treaty to its Legislature for ratification and/or acceptance and use its best endeavours to secure any such ratification and/or acceptance; and

- (b) take all steps necessary to present a draft of the Enabling Legislation to its Legislature and use its best endeavours to secure its enactment.

Enabling Legislation and WAGP Regulations

2.(1) In each State Party, the West African Gas Pipeline shall be specifically governed by the Enabling Legislation and the WAGP Regulations, to the exclusion of any other legislation or regulations on the same subject matter.

(2) Each State Party shall take such measures, including by way of provisions in the Enabling Legislation or the WAGP Regulations, as may be necessary to ensure that the WAGP Authority is fully and exclusively empowered to exercise in each such State Party the powers and functions conferred upon it under this Treaty (in particular the power to monitor compliance with, and enforce, the WAGP Regulations).

Agreed Regime

3. Each State Party shall take all necessary or appropriate steps to make, give or implement within its respective jurisdiction all other legal instruments, decisions, approvals, exemptions or regimes as are necessary to give effect to and to implement the Agreed Regime.

ARTICLE IV

West African Gas Pipeline Authority

Establishment

1.(1) The State Parties hereby establish the WAGP Authority which shall be an international institution having legal personality and financial autonomy.

(2) The WAGP Authority shall, in each of the State Parties, be recognised as a legal person capable under the laws of that State Party of assuming rights and obligations and of being a party to legal proceedings before the courts of that State Party.

Jurisdiction, Powers and Functions of the WAGP Authority

2.(1) The WAGP Authority has the exclusive jurisdiction to exercise the powers and perform the functions specified in section 2(2) of this Article. It shall not have any powers or functions other than those that are specifically provided in section 2(2) of this Article, except those that may be necessary for the proper exercise of those powers or functions.

(2) The WAGP Authority shall have the following powers and functions:

(a) *Representation functions*

The WAGP Authority is empowered to take the following actions and decisions in the name and on behalf of the State Parties:

- (i) give its consent to changes to the legal corporate structure of the Company as provided in Clause 5.2 of the International Project Agreement or to a transfer by the Shareholders of shares in the Company as provided in Clause 5.5 and 5.6 of the International Project Agreement;
- (ii) monitor compliance by the Company of its obligations under the International Project Agreement;
- (iii) give interim and final approvals to the Company of the design of the Pipeline System and the plans for its fabrication or construction, in accordance with Clause 16 and Schedule 17 of the International Project Agreement;
- (iv) approve the Conceptual Design Package and the Front End Engineering Design Package in accordance with Schedule 17 of the International Project Agreement;
- (v) negotiate and agree the terms of and approve the Pipeline Development Plan with the Company, including amendments to the Approved Pipeline Development Plan;
- (vi) negotiate and agree with the Company the terms of amendments to the conditions on which Pipeline Licences are granted;
- (vii) negotiate and agree with the Company the terms of the Access Code and any amendments thereto, in accordance with Clause 26 of the International Project Agreement;
- (viii) negotiate and agree with the Company waivers of the requirements of the Access Code or of Clause 26 of the International Project Agreement, as contemplated in Clause 26 of the International Project Agreement;
- (ix) consult with the Company on the text of the WAGP Regulations and (following notification by it of the proposed changes) consult with the Company on the terms of any amendments thereto, in accordance with Clause 12.1 of the International Project Agreement;
- (x) negotiate and agree the appointment of a third party operator of the Pipeline System in accordance with Clause 23.2 of the International Project Agreement;
- (xi) consult with the Company on proposals for amendment to the Enabling Legislation, in accordance with Clause 8.4 of the International Project Agreement;

- (xii) negotiate and agree with the Company any matters arising in connection with any expansion of the Pipeline System as contemplated in Clause 24 and Schedule 19 of the International Project Agreement;
- (xiii) give to the Company notice of failure to comply with the Access Code, in accordance with Clause 26.7 of the International Project Agreement;
- (xiv) give to the Company notice to remedy a breach of the International Project Agreement, in accordance with Clause 37.2 of the International Project Agreement;
- (xv) give to the Company a Notice of Default, in accordance with Clause 37.4 of the International Project Agreement;
- (xvi) resolve the consequences of a default of the International Project Agreement by the Company, in accordance with Clause 37 of the International Project Agreement;
- (xvii) co-ordinate the administration of the Fiscal Laws in accordance with Schedule 8 of the International Project Agreement, including the giving of Notices of Assessment, negotiating and agreeing interest rate deductibility mechanisms or approving the terms of loan agreements for interest rate deductibility purposes;
- (xviii) act on behalf of the State Parties' respective Tax Authorities in respect of any proceedings brought by the Company against any or all of the State Parties before the WAGP Tribunal;
- (xix) report to the Committee of Ministers on the implementation by the State Parties of their obligations under this Treaty and, in particular, where it appears that a State Party or State Authority is failing to comply with the provisions of this Treaty or the Enabling Legislation to the detriment of a Company, a Project Contractor, a Buyer, a Seller or a Shipper;
- (xx) carry out audits of the Company under Clause 10 of the International Project Agreement;
- (xxi) prepare and notify to the Company its funding requirements for the operation of the WAGP Authority as specified in Clause 9.4(b) and 9.4(c) of the International Project Agreement and agree certain changes to the funding of the WAGP Authority as referred to in Clause 9.4(i) of the International Project Agreement;
- (xxii) discuss with and give the Company prior written permission to enter into Gas Transportation Agreements (other than Foundation Gas

Transportation Agreements) other than in accordance with the Access Code;

- (xxiii) provide the Company such approvals or consents as may be required pursuant to the International Project Agreement;
- (xxiv) negotiate and agree upon inclusion of items in the Exempt Goods List as well as future additions to the Exempt Goods List;
- (xxv) negotiate and agree maintenance standards with the Company in accordance with Schedule 9 to the International Project Agreement;
- (xxvi) negotiate and agree changes to the Approved Tariff Methodology with the Company in accordance with Schedule 7 of the International Project Agreement;
- (xxvii) establish and agree with the Company the Certification System;
- (xxviii) give notice of intention of acceptance of transfer of the Pipeline System following cessation of operation by the Company as specified in Clause 41.4 of the International Project Agreement;
- (xxix) make certain notifications as are specified in the International Project Agreement or in the WAGP Regulations;
- (xxx) agree with the Company on a replacement index as referred to in Clause 49 of the International Project Agreement; and
- (xxxi) in the event of any challenge to the Project Authorisations or Supplemental Authorisations, intervene as provided in Clause 32.2 of the International Project Agreement;

