GOVERNMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

MINISTRY OF POWER

CEYLON ELECTRICITY BOARD

REQUEST FOR PROPOSAL FOR THE DEVELOPMENT OF SECOND 300MW LNG COMBINED CYCLE POWER PLANT AT KERAWALAPITIYA ON BOOT BASIS

RFP NO.: CEB/AGM(TR)/DGM(PPD)/LNG2-2020
International Competitive Bidding (ICB)

VOLUME III

DRAFT POWER PURCHASE AGREEMENT

JUNE 2021

POWER PURCHASE AGREEMENT

FOR THE DEVELOPMENT OF SECOND 300 MW LNG COMBINED CYCLE POWER PLANT AT KERAWALAPITIYA ON BOOT BASIS

Dated ……2021

between

THE CEYLON ELECTRICITY BOARD

and

…….. {The Company Name}

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This **Power Purchase Agreement** is made on this day ---------- of ---------- 2020, at Colombo in Sri Lanka

BY and BETWEEN THE CEYLON ELECTRICITY BOARD a body corporate established by Act No. 17 of 1969 and having its head office at No. 50, Sir Chittampalam A Gardiner Mawatha, Colombo 00200, Sri Lanka;

AND ---------- {The Company Name} (the "Company"), duly incorporated under the Companies Act No. 7 of 2007 with limited liability, bearing company registration number **----------** and having its registered office at **----------**, Sri Lanka.

CEB and the Company are sometimes referred to herein individually as a “Party” and collectively as the “Parties.”

WHEREAS

A. CEB has been established by the Ceylon Electricity Board Act No. 17 of 1969, and is presently engaged in the generation, transmission, distribution and sale of electrical energy in Sri Lanka;

B. CEB, with the authority and approval of the Government, has invited proposals for the financing, designing, engineering, construction, commissioning, operation, maintenance and transfer of 300 MW, dual Fuel Liquid Fuel and Gas Fuel) combined cycle power generating facility at Kerawalapitiya in the Gampaha District, Western Province, approximately 12 km North of Colombo, Sri Lanka on build-own-operate-and-transfer basis;

C. …….. {The Company Name} has responded to CEB’s request for proposals and submitted a proposal to CEB for the financing, designing, engineering, construction, commissioning, operation, maintenance and transfer of a 300 MW dual Fuel (…… MW on Liquid Fuel and …… MW on Gas Fuel) combined cycle power generating facility at the aforesaid location at Kerawalapitiya on build-own-operate-and-transfer basis and the Company has been selected pursuant to the procurement procedures set out in the RFP;

D. …… {The Company Name} has duly incorporated the Company under the Companies Act No. 7 of 2007 for the purpose of financing, designing, engineering, building, owning, operating, maintaining and upon expiry or termination of this Agreement, transferring the Facility to CEB;

E. The Company wishes to sell and the CEB is willing to purchase the whole of the capacity and electrical energy output of the Facility on the terms and conditions of this Agreement;

F. The Company has entered on or before the date of this Agreement or shall enter on the date of this Agreement, into the Implementation Agreement and the Lease, and it is intended that the Gas Fuel Supply Agreement shall be entered into in the event Gas Fuel supplies are available at the boundary of the Site;

G. The Preliminary Obligation Bond in favour of CEB was issued by **----------** on **----------** on behalf of the Company;

H. The Facility is planned to meet CEB's Least Cost Long Term Generation Expansion Plan. The Public Utilities Commission of Sri Lanka (PUCSL), established by the Public Utilities Commission of Sri Lanka Act No. 35 of 2002) has granted approval to the Transmission Licensee to proceed with the procurement of the power plants identified for the period 2018-2037 of the above plan.

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement the sufficiency and adequacy of which are hereby acknowledged, the Parties agree to the following.

NOW IT IS HEREBY AGREED as follows.

1 DEFINITIONS AND INTERPRETATION

1.1 In this Agreement unless the context otherwise requires:

1.1.1 **Agree**: provisions including the word "agree", "agreed" or "agreement" require the agreement to be recorded in writing;

1.1.2 **Definitions:** words, phrases and expressions defined in Schedule 1 (Definitions) shall have the defined meaning in the whole of this Agreement including the recitals;

1.1.3 **Headings:** the headings in this Agreement are for ease of reference only and shall not be deemed part of or be taken into consideration in the interpretation or construction of this Agreemen;

1.1.4 **Include and Including:** the words "include" and" including" is to be construed as being at all times followed by the words "without limitation";

1.1.5 **Negative Obligations:** any obligation not to do anything includes an obligation not to permit or cause that thing to be done;

1.1.6 **Party and Parties:** each of Party to this Agreement are individually referred to as "Party" and collectively as "Parties" and includes their lawfully permitted successors, assigns and transferees;

1.1.7 **Persons:** references to persons include references to individuals, companies, corporations, partnerships, consortiums, firms, joint ventures, associations, trusts, organizations, governmental or other regulatory bodies or authorities or any other legal entities and their lawfully permitted successors and assigns;

1.1.8 **Plural and Singular**: words importing the singular number include the plural and vice versa where the context requires;

1.1.9 **Masculine and Feminine**: words importing the masculine include the feminine and neuter and vice versa where the context requires;

1.1.10 **Schedule**: the schedules to this Agreement and the provisions and conditions contained in these schedules have the same effect as if set out in the body of this Agreement.

1.2 Schedules, Clauses and Paragraphs

references to Schedules Clauses and Paragraphs are references to Schedules, Clauses and Paragraphs of this Agreement;

1.3 Agreement, Other Agreements or Document

reference to this Agreement or to any other agreement or document shall include references to this Agreement or to such other agreement or document (including recitals and schedules) as may be amended, varied, supplemented, replaced and/or restated in any manner from time to time;

1.4 Statutes and Regulation

references to any statutory provision include any statutory provision which amends or replaces it, and any subordinate legislation made under it;

1.5 Technical Meanings

Words not otherwise defined herein shall have the meanings as commonly used in the English Language. Words that have well-known generally accepted technical or trade meanings in prudent utility practice are used in this Agreement in accordance with such recognized meanings;

1.6 Time

references herein to time are to Sri Lankan time; and

1.7 Hereof, "Herein, and Hereunder

the words "hereof," "herein," and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement unless followed by the number of a specific part of the Clause.

2 SALE AND PURCHASE OF ENERGY AND AVAILABLE CAPACITY

The Company shall make available, sell and deliver and the CEB shall purchase, take delivery of and pay for all the Actual Available Capacity and Metered Output subject to and in accordance with the terms and conditions of this Agreement.

3 TERM

This Agreement shall take effect on the date of this Agreement and shall continue in effect throughout the Preliminary Period, the Construction Period and the Operational Period. This Agreement will expire at the end of the Operational Period, unless otherwise extended, reduced or earlier terminated in accordance with the provisions of this Agreement. The termination including early termination of this Agreement shall not affect the accrued rights and obligations of the Parties under this Agreement.

4 THE PRELIMINARY PERIOD AND THE OBLIGATIONS OF THE PARTIES

4.1 CEB's Obligations during the Preliminary Period

During the Preliminary Period, CEB shall, at its sole cost and expense:

4.1.1 enter into the Direct Agreement according to the terms and conditions specified in Schedule 3, provided that a failure by the CEB to enter into the Direct Agreement shall not be construed as a breach of its obligations under this Clause 4.1.1, and provided further that where the Direct Agreement has not been executed during the Preliminary Period, the expiry of the Preliminary Period shall not relieve the CEB of its obligation to negotiate with the Prospective Lenders and enter into the Direct Agreement, as soon as reasonably practicable thereafter;

4.1.2 provide the Company with all reasonable assistance for the Company to obtain subject to the Laws of Sri Lanka, all Governmental Approvals required during the Preliminary Period to be obtained by the Company for the financing, design, construction and ownership of the Facility. The reasonable assistance to be provided by the CEB to the Company will generally limited to providing, at the Company's request, correspondence to the relevant Competent Authority to support the Company's application to obtain or maintain such Governmental Approval. Notwithstanding the foregoing, the Company shall be solely responsible for the procurement of each Government Approval required by satisfaction of all relevent statutary requirement;

4.1.3 make the Site available for site investigations including subsurface geotechnical investigations, surveys, soil testing and other similar activity;

4.1.4 within twenty one (21) Days of receiving any written request from the Company, provide such information as the Company may reasonably require including information relating to the supply of electricity during the Construction Period under Clause 5.11, the CEB System, the 220 kV GIS Bay and the installation of Meters for the purpose of preparing the Programme of Works. During the same period the CEB may make

reasonable requests for other information to be incorporated into the Programme of Works (such requests to be consistent with achieving each Operation Date by the relevant Scheduled Operation Date);

4.1.5 within thirty (30) Days of receipt from the Company of the draft Programme of Works, provide its reasonable comments (if any) and discuss and agree the Programme of Works (which shall be incorporated in the Programme) which the Company shall take account of in accordance with Clause 4.2.6;

4.1.6 within thirty (30) Days of receipt from the Company of the preliminary designs of both the Interconnection Facilities and associated protection measures, provide its reasonable comments (if any) and discuss and agree the preliminary designs. After expiration of such thirty (30) Day period, such preliminary designs shall be deemed approved by the CEB, unless the CEB has, within such thirty (30) Day period, notified the Company that it withholds its approval to such designs, giving reasons therefore;

4.1.7 provide any information in the possession of the CEB reasonably required by the Company for the purpose of securing financing for the Project including information reasonably required by the Prospective Lenders proposing to provide finance to the Company for the Project provided that the CEB is legally entitled to do so;

4.1.8 within thirty (30) Days of the date of this Agreement, deliver to the Company copies of the resolutions of its Board Members of the CEB authorizing the execution, delivery and performance of this Agreement, duly certified as being true copies by the Secretary to the Board of the CEB;

4.1.9 within fifteen (15) Days of the date of this Agreement, provide a legal opinion from the CEB's independent counsel in form and substance reasonably satisfactory to the Company with respect to the due authority, execution, delivery, performance and enforceability of this Agreement; and

4.1.10 Subject to applicable law ensure that any information received by the CEB under Clause 4 shall be used by the CEB solely for the purposes of this Agreement.

4.2 The Company's Obligations during the Preliminary Period

During the Preliminary Period the Company shall, at its sole cost and expense:

4.2.1 appoint as the Turnkey Contractor a contractor from the list in Part 1 of Schedule 4 (Contractors and Engineers) and inform the CEB within ten (10) Days of such appointment. If due to the reasons beyond it's control the Company has to appoint a contractor who is not on the list in Part 1 of Schedule 4 (Contractors and Engineers), the contractor must have equivalent or better qualifications than those on the list and in order for the CEB to assess whether the contractor has equivalent or better qualifications than those on the list, the Company shall submit to the CEB a request with all the details in the similar manner as in Part 4 Schedule 4 form of this

Agreement. If in CEB's reasonable opinion, the contractor does not have equivalent or better qualifications than those on the list, the Company shall select another contractor and submit a request with all the details in the similar manner as describe above for consideration by the CEB and this process shall be repeated until in CEB's reasonable opinion, the contractor proposed has equivalent or better qualifications than those on the list, provided that this process will have to be concluded by the Company within 30 Days;

4.2.2 appoint the O&M Contractor from the list in Part 2 of Schedule 4 (Contractors and Engineers) if the Company has not commited to do the operation and maintenance and inform the CEB within ten (10) Days of such appointment. If due to the reasons beyond it's control the Company has to to appoint a contractor who is not on the list in Part 2 of Schedule 4 (Contractors and Engineers), the contractor must have equivalent or better qualifications than those on the list and in order for the CEB to assess whether the contractor has equivalent or better qualifications than those on the list, the Company shall submit to the CEB a request with all the details in the similar manner as in Part 5 Schedule 4 form of this Agreement. If in CEB's reasonable opinion, the contractor does not have equivalent or better qualifications than those on the list, the Company shall select another contractor and submit a request with all the details in the similar manner as describe above for consideration by the CEB and this process shall be repeated until in CEB's reasonable opinion, the contractor proposed has equivalent or better qualifications than those on the list, provided that this process shall conclude within thirty (30) Days;

4.2.3 appoint or procure the appointment by the Lenders the Engineer from the list in Part 3 of Schedule 4 (Contractors and Engineers) and inform the CEB within ten (10) Days of such appointment. If the Company or the Lenders wish to appoint an engineer who is not on the list in Part 3 of Schedule 4 (Contractors and Engineers), the Company or the Lenders as the case may be shall submit relevant information about the engineer to the CEB in order for the CEB to assess in its reasonable opinion whether the proposed engineer has equivalent or better qualifications than those on the list;

4.2.4 obtain and furnish the CEB with copies of the Generation License, Environmental Approvals and all other Governmental Approvals which are required by the Company for the financing, design, construction and ownership of the Facility;

4.2.5 deliver to the CEB for non-objection a copy of the technical specifications contained in the Turnkey Contract which shall conform to the Minimum Functional Specification. The CEB shall not be entitled to object except on the grounds of non-conformity with the Minimum Functional Specification. Unless the CEB notifies the Company of its objections within thirty (30) Days of delivery of the technical specifications, the CEB will be deemed to have no objection;

4.2.6 submit to the CEB pursuant to Clause 4.1.7, the Programme of Works (which shall be incorporated in the Programme), which shall accommodate, to the

extent consistent with achievement of each Operation Date by the relevant Scheduled Operation Date, any reasonable requests submitted to the Company by the CEB pursuant to Clause 4.1.7, provided such requests do not require the Company to perform its obligations other than in accordance with Good Design, Engineering and Construction Practices and Prudent Utilities Practice;

4.2.7 submit to the CEB for agreement pursuant to Clause 4.1.8, preliminary designs of both the Interconnection Facilities and associated protection measures, which designs shall take into account, to the extent consistent with the Minimum Functional Specification, any reasonable requests submitted to the Company by the CEB pursuant to Clause 4.1.8, provided they do not require the Company to perform its obligations other than in accordance with Good Design, Engineering and Construction Practices and Prudent Utilities Practice;

4.2.8 deliver to the CEB evidence in the form of a certificate endorsed by the Company and all its shareholders confirming that the Required Equity shall be invested in the Company, on or before the Scheduled Combined Cycle Operation Date including details of by whom and through which persons such Required Equity shall be invested;

4.2.9 deliver to the CEB evidence of Financial Closure in the form of a certificate, endorsed by the Company and the Lenders, confirming that financing for the Project has been secured in keeping with the terms of this Agreement and that, in accordance with the provisions of the Financing Agreements, the conditions required for first drawdown of funds thereunder have either been satisfied or waived by the Lenders;

4.2.10 use all reasonable efforts to work with the CEB and the Prospective Lenders in the negotiation of and entry into the Direct Agreement containing the terms and conditions in Schedule 3;

4.2.11 deliver to the CEB copies of the Company's Articles of Association, duly certified as being true copies by the Company Secretary or other authorized officer of the Company within fifteen (15) Days of the date of this Agreement;

4.2.12 deliver to the CEB copies of the resolutions of its Board of Directors authorizing the execution, delivery and performance of this Agreement, duly certified as being true copies by the Company Secretary or other authorized officer of the Company within fifteen (15) Days of the date of this Agreement;

4.2.13 provide a legal opinion from the Company's independent legal counsel in form and substance reasonably satisfactory to the CEB with respect to the due authority, execution, delivery, performance and enforceability of this Agreement within fifteen (15) Days of the date of this Agreement;

4.2.14 at all times ensure that reasonable safety precautions are taken to safeguard the Parties or third parties, or their property, from damage, loss or injury arising out of or in connection with any Site investigations;

4.2.15 take reasonable precautions to avoid the depositing of mud or other spoil on the public highway by vehicles permitted to enter or leave the Site and shall ensure that any damage to the public highway caused by vehicles permitted to enter or leave the Site is promptly repaired;

4.2.16 if the Company carries out any Site investigations prior to the commencement of the Construction Period, take all reasonable precautions as to the time and method of working at the Site to prevent or at least minimize any dust, noise or any nuisance or interference;

4.2.17 no later than ten (10) Days after execution of the Turnkey Contract provide the CEB a copy of the Turnkey Contract entered into between the Turnkey Contractor and the Company;

4.2.18 shall take account of any adjacent power development and

(i) take reasonable steps to ensure compatibility of station layouts and designs;

(ii) co-operate with the other developer to ensure that the neighbouring plant is not detrimentally affected by the Works;

(iii) afford reasonable opportunities for the other developer to execute its work;

(iv) co-ordinate access within the common corridors for water cooling and site services;

(v) attend all coordinating meetings called by the CEB and work faithfully with the CEB and the other developer to resolve matters that relate to the development of both facilities that may adversely affect one or both facilities; and

(vi) comply with reasonable requests from the other developer in connection with the development and operation of its facility.

4.2.19 no later than ten (10) Days after execution of the Implementation Agreement and Fuel Supply Agreements (Gas Fuel Supply Agreement when Gas Fuel is available), provide the CEB with copies of the Implementation Agreement and Fuel Supply Agreements entered into between the Company and the GOSL and Fuel Suppliers respectively;

4.2.20 conduct investigations and studies to derive information about the Project sufficient to, inter alia, obtain permits, secure financing and facilitate effective warranties of Turnkey Contractor performance;

4.2.21 carry out all that is required to perform in accordance with its Proposal unless the obligation, undertaking or requirement is superseded by a Clause in this Agreement; and

4.2.22 ensure that any information received by the Company under Clause 4 shall be used by the Company solely for the purposes of this Agreement.

4.3 Exchange of Information

Each Party shall keep the other informed in writing of the progress being made in respect of its obligations under this Clause 4 on the reasonable request of the other Party.

4.4 Waiver of Obligation.

A Party shall only be relieved of any of its obligations under Clause 4.1 or Clause 4.2, as the case may be, with the prior agreement of the other Party.

4.5 Extension of the Preliminary Period

Subject to the Company extending the validity of the Preliminary Obligation Bond until the Construction Notice is issued and the Construction Performance Bond has been provided, the Preliminary Period shall be extended:

4.5.1 by the prior agreement of the Parties;

4.5.2 by the period of delay in performance of either Party's obligations under this Clause 4 as a result of Force Majeure subject to a maximum extension of three hundred and sixty five (365) Days; or

4.5.3 by the period of any delay in the performance of the Company's obligations under this Clause 4 caused by;

(i) breach by the CEB under this Agreement or the Lease;

(ii) breach (which the Company shall notify to the CEB as soon as practicable after the occurrence thereof) by the Government or the CPC of their obligations to the Company under their respective Project Agreements; or

(iii) delay in obtaining Governmental Approvals, when such delay is not attributable to the Company.

4.6 Construction Notice

If, on or before the end of the Preliminary Period, the Parties fulfil their respective obligations under Clauses 4.1 and 4.2 or as waived under Clause 4.4, the Company shall promptly issue to the CEB the Construction Notice.

4.7 Termination of this Agreement at the end of the Preliminary Period:

4.7.1 If, at the end of the Preliminary Period, a Party shall have not fulfilled its obligations arising under this Clause 4 or the unfulfilled obligations have not been waived in accordance with Clause 4.4, the other Party may terminate this Agreement at any time thereafter forthwith on notice to the other;

4.7.2 Subject to Clause 4.8.2, in the event of termination in accordance with Clause 4.7.1, neither Party shall be liable to the other for any losses, costs and expenses (including legal and consultative expenses) of the other howsoever arising under or in connection with this Agreement by virtue of such termination or in respect of any other losses, costs and expenses (including legal and consultative expenses), including those relating to negotiation, due diligence, arranging finance and its other obligations under this Clause 4.

4.8 Preliminary Obligation Bond:

4.8.1 The Preliminary Obligation Bond shall be valid until the Construction Performance Bond is delivered to the CEB pursuant to Clause 5.3.2(i). If the terms of the Preliminary Obligation Bond specify its expiry date, and the Company has not issued a Construction Notice by that expiry date and the Construction Performance Bond has not been provided to the CEB, the Company shall extend the validity of the Preliminary Obligation Bond until the Construction Notice is issued and the Construction Performance Bond has been provided. In the event that the Preliminary Obligation Bond is not so extended within five Business Days before the expiry date of the bond, the CEB shall have the right to call on the Bond and in such event, the CEB shall pay the proceeds into a special purpose bank account. The CEB shall be entitled to withdraw funds from that account to satisfy any default by the Company in the same manner as if the Bond was in place. All interest accruing from the account shall belong to the CEB. The CEB shall return to the Company the balance of monies in the account after a new Preliminary Obligation Bond or the Construction Notice and Construction Performance bond is delivered to the CEB.

4.8.2 Subject to Clause 4.8.3, if;

(i) this Agreement is terminated by the CEB under Clause 4.7.1 in respect of an obligation of the Company which the Company has not fulfilled; and

(ii) such non-fulfilment is not due to the CEB not having fulfilled any of its obligations under Clause 4.1 or breach by the Government or the CPC of their obligations to the Company under their respective Project Agreements.

CEB shall be entitled to draw the full amount of the Preliminary Obligation Bond upon presentation to the issuer of such Bond of a certificate signed by the General Manager of the CEB or any authorized officer by the General Manager of the CEB stating that the CEB is entitled to draw on the Preliminary Obligation Bond in accordance with this Clause 4.8.2.

4.8.3 If this Agreement is terminated by the Company under Clause 4.7.1 in respect of an unfulfilled obligation of the CEB, the CEB shall forthwith upon such termination return to the Company the Preliminary Obligation Bond without making any drawing thereunder.

4.9 Site Inspection and Works Due Diligence

The following provisions shall apply to inspection of the Site and due diligence in preparation for the Works;

4.9.1 the Company shall be deemed, prior to executing this Agreement, to have;

(i) inspected and examined the Site and its surroundings;

(ii) satisfied itself as to the nature of the climatic, hydrological and general conditions of the Site, the nature of the ground and subsoil, the form and nature of the Site, the possibility of an adjacent power development and the need for co-ordination and co-operation the risk of injury or damage to property adjacent to the Site and to occupiers of such property, the nature of materials (whether natural or otherwise) to be excavated and the nature of the design, work and materials necessary for execution of the Works;

(iii) satisfied itself as to the access to and through the Site and the accommodation it may require and the possibility of interference by third parties with access to or use of the Site or execution of the Works on the Site; and

(iv) obtained all necessary information as to the risks, contingencies and all other circumstances which may influence or affect the completion of the Works and its obligations to design, construct complete, commission, test and maintain the Facility and its other obligations in respect of the Facility under this Agreement.

4.9.2 unless expressly provided in this Agreement, the Company shall not be relieved from any risks or obligations imposed on or undertaken by it in relation to the Works on the grounds that;

(i) any designs, plans, documents or other materials (including the Programme of Works) had been provided to or made available to the CEB; or

(ii) it did not, or could not, foresee any matter that may affect or have affected the design, construction, completion, testing and Commissioning of the Facility or the meeting of its obligations in respect of the Works under this Agreement.

4.10 Early Construction Works

Subject to the Company establishing the Site Reinstatement Bond and otherwise complying with the terms of the Lease, nothing in this Agreement shall be construed as preventing the Company from commencing construction activity at its sole cost and expense prior to commencement of the Construction Period and such commencement of construction activity shall not in any way prejudice any right of CEB to terminate this Agreement in accordance with Clause 4.7 and CEB shall have no liability to the Company whatsoever for any costs or expenses incurred or losses suffered by the Company.

5 THE CONSTRUCTION PERIOD AND OBLIGATIONS OF THE PARTIES

5.1 Access and Occupation

5.1.1 The CEB shall provide for the Company access to and occupation of the Site, in accordance with the Lease.

5.1.2 The Company shall be responsible for transportation of all plant, equipment and materials to the Site and shall meet the costs of all Works save those expressly stated in this Agreement as being the responsibility of other Party. The Company, in preparing its Proposal is deemed to have informed itself of the access routes and all issues and costs involved in performing its responsibilities and has included in its Proposal the cost of all temporary and permanent works reasonably required for transporting all loads to the Site.

5.2 The Company's Warranties

The Company warrants that

5.2.1 it has fully considered and accepts the Minimum Functional Specification; and

5.2.2 the design of the Works and each part of the Works and the Facility once completed will in all respects meet the requirements of this Agreement, the Minimum Functional Specification and, without limiting the generality of the foregoing, Good Design, Engineering and Construction Practices and Prudent Utilities Practice.