(b) Facilitation functions

- (i) facilitate the grant, renewal or extension of Project Authorisations and Supplemental Authorisations in accordance with Clauses 16 and 17 of the International Project Agreement;
- (ii) receive, review, consult with the Technical Authorities and comment on Conceptual Design Package and the Front End Engineering Design Package in accordance with Schedule 17 of the International Project Agreement;
- (iii) receive, review, and respond to the draft and final Pipeline Development Plan and proposed amendments to the Approved Pipeline Development Plan;

- (iv) receive, review, respond to the draft and final Environmental Impact Assessment and Environmental Management Plan, and co-ordinate and facilitate all necessary environmental approvals;
- (v) coordinate amendments to the Environmental Management Plan in accordance with Clause 19 and Schedule 2 of the International Project Agreement;
- (vi) provide administrative services for the Fiscal Review Board and the WAGP Tribunal in accordance with the Rules of Procedure;
- (vii) receive reports and notifications from the Company as specified in the International Project Agreement or in the WAGP Regulations;
- (viii) distribute the original and amended Emergency Response Plan; and
- (ix) notify relevant agencies of occurrence of an Emergency Condition; and

(c) *Regulatory functions*

- (i) review, and respond to the Company on, submissions associated with Approvals to Operate and grant Approvals to Operate, in accordance with Clause 16.5 of the International Project Agreement and the WAGP Regulations;
- (ii) enforce the WAGP Regulations and exercise the powers and responsibilities conferred on it under the WAGP Regulations, including inter alia its powers to inspect the design, construction and operation of the Pipeline System in accordance with Clauses 16.5 and 22.8 of the International Project Agreement and the WAGP Regulations;
- (iii) if at any time the Access Code is imposed by regulation in accordance with Clause 26.7 of the International Project Agreement, monitor compliance with and enforce the Access Code and exercise the powers and responsibilities conferred on it under the Access Code and those implementing regulations;
- (iv) intervene and use its best endeavours to ensure the compliance by a State Party or a State Authority with the International Project Agreement or the Enabling Legislation where such State Party or State Authority has failed to comply to the detriment of a WAGP Company, a Project Contractor, a Buyer, a Seller or a Shipper; and
- (v) act as a mediator between the Company and an aggrieved person who wishes to become a Shipper.

(3) The Committee of Ministers shall have the power to amend or supplement the functions and powers of the WAGP Authority, by written instrument.

Decisions and actions of the WAGP Authority

3.(1) The decisions of the WAGP Authority provided in sub-paragraphs (v), (xiii), (xiv), (xv), (xxvi) and (xxviii) of section 2(2)(a) of this Article shall be subject to the prior consent of the Board of Governors.

(2) The decisions, actions and proceedings of the WAGP Authority shall be conducted in accordance with the Rules of Procedure, which shall contain detailed rules and requirements governing the proceedings of the WAGP Authority, including public hearings (where applicable). Any decision taken by the WAGP Authority in furtherance of its functions and powers as provided in section 2(2) of this Article shall be in writing.

(3) The WAGP Authority shall exercise its functions and powers specified in section 2(2) of this Article in accordance with the principles of natural justice and in a manner consistent with this Treaty, the Enabling Legislation, the WAGP Regulations and the International Project Agreement.

(4) The Director General and the members of the Board of Governors are barred from taking decisions in which they have any direct personal financial interest.

(5) The WAGP Authority shall not offer, promise or give any undue pecuniary or other advantage, whether directly or through intermediaries, to a public official in any of the State Parties, for that official or for a third party, in order that the official acts or refrains from acting in relation to the performance of official duties.

(6) The decisions of the WAGP Authority shall be fully effective in the legal systems of each State Party and shall have the same authority as the final decisions of the national authorities of the State Parties whose jurisdiction in respect of the West African Gas Pipeline has been transferred to the WAGP Authority.

Director General

4.(1) There shall be a Director General of the WAGP Authority who shall be the chief executive officer of the WAGP Authority and shall make all the decisions and take such actions as described in section 2(2) of this Article, subject to the obligation for prior consent of the Board of Governors, as provided in section 3(1) of this Article.

(2) The Director General shall be appointed by the Committee of Ministers upon the recommendation of the Board of Governors for a period of five (5) years from candidates that are qualified for the position by virtue of their education, training and experience. The Director General of the WAGP Authority shall be a national of a State Party.

(3) The Committee of Ministers may remove the Director General for good cause upon the recommendation of the Board of Governors. The Director General shall be replaced at the end of his term of office unless expressly maintained in office for a further five (5) year term by a decision of the Committee of Ministers upon the recommendation of the Board of Governors. In the event of revocation, resignation, non renewal or death of the Director General or in the

event of any other cause of termination of his functions, the Director General shall be replaced by a new Director General to be appointed for a term of five (5) years and in accordance with this section.

(4) In the event of the sudden departure of the Director General, the Board of Governors shall nominate an officer of the WAGP Authority to act as Director General until such time that a new Director General appointed in accordance with this section effectively assumes his functions.

(5) The Director General shall be the legal representative of the WAGP Authority and his decisions and actions within the scope of his powers under this Treaty and the WAGP Regulations shall bind the WAGP Authority.

Board of Governors

5.(1) The WAGP Authority shall have a Board of Governors composed of four (4) members. The Head of State of each State Party shall appoint one (1) member. The members of the Board of Governors shall be appointed for a term of four (4) years, except for the first members appointed by two of the State Parties (one from a French-speaking State Party and another from an English speaking State Party), who shall be appointed for a term of two (2) years. Each member shall have qualifications relevant to the activities of the WAGP Authority.

(2) The members of the Board of Governors may have alternates. The alternate of a member shall be chosen by such member among his or her immediate assistants.

(3) The Board of Governors shall be presided over by one of its members for a period of one year at a time on an alphabetical rotational order of State Party name.

(4) The Board of Governors shall meet from time to time to:

- (a) consider recommendations to the Committee of Ministers on appointment, revocation and replacement of the Director General;
- (b) give its prior consent to a decision or action of the Director General in respect of the matters specified in sub-paragraphs (v), (xiii), (xiv), (xv), (xxvi) and (xxviii) of section 2(2)(a) of this Article;
- (c) consider recommendation to the Committee of Ministers in respect of any change of the location of the headquarters of the WAGP Authority;
- (d) approve of the funding requirements of the WAGP Authority;
- (e) determine the organisational structure of the WAGP Authority; and
- (f) consider requests for review of the decisions and actions of the Director General under section 12(1) of this Article.

(5) The Board of Governors shall convene at the request of any of its members, of the Director General or of the Company to decide upon any of the matters specified in section 5(4) of this Article.

(6) The decisions of the Board of Governors shall be subject to a majority vote of its members, except for decisions in a matter contemplated in section 2(2)(a) of this Article which shall be subject to a unanimous vote. Each member of the Board of Governors shall have one (1) vote. The Board of Governors shall convene at the request of any of its members, of the Director General or of the Company. The required quorum shall be three (3) members or alternates present. A member of the Board of Governors may grant a proxy to another member to vote in its name. In the event that any urgent matter is referred to the Board of Governors, the Board of Governors shall be able to deliberate via any means of communications, subject to the provision of written minutes.

Staff

6.(1) The WAGP Authority may employ permanent staff and retain or engage external experts, consultants and other specialist staff, as may be necessary or appropriate to enable it to discharge its functions under this Treaty and the WAGP Regulations. Any staff and consultants engaged by the WAGP Authority shall be qualified by virtue of their education, training or experience.

(2) The Director General and the staff of the WAGP Authority (including consultants engaged by it) shall have no financial interest in the Company or any Shipper, Buyer, Seller or Project Contractor. They shall be obliged to keep information to which they may have access by virtue of their functions or their employment by the WAGP Authority confidential during and after their term of office.

(3) The Director General and all staff of the WAGP Authority who report directly to the Director General shall, in the territory of each of the State Parties, have such privileges and immunities as are provided under the ECOWAS General Convention on Privileges and Immunities of 22 April 1978.

(4) The salary and benefits of the Director General and the staff of the WAGP Authority shall be determined on the basis of salary scales and benefit plans of ECOWAS staff.

Funding

7.(1) The State Parties shall be responsible for providing or procuring funding for the WAGP Authority.

(2) The State Parties shall arrange the funding for the costs of the WAGP Authority primarily from the WAGP Authority Charge to be paid by the Shippers on the West African Gas Pipeline and from such other sources of funding as are identified in the funding provisions of Clause 9 of the International Project Agreement.

- (3) The State Parties shall ensure at all times, and particularly in the event of any shortfall of funds paid to the WAGP Authority under the International Project Agreement (irrespective of the reason for such shortfall), that the costs of the WAGP Authority in excess of available resources are funded from the State Parties' budget so as to allow the WAGP Authority to continue to perform properly its functions.
- (4) The State Parties shall further ensure that staffing levels and other costs incurred by the WAGP Authority are reasonable having regard to the functions of the WAGP Authority as provided in this Treaty and in the WAGP Regulations.
- (5) The State Parties shall assist the WAGP Authority in seeking and obtaining from international agencies or other sources any further funding that may be required for its operations.
- (6) The costs of the WAGP Authority not covered by the WAGP Authority Charge or other sources in any Tax Year shall be assumed by the State Parties in proportion to the respective Apportionment Percentage that applies to each State Party in that Tax Year in accordance with the Agreed Fiscal Regime.
- (7) At the latest 3 months prior to the commencement of each calendar year, the Director General shall establish the funding requirements of the WAGP Authority as contemplated in Clause 9.4 of the International Project Agreement. Within fifteen (15) days of the establishment of the draft funding requirements, the Director General shall notify to the Board of Governors the draft funding requirements, with all appropriate details necessary for it to be discussed by the Board of Governors. The Board of Governors shall meet within 1 month of receipt of the draft funding requirements, to review the draft funding requirements and may approve, reject or request amendments to the same. The Board of Governors in taking a decision under this subsection shall base its decision on the WAGP Authority's reasonable funding requirements and their consistency with the functions and powers of the WAGP Authority, as set out in this Treaty and the WAGP Regulations.
- (8) Where the Board of Governors requests changes to the draft funding requirements, the Director General shall establish revised funding requirements which shall be notified to the Board of Governors within fifteen (15) days from the decision of the Board of Governors. The Board of Governors shall subsequently meet, in the presence of the Director General, within fifteen (15) days of the notification by the Director General of the revised funding requirement, with a view to finally resolving any outstanding issues and to adopt the final funding requirements of the WAGP Authority. The decision of the Board of Governors shall be final.
- (9) The final funding requirements shall be notified by the Director General to the Company and to the State Parties, in accordance with Clause 9.4 of the International Project Agreement.

Site of the WAGP Authority

8. The WAGP Authority shall be located in one of the four State Parties, as shall be 12 to

determined by the Committee of Ministers, upon the recommendation of the Board of Governors.

Official languages of the WAGP Authority

9. The official languages of the WAGP Authority shall be English and French.

Reporting of the WAGP Authority

10.(1) The WAGP Authority shall prepare an annual Report of the Authority on the implementation of the Project and on its activities during each preceding year. The Report of the Authority for each preceding year shall contain:

- (a) a description of the main stages of implementation of the Project;
- (b) a description of the activities undertaken by the WAGP Authority;
- (c) the sources and uses of funds of the WAGP Authority;
- (d) a description of the implementation of this Treaty and the International Project Agreement by the State Parties and the Company.

(2) The Report of the Authority shall be submitted by the Director General to the Committee of Ministers at the latest on 31 March of the year following the year to which the Report of the Authority relates.

(3) The Committee of Ministers may request at any time from the WAGP Authority any information or documents it considers appropriate in order to carry out its review of the WAGP Authority's activities.

Records

11. The premises, archives and records of the WAGP Authority (and all documents belonging to or held in the WAGP Authority) shall be inviolable at all times and wherever they may be located.

Review of the WAGP Authority's Decisions by the Board of Governors

12.(1) The Company or any of the State Parties may challenge any decisions (or take issue with any action or inaction) of the Director General (other than a decision in respect of which the Board of Governors has given its consent in accordance with section 3(1) of this Article) which affect their respective rights under this Treaty or the International Project Agreement by requesting a meeting of the Board of Governors.

(2) The Board of Governors, after examining the issue, may confirm the decision of the Director General or give to the Director General such directions as may be appropriate to

make the Director General's decision conform to the requirements of this Treaty, the International Project Agreement, the Enabling Legislation and the WAGP Regulations. In such an event the Director General shall comply with the directions given by the Board of Governors.