5.2.3 It shall enter into a Gas Fuel Supply Agreement (GFSA) with the Gas Fuel supplier when Gas Fuel supply is available at the boundary of the Site; provided CEB has given to the Company not less than six (6) months prior written notice of the scheduled date of Gas Fuel availability at the boundary of the Site and that the terms of the Gas Fuel Supply Agreement shall be no less favourable to the Company than the terms of the Liquid Fuel Supply Agreement. The Company shall obtain the approval of CEB for the GFSA prior to entering into GFSA. Further, the Company shall not amend or modify the GFSA without obtaining prior approval of CEB.

5.2.4 Upon entering into the Gas Fuel Supply Agreement, the terms of which shall be no less favourable to the Company than the terms of the Liquid Fuel Supply Agreement, the Facility will be connected to the Gas Fuel supply to receive Gas Fuel as the primary fuel of the Facility.

5.3 The Company's Obligations during the Construction Period

5.3.1 The Company shall have the following principal obligations at its sole cost and expense in respect of construction of the Facility:

(i) The Company shall be responsible for the finance, design, construction, completion, testing and Commissioning of the Facility

such that the Facility satisfies the Minimum Functional Specification and, without limiting the generality of the foregoing, shall do so in strict accordance with this Agreement, Good Design, Engineering and Construction Practices and Prudent Utilities Practice, and, notwithstanding any examination, inspection, receipt of information, attendance at meetings, or approval or non-objection by or on behalf of the CEB, the Company's responsibilities under this Agreement shall not be relieved or absolved or otherwise modified; and

(ii) The Works will comprise only materials and goods which are new, of a quality that renders them fit for their purpose and comply with the Minimum Functional Specification and all workmanship shall be in accordance with Good Design, Engineering and Construction Practices.

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5.3.2 Without limiting the generality of the Company's obligations under Clause 5.3.1 during the Construction Period, the Company shall:

(i) not later than fifteen (15) Days from the date of the Construction Notice, deliver the Construction Performance Bond and copies of the Financing Agreements to the CEB. The Company shall ensure that the Construction Performance Bond is maintained at the designated level at all times and is valid and enforceable until the Company has executed and completed the Works, and remedied any defects. If the Construction Performance Bond is called upon, the Company shall have ten (10) Days to replenish the Construction Performance Bond so as to return it to the original level. In the event that the Construction Performance Bond is not extended or replenished as the case may be, the CEB shall have the right to call on the bond and in such event, the CEB shall pay the proceeds into a special purpose bank account. The CEB shall be entitled to withdraw funds from that account to satisfy any default by the Company in the same manner as if the bond was in place. All interest accruing from the account shall belong to the CEB. The CEB shall return to the Company the balance of monies in the accounts after a new Construction Performance Bond is delivered to the CEB;

(ii) not permit the Turnkey Contractor to sub-contract the whole or substantially the whole of the Works to a single contractor without the prior written consent of the CEB. The Company shall furnish to the CEB sufficient information of the experience and qualifications of the contractor to whom the Turnkey Contractor is proposing to sub-contract the whole or substantially the whole of the Works when seeking such consent. If due to the reasons beyond it's control the Turnkey Contractor has to appoint a contractor who is not on the list in Part 1 of Schedule 4 (Contractors and Engineers), the sub contractor must have equivalent or better qualifications than those on the list and in order for the CEB to assess whether the sub contractor has equivalent or better qualifications than those on the list, the Turnkey Contractoe through the Company shall submit to the CEB a request with all the details in the similar manner as in Part 4 Schedule 4 form of this Agreement. If in CEB's reasonable opinion, the sub

contractor does not have equivalent or better qualifications than those on the list, the Turnkey Contractor shall select another sub contractor and submit a request through the Company with all the details in the similar manner as describe above for consideration by the CEB and this process shall be repeated until in CEB's reasonable opinion, the sub contractor proposed has equivalent or better qualifications than those on the list. The CEB shall give its response within fifteen (15) Days of receipt from the Company of a request for such consent provided that if no such consent is received by the Company within such fifteen (15) Day period, the CEB shall be deemed to have granted such consent unless the CEB notifies the Company within such fifteen (15) Days of receiving such request for consent that it reasonably withholds its consent, giving reasons therefore;

(iii) not terminate the Turnkey Contract without prior written notice to the CEB of such termination giving reasons therefore;

(iv) ensure that reasonable safety precautions are taken to safeguard persons or property of the Parties or third parties from damage, loss or injury arising out of or in connection with the construction of the Facility;

(v) take all reasonable precautions as to the time and method of working at the Site to prevent any dust, noise or any nuisance or interference which may give rise to any legal action by any third parties;

(vi) take reasonable precautions to avoid the depositing of mud or other spoil on the public roads by vehicles permitted to enter or leave the Site and shall ensure that any damage to the public highway caused by vehicles permitted to enter or leave the Site is promptly repaired;

(vii) in accordance with local standards for such Works;

(a) provide reasonable security for the Works including the erection and maintenance of security fencing and access points; and

(b) ensure that the security of the Works can be maintained independently of adjoining areas and the public roads; and

at all times take into consideration and cooperate with any security arrangements that the Government may put in place;

(viii) be responsible for the safe storage and safe removal and disposal of all toxic, hazardous and dangerous materials brought on to the Site for the purposes of the construction and Commissioning of the Facility;

(ix) not later than one hundred and eighty (180) Days prior to the Scheduled Open Cycle Operation Date, develop and furnish to the CEB a quality control programme acceptable to the CEB covering all aspects of the operation and maintenance of the Facility;

(x) deliver to the CEB authenticated copies of manufacturers' test certificates of turbines, generators, transformers, fuel and water treatment equipment and electricity metering equipment and other equipment included in the Facility. Test certificates shall confirmed the requirements specified in Minimum Functional Spcifications;

(xi) submit to the CEB for approval pursuant to Clause 5.12, the final design of the Interconnection Facilities which shall comply in all material respects with the preliminary design for the Interconnection Facilities approved by the CEB pursuant to Clause 4.1.8 and shall accommodate any reasonable requests submitted to it by the CEB pursuant to Clause 5.12 to the extent such requests are consistent with the Minimum Functional Specification including the CEB Grid Code and such preliminary design previously approved by the CEB;

(xii) in addition to those technical specifications previously delivered to the CEB under Clause 4.2.5, deliver to the CEB copies of all technical specifications relating to the Facility, including plant layout, final design data and specifications for the Facility together with descriptions of manufacturers' plant and equipment, including type and data for the turbines, generators, transformers, systems relating to Fuel, water treatment and auxiliary equipment for the Facility, all of which are to conform with the Minimum Functional Specification;

(xiii) procure sufficient quantities of Fuel to complete the Commissioning of the Facility;

(xiv) take all reasonable steps to provide and maintain independent surface water drainage at the Site so as to safeguard the Site, and any other adjoining land against the risk of flooding;

(xv) obtain and maintain the Environmental License in accordance with Environmental Law and comply with the requirements of the Environmental Approval;

(xvi) obtain and maintain the Generation License;

(xvii) not later than thirty (30) Days after execution of the O&M Contract and in no case not less than one hundred and eighty (180) Days before the Scheduled Open Cycle Operation Date, provide the CEB with a copy of the Company's plan for the operation and maintenance of the Facility and the O&M Contract entered into by the Company, if applicable;

(xviii) provide to the CEB (or procure that the O&M Contractor provides to the CEB in the event of having an O&M contract) the proposed minimum qualification requirements for the manager of the Facility, the operations manager and the maintenance manager for non-objection by the CEB. The CEB shall, within fifteen (15) Days of receipt of such details, give notice of its non-objection unless it reasonably objects in which event it shall notify the Company, within such fifteen (15) Days, of its reasons for withholding its approval whereupon the Company shall make such amendments as it considers appropriate and resubmit such details (as amended) for non-objection by the CEB within fifteen (15) Days of receipt thereof. The CEB shall not be entitled to object except on the grounds of no-conformity with the details required to be given in the Proposal. Where the CEB fails to give notice of its objection or non-objection (including any details amended pursuant to the foregoing) within such fifteen (15) Days, the CEB's non-objection to such details shall be deemed to have been given and the details

provided by the Company shall constitute the "**Personnel Requirements**". The Personnel Requirements shall be no less than the requirements, stated in the Proposal. The Company may employ as manager of the Facility, the operations manager and maintenance manager only such persons who meet the Personnel Requirements. Upon selection by the Company of any person as manager of the Facility, the operations manager or maintenance manager, the Company shall submit to the CEB for non-objection the qualifications of each of the person(s) selected. The CEB shall within fifteen (15) Days of receipt of such qualifications give notice of its non-objection unless it reasonably objects in which event it shall notify the Company within such fifteen (15) Days provided that the CEB shall not be entitled to object if the qualifications of such selected person(s) meet the Personnel Requirements and further provided that if the CEB fails to give notice of its objection or non-objection within such fifteen (15) Days, the CEB's non-objection to such selection shall be deemed to have been given;

(xix) obtain and maintain all Governmental Approvals (to the extent not already obtained) which can be obtained prior to the commencement of the Operational Period and which are required by the Company for Commissioning and for the operation and maintenance of the Facility;

(xx) ensure that the two canals in and around the Site are useable at all times for the purposes that they have been used prior to entering into this Agreement and that there is no dumping or discharging into the canals or any other activity unless approved under the Environmental Requirements;

(xxi) shall, take account of an adjacent power development; and

(a) take reasonable steps to ensure compatibility of station layouts and designs;
(b) co-operate with the other developer to ensure that the neighbouring plant is not detrimentally affected by the Works;
(c) afford reasonable opportunities for the other developer to execute its work;
(d) co-ordinate access within the common corridors for water cooling and site services;
(e) attend all coordinating meetings called by the CEB;
(f) comply with reasonable requests from the other developer.

(xxii) carry out all that is required to perform in accordance with its Proposal unless the obligation, undertaking or requirement is superseded by a Clause in this Agreement; and

(xxiii) comply with the Laws of Sri Lanka.

5.4 Progress Reports and Meetings

The following provisions shall apply to progress reports and meetings:

5.4.1 during the Construction Period, the Company shall submit to the CEB;

(i) a progress report prior to the fifteenth (15th) of each month summarising progress of the Works preferably using MS Project Scheduling software (which report may comprise any report prepared for the Lenders by the Engineer and not previously provided to the CEB, summarising progress of construction of the Interconnection Facilities and the Works) and highlighting by reference to key activities and milestone dates and the critical path for the development of the Project all actual or potential departures from the Programme of Works or delays to execution of the Works. Each such report shall also state the proposed measures to be taken by the Company to mitigate or overcome such departures or delays and if any steps taken by the Company to meet its obligations under this Clause causes the CEB to incur additional costs, such costs shall be recoverable from the Company by the CEB, and may be deducted by the CEB from any monies due, or to become due, to the Company, or any security furnish by the Company to the CEB; and

(ii) such other information as the CEB may reasonably require to be furnished by the Company to enable the CEB to ascertain whether the Company is in compliance with the Minimum Functional Specification and such other matters relating to the co-ordination between the obligations of the Company pursuant to this Agreement and the obligations of the CEB hereunder during the Construction Period.

5.4.2 during the Construction Period, the Parties shall hold progress meetings each month and, during periods of intense construction activity at the Site, at more regular intervals as the CEB may reasonably request to review matters relating to the construction of the Facility, such meetings to be held at such times as may be agreed by the Parties; and

5.4.3 the CEB shall provide such information as may reasonably be requested by the Company in relation to the CEB's obligations during the Construction Period under this Agreement.

5.5 Access and Facilities for the CEB

The following provisions shall apply to Site access and facilities for the CEB during the Construction Period:

5.5.1 the Company shall provide the CEB and its duly authorised representatives access during normal working hours (and outside normal working hours if reasonably required) to all parts of the Site and to any site or workshop where materials are being manufactured for the Works for the purposes of general inspection, attending any test or investigation being carried out in respect of the Works and determining the progress of the Works, provided that;

(i) all relevant safety procedures are complied with;

(ii) reasonable advance notice has been given to the Company;

(iii) execution of the Works shall not be disrupted by such access, in which the event, the Company shall provide an alternative date and time for access, such date not being more than seven (7) Days from the requested date;

(iv) in the case of access to sensitive areas of manufacture, the personnel having access to such areas shall sign such individual confidentiality agreements as the relevant manufacturer may reasonably require; and

(v) the CEB shall indemnify and hold harmless the Company and the relevant manufacturers from any loss or damage arising out of any damage to property resulting from the willful default or negligent acts of the CEB and such duly authorised representatives during such access except to the extent caused by the negligence or breach of statutory duty by the Company, the relevant manufacturer or any third party at the relevant manufacturer's site or workshop where materials are being manufactured for the Works.

5.5.2 the Company shall;

(i) give the CEB not less than three (3) Business Days notice of any Site progress meetings with the Turnkey Contractor required to be held pursuant to the Turnkey Contract, including all such meetings at which the Engineer or any representative thereof proposes to attend, and shall ensure that the CEB and its duly authorised representatives shall have the right to attend such meetings; and

(ii) where any other progress meetings (of a substantial nature) are convened with the Turnkey Contractor to discuss issues having a significant impact on the Programme of Works, notify the CEB of such meeting within such time as is practicable in the circumstances and the CEB and its duly authorised representatives shall have the right to attend any such meeting.

5.5.3 in view of the fact that the Site is part of a property owned by the CEB within a development area, the Company shall, as specified in this Agreement or as instructed by the CEB, allow appropriate opportunities for carrying out work to:

(i) the CEB personnel;

(ii) any other contractors employed by the CEB;

(iii) other persons to whom the CEB has leased or sold land including the developer of the adjacent power development, if any, referred to in Clause 4.2.18; and

(iv) the personnel of the Government and any Competent Authority.

who may be employed in the execution on or near the Site of any work not included in this Agreement.

5.6 Extension of Time for Completion of the Works

5.6.1 Subject to this Clause 5.6, the Company shall be entitled to give notice of its request to have the Scheduled Open Cycle Operation Date and/or the Scheduled Combined Cycle Operation Date fairly and reasonably adjusted to a later date by any period for which achievement of the relevant Operation Date by the Company is or will be delayed solely by reason of:

(i) Force Majeure;

(ii) breach by the CEB of its obligations under this Agreement or the Lease;

(iii) any delay, impediment or prevention caused by or attributable to the CEB, or the CEB's personnel;

(iv) Shortfall, as defined in the Liquid Fuel Supply Agreement, or breach by the CPC of its obligations thereunder;

(v) Performance of the Company's obligations under Clause 5.7.

in each case to the extent that such delay is not overcome by the Company complying with Clause 5.6.6.

5.6.2 If the Company considers itself to be entitled to an extension of time, the Company shall give notice in writing to the CEB describing the event or circumstance giving rise to the claim. The notice shall be given as soon as practicable, and not later than twenty eight (28) Days after the Company became aware, or should have become aware, of the event or circumstance. If the Company fails to give notice of a claim within such period of twenty eight (28) Days, neither the Scheduled Open Cycle Operation Date nor the Scheduled Combined Cycle Operation Date shall not be extended, the Company shall not be entitled to additional payment and the CEB shall be discharged from all liability in connection with the claim.

5.6.3 Not later than fourteen (14) Days after giving notice in accordance with Clause 5.6.2, the Company shall submit full written supporting details to the CEB, which shall include:

(i) a statement identifying which of Clauses 5.6.1(i) to (vii) (inclusive) gives rise to any adjustment of the Scheduled Operation Date;

(ii) a detailed explanation of the events or circumstances giving rise to any delay referred to in Clause 5.6.1;

(iii) details of the resulting delay to achievement of the Scheduled Operation Date by reference to the Programme of Works, the key milestone dates and the critical path for the development of the Project as determined preferably using MS Project Scheduling software, which details shall identify any period by which the progress of the Works had already been delayed due to reasons not referred to in Clause 5.6.1;

(iv) details of the evidence, including contemporary records, reports and other such data, which the Company may maintain in respect of such delay and the consequences thereof and the CEB shall be given

reasonable access to such evidence so as to allow the CEB to verify the information provided by the Company pursuant to this Clause 5.6.3; and

(v) details of any measures which the Company has adopted or proposes to adopt in compliance with Clause 5.6.6 to mitigate the consequences of such delay.

5.6.4 Upon receipt by the CEB of a notice of a claim for extension of time and the details referred to in Clause 5.6.3, the CEB shall investigate the claim. If:

(i) the CEB determines that the Company is not entitled to an extension of time, the CEB shall notify the Company as soon as practicable and in any event within fourteen (14) Days of receipt by the CEB of the details referred to in Clause 5.6.3;

(ii) the claim is found to be valid, the CEB shall so notify the Company of the extension to be granted to the Company within fourteen (14) Days of receipt by the CEB of the details referred to in Clause 5.6.3 which extension shall be fair and reasonable. If the Company disagrees with the extension granted the Parties shall meet within seven (7) Days of the Company receiving the extension granted by CEB to consider in good faith the period of the extension to be granted to the Company. The CEB and the Company shall act fairly, impartially and reasonably in relation to all matters under this Clause and under Clause 5.6.8.

5.6.5 If, under Clause 5.6.4, the CEB informs the Company that it is not entitled to an extension of time or the Parties are unable within such fourteen (14) Days to reach agreement as to the period of any delay or extension, the matter shall be referred to Arbitration under Part 2 of Schedule 12 (Disputes Resolution Procedure) unless the Parties agree to refer the matter directly to an Expert appointed under Part 1 of Schedule 12 (Disputes Resolution Procedure).

5.6.6 The Company shall take all reasonable steps to mitigate any delay referred to in Clause 5.6.1 and the Company shall not be entitled to any extension of time unless it has taken proper and reasonable steps both to preclude the occurrence of the cause of the delay and/or to avoid or minimise the consequences thereof.

5.6.7 Except as set out in Clause 5.6.1 (ii) and (iii), the Company shall have no claim against the CEB, including any claim for damages, costs, losses and expenses in respect of delay arising from the events referred to in Clause 5.6.1.

5.6.8 Notwithstanding that the Company has not given the required notices under this Clause 5.6, the CEB may, at any time, by notice to the Company, extend the Scheduled Open Cycle Operation Date and/or the Scheduled Combined Cycle Operation Date, in the event that the CEB is of the opinion that, by reason of the effect of any one or more of the causes of delay referred to in Clause 5.6.1 or otherwise, the Works or any part of it has been delayed and

the Company will by reason thereof need an extension of time within which to complete the Works or any part of it.

5.7 Toxic, Hazardous and Dangerous Waste

The following provisions shall apply during the Construction Period if any toxic, hazardous and dangerous waste is discovered at the Site:

5.7.1 the Company shall at its sole cost and expense be responsible for the safe removal and the safe disposal of all toxic, hazardous and dangerous waste from or in the ground of the Site;

5.7.2 the Company shall propose for the CEB's approval, which approval shall not be unreasonably withheld and may only be withheld on the grounds that such scheme does not comply with the Environmental Requirements, the scheme for such removal and disposal, provided the proposal is in compliance with Environmental Requirements. If the CEB does not provide its approval within thirty (30) Days of receipt of such scheme (other than where it is entitled to withhold its approval in accordance with the foregoing), the CEB shall be deemed to have approved such scheme (provided that, for the avoidance of doubt, such approval shall not constitute approval of the proposed scheme by the relevant Competent Authority);

5.7.3 Following receipt of the CEB's approval pursuant to Clause 5.7.2, the Company shall promptly proceed with such removal and disposal and shall use all reasonable steps to mitigate any delay in the performance of its obligations under this Agreement as a result of such removal and disposal;

5.7.4 the Company shall not make any claims against the CEB in respect of such toxic, hazardous and dangerous waste.

5.8 Testing, Commissioning and Completion of the Facility

5.8.1 Not less than thirty (30) Days prior to the date on which the Company intends to begin Commissioning the Facility in respect of either open cycle operation or combined cycle operation (operating either on Liquid Fuel or Gas Fuel), the Company shall prepare and submit to the CEB for its approval in accordance with Clause 5.8.2 of Testing Quantity, which approval shall not to be unreasonably withheld, a commissioning programme and a testing plan containing the following:

(i) details of the dates on which it wishes to commence;

(a) the Commissioning on an open cycle basis (the "Open Cycle Commissioning Date") or on a combined cycle basis (the "Combined Cycle (L) Commissioning Date") or (the "Combined Cycle (N) Commissioning Date") (as the case may be);

(b) Start-Up of each Generating Set for the first time following the Pre-Synchronisation Tests; and
(c) each of the Demonstration Tests, Reliability Tests and Performance Tests (each a "Test") in accordance with Schedule 6 (Commissioning).

(ii) in respect of each Day of each proposed Test (a "Proposed Testing Day"), a schedule detailing the proposed commencement and duration of the specific tests to be conducted and specifying for each Hour of a Proposed Testing Day the quantity of the supply to and export from the Facility of Start-Up power and Commissioning energy (each a "Testing Quantity").

each such schedule in respect of open cycle operation and combined cycle operation being a "Testing Schedule".

5.8.2 Within seven (7) Days of receipt by the CEB of a Testing Schedule, the CEB shall notify the Company of any proposed amendments to such schedule and the CEB and the Company shall promptly consult in respect of such schedule. The Testing Schedule shall be promptly revised by the Company to incorporate amendments:

(i) proposed by the CEB, provided that such amendments shall, in respect of each Test, be limited to specifying that the Testing Quantity for any Hour be changed to a different Hour on the same Proposed Testing Day or to an Hour on the Business Day immediately prior to the Proposed Testing Day; and

(ii) such other amendments as may be agreed between the Parties.

5.8.3 The Company shall promptly notify the CEB and provide the CEB with details of any change to the Testing Schedule specifying details of any change to any Proposed Testing Day (the "Revised Testing Day") and the Testing Quantity during any Hour of any Revised Testing Day (such notice to be given as soon as reasonably practical after the Company becomes aware of the necessity for the change and, in any event, at least forty eight Hours before any Revised Testing Day). If the Revised Testing Day:

(i) Is;

(a) no later than two (2) Days after the Proposed Testing Day; or
(b) no earlier than two (2) Days before the Proposed Testing Day.

the CEB shall, as soon as reasonably practical and, in any event, within twenty four Hours of receipt of such notice confirm its approval to the Revised Testing Day provided always that the CEB may require amendments to such changes which shall be limited to Permitted Changes;

(ii) is more than two (2) Days but less than seven (7) Days;

(a) after the Proposed Testing Day; or
(b) before the Proposed Testing Day but at least seven (7) Days after such notice;

the CEB shall (subject to requiring Permitted Changes) as soon as reasonably practical and, in any event, within forty eight (48) hours of

receipt of such notice confirm its approval to the Revised Testing Day provided that if the CEB shall not reasonably accommodate the Revised Testing Day, such Revised Testing Day shall be deemed to be the later of the Revised Testing Day or seven (7) Days after the date of receipt by the CEB of such notice;

(iii) is more than seven (7) Days after the Proposed Testing Date, the CEB shall, subject to requiring Permitted Changes, as soon as reasonably practical and, in any event, within forty eight (48) Hours of receipt of such notice confirm its approval to such Proposed Testing Day.

in each case unless otherwise agreed by the Parties (acting reasonably).

5.8.4 If, due to any reason affecting or attributable to the CEB, a Test (or any part of a Test) cannot be conducted, such Test (or part thereof) shall be carried out at the later of:

(i) any Hour nominated by the CEB within seven (7) Days of the Proposed Testing Day or the Revised Testing Day (as the case may be), such Hour to be as soon after such Day as the CEB can reasonably accommodate such Test;

(ii) such later time as the Company may nominate.

5.8.5 If the incorporation of the CEB's amendments to the Testing Schedule pursuant to Clause 5.8.2 or 5.8.3 or deferral of a Test pursuant to Clause 5.8.4 delays the achievement of an Operation Date beyond the relevant Scheduled Operation Date therefore, such Scheduled Operation date shall be adjusted pursuant to Clause 5.6.1, provided that:

(i) in respect of any such delay, the CEB shall be liable to the Company for delay for the period commencing on the time when the Company proposed such Test to occur (in the case of amendments to a Testing Schedule proposed by the CEB in accordance with Clauses 5.8.2 or 5.8.3) or when the Test should have occurred (in the case of postponement in accordance with Clause 5.8.4) and ending at the earlier of the time when such Test is carried out or the Hour nominated by the CEB for the carrying out of such Test; and

(ii) the CEB shall have no liability to the Company under this Clause 5.8.5 except to the extent that the aggregate number of Days by which the CEB has caused delay to the occurrence of an Operation Date beyond the relevant Scheduled Operation Date therefore exceeds seven (7) Days.