Review of the WAGP Authority's Decisions by the Committee of Ministers

13.(1) If the Company or any of the State Parties is dissatisfied with any decisions of the Board of Governors made pursuant to section 12(2) of this Article or with any action or decision of the Director General authorised by the Board of Governors pursuant to section 3(1) of this Article, the Company or any of the State Parties may request a meeting of the Committee of Ministers to review such decision or action.

(2) The Committee of Ministers may confirm or overrule the decision or action, or take a new decision replacing the Board of Governors' or the Director General's decisions or directing the Director General to take any action as may be appropriate in the circumstances. In such an event the decision of the Committee of Ministers shall be deemed to be a decision of the WAGP Authority.

(3) The Committee of Ministers may decline to conduct a review, in which case the decision of the WAGP Authority shall be deemed confirmed.

Further Review

14. The Company may invoke the Dispute Resolution Procedure under the International Project Agreement in order to challenge any decisions of the Committee of Ministers in respect of matters contemplated in sections 2(2)(a) or 2(2)(b) of this Article.

Review by the WAGP Tribunal

15.(1) Where any State Party or the Company is dissatisfied with any decision of the Committee of Ministers pursuant to section 13(2) or 13 (3) of this Article, the relevant State Party or the Company may file an application with the WAGP Tribunal for a review of the decisions of the WAGP Authority (or, as the case may be, of the decision of the Committee of Ministers which is substituted therefor) on the grounds that:

- (a) the relevant decision or action of the WAGP Authority exceeds the scope of powers and functions of the WAGP Authority as defined in section 2(2) of this Article or in the WAGP Regulations; or
- (b) the WAGP Authority has improperly exercised its regulatory powers under section 2(2)(c) by engaging in:
 - (i) any malicious or fraudulent act, act in bad faith, or any act carried out for an illegal or an improper purpose;

- (ii) any act which would amount to an abuse of power or which is inconsistent with this Treaty, the Enabling Legislation or the WAGP Regulations;
- (iii) any act or decision which is arbitrary, capricious, made without adequate basis, or made without taking into account relevant considerations or taking into account irrelevant considerations; or
- (iv) any decision, order, sanction or other measures which is or are unreasonable, disproportionate or excessive with respect to the desired objective or the situation.

(2) Any application pursuant to section 15(1) shall have to be filed within thirty (30) days of such time that the decision of the relevant decision of the Committee of Ministers (or the decision to decline a review under section 13(3) of this Article) is brought to the attention of the party filing the application. Pending the determination of the WAGP Tribunal, enforcement of the decision under review shall be suspended.

(3) The review of the actions or decisions of the WAGP Authority by the WAGP Tribunal under this section shall be conducted in accordance with the provisions of the Rules of Procedure. Where the Rules of Procedure provide for specific hearings in respect of any matters contemplated by section 2(2)(c) of this Article, any review of such proceedings by the WAGP Tribunal shall be conducted in accordance with specific requirements set out in the Rules of Procedure.

(4) Any action or decision of the WAGP Authority (or of the Committee of Ministers deemed to be a decision of the WAGP Authority) held by the WAGP Tribunal to have exceeded the powers of the WAGP Authority under section 2(2) of this Article or the WAGP Regulations shall not be recognised by any of the State Parties and shall cease to have any legal effect under their respective legal systems.

State Party support

16.(1) The State Parties shall ensure that the WAGP Authority carries out and performs its functions and obligations set out in, and complies in all respects with, this Treaty.

(2) In order to ensure proper coordination of the State Authorities' activities, the State Parties shall ensure that each of their respective State Authorities involved in the Project shall appoint a liaison officer who shall be in charge of relations with the WAGP Authority in connection with the matters within their scope of activity.

ARTICLE V Agreed Fiscal Regime

General

1. The State Parties hereby agree to and shall ensure that their respective Tax Authorities shall fully apply the Agreed Fiscal Regime to the Company and all Applicable Persons.

Apportionment of fiscal revenue among the State Parties

2.(1) For the purpose of determining the liability of the Company in each State Party to Income Tax, all Assessable Income, Allowable Expenses and Capital Allowances for a Tax Year (*Apportionable Items*) shall be apportioned between each State Party in accordance with section 2(2) of this Article, irrespective of where or how such Assessable Income might have been earned or accrued or Expenses incurred. The final share of all Apportionable Items that is attributed to each State Party in accordance with the calculation set out in section 2(2) of this Article shall constitute its Apportionment Percentage.

(2) The Apportionable Items shall be divided between the State Parties as follows: 45% of the Apportionable Items will be divided between the State Parties in proportion to the distance of the Pipeline System within each State Party, 45% of the Apportionable Items will be divided between the State Parties in proportion to the Reserved Capacity for delivery in each State Party, and 10% of the Apportionable Items will be divided between the State Parties equally. Accordingly, in each Tax Year the Apportionment Percentage of each State shall be determined according to the following formula:

$$AP_S = 45 \times ((L_S \div L_T) + (RC_S \div RC_T)) + 2.5$$

where:

AP_S = the Apportionment Percentage of a State Party, expressed as a percentage;

L_S = the length of pipeline comprised in the Pipeline System situated within the State Party concerned as at 1 January in that Tax Year, which has been commissioned (for which purpose the length of the pipeline within a State Party shall be determined by the as built survey carried out by the Company, and the length of lateral pipelines shall be included);

L_T = the total length of pipeline comprised in the Pipeline System as at 1 January in that Tax Year, which has been commissioned (for which purpose the length of the pipeline shall be determined by the as built survey carried out by the Company, and the length of lateral pipelines shall be included);

RC_S = the sum of the quantities of Reserved Capacity which are reserved at any time for transportation of Natural Gas as at 1 January in that Tax Year, for delivery out of the Pipeline System in the State Party concerned, and

RC_T = the total sum of the quantities of Reserved Capacity which are reserved at any time for transportation of Natural Gas as at 1 January in that Tax Year.