5.8.6 The CEB shall Dispatch the Facility in accordance with the agreed kW output levels specified in the relevant Testing Schedule as and when so requested by the Company.

5.8.7 Subject to the Company complying with its obligations under this Clause 5.8, the CEB shall accept all electrical energy delivered from the Facility during Commissioning and the amount so delivered shall be determined in accordance with Schedule 7 (Metering).

5.8.8 Without prejudice to the other provisions of this Clause 5.8, the Company shall give the CEB not less than twenty-four Hours' notice of commencing Start-Up of each Generating Set for the first time following Pre-Synchronisation Tests. Provided that the Company has provided a copy of the written approval of the Engineer that each Generating Set to be synchronised has passed such Pre-Synchronisation Tests, the CEB shall permit the Company thereafter to commence Start-Up.

5.8.9 On written certification by the Engineer (which shall be copied to the CEB and the Company) confirming that the Facility achieves all the requirements as contained in Schedule 6 and the Minimum Functional Specification for open cycle or combined cycle operation (as the case may be) the Company shall promptly issue to the CEB a completion certificate (each a "Completion Certificate") certifying that the Facility is capable of open cycle operation or combined cycle operation (as the case may be).

5.8.10 The Company shall provide the CEB with copies of the test results of all tests performed pursuant to this Clause 5.8.

5.9 Interconnection

The following provisions shall apply to the Interconnection Facilities during the Construction Period:

5.9.1 the CEB shall install and complete by no later than ninety (90) Days prior to Scheduled Open Cycle Operation Date and maintain at its cost the Interconnection Point and two (2) numbers of fully equipped 220 kV GIS Bays at the GIS Sub-Station as described in Schedule 5 (Minimum Functional Specification);

5.9.2 the Company shall, by the date specified in the Programme of Works, install, commission, complete, own and maintain at its cost the Interconnection Facilities so as at all times to comply with Schedule 5 (Minimum Functional Specification) and the CEB shall give such access across its property in accordance with the Lease as will enable the Company to install, Commission, complete and maintain the Interconnection Facilities;

5.9.3 the Company shall include a summary of its progress in constructing the Interconnection Facilities in its monthly progress reports submitted to the CEB in accordance with Clause 5.4.1(i), shall complete the Interconnection Facilities in accordance with the Programme of Works and promptly obtain from the Engineer a certificate confirming that the Interconnection Facilities are functional and conform to Schedule 5 (Minimum Functional Specification). The Company shall give to the CEB a copy of such certificate;

5.9.4 all changes, relocations, additions or modifications required by the Company to the CEB System or the Interconnection Facilities that may become necessary due to any changes in requirements or operating conditions of the Facility required by the Company (and which are not required or

requested by the CEB and/or result from a Change in Law) during the Construction Period shall be at the sole cost and expense of the Company;

5.9.5 all changes, relocations, additions or modifications required by the CEB to the CEB System or the Interconnection Facilities during the Construction Period shall be at the sole cost and expense of the CEB.

5.10 Operation Dates

5.10.1 The Company shall ensure that each Operation Date occurs on or before the relevant Scheduled Operation Date;

5.10.2 If the Company does not undertake the Works so that the Facility achieves an Operation Date on or before the relevant Scheduled Operation Date, then, at its sole cost and expense, the Company shall take all such reasonable measures as the Company may determine to be necessary to achieve such Operation Date as soon as is reasonably practicable; and

5.10.3 If the Operation Date occurs after the relevant Scheduled Operation Date (for the avoidance of doubt taking into account all adjustments thereto pursuant to Clause 5.6), the Company shall be liable to pay the CEB by way of liquidated damages the Company Delay Charge, calculated in accordance with Clause 10.1 and payable in accordance with Clause 8.3.

5.11 The Company's Electricity Requirements during the Construction Period

5.11.1 CEB shall supply electrical energy to the Company within ninety (90) Days on receipt of an application from the Company for a supply of electrical energy from the CEB system at 33kV level in such quantum as may be required for the purpose of construction of Facility. The Company shall make the payments to the CEB for the electrical connection supply within a week on receipt of the invoice from the CEB. Such amounts of electrical energy shall be supplied and charged to the Company by CEB on the same terms and condition including tariff applicable to supply of electrical energy at 33kV by CEB to its General Purpose consumers at the time of supply and shall be payable by the Company to CEB in accordance with such terms and conditions.

5.11.2 The CEB shall supply electrical energy from the CEB System at 220 kV at the Interconnection Point by no later than the date specified for the installation of the 220 kV GIS Bay in Clause 5.9.1 for the purpose of testing and Commissioning of the Facility. Such amounts of energy shall be supplied and charged to the Company by the CEB on the same terms and conditions (including tariff) applicable to the supply of electrical energy at 220 kV by the CEB to the CEB's applicable consumer category at the time of such supply and shall be payable by the Company to the CEB in accordance with such terms and conditions, provided that, if there are no such applicable terms and conditions (including tariff), the electrical energy supplied by the CEB to the Company at 220 kV shall be at the cost of power charged by the Company to the CEB in the first Monthly Invoice and shall

be deducted from the amount of the Energy Charge payable pursuant to the first Monthly Invoice submitted by the Company following the Open Cycle Operation Date. If the CEB assigns all or any part of its rights, benefits or obligations under this Agreement pursuant to Clause 15.8.1 and the assignee is not authorised to supply electrical energy to the Company, then such assignee shall procure that the entity authorised to supply electrical energy supplies electrical energy at the applicable tariff under this Clause 5.11.

5.11.3 The amount of electrical energy supplied by the CEB to the Company pursuant to this Clause 5.11 shall be determined in accordance with Schedule 7 (Metering).

5.12 Agreement of Final Design and Access

During the Construction Period, the CEB shall not unreasonably withhold or delay its approval of the final design of the Interconnection Facilities submitted to the CEB in accordance with Clause 5.3.2(xi) and the Company shall be under no obligation to incorporate any changes to such final design proposed by the CEB, if the final design (submitted for approval pursuant to this Clause 5.12) is consistent with the preliminary design approved pursuant to Clause 4.1.8 and complies in all respects with the CEB Grid Code Good Design, Engineering and Construction Practices and with Prudent Utilities Practice. If the CEB fails to notify the Company that it reasonably withholds its approval (giving details and reasons therefore) within thirty (30) Days of the submission by the Company to the CEB of such final design, the CEB shall be deemed to have approved such final design.

5.13 Familiarisation with the CEB Dispatch Systems.

During the Construction Period and on reasonable notice from the Company and for such periods as are reasonable, the CEB shall arrange for the shift charge engineer, or other personnel identified by the Company who will be responsible for the operation of the Facility, to meet with the CEB's senior staff responsible for the Dispatch of the Facility in order for the Facility personnel to become familiar with the operational actions regarding Dispatch.

5.14 Operational Interface Procedures.

The following provisions shall apply to the operational interface procedures

5.14.1 the operational interface procedures shall be those procedures that concern the operational interfaces under this Agreement between the CEB and the Company in respect of day-to-day communications, the identification of key personnel, permits and switching procedures, the making of Availability Declarations, the giving of Dispatch Instructions and the reporting and logging of data.

5.14.2 no later than one hundred and eighty (180) Days prior to the Scheduled Open Cycle Operation Date, the CEB shall give the Company notice of those matters to be addressed in an operational manual for the operational

interface procedures and within thirty (30) Days of receipt of the CEB's notice the Company shall provide the CEB with written comments with regard to such matters.

5.14.3 no later than thirty (30) Days following receipt of the Company's written comments and having reasonable regard to such comments, the CEB shall issue a manual for the operational interface procedures. Such manual may only be subsequently amended by the CEB; if

(i) the CEB gives the Company reasonable prior opportunity to comment on such amendments and gives reasonable regard to the Company's comments; or

(ii) the Company requests amendments and gives the CEB reasonable prior opportunity to comment on such amendments (and the CEB gives reasonable regard to the Company's comments.

and thereafter, the CEB will reissue such manual, as may be amended pursuant to the foregoing. Where the Company is given opportunity to prepare and submit comments or the CEB is required to reissue such manual in accordance with the foregoing, they shall each do so within thirty (30) Days.

5.15 CEB's Liability for Delays

5.15.1 CEB shall be liable to pay the Company in respect of delays under Clause 5.6.1(i) in respect of Force Majeure affecting the CEB, Clauses 5.6.1(iii) and (iv) and Clause 5.6.1(v) to the extent the Company is not compensated by the payment of liquidated damages by the Fuel Supplier under the relevant Fuel Supply Agreement, by way of liquidated damages calculated in accordance with Clause 10.1(A) and payable in accordance with Clause 8.2.

5.15.2 Where any amounts are due to CEB by the Company at the time CEB's liability for payment of such liquidated damages arises under this Clause 5.15, the liquidated damages so due by CEB pursuant to this Clause 5.15 shall to the extent possible be deducted by the Company from any amount due by the Company to CEB.

5.16 The CEB's Assistance with Consents

During the Construction Period the CEB shall:

5.16.1 provide to the Company all reasonable assistance for the Company to obtain in accordance with the Laws of Sri Lanka, all Governmental Approvals required to be obtained and maintained by the Company for the operation and maintenance of the Facility. The reasonable assistance to be provided by the CEB to the Company will generally be in the form of providing, at the Company's request, correspondence to the relevant Competent Authority to support the Company's application to obtain or maintain such Governmental Approval. Notwithstanding the foregoing, the Company shall be solely responsible for the procurement of each Governmental Approval required;

5.16.2 obtain and maintain, in accordance with the Laws of Sri Lanka, all Governmental Approvals as are required to be obtained and maintained by the CEB for the performance of its obligations during the Construction Period in accordance with this Agreement; and

5.16.3 grant to the Company all CEB Approvals upon proper application made therefore and upon satisfaction of the necessary requirements.

6 THE OPERATIONAL PERIOD AND THE OBLIGATIONS OF THE PARTIES

6.1 The CEB's Obligations during the Operational Period

The CEB shall, during the Operational Period, at its sole cost and expense unless otherwise specified in this Clause 6.1

6.1.1 purchase the Actual Available Capacity and the Metered Output and pay the Capacity Charge, Energy Charge and such other sums payable pursuant to Schedule 9 (Capacity Charge and Energy Charge) in accordance with this Agreement;

6.1.2 Dispatch the Facility in accordance with Dispatch Instructions;

6.1.3 supply to the Company electrical energy from the CEB System at 220kV at the Interconnection Point for the purpose of Start-Up of the Facility. Such amounts of energy shall be supplied and charged to the Company by the CEB and payable by the Company on the same terms and conditions (including tariff) applicable to the supply of electrical energy at 220kV by the CEB to the CEB's transmission customers at the time of such supply. If there are no such applicable terms and conditions (including tariff), the electrical energy supplied by the CEB to the Company at 220kV shall be at the cost of power charged by the Company to the CEB at the time of such supply and shall be deducted from the amount of the Energy Charge payable to the Company following the Open Cycle Operation Date. If the CEB assigns all or any part of its rights, benefits or obligations under this Agreement pursuant to Clause 15.8.1 and the assignee is not authorised to supply electrical energy to the Company, such assignee shall procure that the entity authorised to supply electrical energy supplies electrical energy to the Company at the applicable tariff under this Clause 6.1.3 and the amount of electrical energy supplied to the Company pursuant to this Clause 6.1.3 shall be determined in accordance with Schedule 7 (Metering);

6.1.4 provide to the Company all reasonable assistance for the Company to obtain, in accordance with the Laws of Sri Lanka, all Governmental Approvals required to be obtained by the Company for the operation and maintenance of the Facility. The reasonable assistance to be provided by the CEB to the Company will generally be in the form of providing, at the Company's request, correspondence to the relevant Competent Authority to support the Company's application to obtain such Governmental Approvals. Notwithstanding the foregoing, the Company shall be solely responsible for the procurement and maintenance of each Governmental Approval required;

6.1.5 give or procure on behalf of the Company access to and occupation of the Site, together with all rights in accordance with the Lease; and

6.1.6 give to the Company not less six (6) months of prior written notice of the scheduled date of Gas Fuel availability at the boundary of the Site.

6.2 The Company's Obligations during the Operational Period

The Company shall, during the Operational Period at its sole cost and expense unless otherwise specified in this Clause 6.2;

6.2.1 not later than ten (10) Days after the commencement of the Operational Period, provide the CEB with the Operations Performance Bond to ensure the proper operation and maintenance of the Facility. The Company shall maintain the Operations Performance Bond at the designated level at all times provided that the Company may have ten (10) Days to replenish the Operations Performance Bond so as to return it to the original level, in the event that the Operations Performance Bond is called upon. In the event that the Operations Performance Bond is not replenished as required, the CEB shall have the right to call on the bond and in such event, the CEB shall pay the proceeds into a special purpose bank account. The CEB shall be entitled to withdraw funds from that account to satisfy any default by the Company in the same manner as if the bond was at its original level. All interest accruing from the account shall belong to the CEB. The CEB shall return to the Company the balance of monies in the account after a new Operations Performance Bond is delivered to the CEB. The Operations Performance Bond shall be valid during the Operational Period and for one hundred and eighty (180) Days thereafter;

6.2.2 finance, operate, maintain, fuel, modify and repair the Facility in strict accordance with this Agreement (without limiting the generality of the foregoing in accordance with Good Design, Engineering and Construction Practices and Prudent Utilities Practice) so as to enable the Facility to conform to the Minimum Functional Specification;

6.2.3 without limiting the generality of the Company's obligations under Clause 6.2.2.

(i) provide that the Facility is operated and maintained by the O&M Contractor in accordance with the plans and specifications prepared in accordance with this Agreement;

(ii) not permit the O&M Contractor to sub contract the whole or substantially the whole of the operation and maintenance of the Facility to another contractor or contractors, without the prior written consent of the CEB and the Company shall furnish to the CEB sufficient information relating to the proposed contractor(s)' past experience of performing responsibilities which are similar to those to be sub-contracted on power projects similar to the Facility, its financial standing and its technical competence. Such consent shall not be

unreasonably withheld by the CEB, provided that, unless the CEB notifies the Company within thirty (30) Days of receiving such request for consent that it reasonably withholds its consent giving reasons therefore, the CEB shall be deemed to have granted such consent. If due to the reasons beyond it's control the O&M Contractor has to appoint a contractor who is not on the list in Part 2 of Schedule 4 (Contractors and Engineers), the sub contractor must have equivalent or better qualifications than those on the list and in order for the CEB to assess whether the sub contractor has equivalent or better qualifications than those on the list, the O&M Contractoe through the Company shall submit to the CEB a request with all the details in the similar manner as in Part 5 Schedule 4 form of this Agreement. If in CEB's reasonable opinion, the sub contractor does not have equivalent or better qualifications than those on the list, the O&M Contractor shall select another sub contractor and submit a request through the Company with all the details in the similar manner as describe above for consideration by the CEB and this process shall be repeated until in CEB's reasonable opinion, the sub contractor proposed has equivalent or better qualifications than those on the list;

(iii) not terminate the Operation and Maintenance Agreement without giving prior written notice to the CEB of such termination, together with reasons therefore and in the event of such termination, the following shall apply;

(a) the proposed O&M Contractor must have equivalent or better qualifications than the O&M Contractor who has been terminated;

(b) in order for the CEB to assess whether the proposed O&M Contractor has equivalent or better qualifications than the O&M Contractor who has been terminated and in order for the CEB to give notice of its non-objection, the Company shall submit to the CEB a completed Part 5 Schedule 4;

(c) the CEB shall, within fifteen (15) Days of receipt of the form, give notice of its non-objection unless it reasonably objects in which event it shall notify the Company, within such fifteen (15) Days, of its reasons for objecting whereupon the Company shall submit a completed Part 5 Schedule 4 form for another proposed O&M Contractor;

(d) where the CEB fails to give notice of its objection or non-objection of the proposed O&M Contractor within fifteen (15) Days of receipt of a completed Part 5 Schedule 4, the CEB's non-objection to the proposed O&M Contractor shall be deemed to have been given.

(iv) deliver to the CEB electrical energy in conformity with the Minimum Functional Specification and the CEB's Dispatch Instructions except where the Company is required to operate the Facility outside the Minimum Functional Specifications under Clause 6.2.3 (vi). Generating units shall be capable of continuously delivering declared output at any point between power factors of 0.85 lagging and 0.95

leading in accordance with its capability curve or as mention in the CEB Grid Code;

(v) ensure that the Interconnection Facilities;

(a) comply with the applicable safety and electrical codes specified in Paragraph 5.2.8 of Schedule 5 (Minimum Functional Specification);
(b) conform to and are maintained in accordance with Good Design, Engineering and Construction Practices and Prudent Utilities Practice; and
(c) are operational and otherwise comply with the Minimum Functional Specification.

(vi) cease operation of the Facility or operate the Facility in excess of the Company's prevailing Declared Available Capacity for the Facility or outside the Minimum Functional Specification if so instructed by the CEB (by the issue of a Dispatch Instruction for the period specified therein) in an Emergency and where the CEB reasonably believes that such action is necessary to help preserve the integrity of the CEB System, provided that the Company may refuse to comply with such instructions only if, in the Company's reasonable opinion, complying with it;

(a) would impose an imminent risk of serious injury to persons or damage to property (including any deterioration in any Generating Set or other plant or apparatus operated by the Company);
(b) would not be in accordance with Prudent Utilities Practice.

provided further that the Company shall not be required to operate the Facility outside the Minimum Functional Specifications if so instructed by the CEB pursuant to the foregoing or at more than one hundred and three percent of the Declared Available Capacity declared in the prevailing Availability Declaration and for more than four consecutive Hours at any one time and on not more than five separate occasions in the Open Cycle Operational Period or any Contract Year. Where a Dispatch Instruction is issued by the CEB pursuant to this Clause 6.2.3 (vi) requiring the Company to operate the Facility in excess of the Declared Available Capacity declared in the then prevailing Availability Declaration and the Company does not within thirty minutes exercise its right pursuant to this Clause 6.2.3 (vi) to refuse to comply with such an instruction, the Company shall be deemed to accept the instruction and the Declared Available Capacity shall be deemed to be the kW output specified in such Dispatch Instruction;

(vii) declare the Facility available in accordance with Clause 6.5 and Schedule 8;

(viii) reconfirm to the CEB the occurrence of any Forced Outage in the Weekly Report;

(ix) at all times ensure that reasonable safety precautions are taken to safeguard the Parties or third parties, or their property, from damage,

loss or injury when operating, maintaining, modifying or repairing the Facility;

(x) maintain in good order, renew prior to expiry and comply with the terms and conditions of any Governmental Approvals (including the Generation License) and the Environmental Requirements to be met by the Company for the operation and maintenance of the Facility;

(xi) provide the CEB and its duly authorised representatives access to the Facility during normal working hours (and outside normal working hours if reasonably required) to all parts of the Facility for the purposes of general inspection, observation, attending any test or investigation being carried out in respect to the operations and maintenance of the Facility, on the same terms and conditions as under Clause 5.5.1, provided that any visits to the Facility by the CEB or its duly authorised representatives shall not be construed as an endorsement by the CEB of the operation, maintenance, modification and repair procedures employed by the Company at the Facility and that CEB shall ensure the Company is not impeded by virtue of any visits;

(xii) provide the CEB with annual reports, audited financial statements and such information as the CEB may reasonably require as to the performance by the Company of its obligations under this Agreement, provided that receipt of such information shall not be construed as an endorsement by the CEB of any practice of the Company in its performance of its obligations under this Agreement;

(xiii) maintain water treatment and storage facilities at the Site for water, meeting the requirements of the Facility including those specified in Paragraph 5.3 of Schedule 5 (Minimum Functional Specification);

(xiv) take all reasonable steps to maintain independent surface water drainage at the Site so as to safeguard the Site and other adjoining land against the risk of flooding;

(xv) in accordance with local standards for such a Facility;

(a) provide reasonable security for the Facility including the erection and maintenance of security fencing and access points;
(b) ensure that the Facility's security can be maintained independently of adjoining areas and the public highway; and
(c) at all times take into consideration and cooperate with any security arrangements the Government may put in place.

(xvi) secure safe storage, removal and disposal of all toxic, hazardous and dangerous waste from the Site including but not limited to Fuel residues, sludge and other by-products of generation at the Facility and the clean-up of flue gases in accordance with the Environmental Requirements;

(xvii) ensure that sufficient competent staff are always on hand at the Facility to enable the Facility to be operated twenty four (24) Hours a Day, seven (7) Days a Week;

(xviii) employ, or procure that the O&M Contractor employs, as far as practicable, qualified local personnel to operate the Facility, including

those persons authorised to respond to the CEB's Dispatch Instructions and those persons responsible for safety in the operation of the Facility;

(xix) within a period of ninety (90) Days following the Open Cycle Operation Date, deliver to the CEB the drawings for the Facility together with one copy of such operation and maintenance manuals for the Facility (which have been prepared by or on behalf of the Company by the expiry of such period. The Company shall further deliver to the CEB the "as built" drawings for the Facility together with one copy of the final operation and maintenance manuals for the Facility no later than ninety (90) Days following the Combined Cycle Operation Date;

(xx) provide the CEB with the list of all personnel (who shall meet all rules, regulations and requirements relating to employment in force in Sri Lanka) engaged by the Company at the Facility and update such list to reflect any changes in personnel;

(xxi) as specified in this Agreement or as instructed by the CEB, in view of the fact that the Site is part of a property owned by the CEB afford reasonable opportunities for carrying out work to;

(a) the CEB personnel;
(b) any other contractors employed by the CEB;
(c) other persons to whom the CEB has leased or sold land including the developer of the adjacent power development, if any, referred to in Clause 4.2.18;

who may be employed in the execution on or near the Site of any work not included in this Agreement. The CEB shall be liable to the Company for all damage, losses, costs and expense suffered by the Company due to the negligence or breach of statutory duty of such person;

(xxii) carry out all that is required to perform in accordance with its Proposal unless the obligation, undertaking or requirement is superseded by a Clause in this Agreement; and

(xxiii) comply with all Laws of Sri Lanka.

6.3 Title to Energy

6.3.1 Delivery of electrical energy shall be completed when electrical energy meeting the criteria set out in the Minimum Functional Specification is delivered at the Interconnection Point and is metered or otherwise determined in accordance with Clause 6.8, and title to such electrical energy will pass to the CEB on such delivery.

6.3.2 For the avoidance of doubt;

(i) any loss of electrical energy at any point before the Interconnection Point shall be the loss and responsibility of the Company;

(ii) the Company bears all risk until the electrical energy meeting the criteria set out in the Minimum Functional Specification is delivered at the Interconnection Point.

6.4 Fuel Supply

The Facility will be fueled by Liquid Fuel in initial years and when Gas Fuel supply is available at the site the Facility will be fueled by Gas Fuel. The Facility shall be able to operate on Gas Fuel from the SOCOD. In the event of Gas Fuel supply system failure during the Open Cycle Operatonal Period or Combined Cycle Operational Period, the facilitiy shall be able to switch to operate on Liquid Fuel without tripping and vise versa.

6.4.1 The following provisions shall apply to the supply and storage of Liquid Fuel.

6.4.1.1 subject to Clause 6.4.1.4, the Company shall purchase Liquid Fuel for the Facility under the Liquid Fuel Supply Agreement and shall ensure that, it shall have sufficient supplies of Liquid Fuel as the case may be to meet its obligations under this Agreement.