(3) The Apportionment Percentages to apply in any Tax Year, or the method of determining the Apportionment Percentages, may be adjusted by the State Parties by written notice signed by each Relevant Minister and delivered to the Company prior to that Tax Year; provided however that:

- (a) the total of the Apportionment Percentages to apply in a Tax Year shall always equal one hundred percent (100%);
- (b) If a methodology is to be used to determine the division of the Apportionment Percentages between the State Parties, the Apportionment Percentages shall be readily ascertainable on or before 1 January in the Tax Year concerned; and
- (c) If on 1 January in a Tax Year adjusted Apportionment Percentages which the State Parties intend to apply in that Tax Year are not readily ascertainable in accordance with Paragraph (b) above, then the Apportionment Percentages which applied in the previous Tax Year shall continue to apply.

(4) The mechanism for certifying the Apportionment Percentages and the timing of that certification shall be set out in the International Project Agreement.

ARTICLE VI

Fiscal Review Board and WAGP Tribunal

Establishment and Jurisdiction of the Fiscal Review Board

1.(1) The Fiscal Review Board is hereby established.

(2) The Fiscal Review Board shall be an *ad hoc* body to be constituted only when required to hear an application for review within its jurisdiction.

(3) The Fiscal Review Board shall have exclusive jurisdiction to hear applications filed by any Applicable Person for review of a decision or action or inaction of a State Party, a Tax Authority, any other State Authority or the WAGP Authority in relation to the application of the Agreed Fiscal Regime (including Non-WAGP Regime matters which are modified by the implementation of the Agreed Fiscal Regime), including specifically:

- (a) applications filed by any Applicable Person for review of (a) any Assessment or any amended or altered Assessment issued by any State Party or (b) the failure of any State Party to issue an amended Assessment following the submission of amended Returns in accordance with paragraph B.40 of Schedule 8 of the International Project Agreement;
- (b) applications filed by any Applicable Person for review of any imposition of a withholding or deduction contrary to paragraphs B.50 or B.51 of Schedule 8 of the International Project Agreement or of the failure of any State Party to treat any withholding in accordance with paragraph B.52 of Schedule 8 of the International Project Agreement;
- (c) applications filed by any Applicable Person for review of any refund of VAT by any State Party or State Authority, or any refusal by any State Party or State Authority to make a repayment of VAT (in either case including as to the amount of any interest due), or any requirement of a State Party or State Authority that VAT be paid or charged, or any refusal in whole or in part by any State Party or State Authority to allow a credit for Tax in respect of VAT paid and not refunded;
- (d) applications filed by any Applicable Person for review of any imposition of any customs duties pursuant to Part D of Schedule 8 of the International Project Agreement by any State;
- (e) applications filed by any Applicable Person for review of any imposition of any Tax by any State Party or State Authority contrary to the provisions of the Fiscal Laws or the failure of a State Party or State Authority or the WAGP Authority to comply with the Fiscal Laws or to correctly apply the Non-WAGP Regime as modified by the implementation of the Agreed Fiscal Regime; and
- (f) applications filed by any Applicable Person for review of any imposition of any penalty under Part F of Schedule 8 of the International Project Agreement or any demand for interest by any Tax Authority under paragraph B. 49 of Schedule 8 of the International Project Agreement or any refusal of any Tax Authority or State Party to pay interest pursuant to paragraph B. 49 of Schedule 8 of the International Project Agreement.

Composition of the Fiscal Review Board

2.(1) The Fiscal Review Board shall consist of the head of the Tax Authority in each State Party (or his or her authorised representative). The Fiscal Review Board shall be constituted on the receipt by the WAGP Authority of a notice for review. Each State Party shall ensure that its representative on that Fiscal Review Board is duly appointed and duly participates in the hearing and determination of the review by that Fiscal Review Board.

(2) Every member of the Fiscal Review Board shall in respect of the business of that Fiscal Review Board act solely as a member of the Fiscal Review Board as an independent

decision-maker and shall conduct the hearing and determination of the review in an independent and impartial manner in accordance with the general principles of international law. Each party to these proceedings shall be entitled to a fair and impartial hearing.

Procedure and decisions of the Fiscal Review Board

3.(1) The requirements and procedure that apply to notices, time limits for appeals and filings, submission of evidence and pleadings, hearings, procedural requests, the form of the decision of the Fiscal Review Board and all other procedural matters in respect thereof shall be as set out in the Rules of Procedure.

(2) The decisions of the Fiscal Review Board shall be binding on the parties to its proceedings, shall be recognised as final, effective and immediately enforceable as of their notification within the domestic legal and fiscal systems of all the State Parties and as against any State Authorities of such State Parties (to the extent such State Parties were parties to or regularly joined into the proceedings), subject to the parties' right of appeal to the WAGP Tribunal under section 4 of this Article.

Establishment and Jurisdiction of the WAGP Tribunal

4.(1) The WAGP Tribunal is hereby established.

(2) The WAGP Tribunal shall be an *ad hoc* body to be constituted only when required to hear an application for review within its jurisdiction.

(3) The WAGP Tribunal shall have exclusive jurisdiction to:

- (a) hear all appeals from any final decisions of the Fiscal Review Board filed by (i) any Applicable Person (ii) State Parties or State Authority, provided that if the matter being appealed is a matter arising under Part B of Schedule 8 of the International Project Agreement (other than an appeal in relation to the application of paragraphs B.2, B.51, B.52, B.54, B.55 or B.56 of Schedule 8 of the International Project Agreement) then an appeal lies only if all State Parties or the equivalent State Authority in all State Parties join or are joined in the appeal;
- (b) conduct the review contemplated in section 15 of Article IV; and
- (c) hear and determine applications provided under article 2(b) of Part B of Schedule 8 of the International Project Agreement.

Composition of the WAGP Tribunal

5.(1) The WAGP Tribunal shall consist of five (5) judges. Four (4) judges shall be chosen and appointed by each State Party from judges of their respective highest court having jurisdiction to hear tax or administrative law disputes, depending on whether the dispute is in

relation to the Agreed Fiscal Regime or in relation to the legality of a WAGP Authority decision. The fifth (5th) judge, who shall be the presiding judge, shall be appointed by the President of the ECOWAS Court of Justice from the judges appointed to the ECOWAS Court of Justice that are not nationals of any of the State Parties.

(2) Each member of the WAGP Tribunal shall act as an independent decision-maker and not as a representative of any State Party or, as the case may be, of any ECOWAS state and shall conduct the hearing and determination of the appeal in an independent and impartial manner in accordance with this Treaty, the International Project Agreement, the WAGP Regulations, the Enabling Legislation and the general principles of international law. Each party to the proceedings shall be entitled to a fair and impartial hearing.