6.4.1.2 the Company shall not amend or waive any terms and conditions of the Liquid Fuel Supply Agreement which have an effect on the price paid for Liquid Fuel to be purchased by the Company without the CEB's prior consent, which consent shall not be unreasonably withheld or delayed;

6.4.1.3 in respect of each firm nominated Liquid Fuel quantity ordered under the Liquid Fuel Supply Agreement the Company shall notify the CEB of the Liquid Fuel price payable to CPC;

6.4.1.4 if the Company should purchase Liquid Fuel to be consumed at the Facility other than under the Liquid Fuel Supply Agreement it shall do so on terms and conditions previously agreed in writing by the CEB, which agreement shall not be unreasonably withheld or delayed;

6.4.1.5 the Fuel Energy Rate for Liquid Fuel shall be applied in the calculation of the Energy Charge under Schedule 9 (Capacity Charge and Energy Charge);

6.4.1.6 the Company shall, subject to the provisions of the Liquid Fuel Supply Agreement during the Operational Period manage the ordering of Liquid Fuel from the CPC and maintain stocks of Liquid Fuel at the storage facilities at the Site, in accordance with Prudent Utilities Practice and shall notify the CEB on a weekly basis (for information purposes only and with no responsibility or liability on the part of the CEB) of the quantities of Liquid Fuel stored in such facilities and the quantities of Liquid Fuel ordered but not yet delivered (including scheduled dates of delivery), at the time of such notice, provided that the Company shall not be in breach of its obligations under this Clause 6.4.1.6 if such breach is a result of non-compliance by the CPC with its obligations under the Liquid Fuel Supply Agreement;

6.4.2 The following provisions shall apply to the supply of Gas Fuel.

6.4.2.1 the Company shall purchase Gas Fuel for the Facility under the Gas Fuel Supply Agreement from the Gas Fuel Supplier and shall ensure that it shall have sufficient supplies of Gas Fuel to meet its obligations under this Agreement. The Company shall not be in breach of its obligations under this Clause 6.4.2.1 if it fails to comply with the foregoing as a result of a breach by the Gas Fuel Supplier of its obligations under the Gas Fuel Supply Agreement;

6.4.2.2 the Company shall not amend or waive any terms and conditions of the Gas Fuel Supply Agreement which have an effect on the price paid for Gas Fuel purchased by the Company without the CEB's prior consent, which consent shall not be unreasonably withheld or delayed;

6.4.2.3 in respect of each firm nominated Gas Fuel quantity ordered under the Gas Fuel Supply Agreement, the Company shall notify the CEB of the Fuel price payable;

6.4.2.4 the Fuel Energy Rate for Gas Fuel shall be applied in the calculation of the Energy Charge under Schedule 9 (Capacity Charge and Energy Charge);

6.4.2.5 The Clause 6.4.2 is effective from the date Gas Fuel Supply Agreement executed by and between the Company and the Gas Fuel Supplier when Gas Fuel supply is available at the site.

6.5 Declared Available Capacity and Dispatch

6.5.1 The following provisions shall apply in relation to the Declared Available Capacity of the Facility;

(i) during the Operational Period, the Company shall operate and maintain the Facility to ensure that the Facility is available to the CEB for the dispatch of electrical energy in accordance with Schedule 5 (Minimum Functional Specification) and Schedule 8 (Actual Available Capacity);

(ii) during the Operational Period by 1200 Hours on each Day, the Company shall issue an availability declaration ("Availability Declaration") in respect of each Hour of the next Day stating the Facility's Declared Available Capacity. If the Facility shall at any time during the period covered by an Availability Declaration have lower Operational Characteristics than required under Paragraph 5.5.3 of Schedule 5 (Minimum Functional Specification), but within the allowable margins specified for such Operational Characteristics stated in that Paragraph of Schedule 5 (Minimum Functional Specification), the actual Operational Characteristics at that time or times shall be stated in such Availability Declaration. The following provisions shall also apply to Availability Declarations;

(a) any Availability Declaration may be amended by the Company prospectively at any time provided the Availability Declaration for the current hour stands;

(b) an Availability Declaration shall give reasons for any Declared Available Capacity which is less than the Net Dependable Capacity (including Scheduled Maintenance) and/or where the declared Operational Characteristics are at any time below the requirements of Paragraph 5.5.3 of Schedule 5 (Minimum Functional Specification); and

(c) if no Availability Declaration is issued in respect of an Hour then the most recently issued Availability Declaration shall be deemed to be the Availability Declaration for such Hour.

(iii) Actual Available Capacity for each Hour (AA_h) shall be calculated in accordance with Schedule 8 (Actual Available Capacity);

(iv) nothing in this Agreement shall require the Company to issue an Availability Declaration during the Combined Cycle Commissioning Period; and

(v) the provisions of Clause 6.2.3(vi) shall apply in the circumstances described therein.

6.5.2 Subject to the provisions of Clause 6.6, the following provisions shall apply to Dispatch of the Facility:

(i) during the Operational Period, the CEB shall give the Company notice of the CEB's good faith best estimate of the Dispatch of the Facility in MWh output on a weekly [two (2) Days prior to the start of the relevant Week], monthly [sixty (60) Days prior to the start of the relevant Month] and annually [sixty (60) Days prior to the start of the relevant Year] basis;

(ii) the Facility shall be fully dispatchable up to the limit of the Availability Declaration;

(iii) the CEB may Dispatch the Facility at any time (subject to the Company's ramp rates) on or after the Open Cycle Operation Date (except during the Combined Cycle (L) Commissioning Period and Combined Cycle (N) Commissioning Period) by the issue of a dispatch instruction ("Dispatch Instruction") under this Clause 6.5.2(iii) which right shall not be limited by any prior notice to the Company of the CEB's good faith best estimate of its Dispatch requirement for the period of the Dispatch Instruction, provided that [and subject to Clause 6.2.3(vi)] such Dispatch Instruction shall not exceed any part of the prevailing Availability Declaration for the Facility and shall not require the Facility to be operated in a manner inconsistent with Prudent Utilities Practice, Schedule 5 or this Agreement subject to Clause 6.10.2. During the occurrence of a CEB System Problem, the kW output level specified in any prevailing Dispatch Instruction shall for that Hour and for each subsequent Hour during which such CEB System Problem continues be deemed to be zero.

6.5.3 CEB may dispatch the Facility on open cycle mode during the Combined Cycle Operational Period and Company shall comply.

6.5.4 It is hereby expressly clarified that the Company shall not be in breach of its obligations under Clause 6.5.1(i) above and it shall not be a Forced Outage, if the Company does not make an Availability Declaration or becomes unavailable:

(i) where the Facility is undergoing Scheduled Maintenance; or

(ii) where excused by Force Majeure; or

(iii) where an amount invoiced by the Company is overdue for a period exceeding sixty (60) Days after the due date therefore and the CEB Letters of Credit are unavailable or the amounts available under the CEB Letters of Credit are insufficient to cover the undisputed amounts overdue; or

(iv) Where the Company is unable to deliver energy due to a breach by CEB of its obligations under this Agreement or Lease; or

(v) as a consequence of a Shortfall (as defined in the applicable FSA) or a breach by a Fuel Supplier or the Government of their respective obligations under a Fuel Supply Agreement or the Implementation Agreement, as the case may be; or

(vi) where CEB otherwise agrees in writing.

Provided however that, unless the Company is required to inform the occurance of any such event to CEB under any other provision of this Agreement, the Company shall promptly inform the occurrence of such event to CEB.

6.5.5 At any time during the Operational Period after the commencement of operation of the Facility using Gas Fuel, where Gas Fuel is not available, the CEB may dispatch the Facility on Liquid Fuel, subject to the other provisions of this Agreement, the Company shall comply. The Company shall, at all time during the Operational Period continue to maintain Liquid Fuel in storage sufficient to operate the Facility for seven (7) Days.

6.6 Scheduled Maintenance

The following provisions shall apply to the Scheduled Maintenance of the Facility:

6.6.1 subject to the following provisions of this Clause 6.6, in any Contract Year the Company shall schedule and carry out as much maintenance as is possible during the months of June through to and including December or during the expected wet periods of such Contract Year where such expected wet periods have been discussed and agreed between the Parties in terms of long term weather forecasting or, where Scheduled Maintenance can be carried out and completed within a period of one (1) Day, on any Day that is not a Business Day;

6.6.2 unless the CEB otherwise agrees and subject to Clause 6.6.7, the Company shall not reduce the Declared Available Capacity of the Facility for regular, routine or minor maintenance except at the times scheduled in a Firm Maintenance Programme as Scheduled Maintenance settled in accordance with this Clause 6.6;

6.6.3 not later than ninety (90) Days prior to the Scheduled Open Cycle Operation Date and each Contract Year, the Company shall provide the CEB with a draft proposal, in writing, of its proposed maintenance programme for the Open Cycle Operational Period and each Contract Year (as the case may be) and each proposed maintenance programme shall show in reasonable detail the nature of the maintenance which the Company proposes to carry out, the date or dates on which each item of maintenance is to begin, the time over which such maintenance is expected to take place and the effect of carrying out such maintenance on availability of the Facility for Dispatch;

6.6.4 the CEB shall within twenty one (21) Days of receipt of each such proposal advise the Company by notice of any adjustments to such proposed maintenance programme that the CEB may reasonably require, provided that the CEB shall not be entitled to request such amendment if the duration of the period required for carrying out the maintenance in such adjusted maintenance programme is different to the duration of the period required for carrying out the maintenance in the proposed maintenance programme and provided further that where the CEB fails to provide any notice within such twenty one (21) Day period or gives notice of adjustment to such proposed maintenance programme which does not comply with the foregoing, the Company's proposed maintenance programme shall be deemed to be the confirmed maintenance programme pursuant to Clause 6.6.5;

6.6.5 if the Company agrees with any such reasonable requirements of the CEB notified to it pursuant to Clause 6.6.4, it shall incorporate such requirements in its proposed maintenance programme provided that if the Company does not agree to incorporate such requirements of the CEB in its proposed maintenance programme and the Parties do not reach agreement on the adjustments to be made to the proposed maintenance programme within fourteen (14) Days of the CEB's notice under Clause 6.6.4, the adjustments to the proposed maintenance programme shall be as determined by an Expert appointed in accordance with Part 1 of Schedule 12 (Disputes Resolution Procedure). The Company shall provide the CEB with a confirmed proposed maintenance programme in writing within twenty one (21) Days of the CEB's notice under Clause 6.6.4 or, where the Company does not agree to incorporate such requirements of the CEB, within twenty one (21) Days of the Parties reaching agreement on such adjustments to the proposed maintenance programme, or, in the absence of such agreement, within twenty one (21) Days of the determination by such Expert;

6.6.6 each such confirmed proposed maintenance programme under Clause 6.6.5 shall subject to Clause 6.6.8 represent a firm maintenance programme ("Firm Maintenance Programme") and Scheduled Maintenance shall only occur in accordance therewith. Scheduled Maintenance may only take place

on the Company giving to the CEB not less than 24 Hours prior notice of the commencement of an event of Scheduled Maintenance;

6.6.7 each Firm Maintenance Programme shall show in reasonable detail the nature of the Scheduled Maintenance, the date or dates on which each item of Scheduled Maintenance is to begin, the time for the Scheduled Maintenance and the effect of Scheduled Maintenance on the availability of the Facility for Dispatch;

6.6.8 The Firm Maintenance Programme may be amended only with the prior agreement of the Parties;

6.6.9 the Company shall be under no obligation to carry out Scheduled Maintenance in accordance with a Firm Maintenance Programme during any period of Force Majeure affecting Scheduled Maintenance and such Firm Maintenance Programme may be rescheduled in accordance with Clause 6.6.8.

provided that nothing in this Clause 6.6 shall require the Company to perform any obligation in a manner inconsistent with Prudent Utilities Practice.

6.7 Forced Outage

The following provisions shall apply to Forced Outage:

6.7.1 the Company shall as soon as reasonably practicable and in any case within;

(i) three (3) Days following the occurrence of a Forced Outage, provide the CEB with details of the circumstances giving rise to the Forced Outage, the commencement and estimated duration of the Forced Outage and the extent of the Company's reduced Declared Available Capacity by reason of such Forced Outage; and

(ii) seven (7) Days of the occurrence of a Forced Outage, provide the CEB with details of the description of any work required to overcome such circumstances, the Company's estimated impact of such Forced Outage on the Facility's Operational Characteristics and on the Net Dependable Capacity for that Contract Year.

6.7.2 if due to Forced Outage the Facility does not (i) achieve the Adjusted Target Availability in any Contract Year or (ii) comply with the Dispatch requirements set out in a Dispatch Instruction then, in addition to any reduction in the Capacity Charge in respect of any reduced Declared Available Capacity (calculated in accordance with Schedule 9 (Capacity Charge and Energy Charge)), the Company shall be liable for liquidated damages in an amount calculated pursuant to Schedule 9 (Capacity Charge and Energy Charge).

6.8 Metering

The following provisions shall apply to metering, measurement and recording of Metered Output;

6.8.1 the Company shall purchase the metering equipment comprising a Main Meter and a Check Meter described in Schedule 7 (Metering) at its sole cost and expense and arrange for them to be tested and calibrated at the Company's sole cost and expense at such internationally recognised testing and calibration facility reasonably acceptable to the CEB. The Company shall obtain a warranty from the manufacturer of the metering equipment as to their accuracy, which warranty shall inure for the benefit of the CEB. The Company shall procure for the CEB the right to attend such tests (at the CEB's cost and expense) and shall give the CEB reasonable prior notice of such tests. Once it has been determined by such tests that the Meters meet the specification set out in Schedule 7 (Metering), the Meters shall be sealed by the Parties in accordance with Clause 6.8.8;

6.8.2 the Company shall be responsible for installing the Meters at the Metering Points at least thirty (30) Days prior to the anticipated Open Cycle Commissioning Date (as notified by the Company to the CEB from time to time). The Company shall give to the CEB not less than seven (7) Days notice of its intention to install the Meters. The CEB shall have the right to attend and observe such installation;

6.8.3 once the Meters have been installed, and at least fifteen (15) Days prior to the anticipated Open Cycle Commissioning Date (as notified by the Company to the CEB from time to time) the Company shall arrange for them to be tested, in accordance with Prudent Utilities Practice, in the presence of both Parties. The test certificates shall expressly state that the requirements of Schedule 7 have been met. Ownership of the Main Meter shall be transferred by the Company to the CEB, along with all relevant test certificates and manufacturers' warranties, when the Main Meter has passed such tests. Thereafter, the CEB shall be responsible at its own expense for maintaining the Main Meter (including any replacement thereof pursuant to Clause 6.8.7) in accordance with Prudent Utilities Practice. The Check Meter shall be owned and operated by the Company. The Company may not take the Check Meter out of service at any time when the Main Meter is out of service. The Company shall be responsible at its own expense for maintaining the Check Meter in accordance with Prudent Utilities Practice;

6.8.4 the CEB shall arrange for the Main Meter, and the Company shall arrange for the Check Meter, to be tested including associated instrument transformers and, if necessary, re-calibrated or replaced at least once every Contract Year or whenever either Party has reason to believe that the equipment is no longer performing within the standards of accuracy prescribed by Schedule 7 (Metering) and has given notice to the other of such concern. The Party arranging the test shall give the other reasonable notice of any such test. Testing and re-calibration may be carried out in the presence of both Parties and the Parties shall have the right to send a duly authorised representative to attend any test of the other Party of which it has been given notice. If a Party believes any of the Meters are no longer

performing within the limits of accuracy prescribed in Schedule 7 (Metering), and requests a test to be performed on any Meters to demonstrate the same, such Party shall only bear the cost and expense of such test when such Meter is found to be performing within such limits;

6.8.5 after completion of any testing in accordance with Clause 6.8.4, the Party which tested its Meter shall prepare and submit to the other Party a statement which shall record the results of the testing and the extent to which the Meter was performing outside the limits of accuracy prescribed by Schedule 7 (Metering);

6.8.6 the amount of Metered Output, Hourly Metered Output and Metered Input shall be measured using the Main Meter provided that the Check Meter shall be used where the Main Meter has been found to have performed outside the limits of accuracy prescribed by Schedule 7 (Metering) or, if the Check Meter is also found to be no longer performing within the standards of accuracy prescribed by Schedule 7 (Metering), the amount of Metered Output, Hourly Metered Output and Metered Input supplied shall be estimated as the Parties may agree or, failing agreement, by an Expert appointed in accordance with Part 1 of Schedule 12 (Disputes Resolution Procedure) provided that, if the period during which both of the Meters were found to be inaccurate cannot be accurately determined, such period shall be deemed to have begun at the mid-point of the period commencing on the date the Main Meter and/or the Check Meter (as the case may be) was found to be inaccurate and the date of the last Main Meter reading or Check Meter reading, as the case may be, was or is accepted by the Parties as accurate;

6.8.7 if, at any time, it is determined by the CEB or the Company as a consequence of a test or as is otherwise manifestly necessary that a Meter should be replaced, the old Meter shall be replaced and a new Meter installed, tested and calibrated using the internationally recognised testing and calibration facility previously accepted by the CEB pursuant to Clause 6.8.1 at the sole cost and expense of the Party responsible therefore. Such Party shall give the other Party reasonable prior notice of such tests which must meet the specification set out in Clause 6.8.8 and the measuring accuracy set out in Schedule 7 (Metering). Once such replacement has passed such tests it shall be sealed in accordance with 6.8.8;

6.8.8 the Main Meter and the Check Meter shall be jointly sealed by the Parties. Such seals shall be broken only by the CEB personnel (in the case of the Main Meter) and the Company personnel (in the case of the Check Meter) and each Party shall be given at least twenty-four Hours advance notice of the breaking of seals by the other Party and shall be entitled to attend at the stated time. For the purposes of this Clause 6.8 the IEC standard 687 shall be applied to the testing of the Meters;

6.8.9 the CEB shall give the Company access to its facilities for the purpose of installing, testing and taking readings of the Meters;

6.8.10 the CEB shall indemnify and hold the Company harmless from any loss or damage arising out of any damage sustained as a result of the willful default

or negligent acts or any failure of the CEB, its officers, directors, employees or agents to comply with any applicable safety regulations in force at the Site whilst at the Site for the purposes of this Clause 6.8 except to the extent caused by the negligence or breach of statutory duty by the Company, its officers, directors, employees or agents;

6.8.11 the Company shall indemnify and hold the CEB harmless from any loss or damage arising out of any damage sustained as a result of the willful default or negligent acts or any failure of the Company, its officers, directors, employees or agents to comply with any applicable safety regulations in force whilst at the CEB's facilities for the purposes of this Clause 6.8 except to the extent caused by the negligence or breach of statutory duty by the CEB, its officers, directors, employees or agents; and

6.8.12 the CEB and the Company shall on the first Day of each Month at a time agreed in advance between the Parties jointly read and record the readings of the Main Meter and Check Meter.

6.9 Extension or Reduction of Operational Period

6.9.1 The Combined Cycle Operational Period shall be extended due to Force Majeure in accordance with Clause 12.3 in which event such period shall end at 2400 Hours of the last Day of the period of such extension;

6.9.2 The Combined Cycle Operational Period shall be reduced by each Day by which the Combined Cycle Operation Date is delayed beyond the Scheduled Combined Cycle Operation Date for which the Company is not liable to pay the CEB the Company Delay Charge in accordance with Clause 5.10.3 by reason only of the Company Delay Charge exceeding the limit of liability specified in Clause 10.1.2.

6.10 Emergencies

6.10.1 The Company shall cooperate with the CEB in establishing agreed Emergency Plans for the Facility at least ninety (90) Days before the commencement of the Operational Period including, without limitation, recovery from a local or widespread electrical blackout or voltage reduction in order to curtail load;

6.10.2 Subject to Clause 6.2.3(vi) the Company shall, during an Emergency, respond to the CEB's request and commence implementation within 5 minutes of the CEB's request and shall supply such power as the Facility is able to generate as quickly as possible, consistent with Prudent Utilities Practices, provided however, that the Company shall not be obligated to operate the Facility outside the Minimum Functional Specifications or beyond the limits of which the Company reasonably believes that as a result of such operation there is a likelihood that the Facility may experience a trip;

6.10.3 The CEB, during any Emergency, may require the Company to disconnect or reduce delivery of the available capacity;

(i) if, in the CEB's sole opinion, an Emergency exists;

(ii) for so long as a disconnection or reduction in delivery of the available capacity is necessary to enable the CEB to construct, install, maintain, repair, replace, remove, investigate, inspect or test any part of the Interconnection Facilities or the CEB System.

7 CAPACITY CHARGE AND ENERGY CHARGE

7.1 Capacity Charge

From the Open Cycle Operation Date (OCOD) to the Combined Cycle Commissioning Date and from the Combined Cycle Operation Date (CCOD) to the end of the Term, the CEB shall pay to the Company in arrears each Month, under the Company's Monthly Invoices, the Capacity Charge for the preceding Month calculated in accordance with Paragraphs 9.4.2, 9.4.4, 9.4.6 and 9.4.8 of Schedule 9 (Capacity Charge and Energy Charge) as applicable.

7.2 Energy Charge

7.2.1 From the Open Cycle Operation Date, the CEB shall pay to the Company in arrears each Month, under the Company's Monthly Invoices the Energy Charge for the preceding Month calculated in accordance with Paragraphs 9.4.2, 9.4.3, 9.4.4, 9.4.5, 9.4.6, 9.4.6 and 9.4.8 of Schedule 9 (Capacity Charge and Energy Charge) as applicable;

7.2.2 The CEB shall pay the Company for electrical energy delivered during Open Cycle Commissionning periods prior to the Open Cycle Operation Date, at the time of making the payment of the Energy Charge for the Facility for the first Month following the Open Cycle Operation Date, as calculated in accordance with Paragraph 9.4.1 or 9.4.5 of Schedule 9 (Capacity Charge and Energy Charge) as applicable.

7.3 Start-Up Charge

The CEB shall pay to the Company in arrears each Month the Start-Up Charge (if any) calculated in accordance with Paragraphs 9.4.2, 9.4.4, 9.4.6 and 9.4.8 of Schedule 9 (Capacity Charge and Energy Charge) as applicable.

7.4 Payment of US Dollar Components of Electricity Payments

7.4.1 Any US Dollar payment due to the Company under this Agreement (each such payment being a "**Required US Dollar Amount**") shall be paid to the Rupee Conversion Account in Rupees in an amount calculated at the Reference Exchange Rate;

7.4.2 As soon as practicable following receipt of any Rupee amounts in accordance with Clause 7.4.1, the Company shall convert (or shall cause the Company Nominated Bank to convert), in respect of such conversion of such Rupee amounts into US Dollar at the Reference Exchange Rate (such amount of US Dollar received by the Company after deduction of any

payments by the Company of commissions and bank charges incurred at normal commercial rates by the Company in connection with such conversion ("**Commissions**") being the "**Converted US Dollar Amount**"). The Company shall as soon as practicable following such conversion notify the CEB of the Reference Exchange Rate, the amount of any Commissions and the Converted US Dollar Amount in respect of such conversion;

7.4.3 If the Converted US Dollar Amount is less than the Required US Dollar Amount and there having been no avoidable delay on the part of the Company in converting the currency, the CEB shall pay to the Company in Rupees under the next Monthly Invoice the amount of the difference between the Required US Dollar Amount and the Converted US Dollar Amount;

7.4.4 If the Converted US Dollar Amount is greater than the Required US Dollar Amount, the Company shall account to the CEB (by way of deduction from sums due to the Company) under the next Monthly Invoice the amount of the difference between the Converted US Dollar Amount and the Required US Dollar Amount;

7.4.5 The US Dollar Amounts payable pursuant to Clause 7.4.3 shall be paid in Rupees calculated at the Reference Exchange Rate for selling US Dollar in exchange for Rupees on the date of payment.

7.5 Payment of Rupee Components of Electricity Payment

The Rupee components of the Capacity Charge and Energy Charge and other Rupee payments due to the Company under this Agreement shall be paid to the Rupee Ordinary Account.

7.6 The Company Liquidated Damages Payable

For Non Achievement of Performance Tests, Dispatch Instructions and Target Availability. If,

7.6.1 during performance testing of the Facility in accordance with Paragraph 6.6 of Schedule 6 (Commissioning and Performance/Reliability Testing) in open cycle mode or combined cycle mode it is established by the Engineer's Certificate that the measured net kW output level is less than one hundred and three percent of NDC_{OL}, NDC_{CL}, NDC_{OG} or NDC_{CG} (as the case may be); or

7.6.2 the Facility does not

(i) comply with the Dispatch requirements set out in a Dispatch Instruction; or

(ii) achieve the Adjusted Target Availability in any Contract Year.

and the Company becomes liable to pay liquidated damages to the CEB pursuant to Paragraphs 9.11, 9.12 and 9.13 of Schedule 9 (Capacity Charge and Energy Charge) respectively, the Company shall pay to the CEB, as liquidated damages, the relevant amount in Rupees calculated in

accordance therewith and such liquidated damages will be deducted from any amounts payable to the Company in the next Monthly Invoice or from subsequent Monthly Invoices as to secure their payment at the earliest opportunity.

8 PAYMENT

8.1 Company's Monthly Invoices

8.1.1 The Company shall submit an invoice to the CEB no later than 1200 Hours on the fifth (15th) Day of each Month (or, if such Day is not a Business Day, on the preceding Business Day) commencing with the Month following the Month in which the Open Cycle Operation Date occurs, and such invoice which shall be submitted not less than twenty one (21) Days after the previous invoice (the "**Monthly Invoice**") shall show all intermediate calculations in reasonable detail so as to enable the amounts due to be verified and shall state;

(i) the applicable Capacity Charge and Energy Charge for the previous Month and in the case of the first Monthly Invoice shall also include the Energy Charge for the period prior to the Open Cycle Operation Date calculated in accordance with Paragraph 9.8.1 or Paragarph 9.8.3 of Schedule 9 (Capacity Charge and Energy Charge) and the Start-Up Charge (performance incentive);

(ii) the applicable deductions for

(a) liquidated damages in accordance with Clause 7.6 and Schedule 9 (Capacity Charge and Energy Charge); and

(b) electrical energy delivered by the CEB in accordance with Clause 5.11.1 (in the case of the first Monthly Invoice) and Clause 6.1.3 thereafter.

(iii) eimbursable Taxes incurred by the Company within such Month. The Company shall submit with the Monthly invoice such material establishing the liability of the Company for any such payment of Reimbursable Taxes;

(iv) any other sums due and payable from the CEB to the Company under this Agreement;

(v) the amount of any Sales Taxes, the applicable rate or rates at which Sales Taxes are calculated on the component elements of the amount invoiced and the total sum payable by the CEB inclusive and exclusive of any such Sales Taxes;

(vi) the amount of any costs incurred by the Company in the previous Month (and in the case of first Monthly Invoice in the period from the date of this Agreement to the date of such invoice) and payable by the CEB pursuant to Clause 9.2.1 to the extent that such amounts are not reimbursed to the Company by way of adjustment to the Capacity Charge and/or Energy Charge;

(vii) sums due to, or owing by, the Company pursuant to Clause 7.4.3;

(viii) any annual reconciliation payment referred to in Paragraph 9.7 of Schedule 9 (Capacity Charge and Energy Charge); and

(ix) The Company shall be entitled to include in the Monthly Invoice and charge CEB for input sales taxes directly, necessarily and actually borne by the Company within such Month for the performance of its obligations under this Agreement in relation to the Project, to the extent that the Company is not entitled to any credit or input credit within such Month or at a future date, under the Laws of Sri Lanka. The Company shall submit with the Monthly Invoice such material establishing the liability of the Company for and the payment of such input sales taxes.

8.1.2 The Monthly Invoice shall clearly identify amounts payable in US Dollar (which shall be paid by the CEB in Rupees into the Rupee Conversion Account in accordance with Clause 8.5.1) and all other amounts which are payable in Rupees (which shall be paid into the Rupee Ordinary Account in accordance with Clause 8.5.2).

8.1.3 The CEB shall make payment in respect of each Monthly Invoice within thirty (30) Days of receipt thereof by the CEB.

8.2 The Company Invoices

8.2.1 Pursuant to Clause 5.6.7 the Company shall be entitled to submit an invoice to the CEB in respect of any payment due from the CEB to the Company in respect of delay to achievement of the Open Cycle Operation Date or Combined Cycle Operation Date, provided that:

(i) the first such invoice shall be submitted to the CEB no earlier than seven (7) Days after the relevant Scheduled Operation Date; and

(ii) no invoice shall be submitted within seven (7) Days of any other invoice in respect of such delay.

8.2.2 The Company shall be entitled to submit an invoice to the CEB in respect of any amount that the Company becomes liable to pay to CPC or the Gas Fuel Supplier, as the case may be, under respective Fuel Supply Agreements arising out of failure of the Company to accept any quantity of Fuel, resulting from Force Majeure affecting CEB, breach by CEB of its obligations under this Agreement or Lease, or any delay, impediment or prevention caused by or attributable to the CEB or its personnel.

8.2.3 The CEB shall pay to the Company the amount so invoiced (not being Disputed Amounts) within thirty (30) Days of receipt of such invoice.

8.2.4 Any amounts so invoiced to the CEB shall be payable in US Dollar and paid by the CEB in accordance with the provisions of Clauses 7.4 and 8.5.1.

8.3 CEB's Invoices

8.3.1 The CEB shall be entitled to submit invoices to the Company in respect of any payments due by the Company to the CEB under this Agreement provided that:

(i) in respect of an invoice submitted to the Company pursuant to Clause 5.10.3, the first of such invoices shall be submitted to the Company no earlier than seven (7) Days after the relevant Scheduled Operation Date; and

(ii) no invoice shall be submitted within twenty one (21) Days of any other invoice.

8.3.2 Invoices submitted in accordance with Clause 8.3.1 shall show all intermediate calculations in reasonable detail to enable the amounts due to be verified. Any amounts so invoiced (not being Disputed Amounts) shall be paid by the Company in the currency in which payment is required to be made under this Agreement to the CEB Nominated Bank within thirty (30) Days of receipt of such invoice or may be deducted by the CEB, on a US Dollar-for-US Dollar basis, from any US Dollar amount due to the Company under any Monthly Invoice.

8.3.3 If the amount of liquidated damages plus accrued interest due to the CEB is greater than the amount which can be set off against three consecutive invoices, the Company shall within fourteen (14) Days after the date of service of the third invoice, pay to the CEB any unpaid amount of liquidated damages plus accrued interest. If the Company does not then pay to the CEB the unpaid amount plus accrued interest, the CEB may immediately deduct this amount from the Operations Performance Bond, as appropriate.

8.4 Sales Tax

All payments made under this Agreement shall be calculated net of Sales Taxes that attach to such payments and (where payable) such Sales Taxes as attach to the payments shall then be added to such payments.

8.5 Method of Payment

Save in respect of Disputed Amounts, the following provisions shall apply to the method of payment:

8.5.1 in respect of sums invoiced under a Monthly Invoice or other invoice from the Company in US Dollar, and payable by the CEB in US Dollar after converting the necessary amount of Rupees in accordance with Clause 7.4, the CEB shall make payment in immediately available funds by direct bank transfer or equivalent transfer of Rupee funds to the Rupee Conversion Account by no later than 1200 Hours on or before thirty (30) Days following the receipt of the Monthly Invoice;

8.5.2 in respect of sums invoiced under a Monthly Invoice in Rupees, the CEB shall make payment in immediately available funds by direct bank transfer

or equivalent transfer of Rupee funds to the Rupee Ordinary Account by no later than 1200 Hours on or before thirty (30) Days following the receipt of the Monthly Invoice.

8.6 Withholding of Tax Sums

The CEB shall withhold from the amounts due to the Company under this Agreement any amount which the CEB is obliged to withhold pursuant to the Laws of Sri Lanka on account of taxes (other than Corporate Taxes) payable by the Company, provided that the CEB promptly gives the Company the appropriate certificates showing all amounts withheld, the tax authorities to whom such amounts have been paid and where the Company is entitled to a reimbursement, provides all reasonable assistance to the Company in obtaining such reimbursement.

8.7 Late Payment

Subject to Clause 8.8, if any amount payable by the CEB or the Company under this Agreement is not paid on or before the due date therefore or is not paid by the CEB under the CEB Letters of Credit for any reason, the Party in default of its payment obligation shall pay interest thereon (compounded monthly) from the due date until the date of payment calculated as follows:

8.7.1 for any payments due to either party in Foreign Currencies, at a rate equal to the Reference Interest Rate plus two percent per annum; and

8.7.2 for any payments due to either party in Rupees, at a rate equal to the Sri Lanka Prime Rate plus two percent per annum.

8.8 Disputed Payments

8.8.1 Each Party agrees it shall only in good faith dispute amounts specified in any invoice delivered hereunder.

8.8.2 If the CEB disputes any amount specified in any invoice from the Company or the Company disputes any amount specified in any invoice from the CEB (a "**Disputed Amount**"), the CEB or the Company, as the case may be, shall:

(i) within fourteen (14) Days of receipt of such invoice, give notice to the other of the dispute and details of the Disputed Amount to the other Party; and

(ii) pay any undisputed amount in that invoice on or before the due date therefore.

8.8.3 Subject to Clause 8.8.5, if, pursuant to Clause 8.8.2, either Party disputes any amount, the Parties shall, in accordance with the procedure set out in Clause 16.1.1, use reasonable endeavours to resolve that dispute within fourteen (14) Days of receipt of notice under Clause 8.8.2(i).

8.8.4 Subject to Clause 8.8.5, if a dispute under Clause 8.8.2 is not resolved within the fourteen (14) Day period specified in Clause 8.8.3, then, in accordance with Clause 16.1.2, such dispute shall be submitted for resolution by an Expert pursuant to Part 1 of Schedule 12 (Disputes Resolution Procedure) unless the Disputed Amount is for a sum in excess of US Dollars five hundred thousand (USD 500,000.00) in which case it will be referred to arbitration pursuant to Part 2 of Schedule 12 (Disputes Resolution Procedure).

8.8.5 Where the CEB disputes the amount specified in any Monthly Invoice or any invoice issued pursuant to Clause 8.2 or the Company disputes the amount due to the CEB pursuant to any invoice issued pursuant to Clause 8.3, the Party disputing the amount shall forthwith pay the Disputed Amount into an interest earning Rupee escrow account established at a bank in Sri Lanka for that purpose by the Parties pursuant to the Escrow Agreement.

8.8.6 Amounts paid by either Party to any escrow account established under Clause 8.8.5 (and any interest thereon) shall be repaid as necessary to the Parties upon final resolution of the dispute in accordance with the terms of the decision of the Expert or Tribunal as the case may be or terms otherwise agreed in writing by the Parties.

8.8.7 If either Party disputes any amount specified in any invoice or Monthly Invoice as the case may be more than three times in any Contract Year, or more than three times in any period of six consecutive Months, the Parties shall meet to discuss whether the either Party's billing or payment procedure are working satisfactorily.

8.9 Letters of Credit

8.9.1 The following provisions shall apply to the giving of the CEB Letters of Credit:

(i) no later than two (2) Days before:

(a) the Open Cycle Operation Date; and
(b) each Contract Year.

the CEB shall establish in favour of the Company two (2) irrevocable and unconditional standby letters of credit (the **"CEB Letters of Credit**") issued by a bank in Sri Lanka reasonably acceptable to the Company and in the form set out in Schedule 10 (Letters of Credit), one to be denominated in US Dollar (the "**US Dollar Letter of Credit**") and one to be denominated in Rupees (the "**Rupee Letter of Credit**"). The CEB Letters of Credit shall have stated amounts calculated in accordance with Clause 8.9.1(iv), each CEB Letter of Credit shall be available to be drawn for a period of not less than twelve (12) Months from its first stated date of validity and the CEB shall cause the CEB Letters of Credit to be renewed or replaced by letters of credit in the same form not later than thirty (30) Days prior to their respective expiry;

(ii) the Company may draw upon the CEB Letters of Credit provided the Company gives the CEB seven (7) Days prior notice in writing that the amount is due and owing:

(a) in any amount which the CEB fails to pay (not being a Disputed Amount) three (3) Days following the date of the notice; and

(b) in full, if the CEB Letters of Credit are not renewed or replaced in accordance with Clause 8.9.1(i);

(iii) if the Company draws the full amount of any of the CEB Letters of Credit pursuant to Clause 8.9.1(ii)(b), the Company shall deposit the whole of such drawn amounts into two interest bearing accounts, denominated respectively in Rupees and US Dollar , established with a reputable bank in Sri Lanka and notified by the Company to the CEB by no later than Open Cycle Operation Date and which shall be used solely for this purpose by the Company and designated ---------- {The Company Name}, re the CEB Letter of Credit", ("**L/C Deposit Accounts**"). The Company shall not charge or otherwise grant security interests in favour of any person (other than the Lenders) over, or in respect of, deposits held in the L/C Deposit Accounts. Details (including supporting bank statements) of the L/C Deposit Accounts and of any payment into or from, and the balances from time to time on, such accounts shall be provided to the CEB upon its request. The Company shall hold any amounts so drawn and credited to the L/C Deposit Accounts to be applied first in payment of amounts (not being Disputed Amounts) then due and payable by the CEB to the Company under this Agreement and the balance, if any, shall remain on deposit in the L/C Deposit Accounts as security for the CEB's performance of its obligations under this Agreement and such amounts held in such L/C Deposit Accounts may only be used by the Company in the same circumstances as those allowing the Company to draw upon the CEB Letters of Credit pursuant to Clauses 8.9.1(ii)(a). The remaining balance (if any) together with accrued interest shall be returned to the CEB (or paid in accordance with the CEB's directions) promptly after the CEB has re-established the CEB Letters of Credit;

(iv) the amount of each US Dollar Letter of Credit and Rupee Letter of Credit required to be maintained throughout the Operational Period shall have an amount (the "**L/C Amount**") equal to the three times of the US Dollar component and the Rupee component, respectively, of the Capacity Charges and Energy Charges payable by the CEB to the Company for a month assuming the tariff then in effect;

(v) in the event of any dispute at any time as to the calculation of the L/C Amount for any CEB Letter of Credit, such dispute shall be resolved by an Expert appointed under Part 1 of Schedule 12 (Disputes Resolution Procedure).

8.10 The Company Bank Accounts

8.10.1 Details of the Company Nominated Bank shall be notified by the Company to the CEB for the CEB's approval, together with details of the Rupee

Conversion Account and Rupee Ordinary Account not later than thirty (30) Days prior to Scheduled Open Cycle Operation Date and thereafter no later than thirty (30) Days before any proposed change in such details.

8.10.2 Any approval of the CEB required under Clause 8.10.1 shall not be withheld unless the Reference Exchange Rate and/or the rates of commissions and bank charges charged from time to time on the conversion of Rupees to US Dollar are materially more than the corresponding rates and/or charges available from other similar banks to the proposed Company Nominated Bank.

9 CHANGES IN LAW

9.1 Meaning of Change in Law Event

A Change in Law after the date of this Agreement shall constitute a change in law event (a "**Change in Law Event**") if such Change in Law:

9.1.1 causes the Company to meet more stringent Environmental Requirements applicable to the Facility;

9.1.2 causes the Company to have to carry out any material capital improvements or other modifications to the Facility or materially increases or decreases the costs or revenues of the Company in connection with the design, construction, maintenance or operation of the Facility;

9.1.3 affects the ability of the CEB to accept electrical energy in accordance with the Minimum Functional Specification and/or CEB Grid Code;

9.1.4 relates to the BOI Act and the regulations made thereunder pursuant to which the Company has been or is to be granted certain benefits, exemptions and privileges; provided, however, that a material breach of the BOI Agreement by the BOI shall be deemed to be a Change in Law Event for the purposes of this Clause 9.1;

9.1.5 affects the rights or obligations of the Lenders or the Company under the Financing Agreements, in relation to the cost of financing the Facility through the imposition of exchange controls or currency restrictions;

9.1.6 results in the Company requiring Governmental Approvals not previously required from any Competent Authority, or the amendment or modification of existing Governmental Approvals by any Competent Authority, with respect to the performance of its obligations under this Agreement;

9.1.7 relates to taxes, charges, duties or levies including any taxes charges, duties or levies on income or of the nature of goods and services tax, value added tax, nation building tax or economic service charge; or

9.1.8 affects any rights or obligations of the Company under this Agreement, the Implementation Agreement or of the Lenders under any direct agreement with the Government, CEB or any Fuel Supplier.

9.2 Consequences of Change in Law Event

9.2.1 If, from the date of this Agreement:

(i) the effect of one or more Change in Law Events is to increase the costs of a capital cost nature paid or incurred by the Company during any Change in Law Period by more than US Dollars five hundrd thousand (USD 500,000.00); or

(ii) the net effect of one or more Change in Law Events is to reduce the revenue of the Company or to increase the Recurrent Costs paid or incurred by the Company in any Change in Law Period by more than US Dollars two hundred thousand (USD 200,000.00).

the Company shall provide the CEB with verifiable evidence of the reduction in the revenue of the Company or increase in such costs and/or the CEB in its reasonable opinion agreeing that there has been a reduction in the revenue or an increase in such costs, the Parties shall agree on an equitable adjustment to the Capacity Charge and/or Energy Charge so that the Company shall be in no better or worse a financial position in respect of such amounts in excess of the threshold amount specified in Clause 9.2.1(i) and (ii) or the CEB shall at its option pay to the Company any such excess amounts in accordance with an invoice delivered by the Company in accordance with Clause 8.1.1(vi).

9.2.2 If, in any Change in Law Period, the net effect of one or more Change in Law Events is to reduce the Recurrent Costs paid or incurred by the Company by more than US Dollars two hundred thousand (USD 200,000.00), the Parties shall agree on an equitable adjustment to the Capacity Charge and/or Energy Charge so that the Company shall be in no better or worse a financial position in respect of such costs in excess of the threshold amount specified in this Clause 9.2.2 or the Company shall pay to the CEB an amount equal to the amount that such reduction exceeds US Dollars two hundred thousand (USD 200,000.00).

9.2.3 For the purposes of calculating the increase or reduction in costs incurred by the Company due to a Change in Law Event such amounts shall be calculated:

(i) in the case of any increase in costs, on the Day on which such additional costs are paid by the Company;

(ii) in the case of any reduction in costs, the Day on which the relevant costs would have been payable by the Company were it not for such Change in Law Event; or

(iii) in each case by reference to the cost in US Dollars (or the Dollar Equivalent of any Rupee amounts) on such date.

9.2.4 If the Parties cannot agree on any amount payable in accordance with Clause 9.2.1 or Clause 9.2.2, such amount shall be determined by an Expert appointed under Part 1 of Schedule 12 (Disputes Resolution Procedure) and in the event that the Parties disagree with the decision of the Expert, either Party may then refer the matter to be determined by the Arbitral Tribunal appointed under Part 2 of Schedule 12 (Disputes Resolution Procedure).

10 LIABILITIES AND INDEMNITIES

10.1 The Company Delay Charge

If an Operation Date has not occurred on or before the relevant Scheduled Operation Date, the delay charge to be paid by the Company in respect of delay under Clause 5.10.3 ("**Company Delay Charge**") shall be a sum in liquidated damages (which shall be the limit of the Company's liability to the CEB, and CEB's sole and exclusive remedy, in respect of such delays and such delays shall not entitle the CEB to terminate this Agreement in connection therewith other than pursuant to Clauses 13.1.2 and 13.1.3) calculated as follows:

10.1.1 from the Scheduled Open Cycle Operation Date up and until the Open Cycle Operation Date, US Dollars forty thousand (USD 40,000.00) per Day or part Day up to a limit not exceeding US Dollars two million four hundred thousand (USD 2,400,000.00);

10.1.2 from the Scheduled Combined Cycle Operation Date up and until the Combined Cycle Operation Date, US Dollars ninety thousand (USD 90,000.00) *per* Day or part Day, up to a limit not exceeding US Dollars five million four hundred thousand (USD 5,400,000.00);

10.1.3 for the purposes of this Clause 10.1 only, the Open Cycle Operation Date and the Combined Cycle Operation Date shall be deemed to be the date on which the CEB receives the respective Completion Certificate under Clause 5.8.9;

10.1.4 for a default under Clause 12.3.6, US Dollars three hundred per megawatt *per* Day (USD 300/MW/Day) or part Day, up to a limit not exceeding US Dollars six million three hundred thousand (USD 6,300,000.00).

10.1(A) CEB Delay Charge

If a Scheduled Operation Date is adjusted for delay pursuant to the Clause 5.6.1 (ii) and (iii) the delay charge to be paid by CEB in respect of delay under Clause 5.15 ("CEB Delay Charge") shall be a sum in liquidated damages (which shall be the limit of the CEB's liability to the Company in respect of such delays and such delays shall not entitle the Company to terminate this Agreement in connection therewith other than pursuant to Clause13) calculated as follows:

10.1(A).1 from the Scheduled Open Cycle Operation Date up and until the Open Cycle Operation Date, US Dollars Twenty eight thousand (USD 28,000.00) per Day or part Day up to a limit not exceeding US Dollars one million six hundred and eighty thousand (USD 1,680,000.00);

10.1(A).2 from the Scheduled Combined Cycle Operation Date up and until the Combined Cycle Operation Date, US Dollars Fifty one thousand (USD 51,000.00) per Day or part Day, up to a limit not exceeding US Dollars three million sixty thousand (USD 3,060,000.00).

10.2 CEB Indemnity for Persons and Damage to Property

Subject to Clauses 10.5 and 10.6, the CEB agrees to indemnify, defend and hold the Company, its Affiliates, officers, directors, employees and agents harmless against any and all claims (including all expenses of litigation, court costs and attorneys' fees) for damages, costs, losses or expenses incurred, suffered, sustained or required to be paid directly or indirectly by the Company, its Affiliates, officers, directors, employees and agents for bodily injury to or death of any person or damage to property arising out of the receipt or delivery of electrical energy by the CEB under this Agreement or the operation of or failure to operate the CEB System resulting from the negligence of, or breach of statutory duty by, the CEB, and by any officer, director,employee, agent, or Affiliate of the CEB, its successors or assigns except to the extent caused by the negligence of, or breach of statutory duty by, the Company or an act of negligence of, or breach of statutory duty by, an officer, director, employee, agent or Affiliate of the Company, its successors or assigns. Any monies received by the Company relating to this Clause shall be deducted from any payment that the CEB makes to the Company pursuant to this Clause.

10.3 The Company Indemnity for Persons and Damage to Property

Subject to Clauses 10.5 and 10.6, the Company agrees to indemnify, defend and hold the CEB, its Affiliates, officers, directors, employees and agents harmless against any and all claims (including all expenses of litigation, court costs and attorneys' fees) for damages, costs, losses or expenses incurred, suffered, sustained or required to be paid directly or indirectly by the CEB, its Affiliates, officers, directors, employees and agents for bodily injury to or death of any person or damage to property arising out of the design, construction, operation or maintenance of the Facility, generation or delivery of, or failure to generate or deliver, to the Interconnection Point, electrical energy by the Facility, resulting from the negligence of, or breach of statutory duty by, the Company and by any officer, director,employee, agent, or Affiliate of the Company, its successors or assigns, except to the extent caused by the negligence of, or breach of statutory duty by, the CEB or an act of negligence or breach of statutory duty by an officer, director, employee, agent, or Affiliate of the CEB, its successors or assigns.

10.4 Consequential Loss

Notwithstanding any other provision in this Agreement, neither Party shall be liable to the other for the other's Consequential Loss.

10.5 Right to Defend Actions

The Indemnifying Party may, upon notice to the other Party, assume the defence of any claim referred to in Clauses 10.2 or 10.3. A Party shall, as soon as practicable after receiving notice of any claim brought against it, deliver to the Indemnifying Party full particulars thereof and shall render all reasonable assistance requested by such Party in the defence of such claim. The foregoing obligations, indemnities and

liabilities assumed by the Parties hereunder shall not be limited by any limits on insurance contained in this Agreement.

10.6 Indemnified Party not to Compromise

Where either Party has an obligation under Clause 10.2 or 10.3 to indemnify the other Party (the "**Indemnifying Party**") such other Party shall not compromise or in any way settle any claim, lawsuit, action or cause of action without the express consent of the Indemnifying Party and, where such consent is not obtained prior to such compromise or settlement, the Indemnifying Party shall be released and discharged from all obligations under Clauses 10.2 or 10.3.

11 INSURANCE BY THE COMPANY

11.1 Persons and Property

Without limiting the Company's obligations and responsibilities under this Clause 11, the Company shall maintain or procure the maintenance of insurance from the date the Company commences any construction activity until the end of the Operational Period in the joint names of the CEB and the Company and their respective contractors and sub-contractors against liabilities for the sickness of, death of or injury to any person (other than an employee of the Company or of any of its contractors or sub-contractors) arising out of the construction, operation or maintenance of the Facility or the Company's performance of this Agreement.