Procedure and decisions of the WAGP Tribunal

6.(1) The requirements and procedure that apply to notices, time limits for appeals and filings, submission of evidence and pleadings, hearings, procedural requests, the form of the decision of the WAGP Tribunal and all other procedural matters in respect thereof shall be as set out in the Rules of Procedure.

(2) The decisions of the WAGP Tribunal shall be binding on the parties to its proceedings, shall be recognised as final, effective and immediately enforceable as of their notification within the domestic legal and fiscal systems of all the State Parties and as against any State Authorities of such State Parties (to the extent they were all parties to or regularly joined into the proceedings).

Role of WAGP Authority

7. The WAGP Authority shall provide for the administration of the Fiscal Review Board and the WAGP Tribunal. Documents to be notified to the Fiscal Review Board or the WAGP Tribunal shall be notified to the WAGP Authority, and documents to be notified by the Fiscal Review Board or the WAGP Tribunal shall be notified by the WAGP Authority on their behalf.

State Parties and WAGP Authority to facilitate

8. The State Parties and the WAGP Authority shall use their best endeavours to facilitate any proceedings under this Article. Each State Party shall ensure that a representative from that State Party is duly appointed to the Fiscal Review Board or the WAGP Tribunal, as the case may be, and that such person duly participates in the business of the Fiscal Review Board or WAGP Tribunal in accordance with this Treaty.

Rules of Procedure

10. The Committee of Ministers shall as soon as practicable after the signature of this Treaty draw up and issue Rules of Procedure which shall apply to the conduct of proceedings

before the WAGP Authority, the WAGP Tribunal and the Fiscal Review Board. The Committee of Ministers may by instrument amend the Rules of Procedure.

ARTICLE VII

Project Documentation

International Project Agreement

1.(1) The State Parties shall, following signature of this Treaty, enter into an International Project Agreement with the Company. The International Project Agreement shall be executed on behalf of the State Parties by the Committee of Ministers. Following its execution, the Committee of Ministers shall sign an instrument which:

- (a) reconfirms the undertakings of the State Parties hereunder in respect of the executed International Project Agreement; and
- (b) identifies a true copy of the International Project Agreement.

(2) The instrument and the copy of the International Project Agreement shall be lodged with the Depository, and the same shall be the Exhibit to this Treaty.

Agreed Regime and Stability

2.(1) The State Parties recognise and agree that the West African Gas Pipeline, and the rights and obligations of the State Parties, the Company and the WAGP Authority in respect thereof, shall be exclusively governed by the following set of instruments, rules and principles:

- (a) this Treaty;
- (b) the International Project Agreement;
- (c) the Enabling Legislation (in respect of such rights and obligations as are recognised by the domestic law of each State Party);
- (d) the Rules of Procedure;
- (e) all other instruments forming part of and/or implementing the Agreed Regime;
- (f) all such general principles of international law, international treaties and domestic legislation as may be applicable to the Project, to the extent not inconsistent with any of the instruments contemplated in paragraphs (a), (b), (c), (d) or (e) above.

(2) The State Parties further recognise and agree with one another that the harmonised and stable application of this Treaty, the International Project Agreement, the Enabling Legislation and all other elements of the Agreed Regime by all the State Parties, throughout the duration of the International Project Agreement and across all four (4) jurisdictions, is essential to protect the rights and interests of each of the State Parties in maintaining the West African Gas Pipeline as a common source of gas supply and/or as a common means of transport of indigenous gas.

(3) Each State Party therefore hereby agrees and undertakes that:

- (a) it shall comply with this Treaty, the International Project Agreement, the Enabling Legislation and the other instruments forming part of and/or implementing the Agreed Regime;
- (b) it shall not, whether by way of direct executive action, order, regulation or decision or by the entering into international agreements or otherwise, discontinue performance of, revoke, amend, suspend, terminate, or repudiate, or disable the legal effectiveness of this Treaty;
- (c) it shall not promote, shall oppose and shall use its best efforts to ensure that its Legislature does not bring about, any legislative change materially affecting the validity or continuing application of the provisions of this Treaty, the International Project Agreement, the Enabling Legislation or of any other instruments forming or contemplated under the Agreed Regime.

Action in event of breach of the Treaty

3.(1) In the event that any one or more State Parties should breach this Treaty or the International Project Agreement, or take any action inconsistent with section 2(3) of this Article:

- (a) the State Parties affected by the breach or by the actions of another State Party shall serve a notice concerning the breach on the offending State Party with a request to cease and cure the breach;
- (b) the State Party in breach shall cease any such actions and cure any such breach promptly upon receipt of the notice of breach contemplated in paragraph (a) above;
- (c) any refusal or failure to cease such actions and/or adequately cure such breach shall entitle the State Party affected by the breach to take action against the offending State Party and to require and/or enforce any available remedy under this Treaty, under the ECOWAS Revised Treaty and under the general rules of international law;
- (d) the State Parties (or any of them) that have sustained a loss as a result of any breach by one or more State Parties shall be entitled to claim monetary

compensation, which shall be limited to the actual and direct loss sustained by that other State Party as a result of the breach and shall exclude any indirect loss or damage, except that no compensation shall be payable in respect of an interruption or termination of the construction or operation of the West African Gas Pipeline on grounds of national defence where it serves the defence interests of all the State Parties; and

- (e) the provisions of the International Project Agreement shall apply to determine any consultative, corrective or compensatory measures to be taken in respect of the Company and any other party entitled to a remedy thereunder;

ARTICLE VIII

Transit of Natural Gas

Consent of State Parties to transit of Natural Gas

1.(1) The State Parties producing Natural Gas transported through the West African Gas Pipeline and the State Parties crossed by the West African Gas Pipeline shall, for the duration of the International Project Agreement, allow the export and transit of such Natural Gas on its territory:

- (a) without discrimination as to the origin, destination or ownership of that Natural Gas;
- (b) in no less favourable a manner than such Natural Gas originating in or destined for its own market;
- (c) without imposing any unreasonable delays, limitations, quotas or charges; and
- (d) without imposing any licence, permit or restrictions other than as may be required under the International Project Agreement or the Enabling Legislation.

(2) Each State Party shall take the necessary measures to facilitate the transit of Natural Gas through the West African Gas Pipeline consistently with the principle of freedom of transit in Article 45.2 of the ECOWAS Treaty and Article 7 of the ECOWAS Energy Protocol and will observe the general principles of public international law in relation to the transit of Natural Gas across its territory.