11.2 The Company's Employees Compensation Insurance

The following provisions shall apply to the Company's employees compensation insurance:

11.2.1 the Company shall maintain insurance in respect of claims for the sickness of, death of, or injury to its employees arising out of and in the course of their employment and shall ensure that its contractors and sub-contractors maintain similar insurance in respect of their employees; and

11.2.2 the insurance referred to in Clause 11.2.1 shall include workers compensation, temporary disability insurance and other similar insurance required by the Laws of Sri Lanka and all relevant insurance policies shall include an endorsement with respect to voluntary compensation and employers' liability for employees not subject to the workers compensation under the Laws of Sri Lanka. Employers' liability coverage limits should be no less than that provided for under the Laws of Sri Lanka.

11.3 The Company's Comprehensive Insurance

11.3.1 The Company shall, in the joint names of the CEB, the Company and, as the case may be, the Lenders, maintain substantially on the terms set out in Schedule 13 (Minimum Insurance to be Maintained by the Company):

(i) comprehensive structure, plant and equipment insurance including contractor's all risks insurance and all risk marine insurance covering

breakdown, damage or destruction of materials, equipment, the Works and the Facility;

(ii) insurance against the loss of revenue resulting from breakdown, damage or destruction during the Operational Period;

(iii) motor vehicle liability insurance in respect of vehicles, trailers and the like belonging to or under the care, custody or control of the Company, the Turnkey Contractor and the O&M Contractor in connection with execution of the Work and operation of the Facility;

(iv) insurance against breakdown, damage or destruction resulting from civil commotion and riot in Sri Lanka and to the extent (subject to Clause 11.3.2) that such insurance is available to it on commercially reasonable terms and conditions. To the extent that such insurance is available in accordance with the foregoing, such insurance shall be no less than fifteen per cent of the capital value of the Facility from time to time [such capital value to be agreed by the Parties at the date such insurance is being taken out or the relevant policy is renewed or, in the absence of agreement determined, by an Expert appointed in accordance with Part 1 of Schedule 12 (Disputes Resolution Procedure)] and shall not include cover against loss of revenue resulting from such breakdown, damage or destruction or business interruption cover.

11.3.2 Where the Company determines that the insurance referred to in Clause 11.3.1(iv) is either not available or is not available on commercially reasonable terms and conditions, the Company shall provide the CEB with a written summary of why the Company has made such determination together with copies of quotations (or responses indicating that the required insurance is not available) received from at least two reputable insurance brokers.

11.3.3 Notwithstanding the foregoing, the Company shall not be entitled to determine that it has not received any responsive quotations or that there were no quotations offered on commercially reasonable terms and conditions as a result of any breach by the Company of its obligations under this Agreement or the Lease.

11.3.4 If there is a dispute between the Parties as to the availability or commercial reasonableness of the terms and conditions of the insurance required to be maintained pursuant to Clause 11.3.1(iv), the dispute shall be referred to an Expert in accordance with the provisions of Part 1 of Schedule 12 (Disputes Resolution Procedure).

11.3.5 The Company shall ensure that all contractors, subcontractors and vendors providing professional services, effect and maintain in terms acceptable to the CEB professional indemnity insurance covering the work of the contractors, subcontractors and vendors for an amount of US$ 3,000,000 or 10% of their fee for professional services, whichever is the lesser, for any one claim or series of claims arising from one occurrence.

11.4 General Insurance Obligations

The following provisions shall apply to the Company's insurance obligations:

11.4.1 subject to the provisions of Clause 11.3, any insurance required to be maintained pursuant to this Clause 11 shall be effected with insurers and in terms agreed in consultation with the CEB and in amounts first discussed by the Parties from time to time or, failing agreement, as shall be determined by an Expert [who shall be appointed in accordance with Part 1 of Schedule 12 (Disputes Resolution Procedure)] to be prudent having regard to the cost and availability of insurance in the market and the Company's ability to meet its obligations under this Agreement without insurance;

11.4.2 the insurances shall provide that in the event of a claim, the amount of the cover shall be automatically reinstated to the full cover required by this Agreement;

11.4.3 if the Company fails to provide evidence when required that the insurance referred to in Clauses 11.1, 11.2 and 11.3 are in force, the CEB may itself take out such insurance and pay such premiums as may be necessary to maintain it in force. From time to time, the CEB may recover any amount so paid as a debt owed by the Company and the CEB may set-off such amount against any payments due from the CEB to the Company;

11.4.4 the Company shall ensure that the interest of the CEB is endorsed on any policy of insurance which provides cover in relation to any liabilities arising out of the performance of the Company's obligations under this Agreement;

11.4.5 the insurance policies maintained pursuant to Clauses 11.1, 11.2 and 11.3 shall apply separately to each joint insured as though a separate policy had been issued for each of the joint insured;

11.4.6 the Company shall make no alterations to the terms of any insurance without the prior written approval of the CEB;

11.4.7 where this Agreement requires insurance to be effected in joint names, the Company shall ensure that such policy or policies of insurance shall provide that the insurer waives all rights, remedies or relief to which it might become entitled by subrogation against any of the Parties comprising the insured and that failure by any insured, their assigns, subsidiaries, affiliates and employees to observe and fulfil the terms of the policy shall not prejudice the insurance with regard to any other insured;

11.4.8 the Company shall promptly supply to underwriters and insurers all documentation and information which they may reasonably require to effect and maintain the insurance required by this Clause 11;

11.4.9 to the extent permitted by law, the Company shall ensure that all insurance policies place an obligation on the insurer to notify the CEB of the amount of any and all payments made to the Company; and

11.4.10 The Company shall provide a reinsurance package acceptable to CEB.

11.5 Application of Proceeds of Insurance

11.5.1 The Company shall diligently pursue any claims on insurance and shall fulfil the conditions precedent to any such claim;

11.5.2 All proceeds of those insurances set out in Clause 11.3.1(i) and (iv), and Paragraphs 1 and 2 of Part 1 and Paragraphs 1 and 3 of Part 2 of Schedule 13 (Minimum Insurance to be Maintained by the Company) shall following receipt thereof by or on behalf of the Company be applied to the repair and replacement (temporary and permanent) of such structures, plant and equipment.

11.5.3 In the event of a Buy-Out there shall be deducted from the Buy-Out Price:

(i) all proceeds of those insurances set out in Clause 11.3.1(i) and (iv) which are received by the Company to the extent those proceeds have not been applied in accordance with Clause 11.5.2; and

(ii) all anticipated proceeds of those insurances set out in Clause 11.3.1(i) and (iv) (as determined by the loss adjuster appointed on behalf of the Company or, if such determination is disputed by the CEB, as determined by an Expert appointed under Part 1 of Schedule 12 (Disputes Resolution Procedure)) in respect of any claims under any insurance policies outstanding at the time of such Buy-Out unless the rights to such proceeds have been absolutely assigned to the CEB and the Company has provided the CEB with all evidence and assistance necessary to pursue any such claim.

11.5.4 Where, following payment of the Buy-Out Price:

(i) proceeds of those insurances set out in Clause 11.3.1(i) and (iv) are subsequently received by the Company from the insurer, then to the extent there has been no deduction of such insurance proceeds pursuant to Clause 11.5.3(ii), the Company shall promptly pay those proceeds to the CEB; or

(ii) any insurance policy set out in Clause 11.3.1(i), (iii) and (iv) is subsequently avoided by the insurer due to an alleged breach by the Company of the terms of such policy, the Company shall pay to the CEB an amount equal to the insurance proceeds which the CEB should reasonably have received had such policy not been avoided as a result of such breach provded however that the Company shall have the right to dispute such avoidance by the insurer and the Company shall be liable to pay such amount to the CEB only if the insurer is determined not to be liable under the Policy due to a breach by the Company. .For the avoidance of doubt CEB shall be entitled to receive

any proceeds determined to be payable by the insurer following the resolution of this dispute.

12 FORCE MAJEURE

12.1 Meaning of Force Majeure

12.1.1 The term "**Force Majeure**" means any exceptional event or circumstance or a combination of exceptional events or circumstances:

(i) which is beyond a Party's control;

(ii) which the Party claiming Force Majeure could not reasonably have provided against before entering into this Agreement;

(iii) which such Party could not reasonably have avoided or overcome despite all reasonable efforts to prevent it or mitigate its effects.

and, for the avoidance of doubt, whether or not events or circumstances of the kind referred to in Clause 12.1.2.

12.1.2 Force Majeure may include exceptional events or circumstances of the kind listed below, so long as conditions set out in Clause 12.1.1 are satisfied:

(i) Wars (declared or undeclared), sabotage, terrorism, blockades, riots, any civil commotion, insurrections in each case in Sri Lanka, expropriation, requisition, compulsory acquisition, confiscation or nationalisation in Sri Lanka, closing of harbours, docks or airports or other restrictions on travel within or from Sri Lanka, (excluding such events which are Site specific and attributable to the Company);

(ii) any Change in Law Event adversely affecting the performance of the Company of its obligations under this Agreement or under any of the Project Agreements whenever and to the extent that the Company is not otherwise compensated for the effect of such change;

(iii) any denial or unreasonable delay in the grant, or revocation, of any Governmental Approval, despite the Company duly complying with the conditions for the grant thereof and due application therefore;

(iv) acts of God, landslides, lightning, earthquakes, floods, tsunami, tempest, fires, volcanic eruptions, epidemics, pandemics, wars, sabotage, terrorism, blockades, riots, insurrections, civil war, ionising radiation or contamination by radio-activity, strikes, lockouts, or other industrial disturbances (excluding such events which are Site specific and attributable to the Company).

12.1.3 In addition to the events set out above in this Clause 12:

(i) an event of Force Majeure under either the Implementation Agreement, the Fuel Supply Agreement or the Lease (as such expression is defined in those documents) shall be deemed to be an event of Force Majeure for the purposes of this Agreement; and

(ii) the Company agrees that no amendment shall be made to the Clauses dealing with Force Majeure in the Fuel Supply Agreement without the consent of the CEB.

12.1.4 Force Majeure shall expressly not include the following:

(i) lack of funds or any failure to pay any amounts or charges due and payable under this Agreement. However, the inability to use available funds, due to any reason set out in Clause 12.1, shall be regarded as Force Majeure; or

(ii) a change in corporate taxes or Sales Tax following the date of this Agreement.

12.1.5 None of the following shall constitute an event of Force Majeure unless the existence of such event is the result of an event of Force Majeure under the Fuel Supply Agreement, Turnkey Contract, O&M Agreement and the relevant Project Agreement which event is analogous to an event of Force Majeure defined in this Clause 12:

(i) unavailability, late delivery or changes in cost of plant, machinery, equipment, materials, spare parts or consumables for the Facility;

(ii) a delay or default in the performance of any contractor, subcontractor or supplier including the Fuel Supplier, Turnkey Contractor and the O&M Contractor;

(iii) non-performance resulting from normal wear and tear typically experienced in power generation materials and equipment; and

(iv) non-performance caused by or connected with the non performing Party's negligent or intentional acts, errors or omissions.

12.2 Procedure for Claiming Force Majeure:

12.2.1 The Party claiming Force Majeure will as soon as is reasonably practicable but no later than two (2) Business Days after the date on which the Party knew or should reasonably have known of the occurrence of the event or circumstances claimed to be Force Majeure, give written notice to the other Party of the occurrence of the event or circumstances. If such notice is given more than two (2) Business Days after that date, it shall only retroactively excuse the performance of the affected Party for the period starting two (2) Business Days before the date of such notice. The notice shall be headed in bold print: FORCE MAJEURE NOTICE – IF NOT DISPUTED WILL BE DEEMED TO BE ACCEPTED. The notice will provide full particulars of the event or circumstances causing its failure to perform its obligations under this Agreement. The notice will also give an estimate of the period of time required to remedy the failure (if the remedy is deemed practicable). Failure to give notice will prevent the Party from claiming that the event or circumstances are Force Majeure.

12.2.2 A Party claiming Force Majeure shall provide the other Party (at the sole cost and risk of the Party claiming) reasonable facilities for obtaining further information about the event or circumstance of Force Majeure, including the inspection of any relevant Facility.

12.2.3 The Party receiving the notice referred to in Clause 12.2.1 will, within fourteen (14) Days of receipt of receiving the notice, notify the other Party in writing whether it accepts that a situation of Force Majeure exists or whether it wishes to dispute the claim. If a Party wishes to dispute the claim, then the dispute will be resolved in accordance with Clause 16 of this Agreement. Failure to so notify will be deemed acceptance that Force Majeure exists.

12.3 Consequences of Force Majeure:

12.3.1 A Party will be relieved from liability under this Agreement excluding the obligation to pay money, except to the extent expressly provided for in this Agreement, if performance of any of this Agreement's terms or conditions is prevented or delayed due to Force Majeure.

12.3.2 Any suspension of a Party's performance under this Clause 12 will be limited to the period during which the Force Majeure renders a Party unable to perform, in whole or in part, an obligation under this Agreement.

12.3.3 In the case of Force Majeure affecting the Company at any time on or after the Open Cycle Operation Date (but excluding the Combined Cycle Commissioning Period) in circumstances where there is no adjustment of the Scheduled Combined Cycle Operation Date in accordance with Clause 5.6.1(i) in consequence thereof, the Combined Cycle Operational Period shall be extended by the number of Days equal to the number of Days during which the CEB was wholly unable to receive electrical energy from the Facility or the Company was wholly or partially unable to deliver electrical energy from the Facility, by virtue of such Force Majeure (the "Affected Period"), provided that, where the Company was partially able to deliver electrical energy, such extension shall be reduced by a proportion equal to the proportion which the availability of the Facility for Dispatch during the Affected Period bears in relation to the availability of the Facility for Dispatch which would have been achieved but for such Force Majeure (as determined by agreement of the Parties) within seven (7) Days of cessation thereof and, in the absence of agreement, as determined by an Expert appointed under Part 1 of Schedule 12 (Disputes Resolution Procedure).

12.3.4 In the case of Force Majeure resulting in damage to the Facility or requiring a material modification or a material capital addition to the Facility to restore it to an agreed operating level ("Restoration"), the Parties shall meet and agree on:

(i) the work necessary to be carried out in order for the Facility to be restored such that the Company can continue to meet its obligations under this agreement; and

(ii) the schedule for Restoration.

In the event that the Parties are unable to agree on the matter(s) set out in the above sub-Clauses (i) and/or (ii) of this Clause 12.3.4 within sixty (60) Days, the Parties shall submit the matter(s) for resolution to an Expert appointed under Part 1 of Schedule 12 (Disputes Resolution Procedure).

12.3.5 In the case of Force Majeure covered in Clauses 12.3.4, the CEB shall have the right to:

(i) proceed with the Restoration as agreed by the Parties or determined by the Expert; or

(ii) terminate this Agreement if the CEB disagrees with the determination of the Expert.

12.3.6 If the Company proceeds with the Restoration pursuant to Clause 12.3.4 and the Restoration has not been completed by the end of the Restoration schedule, as maybe extended, the Company shall be required to develop a plan to complete the Restoration as soon as possible and use its best efforts to implement such plan; provided however, that if it fails to complete such Restoration within such planned period, the Company shall pay liquidated damages in accordance with Clause 10.1.4. Notwithstanding the above, if the Restoration has not been completed and the liquidated damages payable has reached the maximum amount set out in Clause 10.1.4, the CEB shall be entitled to terminate this Agreement upon thirty (30) Days notice, whereupon Clause 13 shall apply.

12.3.7 No Force Majeure will relieve a Party of any duty or obligation under this Agreement including the obligation to pay money, which had arisen or been incurred before the Force Majeure.

12.3.8 If a Party is affected by Force Majeure then the affected Party will use all possible diligence and take all reasonable steps necessary to remedy or rectify the Force Majeure as quickly as possible and minimise any damage caused by it.

12.3.9 Where Force Majeure prevents a Party from carrying out any obligations under this Agreement for a continuous period of three hundred and sixty five (365) Days then this Agreement may be terminated by the other Party giving sixty (60) Day's written notice to the Party affected by the Force Majeure situation and the provisions of Clause 13 will apply.

12.3.10 If as a result of Force Majeure, the Company receives both insurance proceeds and an extension of the Term, the Company shall account to the CEB where the Company is deemed to have been compensated for more than the loss of revenue suffered. If the Parties cannot agree on whether the Company has been compensated for more than the loss of revenue suffered, the matter shall be determined by an Expert appointed under Part I of Schedule 12 (Disputes Resolution Procedure).

13 TERMINATION

13.1 The CEB's Right to Terminate

Subject to Clause 14, the CEB may terminate this Agreement forthwith on notice to the Company:

13.1.1 in accordance with Clause 4.7;

13.1.2 if either,

(i) the Open Cycle Operation Date has not occurred by the date falling one (1) Year from the Scheduled Open Cycle Operation Date; or

(ii) the Combined Cycle Operation Date has not occurred by the date falling one (1) Year from the Scheduled Combined Cycle Operation Date;

13.1.3 if the total value of liquidated damages payable under this Agreement by the Company pursuant to:

(i) Clause 10.1.1 exceeds US Dollars two million four hundred thousand (USD 2.4million); or

(ii) Clause 10.1.2 exceeds US Dollars five million four hundred thousand (USD 5.4million);

13.1.4 If the Actually Achieved Annual Availablitiy falls below the Ajusted Target Availablity by four percent (4%) per Contract Year, for three (3) consequitive Contract Years.

13.1.5 if the Company has failed to pay any sum due and payable to the CEB (not being a Disputed Amount) for a period of at least thirty (30) Days following the due date for payment;

13.1.6 where the Company is in material breach of any of its obligations under this Agreement, provided that this Clause 13.1.6 shall not apply in any case in which liquidated damages are paid under Clause 7.6.2 or to the circumstances referred to in Clauses 13.1.2, 13.1.3, 13.1.4 and 13.1.5 and such breach (where capable of remedy) has been notified to the Company and has not been remedied within a period of sixty (60) Days from notification, provided that the CEB's right to terminate pursuant to this Clause 13.1.6 shall not apply where such material breach is due to breach by the CEB under this Agreement or the Lease or breach by the CPC or the Government pursuant to the Fuel Supply Agreement or is otherwise excused pursuant to Clause 12;

13.1.7 following:

(i) breach by the Company of Clauses 15.7 or 15.8.1;

(ii) failure by the Company to deliver to the CEB or replenish the Construction Performance Bond pursuant to Clause 5.3.2(i);

(iii) failure by the Company to deliver to the CEB or replenish the Operations Performance Bond pursuant to Clause 6.2.1 or increase the Operations Performance Bond pursuant to Clause 14.4;

13.1.8 in the case of Force Majeure pursuant to Clauses 12.3.4 where:

(i) the Parties determine that Restoration is not feasible; or

(ii) the CEB disagrees with the determination of the Expert as provided for in Clause 12.3.5(ii);

13.1.9 in accordance with Clause 12.3.6;

13.1.10 where Force Majeure has prevented the Company from carrying out its obligations under this Agreement for a continuous period of three hundred and sixty five (365) Days pursuant to Clause 12.3.9;

13.1.11 where:

(i) any proceeding (including the appointment of a provisional liquidator) is instituted by or against the Company seeking to adjudicate the Company as bankrupt or insolvent or to wind-up the Company and such proceeding is not disputed in good faith by the Company within one hundred and eighty (180) Days of such proceeding first being instituted;

(ii) a court makes an order adjudicating the Company as bankrupt or insolvent;

(iii) a resolution is adopted for the voluntary winding-up of the Company;

(iv) a receiver or a trustee is appointed over the whole or any part of the assets of the Company and such appointment is not vacated within one hundred and eighty (180) Days; or

(v) the Company makes an assignment for the benefit of its creditors;

13.1.12 following termination of the:

(i) Implementation Agreement by the Government; or

(ii) Lease by the CEB;

in each case pursuant to the respective provisions thereof.

13.2 The Company's Right to Terminate

Subject to the provisions of Clause 14, the Company may terminate this Agreement forthwith on notice to the CEB:

13.2.1 in accordance with Clause 4.7;

13.2.2 if the CEB has failed to pay any sum due and payable to the Company (not being a Disputed Amount) for a period of at least thirty (30) Days following the due date for payment under any Monthly Invoice provided that the Company shall have exhausted any amounts available under any CEB Letters of Credit in accordance with the provisions thereof or if CEB Letters of Credit are unavailable;

13.2.3 where the CEB is in material breach of any of its obligations under this Agreement and such breach (where capable of remedy) has been notified to the CEB and has not been remedied within a period of sixty (60) Days of notification provided that the Company's right to terminate pursuant to this Clause 13.2.3 shall not apply where such material breach is due to breach by the Company under this Agreement, the Lease or the Implementation Agreement, or is otherwise excused pursuant to Clause 12;

13.2.4 where, notwithstanding Clauses 8.9.1(ii)(b) and 8.9.1(iii):

(i) the CEB fails to establish any of the CEB Letters of Credit pursuant to Clause 8.9.1;

(ii) the CEB fails to renew or replace any of the CEB Letters of Credit in accordance with the requirements of Clause 8.9.1 and the Available Amount at the last Day for such renewal or replacement after deduction of all amounts due and payable by the CEB at such time, is less than one third of the L/C Amount applicable to any such Letters of Credit; or

(iii) the CEB Letter of Credit expires and has not been renewed or replaced prior to expiry;

13.2.5 where Force Majeure has prevented the CEB from carrying out its obligations under this Agreement for a continuous period of three hundred and sixty five (365) Days pursuant to Clause 12.3.9;

13.2.6 where:

(i) any proceeding (including the appointment of a provisional liquidator) is instituted by or against the CEB seeking to adjudicate the CEB as bankrupt or insolvent or to wind-up the CEB and such proceeding is not disputed by the CEB within one hundred and eighty(180) Days of such proceeding first being instituted;

(ii) a court makes an order adjudicating the CEB as bankrupt or insolvent;

(iii) a resolution is adopted for the voluntary winding-up of the CEB;

(iv) a receiver or a trustee is appointed over the whole or any part of the assets of the CEB and such appointment is not vacated within one hundred and eighty (180) Days; or

(v) the CEB makes an assignment for the benefit of its creditors;

13.2.7 [Not used];

13.2.8 following termination by the Company of the Implementation Agreement, Fuel Supply Agreement or Lease, in each case, pursuant to the respective provisions thereof or where the Implementation Agreement, Fuel Supply Agreement or the Lease becomes invalid, void or unenforceable.

13.2.9 where any Change in Law;

(i) affects to open accounts with foreign currency banking units of local commercial banks in favour of the Lenders in relation to the Project; or

(ii) affects any rights or obligations of the Company under this Agreement, the Implementation Agreement, a Fuel Supply Agreement or Financing Agreements; or of the Lenders under any direct agreement with the Government, CEB or any Fuel Supplier or under the Financing Agreements.

13.3 Sole Grounds for Termination

The provisions of this Clause 13 shall be the sole and exclusive grounds on which the Parties may terminate this Agreement.

13.4 Antecedent Rights

The termination of this Agreement shall be without limitation of or prejudice to any other antecedent right, relief or remedy of either Party under or in connection with this Agreement.

13.5 Survival

In the event of termination of this Agreement, for a period of sixty (60) Months following termination, the provisions of this Agreement as they relate to the payment of any sum due by one Party to the other, any right to payment under a bond, the Buy-Out of the Facility, the confidentiality provisions set out in Clause 15.3, this Clause 13.5 and the Disputes Resolution Procedure shall survive termination and continue to have effect in the terms and conditions of this Agreement (and in respect of any continuing arbitration commenced prior to the lapse of such sixty (60) Month period, this Agreement shall survive solely in respect of the matter in arbitration).

13.6 Notices of Termination

Any notice of termination under this Agreement shall be valid only if prominently and clearly titled "NOTICE OF TERMINATION".

14 BUY-OUT AND TRANSFER

14.1 Buy-Out by the CEB

The CEB shall be required to purchase the Facility in the case of a CEB Buy-Out Event in accordance with Schedule 11 (Buy-Out), which shall include a CEB Buy-Out Event at the expiry of the Combined Cycle Operational Period.

14.2 At the Company's Option

The Company shall have the option to require the CEB to Buy-Out the Facility in the case of a Company Buy-Out Event in accordance with Schedule 11 (Buy-Out).

14.3 Transfer

The provisions of Schedule 11 (Buy-Out) shall apply to any Buy-Out of the Facility under Clauses 14.1 and 14.2. Without limitation to the generality of Schedule 11 (Buy-Out):

14.3.1 the Company shall, at the time of payment of the Buy-Out Price, transfer to the CEB as soon as reasonably practicable all of the assets comprised in the Facility as stipulated in Paragraph 11.8 of Schedule 11 (Buy-Out) free of all charges and liens in accordance with Schedule 11 (Buy-Out);

14.3.2 the Company shall ensure that any contract for the supply of Fuel to the Facility entered into by the Company with the Fuel Supplier, includes a provision that in the Event of a Buy-Out, all the Company's rights under that contract are freely assignable to the CEB at the option of the CEB; and

14.3.3 the Company shall ensure that all its rights under all material contracts entered into by the Company with respect to the Project with third parties or the benefit of any licences, permits, consents, warranties, performance or other guarantees or intellectual property rights made or given in favour of the Company in connection with the construction, operation or maintenance of the Facility are freely assignable at the option of the CEB to the CEB upon such Buy-Out.

14.4 Increase in Value of Operations Performance Bond

14.4.1 As security for the Company's continuing obligation to maintain the Facility in accordance with this Agreement, the Company shall, no later than seven hundred and thirty (730) Days prior to the expiry of the Combined Cycle Operational Period, at its sole cost and expense increase the value of the Operations Performance Bond from US Dollars seven million five hundred thousand (USD 7.5 million) to US Dollars eleven million (USD 11 million). The Company shall maintain the Operations Performance Bond at the new designated level at all times provided that the Company may have ten (10) Days to replenish the Operations Performance Bond so as to return it to this increased level, in the event that the Operations Performance Bond is called upon. In the event that the Operations Performance Bond is not replenished as required, the CEB shall have the right to call on the bond and in such event, the CEB shall pay the proceeds into a special purpose bank account. The CEB shall be entitled to withdraw funds from that account to satisfy any default by the Company in the same manner as if the bond was at its original level. All interest accruing from the account shall belong to the CEB. The CEB shall return the balance of monies in the account after a new Operations Performance Bond is delivered to the CEB;

14.4.2 The CEB shall be entitled to claim the reasonable and verified cost of undertaking a major maintenance overhaul to the extent that such major maintenance overhaul should have been (but was not) carried out by the Company in order for it to comply with Prudent Utilities Practice and the other

terms of this Agreement, and the cost of ensuring that the Facility and the Site comply with all applicable Environmental Requirements (the "Overhaul Cost") on demand under the Operations Bond during the validity period thereof upon service of either a CEB Buy-Out Notice or a Company Buy-Out Notice.

14.4.3 Notwithstanding any other provision of this Agreement to the contrary, the CEB shall (without prejudice to any other right, relief or remedy under this Agreement) be entitled to withhold payment of Capacity Charges during the time the Operations Performance Bond is not replenished as required or ceases to be valid or increased pursuant to Clause 14.4.1 (without obligation to pay interest on such Capacity Charges). The CEB shall recommence paying Capacity Charges (including such Capacity Charges as may have been withheld under this Clause 14.4.3) when the Operations Performance Bond is replenished or made valid or increased, as the case may be.

14.4.4 In order to determine whether the Facility is being or has been maintained in accordance with this Agreement, the CEB shall have the right (without prejudice to the generality of any other right of inspection) to inspect the Facility and the operational and maintenance records in respect of the Facility at all reasonable times and on reasonable notice to the Company following the twenth (20th) anniversary of the Combined Cycle Operation Date. If the Company disagrees with any judgement of the CEB that the Facility is not or has not been operated in accordance with this Agreement or the Overhaul Cost then such issues shall be determined by an Expert appointed in accordance with Part 1 of Schedule 12 (Disputes Resolution Procedure).

14.4.5 The failure by the Company to increase the value of the Operations Bond as required by this Clause 14.4 shall entitle the CEB to terminate this Agreement and call on the bond and in such event, the CEB shall pay the proceeds into a special purpose bank account. The CEB shall be entitled to withdraw funds from that account to satisfy any default by the Company in the same manner as if the bond was at the increased level. All interest accruing from the account shall belong to the CEB. The balance monies if any remaining in the said account after the CEB has recovered the sums due in terms of this Agreement, shall be returned to the Company.

14.5 Pre Transfer Familiarisation

In the event of either a CEB Buy-Out Notice or a Company Buy-Out Notice, and at no cost or expense to the CEB, the Company shall promptly afford the CEB, its personnel or other advisers all opportunity at reasonable times to become familiar with the operation of the Facility, the operational practices of the Company and the current maintenance schedule for the Facility. The Company shall further provide the CEB free of charge complete copies of all prevailing operating and maintenance manuals and instructions in respect of the Facility and all relevant operational and maintenance records in respect of the Facility.

15 MISCELLANEOUS

15.1 Representations and Warranties

15.1.1 Each Party represents and warrants to the other that, as at the date of this Agreement:

(i) it is duly incorporated or constituted and organised under the Laws of Sri Lanka and has full power and authority, corporate or otherwise, to enter into and perform its obligations and to conduct its business as presently or as proposed to be conducted, and this Agreement has been duly authorised, executed and delivered by it, and constitutes legal, valid and binding obligations of such Party;

(ii) entry into and performance of this Agreement does not violate any provisions of any law, statute, rule, regulation, judgement, writ, injunction, decree or order applicable to such Party; and

(iii) there are no actions, suits, proceedings or investigations pending or, to the Party's knowledge, threatened against it at law or in equity before any court or before any governmental department, commission, board, agency or instrumentality (whether or not covered by insurance) which individually or in the aggregate would affect the validity or enforceability of this Agreement or could result in any materially adverse effect on the business, properties or assets or the condition, financial or otherwise, of the Party or in any impairment of its ability to perform its obligations under this Agreement;

(iv) it has no knowledge of any violation or default with respect to any order, writ, injunction or any decree of any court or any governmental department, commission, board, agency or instrumentality which may result in any such materially adverse effect or such impairment.

15.1.2 The Company represents and warrants to the CEB that, as at the date of this Agreement:

(i) the execution, delivery and performance of this Agreement does not conflict with the Company's memorandum and articles of association or conflict or result in the breach or termination of any provision of or constitute a default under, any mortgage, loan, contract or other undertaking binding on the Company;

(ii) it has the required authority, ability, skills, experience and capacity to perform, and shall perform all its obligations in connection with the Project in accordance with the terms of this Agreement;

(iii) it has the knowledge of all the legal requirements and business practices in Sri Lanka that must be followed in performing its obligations under this Agreement and its obligations shall be performed in conformity with such requirements and practices; and

(iv) it has reviewed the requirements of this Agreement, familiarised itself with all the relevant matters specific to Sri Lanka and/or the Facility and/or the Site and all other relevant matters, and utilising its

experience and skills has made adequate provision for everything necessary to fulfil its obligations, whether specified and/or described or not in this Agreement.

15.1.3 The CEB represents and warrants to the Company that, as at the date of this Agreement, the execution, delivery and performance of this Agreement does not conflict with the Incorporation Act or conflict or result in the breach or termination of any provision of or constitute a default under, any mortgage, loan, contract or other undertaking binding the CEB.

15.2 Notices

15.2.1 Unless otherwise expressly provided for, all notices, requests, claims, consents, approvals, certificates or other communication under this Agreement (each a "**Notice**") shall be in legible writing in the English language and signed by a person duly authorised by the sender. A written communication must be marked for the attention or office holder (if any) whom the recipient designates for the purpose.

15.2.2 All notices, requests, claims, consents, approvals, certificates or other communication under this Agreement will be:

(i) delivered personally;

(ii) sent by prepaid registered post within Sri Lanka;

(iii) sent by facsimile transmission (and promptly confirmed by prepaid registered post);

addressed to the recipient at the address or facsimile number set out below (as applicable) or to any other address or facsimile number that a Party may notify to the other Party by like notice.

(iv) If to the CEB:

To:	Ceylon Electricity Board
Address:	No. 50, Sir Chittampalam A. Gardiner Mawatha, Colombo 00200, Sri Lanka
Facsimile:	+94 011 232 3935
For:	The General Manager
With a copy to:	Ceylon Electricity Board,
Address:	2nd Floor GOBA Building, Sir Chittampalam A Gardiner Mawatha, Colombo 00200, Sri Lanka
Facsimile:	----------
For:	----------

(v) If to the Company:

To:	----------
Address:	----------
Facsimile:	----------
For:	----------

With a copy to: ----------
Address: ----------
Facsimile: ----------
For: ----------

15.2.3 No written communication will be effective until received. Without limiting any other ways for a Party to prove that another Party has received a notice, a notice or other written communication under this Agreement, will be treated as received:

(i) if delivered personally, when left with an apparently responsible person at the recipient's address and person of the addressee acknowledges receipt in writing;

(ii) if sent by registered post, on acknowledgement of receipt by or on the recipient's behalf;

(iii) if sent by facsimile, on the sender's receipt of a transmission report indicating that the facsimile was sent in its entirety to the recipient's facsimile number;

but, if the delivery or receipt is not on a Business Day or after 14.00 hrs (local time) on any Business Day, the notice will be treated as received by the recipient at 9.00hrs (local time) on the next Business Day.

15.3 Confidentiality and Publicity

15.3.1 All information (including contracts) provided by one Party to the other in connection with the negotiation or performance of this Agreement will be treated as confidential and will not be disclosed to any third party (except to Lenders and competent authorities with a proper need for the relevant information) without the other Party's prior written consent, which consent may not be unreasonably withheld.

15.3.2 Unless the law or the listing requirements of any relevant stock exchange require a Party to do so, no Party will disclose or publicise the existence or contents of this Agreement or any other transaction or document evidenced or contemplated by it (except to Lenders and competent authorities with a proper need for the relevant information), without the other Party's prior written consent, which consent shall not be unreasonably withheld.

15.4 Amendments

Any amendment to this Agreement must be in writing and signed by both Parties or their respective successors or permitted assigns in the same manner and with the same formality as this Agreement is executed.

15.5 Waiver

15.5.1 A Party's waiver of any failure to comply strictly with any of this Agreement's terms will not operate as a waiver of strict compliance with any of this Agreement's terms now or in the future.

15.5.2 A Party's failure or delay in exercising any right, power, privilege or remedy under this Agreement will not operate as a waiver of it.

15.5.3 A waiver of any obligation by either Party shall only be effective if in writing and signed by the Chief Executive Officer of such Party.

15.5.4 A single or partial exercise of any right or remedy will not prevent its further or full exercise. The rights and remedies in this Agreement are cumulative and do not exclude any other remedies to which either Party may be lawfully entitled.

15.6 Successors

This Agreement shall bind and inure to the benefit of the Parties and their respective permitted successors and permitted assigns.

15.7 Ownership of the Company

15.7.1 Save where Lenders exercise rights in terms of the Direct Agreements and save where otherwise agreed by the CEB pursuant to a request from the Company upon thirty (30) Days' prior notice, at all times after the date of this Agreement:

(i) until the fifth (5^{th}) anniversary of the Operation Date, the Company shall be controlled by ---------- {The Company Name}

(ii) other than for the Party stated in Clause 15.7.1(i) above, no third Party directly or indirectly, whether by itself or by or together with one or more third Parties connected to such third Party by way of shareholdings or otherwise, may own twenty five per cent or more of the issued share capital of the Company, provided always that where the Company requests the CEB's consent to such third Party owning twenty five per cent or more, the CEB's consent shall not be unreasonably withheld.

15.7.2 The Company shall, invest the Required Equity on or before the Scheduled Combined Cycle Operation Date and shall give to the CEB satisfactory evidence thereof in the form of a certificate or letter of confirmation from an independent third party reasonably satisfactory to the CEB.

15.8 Assignment and Transfers of Interest

The following provisions shall apply to the assignment of this Agreement and for the transfer of interests in or of the Company:

0The CEB may not assign or otherwise transfer all or part of its rights, benefits or obligations under this Agreement without the Company's prior consent, such consent not to be unreasonably withheld or delayed, provided that, upon thirty (30) Days' prior notice from the CEB to the Company, the CEB may assign or transfer all or part of its

rights, benefits or obligations under this Agreement without the Company's prior consent in the event of:

(i) the restructuring of the CEB's assets; or

(ii) the changing of the CEB's ownership; or

(iii) the merger or consolidation of the CEB with any other entity; or

(iv) the CEB's conversion into a company organised and incorporated under the Companies Act pursuant to any privatisation, restructuring or similar process implemented pursuant to the Laws of Sri Lanka,

provided that the surviving entity to whom the assignment or transfer is made assumes and becomes fully liable to perform the CEB's obligations under this Agreement

15.8.1 Except as contemplated by Clause 15.8.1 the Company may not sell, assign or otherwise transfer all or any of its rights, benefits or obligations hereunder, except that, for the purpose of the Financing Agreements, the Company may assign or create a security interest over its rights and interests under or pursuant to this Agreement to the Lenders with the consent of the CEB.

15.8.2 Subject to Clause 15.8.1 and Clause 15.8.2, any change including without limitation a change in shareholding which results in a change in the effective ownership, management or control of a Party to this Agreement will be deemed to be an assignment and will require a written consent of the other Party, which consent shall not be unreasonably withheld.

15.9 Severability

If any of this Agreement's terms are or become void or unenforceable, then those terms will be severed from this Agreement and replaced with terms which validly and enforceably accomplish (to the extent possible) those terms' objectives and in that case the rest of this Agreement will remain valid and enforceable.

15.10 No Partnership or Other Relationship

15.10.1 Nothing in this Agreement makes either Party the other Party's partner, agent or representative or creates any trust or commercial partnership.

15.10.2 No Party may act for, or incur any obligation or liability on the other Party's behalf unless expressly stated in this Agreement.

15.10.3 Each Party indemnifies the other Party and (as appropriate) the other Party's subsidiaries, directors, officers, employees and representatives against all actions, proceedings, calls, claims, demands, losses, damages, costs, expenses or liabilities of any kind arising out of any act of, or any assumption of any obligation by, the Party on the other Party's behalf, except as expressly provided for by this Agreement or to the other Party's prior written consent.

15.11 Good Faith

The Parties undertake to act in good faith in relation to the performance and implementation of this Agreement and to take such other reasonable measures as may be necessary for the realisation of its objectives.

15.12 Further Assurances

Each Party will, at its own cost and when the other Party requests, promptly do everything reasonably required to give full effect to this Agreement and the transactions contemplated by this Agreement.

15.13 Liquidated Damages

Where in this Agreement a Party is expressed to be liable for liquidated damages, the Parties agree that such liquidated damages represent a genuine pre-estimate of loss for the Party entitled to claim such liquidated damages.

15.14 Indices

If CCPI or US Consumer Price Index is rebased to a different year from that applying at the date of this Agreement or the composition of items applied in calculating these indices is materially changed, so as to distort the effect of the index from that intended by the Parties at the date of this Agreement, or if the index should permanently cease to be published:

15.14.1 the Parties shall seek to agree such adjustment to, or substitution of, the index as will secure the closest continuing effect of the earlier index within ten (10) Days of a Party giving notice to the other of the need for such adjustment or substitution under this Clause 15.14;

15.14.2 if the Parties fail to agree on any such adjustment or substitution, the necessary adjustment or substitution shall be determined by an Expert appointed under Part 1 of Schedule 12 (Disputes Resolution Procedure); and

15.14.3 pending agreement by the Parties or the determination by the Expert, the last values of the index prior to the need for adjustment or substitution shall be used for the purposes of this Agreement and, following the agreement of the Parties or the determination of the Expert, the adjusted index or substituted index shall be applied for the period following the need for the adjustment or substitution of the index, and in respect of any payments made under this Agreement in reliance on the earlier index during that period, an equitable reconciliation of payments on the basis of the adjusted or substituted index shall be undertaken by the Parties.

15.15 Entirety of Agreement

This Agreement constitutes the entire Agreement between the Parties. It replaces all of the Parties' earlier discussions and agreements. No Party will be bound by any

conditions, definitions, warranties or representations except those stated in this Agreement or agreed in writing after this Agreement's date and properly signed by or on behalf of the Party to be bound by them.

16 DISPUTE RESOLUTION

16.1 Disputes

In the event of any dispute or difference of whatever nature between the Parties arising under or in connection with this Agreement (including any dispute or difference in connection with any Buy-Out or the existence or validity of this Agreement or any provision hereof) which is not:

16.1.1 first amicably resolved between the Parties to this Agreement by good faith mutual discussions within thirty (30) Days, or, in the case of a dispute involving insurance or any Disputed Amount, fourteen (14) Days, after the date that the disputing Party gives notice of the dispute to the other Party identifying the dispute in reasonable detail and requesting consultations between the Parties to resolve the dispute, or, after such periods by discussions between the chief operating officer of the Company and the designated representative for system operations of the CEB (or such other official authorised by the CEB) within a further period of fifteen (15) Days (or such longer period as the Parties may agree); or

16.1.2 a dispute which the Parties have agreed should be the subject of an Expert's determination under Part 1 of Schedule 12 (Disputes Resolution Procedure),

then the Disputes Resolution Procedure set out in Part 2 of Schedule 12 (Disputes Resolution Procedure), shall apply.

17 GOVERNING LAW

This Agreement and the transactions contemplated by it are governed by the Laws of Sri Lanka.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

The Common Seal of the **CEYLON ELECTRICITY BOARD**

is affixed hereto in the presence of)

who attest the sealing thereof)

Witnesses :

1. ---------- (Signature)

---------- (Name)

2. ---------- (Signature)

---------- (Name)

The Common Seal of ---------- **{The Company Name}**

is affixed hereto in the presence of)

two directors of the Company who)

attest the sealing thereof)

Witnesses :

1. ---------- (Signature)

---------- (Name)

2. ---------- (Signature)

---------- (Name)

SCHEDULE 1

DEFINITIONS

SCHEDULE 1 – DEFINITIONS

"Actual Available Capacity"	is calculated in the manner set out in Paragraph 8.2 of Schedule 8 (*Actual Available Capacity*) and is expressed as a percentage;
"Actually Achieved Annual Availability"	has the meaning given to that term in Paragraph 8.4 of Schedule 8 (*Actual Available Capacity*) and is expressed as a percentage;
"Actually Achieved Monthly Availability"	is calculated in the manner set out in Paragraph 8.3 of Schedule 8 (*Actual Available Capacity*) and is expressed as a percentage;
"Adjusted Target Availability"	is calculated in the manner set out in Paragraph 8.6 of Schedule 8 (*Actual Available Capacity*) and is expressed as a percentage;
"Affected Period"	has the meaning given to that term in Clause 12.3.3;
"Affiliate"	means in relation to a party, any one of: (a) a holding company of that party; (b) a Subsidiary of that party; (c) any other company which is a Subsidiary of that party's holding company;
"Agreement"	means this power purchase agreement;
"Applicable Codes and Standards"	means the codes and standards referred to in Paragraph 5.2.8 of Schedule 5 (*Minimum Functional Specification*);
"Availability Declaration"	has the meaning given to that term in Clause 6.5.1 (ii);
"Available Amount"	has the meaning given to that term in Schedule 10 (Form of CEB Irrevocable Standby Letter of Credit);
"BOI"	means the Board of Investment of Sri Lanka, incorporated by the BOI Act;
"BOI Act"	means the Board of Investment of Sri Lanka, Law No 4 of 1978, as amended;
"BOI Agreement"	means the agreement between the BOI and the Company;
"Business Day"	means any day other than a Saturday, Sunday, public holiday or bank holiday in Sri Lanka;
"Buy-Out"	means the purchase of the Facility by the CEB upon the occurrence of a Buy-Out Event;
"Buy-Out Event"	means a CEB Buy-Out Event or a Company Buy-Out Event;
"Buy-Out Notice"	means a CEB Buy-Out Notice or a Company Buy-Out Notice;

"Buy-Out Price"	means the price paid by the CEB to the Company upon transfer of ownership of the Facility to the CEB following a Buy-Out Event, as calculated in accordance with Schedule 11 (*Buy-Out*);
"Capacity Charge"	means the capacity charge payable by the CEB to the Company for the Actual Available Capacity of the Facility, as calculated in accordance with Schedule 8 (*Actual Available Capacity*) and Schedule 9 (*Capacity Charge and Energy Charge*);
"Capital Cost of the Project"	means at any time, the total cost of the financing, design, development, construction, manufacture, testing and Commissioning of the Facility;
"CCPI" or "Colombo Consumer Price Index"	means the value of "Colombo Consumers Price Index (CCPI)" published by the "Department of Census and Statistics of Sri Lanka";
"$CCPI_b$"	means the CCPI published for the month of May 2021;
"CEB"	means the Ceylon Electricity Board, a body corporate established by Act No 17 of 1969 and any successor and permitted assign;
"CEB Buy-Out Event"	has the meaning given to that term in Paragraph 11.2 of Schedule 11 (*Buy-Out*);
"CEB Buy-Out Notice"	has the meaning given to that term in Paragraph 11.3 of Schedule 11 (*Buy-Out*);
"CEB Letters of Credit"	has the meaning given to that term in Clause 8.9.1(i);
"CEB Nominated Bank"	means the Peoples Bank, having its head office at 75, Sir Chittampalam A Gardiner Mawatha, Colombo 00200, Sri Lanka, at which the CEB shall maintain the CEB Rupee Account;
"CEB Rupee Account"	means the CEB's Rupee denominated bank account with the CEB Nominated Bank;
"CEB System"	means the electric high voltage transmission system, including all transmission lines and equipment, transformers and associated equipment, relay and switching equipment and protective devices and safety and communications equipment owned and/or operated by the CEB on the opposite side of the Interconnection Point to the Facility;
"CEB System Problem"	means variations in the CEB system voltage and/or frequency levels, at any time during an Hour as determined in terms of Clause 6.8.12 exceeding the limits specified in Paragraph 5.3.12 of Schedule 5 (*Minimum Functional Specification*);
"CEB System Control Centre"	has the meaning given to that term in the Grid Code;

"Change in Law"	means any of the following events occurring after the date of this Agreement as a result of any action by any Competent Authority: (a) an amendment to or repeal of any existing Laws of Sri Lanka; (b) an enactment or making of new legislation [including by any political sub-division thereof (including subsidiary legislation, rules, regulations, orders and directives made or issued by such Competent Authority pursuant to or under any such Law)], and (c) a change in the manner in which any of the Laws of Sri Lanka are applied or interpreted in relation to the Project, except where such change results from noncompliance by the Company with any Laws of Sri Lanka in force at the date of this Agreement, provided a change in any law regarding tax, excluding Sales Tax, import duties and levies, after the date of this Agreement shall not be a Change in Law pursuant to this Agreement;
"Change in Law Event"	has the meaning given to that term in Clause 9.1;
"Change in Law Period"	means each period of three hundred and sixty five (365) Days where such period commences on the date of this Agreement or any anniversary hereof;
"Check Meter"	means any auxiliary meters and associated metering equipment purchased, installed, paid for, owned and maintained by the Company at the Metering Point to measure and record the delivery and receipt of Metered Output and Metered Input in accordance with Clause 6.8 and Schedule 7 (Metering) and the requirements of this Agreement;
"Combined Cycle Commissioning Date"	means Combined Cycle (L) Commissioning Date;
"Combined Cycle (L) Commissioning Date"	means the date when the Commissioning of the Facility occurs and is referred to in Clause 5.8.1(i)(a);
"Combined Cycle (N) Commissioning Date"	means the date when the Commissioning of the Facility occurs with Gas Fuel and is referred to in Clause 5.8.1(i)(a);
"Combined Cycle (L) Commissioning Period"	means the period commencing at 0000 Hours on the Combined Cycle (L) Commissioning Date and ending at 0000 Hours on the Combined Cycle (L) Operation Date;
"Combined Cycle (N) Commissioning Period"	means the period commencing at 0000 Hours on the Combined Cycle (N) Commissioning Date and ending at 0000 Hours on the Combined Cycle (N) Operation Date;
"Combined Cycle Operation Date" or "CCOD"	means Combined Cycle (L) Operation Date or CCLOD;