(3) Subject to section 2 of this Article, the State Parties shall not interrupt or reduce, permit any entity subject to its jurisdiction or control to interrupt or reduce, or require any entity subject to its jurisdiction or control to interrupt or reduce, the existing flow of Natural Gas except as specifically provided for in the International Project Agreement.

(4) Each State Party acknowledges and agrees with the others that if a State Party takes any action, fails to take any action or suffers or permits the taking of any action or the

occurrence of an event which interrupts or otherwise impedes, or threatens to interrupt or impede, the Project, such State Party shall use all lawful and reasonable endeavours to eliminate the threat and rectify any interruption or impediment and promote restoration of all Project activities at the earliest opportunity.

(5) Each State Party where the Natural Gas is produced shall use all lawful endeavours to ensure that Natural Gas producers within their jurisdiction shall be allowed to operate (and shall benefit and continue to benefit from all such permits, licences and regimes as may be necessary to allow them to operate) all such proven reserves of gas as are available for the performance of the gas sales and purchase agreements for which transportation is arranged through the West African Gas Pipeline.

National emergency

2. Each State Party reserves the right, acting in good faith, to restrict by lawful regulation the transit of Natural Gas within its territory or across its territorial boundaries in the event of a national emergency declared in accordance with its Constitution. Any such restriction shall be strictly proportionate to the exigencies of the situation. Each State Party acknowledges, consents and agrees that any such restriction shall be in force only for as long as the national emergency requires it to be in force, and thereafter the State Party in question shall take all necessary or appropriate steps to lift any restrictions imposed and assist the Company to restore its operations.

ARTICLE IX

Ownership of the West African Gas Pipeline

Principle

1. The West African Gas Pipeline shall be built and operated by the Company at the request of the State Parties as a Build-Operate-Own project. The Company shall at all time have exclusive ownership and operating rights over the West African Gas Pipeline and all other assets intended to be used for the construction or operation of the West African Gas Pipeline (including without limitation the pipeline, the pipeline structures and equipment, whether on land or offshore, and all such real property rights and easements required for the construction, operation, maintenance or ownership of the pipeline and pipeline structures and equipment).

Prohibition of expropriation

2.(1) Each State Party undertakes that the assets or shares of the Company or any Affiliate of the Company within its territory or jurisdiction shall not be the subject of an Expropriation Event.

(2) If an Expropriation Event occurs, the State Party or State Parties that has or have

caused the Expropriation Event shall make to the affected person prompt, adequate and effective payment of compensation for such Expropriation Event, as determined under public international law, in accordance with Clause 44 of the International Project Agreement.

Rights upon termination

3. Upon the termination of the International Project Agreement, whether at the term of the International Project Agreement or prematurely for whatever reason, the rights enjoyed by the Company over the West African Gas Pipeline and all other assets belonging to the Company and intended to be used for the construction or operation of the West African Gas Pipeline (including without limitation the pipeline, the pipeline structures and equipment, whether on land or offshore, and all such real property rights and easements required for the construction, operation, maintenance or ownership of the pipeline and pipeline structures and equipment) shall remain vested in or otherwise with the Company, and the State Parties relinquish all rights to take possession or otherwise claim ownership rights over such assets (except to the extent permitted under the provisions of the International Project Agreement).

ARTICLE X

Consultation between State Parties

Committee of Ministers

1. There is hereby established a Committee of Ministers composed of the Relevant Minister of each State Party. The Executive Secretary of ECOWAS shall be invited to attend all meetings of the Committee of Ministers but shall have no voting right and his presence shall not be counted for purposes of determining the quorum required under this section.

Functions of the Committee of Ministers

2. The Committee of Ministers has the following functions:
- (a) to consider the Report for the Authority on the operation and implementation of this Treaty and the International Project Agreement;
 - (b) to agree on any further measures which may be necessary or expedient to achieve the objectives of this Treaty;
 - (c) to discuss any matters arising from the implementation of this Treaty and the International Project Agreement;
 - (d) to endeavour to settle any dispute that arises under this Treaty or the International Project Agreement;

- (e) to review decisions of the Authority in accordance with section 13 of Article IV of this Treaty;
- (f) to amend or supplement by written instrument the powers and functions of the WAGP Authority; and
- (g) upon request of any State Party, to deliberate on:
 - (i) any matter that relates to the interpretation or implementation of this Treaty, the Enabling Legislation or the International Project Agreement;
 - (ii) the consequences of any measures announced or taken which do or could substantially affect the construction or the operation of the West African Gas Pipeline;
 - (iii) any action proposed in relation to any rights or obligations of the State Parties under this Treaty, the Enabling Legislation or the International Project Agreement; and
 - (iv) the future of the West African Gas Pipeline and its continued development and operations, in the event of termination of the International Project Agreement for any reason.

3. Each Relevant Minister shall be the representative of its State Party in dealing with the other State Parties in respect of this Treaty, the International Project Agreement and the West African Gas Pipeline.

Meetings of the Committee of Ministers

4.(1) The Committee of Ministers shall meet at such times and places as it may determine but shall convene at the request of any of its members, the Authority or the Company.

(2) The Executive Secretary of ECOWAS shall be invited to attend meetings of the Committee of Ministers as an observer.

(3) The quorum of the Committee of Ministers shall be three (3) members or their alternates present; and a member may grant a proxy to another member to vote in its name.

(4) Decisions of the Committee of Ministers in the case of a review of a decision of the Authority in a matter provided for under section 2.(2)(a) of Article IV (*representation functions*) shall be subject to a unanimous vote of all the members, and in all other cases the decision of the Committee of Ministers shall be that of the majority.

(5) Each member of the Committee of Ministers has one (1) vote.

(6) Where any matter of an urgent nature is referred to the Committee of Ministers, it may deliberate on the matter via electronic means, subject to the establishment of written minutes.

ARTICLE XI

Dispute Resolution

Settlement of Disputes between State Parties

1. Where a dispute arises between two or more State Parties from the interpretation or application of this Treaty, the State Parties concerned shall endeavour to settle such dispute through consultations in accordance with section 3 of Article X.

Reference to ECOWAS Court of Justice

2. If the relevant State Parties are not able to reach an agreement within a period of six (6) months from the date the dispute arose, the dispute may be referred by any of the parties to the dispute to the ECOWAS Court of Justice, which shall finally resolve the dispute in accordance with the Rules of Procedure of the ECOWAS Court of Justice.

ARTICLE XII

Depository

Depository

1. This Treaty, of which the English and French texts are equally authentic, and its Exhibit, shall be deposited with the Executive Secretary of ECOWAS. Duly certified copies will be transmitted by the Executive Secretary of ECOWAS to the State Parties.

Functions of the Depository

2. The functions of the Depository are to:
- (a) keep custody of the original text of the Treaty and its Exhibit;
 - (b) prepare certified copies of the original text and transmitting them to the State Parties;
 - (c) receive any signatures to the Treaty and receive and keep custody of any instruments, notifications and communications relating to it;
 - (d) examine whether the signature or any instrument, notification or communication relating to the Treaty is in due and proper form;

- (e) inform the State Parties to the Treaty when the number of signatures or of instruments of ratification or acceptance required for the entry into force of the Treaty has been received or deposited;
- (f) inform the State Parties to the Treaty when any other state qualified to accede to the Treaty under Article XV has deposited its instruments of accession;
- (h) register the Treaty with the Secretariat of the United Nations; and
- (i) perform other functions specified in the provisions of the Vienna Convention on the Law of Treaties.

ARTICLE XIII **Ratification and/or Acceptance**

This Treaty shall be subject to ratification and/or acceptance by the State Parties. Instruments of ratification and/or acceptance shall be deposited with the Depository.

ARTICLE XIV **Entry into Force**

Entry into force of Treaty for State Parties

1. This Treaty shall enter into force and be binding on the State Parties as of the day that each of the State Parties have all deposited their instruments of ratification and/or acceptance.

Entry into force of Treaty for acceding states

2. For each State which accedes hereto, this Treaty shall enter into force on the day after the date of deposit by such state of its instrument of accession.

ARTICLE XV **Accession**

This Treaty shall be open for accession by states other than the State Parties on terms to be approved by the State Parties, from the date of the deposit of the last instrument of ratification and/or acceptance by the State Parties. The instruments of accession shall be deposited with the Depository.

ARTICLE XVI

Amendment

- (1) Subject to the restrictions provided in section 2(3) of Article VII, any State Party may propose to the Depository an amendment to this Treaty, which shall be considered by the Committee of Ministers on behalf of the State Parties at a meeting arranged in accordance with Article X. Any recommendations arising from that meeting shall be made to the Head of State of each State Party.
- (2) Any amendments shall be adopted by unanimous decision of the State Parties.
- (3) Any amendment to this Treaty which is adopted by the State Parties shall enter into force upon the receipt by the Depository of the instruments of ratification, acceptance or approval by at least two thirds of the State Parties, or on such later date as may be specified in the amendment.
- (4) The Depository shall notify all of the State Parties of the entry into force of an amendment.
- (5) Any amendment or addition to the functions and powers of the WAGP Authority made by the Committee of Ministers under section 2.(3) of Article IV, and the establishment or amendment to the Rules of Procedure under section 10 of Article VI, shall not constitute an amendment to this Treaty under this Article XVI.

ARTICLE XVII

Termination and Withdrawal

Termination of Treaty and International Project Agreement

- 1.(1) The State Parties shall be entitled to terminate or withdraw from this Treaty only upon or after the termination of the International Project Agreement.
- (2) In the event the International Project Agreement is terminated prior to its term in accordance with Clause 39 of the International Project Agreement, this Treaty shall remain in force for the time, and to the extent, required by any State Party or by the Company to assert any rights arising from, protect any interests endangered by or bring any proceedings resulting from termination of the International Project Agreement.
- (3) The termination of this Treaty in accordance with section 1(1) and 1(2) of this Article shall be subject to the prior consent of all State Parties (such consent not to be unreasonably withheld).
- (4) The withdrawal from the Treaty by any individual State Party in accordance with section 1(1) and 1(2) of this Article shall be subject to the prior consent of all other State Parties (such consent not to be unreasonably withheld).

Denunciation, withdrawal, suspension or other circumstances of termination of Treaty

2. The State Parties shall not be able to require the denunciation, withdrawal, suspension or termination of this Treaty in any circumstances other than those contemplated in section 1(1) and 1(2) of this Article, including in the event of material breach, supervening impossibility of performance, fundamental change of circumstances, severance of diplomatic or consular relations, or any other causes recognised under international law.

ARTICLE XVIII Reservations

The State Parties have not expressed any reservations to any provision of this Treaty.

ARTICLE XIX Transitional Arrangements

Termination of Heads of Agreement

1. This Treaty supersedes the Heads of Agreement between the State Parties dated 5 September 1995 which is referred to in the recitals to this Treaty. Upon this Treaty coming in to effect, the Heads of Agreement (and any other agreement solely between the State Parties in relation to the West African Gas Pipeline) shall terminate.

Transition of functions of Steering Committee

2. All such functions and powers conferred on the WAGP Authority under this Treaty, the Enabling Legislation, the WAGP Regulations and the International Project Agreement which were previously exercised in each State Party by the Steering Committee established by the State Parties under article 4.1 of the Heads of Agreement shall cease to be exercised by the Steering Committee in each State Party and shall vest in the WAGP Authority as of the date that the WAGP Authority is empowered to exercise its authority within the State Parties in accordance with the provisions of this Treaty.

IN WITNESS WHEREOF, the undersigned, being duly authorised by their respective Governments, have signed this Treaty.

Done in quadruplicate at Dakar, this 31 January 2003, each being drawn up in six (6) authentic texts in the English and French languages.

For the Government of the Republic of Benin:

H.E. Mathieu KERKOU
President of the Republic

For the Government of the Republic of Ghana:

H.E. John AGYEKUM KUFOUR
President of the Republic

For the Government of the Federal Republic of Nigeria:

H.E. OLUSEGUN OBASANJO
President, Commander in Chief of the Armed Forces

For the Government of the Republic of Togo:

H.E. GNASINGBE EYADEMA
President of the Republic

IN THE PRESENCE OF

The Executive Secretary of ECOWAS

Dr. Mohamed Ibn CHAMBAS

EXHIBIT 1
INTERNATIONAL PROJECT AGREEMENT

Intergovernmental Agreements
and Host Government Agreements
on Oil and Gas Pipelines
-A Comparison-



ENERGY CHARTER SECRETARIAT

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