"Combined Cycle (L) Operation Date" or "CCLOD"	means the Day following the date of receipt by the CEB of the Completion Certificate certifying that the Facility is capable of combined cycle operation (with Liquid Fuel) in accordance with Clause 5.8.9;
"Combined Cycle (N) Operation Date" or "CCNOD"	means the Day following the date of receipt by the CEB of the Completion Certificate certifying that the Facility is capable of combined cycle operation (with Gas Fuel) in accordance with Clause 5.8.9;
"Combined Cycle Operational Period"	Means the period commencing at 0000 Hours on the Combined Cycle (L) Operation Date and expiring at 2400 Hours on the first (1st) day which is thirty (30) Days after the twenty fifth (25th) anniversary thereof as such period may be: (i) extended in accordance with Clause 6.9.1; or (ii) reduced in accordance with Clause 6.9.2;
"Combined Cycle (L) Operational Period"	Means the period commencing at 0000 Hours on the Combined Cycle (L) Operation Date and expiring at 2400 Hours on the day prior to Combined Cycle (N) Commissioning Date;
Combined Cycle (N) Operational Period	Means the period commencing at 0000 Hours on the Combined Cycle (N) Operation Date and expiring with the Combined Cycle Operational Period;
"Commissioning"	means the activities referred to in Paragraphs 6.3, 6.4, 6.5 and 6.6 of Schedule 6 (*Commissioning and Performance/Reliability Testing*) which shall commence in accordance with Clause 5.8;
"Commissions"	has the meaning given to that term in Clause 7.4.2;
"Companies Act"	means the Sri Lanka Companies Act No. 7 of 2007, as amended from time to time or any statutory re-enactment thereof;
"Company"	means the project company which is a party to this Agreement, being a limited liability special purpose vehicle incorporated in Sri Lanka and established for the purpose of financing, designing, construction and operating the Project;
"Company Buy-Out Event"	has the meaning given to that term in Paragraph 11.4 of Schedule 11 (*Buy-Out*);
"Company Buy-Out Notice"	has the meaning given to that term in Paragraph 11.5 of Schedule 11 (*Buy-Out*);
"Company Delay Charge"	has the meaning given to that term in Clause 10.1;
"Company Nominated Bank"	means the bank in Colombo selected by the Company, at which the Company shall maintain the Rupee Conversion Account and the Rupee Ordinary Account, as notified by the Company to the CEB and approved by the CEB in accordance with Clause 8.10;

"Competent Authority"	means the Government or any authority, ministry or department or Statutory Board under the control of the Government of Sri Lanka;
"Completion Certificate"	means any of the certificates issued under Clause 5.8.9;
"Consequential Loss"	means all losses, costs or financial harm in respect of loss of contract, loss of use of machinery or property, loss of production, loss of profit or loss of revenue or any other economic loss, cost or claim of whatever kind and nature suffered by a party under or in connection with this Agreement however caused (including the default of the other party or a breach of any duty owed in law by the other party), and whether or not foreseeable at the date of this Agreement provided however that in no circumstances shall Consequential Loss include any express obligation to make payment (including the payment of costs and damages, the payment of Capacity Charges and Energy Charges and payment pursuant to Clauses 5.10.3, 5.11, 6.1.3, 7.6, 9.2 and 12.3.5) or any express obligation to provide an indemnity under any of the provisions of this Agreement;
"Construction Notice"	means the notice issued by the Company to the CEB pursuant to Clause 4.6 which signals the end of the Preliminary Period and the commencement of the Construction Period;
"Construction Performance Bond"	means the construction performance security for ten percent (10%) of the total cost of the Project or LKR five thousand million (LKR 5,000 million) or equivalent amount in US Dollars based on Buying Exchange Rate of Central Bank of Sri Lanka as on [date of Construction Notice], whichever is lower to be issued by an entity approved by the CEB and in the form of Schedule 15 (*Form of Construction Performance Bond*) to be delivered by the Company to the CEB pursuant to Clause 5.3.2(i). The Construction Performance Bond may be applied to the payment of liquidated and any other damages and accrued interest thereon payable by the Company to the CEB during the Construction Period;
"Construction Period"	means the period commencing at 0000 Hours on the Day following the Day on which the CEB receives the Construction Notice and ending at 0000 Hours on the Combined Cycle Operation Date;

"Contract Year"	means the period commencing on 0000 Hours on the Combined Cycle (L) Operation Date and expiring at 2400 Hours on the Day before the anniversary thereof and, thereafter, each period commencing at 0000 Hours on each anniversary of the Combined Cycle Operation Date and expiring at 2400 Hours on the Day before the next anniversary thereof; In the Contract Year in which the Commissioning with Gas Fuel occurs, the Contract Year ends at 2400 Hours on the Day before one Month after the anniversary thereof and, thereafter, each period commencing at 0000 Hours on the Day before the one Month after the each anniversary of the Combined Cycle Operation Date and expiring at 2400 Hours on the Day before the one Month after the next anniversary thereof;
"Control"	means, in relation to any company, the ownership, directly or indirectly of more than fifty per cent of the voting securities of such company or the ability to appoint or remove all or a majority of the directors in such company, whether by operation of law, contract or otherwise, and "**Controlled**" and "**Controls**" shall be construed accordingly;
"Converted US Dollar Amount"	has the meaning given to that term in Clause 7.4.2;
"CPC"	means the Ceylon Petroleum Corporation and any successor and permitted assign;
"Day" or "day"	means a period of twenty four (24) Hours beginning at 0000 Hours on a day and ending at 2400 Hours on that day;
"Declared Available Capacity"	means the capacity of the Facility (expressed in kW) to deliver active electrical power at any given point of time during an Hour at the Interconnection Point as declared by the Company in the Availability Declaration, and "available" and "availability" shall be construed accordingly as declared by the Company in the Availability Declaration;
"Demonstration Tests"	means the tests described in Paragraph 6.4 of Schedule 6 (*Commissioning and Performance/ Reliability Testing*);
"Direct Agreement"	means the agreement to be entered into by the CEB, the Company and the Lenders consistent with the principles referred to in Schedule 3 (*Direct Agreement*);
"Dispatch"	means the issue by the CEB of a Dispatch Instruction to the Company from the CEB System Control Centre to commence, increase, decrease or cease the supply of net electrical output (kW) and/or kvar under this Agreement, subject to the requirements of this Agreement;

"Dispatch Instruction"	has the meaning given to that term in Clause 6.5.2(iii) and must comply with that Clause;
"Disputed Amount"	has the meaning given to that term in Clause 8.8.2;
"Disputes Resolution Procedure"	means the procedure for the resolution of disputes set out in Schedule 12 (*Disputes Resolution Procedure*);
"Emergency"	means a condition or situation that presents a threat to the integrity of the CEB System or of material physical damage to persons or property;
"Energy Charge"	means the energy charge payable by the CEB to the Company for the Metered Output, as calculated in accordance with Schedule 9 (*Capacity Charge and Energy Charge*);
"Engineer"	means the independent engineer in relation to the Turnkey Contract;
"Engineer's Certificate"	means the any of the certificates issued by the Engineer pursuant to Paragraph 6.6.4 of Schedule 6 (*Commissioning and Performance/ Reliability Testing*).
"Environmental Approval"	means the environmental approval issued by the Central Environmental Authority (CEA) in favour of the Company in respect of the terms of the environmental clearance for the Facility;
"Environmental Law"	means the National Environmental Act No. 47 of 1980, as amended, any regulations thereunder, as amended from time to time, and all other enactments, statutes, laws rules and regulations for the protection of the environment for the time being in force in Sri Lanka;
"Environmental Protection Licence"	means the environmental licence required to be obtained from the Central Environment Authority under the Environment Law in relation to the Facility;
"Environmental Requirements"	means: (i). complying with or exceeding the requirements of the Environmental Approval, the Environmental Licence, the Environmental Law, all applicable environmental quality standards, regulations and directives of the relevant Competent Authorities; (ii). establishing environmental management systems and facilities to ensure that the Environmental Law, applicable regulations, standards and lawful directives referred to in (i) above are complied with or exceeded; (iii). if directed by the relevant Competent Authority, installing and operating a suitable continuous emission and ambient air monitoring system including at least four monitoring stations at appropriate locations within a ten (10) kilometre radial distance from the Facility;

	(iv). installing and operating on-line recorders at the Facility and, unless otherwise directed, in the offices of the relevant Competent Authority; (v). providing an annual report on all relevant aspects of the Company's environmental facilities, activities and performance no later than thirty (30) Days following each twelve (12) Month period from the commencement of the Construction Period to the end of the Operational Period. The annual report on environmental performance shall contain a statement of assurance stating that the Environmental Approval, the Environmental Licence, the Environment Law and all applicable regulations and lawful directives have been complied with or, where this is not the case, shall contain details of any failure to so comply and actions instituted to prevent such failures recurring.
"Escrow Agreement"	Means the agreement to be entered into in the form set out in Schedule 14 (*Form of Escrow Account*);
"Expert"	means an expert appointed in accordance with Part 1 of Schedule 12 (*Disputes Resolution Procedure*) with experience in international contracting, infrastructure projects, utilities, power generating or related fields;
"Facility"	means the combined cycle power plant having a nominal rating of [*nominal rating to be based on Proposal*] to be built at Kerawalapitiya, whether completed or at any stage of development and construction, and including without limitation land, buildings, engineering and design documents, power producing equipment, auxiliary equipment, Fuel handling and storage infrastructure, water treatment facilities, solid waste disposal facilities, switchyards and all other installations;
"Financial Closure"	means the date on which the conditions precedent to initial drawdown have been satisfied or waived and initial drawdown has been made under the Financing Agreements;
"Financing Agreements"	means any and all of the agreements executed between the Company and the Lenders for the making available to the Company of debt financing (including bridging financing) for construction and completion of the Facility up and until the Combined Cycle Operation Date, and the security documents, hedging agreements, swap agreements and other ancillary undertakings in favour of the Lenders entered into in connection with such agreements and any refinancing agreements relating thereto;
"Firm Maintenance Programme"	has the meaning given to that term in Clause 6.6.6;

"Force Majeure"	has the meaning given to that term in Clause 12.1;
"Forced Outage"	means any interruption of or reduction in the generating capacity of the Facility that is not the result of: (i) an event of Scheduled Maintenance; or (ii) an event of Force Majeure; or (iii) a breach of this Agreement by the CEB; or (iv) a request by the CEB in accordance with this Agreement; or (v) a condition caused by a CEB System Problem; or (vi) a condition arising from the non-payment of any undisputed amount invoiced by the Company which has been overdue for a period exceeding thirty (30) days after the Due Date therefor and the CEB Letters of Credit are unavailable or the amounts available under the CEB Letters of Credit are insufficient to cover such undisputed amounts overdue; or (vii) a Shortfall (as defined in the Fuel Supply Agreement) or a breach by a Fuel Supplier of a Fuel Supply Agreement (except to the extent the Company has failed to maintain the required Liquid Fuel storage in terms of Clause 6.5.5); or (viii) a breach by the Government of their respective obligations under the Implementation Agreement.
"Fuel"	means Liquid Fuel or Gas Fuel as applicable;
"Fuel Supplier"	means the CPC or the Gas Fuel Supplier;
"Fuel Supply Agreement" or "FSA"	means the Liquid Fuel Supply Agreement or the Gas Fuel Supply Agreement, as the case may be;
"Fuel Energy Rate" or "FER"	means Price of Liquid Fuel delivered by CPC under the Liquid Fuel Supply Agreement or Gas Fuel delivered by Gas Fuel Supplier Under Gas Fuel Supply Agreement as the case maybe, expressed in Rs./kJ (HHV) and calculated pursuant to Paragraph 6 of Annex B of Schedule 9 (*Capacity Charge and Energy Charge*);
"Gas Fuel "	Regasified Liquid Natural Gas (RLNG) specified in Annex VII (ii) of Volume I
"Gas Fuel Supply Agreement" or "GFSA"	means the agreement to be entered into pursuant to this Agreement between the Gas Fuel Supplier and the Company relating to the purchase and sale of Gas Fuel for the Facility;

“Gas Fuel Supplier”	means the party selected by the Government for the supply of Gas Fuel to power generation facilities including the Facility and notified to the Company;
"Generation Licence"	means the licence required to be obtained by the Company under Section 9 of the Electricity Act № 20 of 2009 or applicable statute, as amended, to establish, operate and maintain the Facility for the generation of electrical energy in Sri Lanka;
"Generating Set"	means each of the [ ] generating sets incorporating a turbine, with a nominal rating of approximately [ ] MW in the case of the gas turbine and [ ] MW in the case of the steam turbine, and which are part of the Facility;
"GIS"	means gas insulated switchgear;
"GIS Sub-station"	means the GIS sub-station at Kerawalapitiya own by the CEB at which the 220 kV GIS Bay shall be located;
"Good Design, Engineering and Construction Practices"	means the relevant practices, methods, standards and acts generally followed or approved by the international electricity industry which the Company shall identify prior to commencement with respect to the planning, design, construction, commissioning, testing and repair of work with characteristics comparable to those of the Facility, including the location of the Facility and includes the performance of the work: (i) in a sound and workmanlike manner, with due care and skill and applying generally accepted engineering, construction and management practices and procedures; (ii) with due expedition and without unnecessary or unreasonable delay; (iii) using appropriate internationally accepted standards for materials and workmanship applicable to works having characteristics comparable to those of the Facility; and (iv) with all materials and workmanship suitable for their respective purposes and properly certified where appropriate.
"Government"	means the Government of the Democratic Socialist Republic of Sri Lanka;
"Governmental Approval"	means any approval, licence, permit or consent from any Competent Authority required by the Laws of Sri Lanka for the purposes of any party carrying out its obligations under this Agreement;

"Grid Code"	means the code annexed to the Minimum Functional Specification titled Technical Requirements for Interconnection of Generation Resources January 2003 or any code which amends or replaces it which is prepared by the CEB as a code of general application in accordance with any regulatory requirement and which sets out operational rules governing the CEB and generators connected to and users of the CEB System;
"Hour"	means each continuous period of sixty (60) minutes commencing with the first minute of each of the twenty four denominated Hours of any Day;
"Hourly Metered Output"	means the Metered Output during an Hour as measured and recorded by the Main Meter or Check Meter as the case may be;
"IEC Standards"	means the relevant standards published by the International Electrotechnical Commission of No. 3, Rue de Varembé, P.O. Box 131, CH-1211 Geneva, Switzerland;
"Indemnifying Party"	has the meaning given to that term in Clause 10.6;
"Interconnection Facilities"	means all the cables, lines, equipment and facilities located between the Termination Point and the Interconnection Point, enabling the CEB to receive partial capacity or full installed capacity of the Facility, constructed and installed, owned and maintained by the Company in accordance with the Grid Code for the purpose of interconnecting the Facility with the CEB System;
"Interconnection Point"	has the meaning given to that term in Paragraph 5.3.16 of Schedule 5 (*Minimum Functional Specification*);
"Interconnection Point for 33 kV Transmission Line"	means the point located at the Site and identified on the plan annexed at Schedule 2 (*Plans and Drawings*);
"kilovar" or "kvar"	means 1,000 var;
"kvarh"	means one kilovar hour;
"kJ"	means a kilojoule or 1,000 joule;
"kV"	means kilovolts or 1,000 volt;
"220 kV GIS Bay"	means the 220kV bay, owned by the CEB, located within the GIS Sub-station and assigned for interconnection to the CEB System;
"kW"	means a kilowatt or 1,000 watt;
"kWh"	means one kilowatt hour;
"Laws of Sri Lanka"	means, in relation to this Agreement, all laws in force in Sri Lanka (including any political sub-division thereof) and includes subsidiary legislation (including all rules, regulations, orders and directives) made or issued by

	any Competent Authority pursuant to or under any such law;
"Lease"	means the agreement between the CEB and the Company for the lease of the Site entered into on or before the date of this Agreement but taking effect on the date of the Construction Notice;
"Lenders"	means the banks and/or financial institutions and/or other persons (including [*insert relevant lending institutions*] or any Subsidiary thereof) party to the Financing Agreements;
"L/C Amount"	has the meaning given to that term in Clause 8.9.1(iv);
"L/C Deposit Accounts"	has the meaning given to that term in Clause 8.9.1(iii);
"Liquid Fuel"	means diesel, specified in Part 2, Schedule 2 of LFSA
"Liquid Fuel Supply Agreement" or "LFSA"	means the agreement of even date as this Agreement between the CPC and the Company relating to the purchase and sale of Liquid Fuel for the Facility;
"Main Meter"	means the main meters and associated metering equipment purchased and installed by the Company and owned and maintained by the CEB at the Metering Point (*Metering*) to measure and record the delivery and receipt of Metered Output and Metered Input, all in accordance with Schedule 7;
"Metered Input"	means the active power and energy (measured in kilowatt and kWh respectively) and reactive power (measured in kilovar) delivered to the Company by the CEB at the Interconnection Point;
"Metered Output"	means the active power and energy (measured in kilowatt and kWh respectively) and reactive power (measured in kilovar) of the Facility delivered to the CEB System at the Interconnection Point;
"Metering Point"	means the points at which the Main Meters and Check Meters shall be located as established under Schedule 5 (*Minimum Functional Specification*);
"Meters"	means the Main Meter and the Check Meter;
"Minimum Functional Specification"	means the minimum specification for the Facility as set out in Schedule 5;
"Month"	means a period beginning at 0000 Hours on the first Day of a calendar month and ending at 2400 Hours on the last Day of that calendar month, provided that the: (i) first Month of the Operational Period Date shall commence at 0000 Hours on the Open Cycle Operation Date and shall end at 2400 Hours on the last Day of the calendar month in which the Open Cycle Operation Date falls;

(ii) last Month prior to the Combined Cycle Commissioning Date shall end at 2400 Hours on the Day prior to the Combined Cycle Commissioning Date;

(iii) first Month following the Combined Cycle Commissioning Date shall commence at 0000 Hours on the Combined Cycle Commissioning Date and shall end at 2400 Hours on the last Day of the calendar month in which the Combined Cycle Commissioning Date falls;

(iv) last Month prior to the Combined Cycle Operation Date shall end at 2400 Hours on the Day prior to the Combined Cycle Operation Date;

(v) first Month following the Combined Cycle Operation Date shall commence at 0000 Hours on the Combined Cycle Operation Date and shall end at 2400 Hours on the last Day of the calendar month in which the Combined Cycle Operation Date falls;

(vi) last Month of each Contract Year shall commence at 0000 Hours on the first Day of the calendar month in which the anniversary of the Combined Cycle Operation Date occurs and shall end at 2400 Hours on the Day before such anniversary;

(vii) first Month of each Contract Year (excluding the first Contract Year) shall commence at 0000 Hours on the anniversary of the Combined Cycle Operation Date and shall end at 2400 Hours on the last Day of the calendar month in which such anniversary occurs; and

(viii) the last Month of the Operational Period shall end at 2400 Hours on the last Day of the Operational Period;

"Monthly Invoice" has the meaning given to that term in Clause 8.1.1;

"Mvar" means megavar;

"MW" means a megawatt or 1000 kilowatt;

"m^3" means cubic metres;

"Net Dependable Capacity" or "NDC" means, as appropriate, Net Dependable Capacity at Open Cycle Operation with Liquid Fuel NDC_{OL}, Net Dependable Capacity at Open Cycle Operation with Gas Fuel NDC_{ON}, Net Dependable Capacity at Combined Cycle Operation with Liquid Fuel NDC_{CL} or Net Dependable Capacity at Combined Cycle Operation with Gas Fuel $NDC_{CN;}$

"NDC_{OL}" means [ ] kW;

"NDC_{ON}"	means [ ] kW;
"NDC_{CL}"	means [ ] kW;
"NDC_{CN}"	means [ ] kW;
"Notice"	has the meaning given to that term in Clause 15.2.1;
"O&M Contractor"	means the contractor appointed by the Company under the Operation and Maintenance Agreement pursuant to Clause 4.2.2;
"Open Cycle Commissioning Date" or "OCCD"; "Open Cycle (L) Commissioning Date" or "OCLCD"; and "Open Cycle (N) Commissioning Date" or "OCNCD"	Means the date when Commissioning of the Facility occurs on an open cycle basis and is referred to in Clause 5.8.1(i)(a);
"Open Cycle Commissioning Period" or "OCCP"	means the period commencing at 0000 Hours on the Open Cycle Commissioning Date and ending at 0000 Hours on the Open Cycle Operation Date;
"Open Cycle (L) Commissioning Period" or "OCLCP"	means the period commencing at 0000 Hours on the Open Cycle (L) Commissioning Date and ending at 0000 Hours on the Open Cycle (L) Operation Date;
"Open Cycle (N) Commissioning Period" or "OCNCP"	means the period commencing at 0000 Hours on the Open Cycle (N) Commissioning Date and ending at 0000 Hours on the Open Cycle (N) Operation Date;
"Open Cycle Operation Date" or "OCOD"; "Open Cycle (L) Operation Date" or "OCLOD"; and "Open Cycle (N) Operation Date" or "OCNOD"	means the Day following the date of receipt by the CEB of the Completion Certificate certifying that the Facility is capable of open cycle operation in accordance with Clause 5.8.9;
"Open Cycle Operational Period" or "OCOP"	means the period commencing on the Open Cycle Operation Date and ending on the earlier of: (i) the Day immediately preceding the Combined Cycle Commissioning Date; or (ii) the last Day of the month prior to the month in which the Scheduled Combined Cycle Operation Date occurs; or (iii) the Day falling three hundred and thirty five (335) Days thereafter;
"Open Cycle (L) Operational Period" or "OCLOP"	means the respective "Open Cycle Operational Period" or "OCOP" that operate with Liquid Fuel;
"Open Cycle (N) Operational Period" or "OCNOP"	means the respective "Open Cycle Operational Period" or "OCOP" that operate with Gas Fuel;
"Operation and Maintenance Agreement" or "O&M Agreement"	means the agreement between the Company and the O&M Contractor for the operation and maintenance of the Facility;

"Operation Date"	means the Open Cycle Operation Date or the Combined Cycle Operation Date (as the case may be);
"Operations Performance Bond"	means the operations performance security for United States Dollars seven million five hundred thousand (USD 7,500,000) to be delivered by the Company to the CEB pursuant to Clause 6.2.1. The Operations Performance Bond shall consist of one of the following: (i) a cash payment; (ii) a bond in the form of Schedule 16 (*Form of Operations Performance Bond*) issued by a company acceptable to the CEB; (iii) an unconditional and irrevocable letter of credit issued by a first class international bank acceptable to the CEB in a form and with substance acceptable to the CEB; or (iv) any combination of the above acceptable to the CEB. The Operations Performance Bond may be applied to the payment of liquidated and any other damages and accrued interest thereon payable by the Company to the CEB during the Operational Period. Pursuant to Clause 14.4 the Company shall, no later than seven hundred and thirty (730) Days prior to the expiry of the Combined Cycle Operational Period, at its sole cost and expense, increase the amount of the Operations Performance Bond from United States Dollars seven million five hundred thousand (US$7,500,000) to United States Dollars eleven million (US$11,000,000). Upon termination of this Agreement the CEB shall be entitled to retain or collect, as the case may be from the Operations Performance Bond any damages, and the remainder of the Operations Performance Bond, if any, shall be paid or returned to the Company.
"Operational Characteristics"	means the operational characteristics of the Facility as set out in Paragraph 5.5 of Schedule 5 (*Minimum Functional Specification*);
"Operational Period"	means the period consisting of the Open Cycle Operational Period and the Combined Cycle Operational Period;
"Overhaul Cost"	has the meaning given to that term in Clause 14.4.2;
"Performance Tests"	means the tests described in Paragraph 6.6 of Schedule 6 (*Commissioning and Performance/ Reliability Testing*);
"Permitted Changes"	means, in respect of any Testing Quantity, that the Hour for such Testing Quantity be changed to a different Hour on the same Day or to an Hour on the immediately following Business Day;

"Personnel Requirements"	has the meaning given to that term in Clause 5.3.2 (xviii);
"PF_b"	means the value of Liquid Fuel applicable for the date 2021-06-01;
"Preliminary Obligation Bond"	means the bond number [ ] in the amount or Rupees one thousand one hundred Million (Rs. 1,100 Million) issued by [ ], or any bond issued in replacement therefore in accordance with Clause 4.8;
"Preliminary Period"	means the period commencing on the date of this Agreement and, extended in accordance with Clause 4.5, ending on the earlier of: (i) 2400 Hours on the Day falling two hundred and seventy (270) Days thereafter; and (ii) 2400 Hours on the Day on which the Company gives the CEB the Construction Notice;
"Pre-Synchronisation Tests"	means the tests described in Paragraph 6.3 of Schedule 6 (*Commissioning and Performance/ Reliability Testing*);
"Programme"	means the construction programme under the Turnkey Contract;
"Programme of Works"	means the programme prepared by the Company and agreed by the parties under Clauses 4.1 and 4.2 setting out the key activities and milestone dates for the development of the Facility and achievement of the Open Cycle Operation Date and the Combined Cycle Operation Date by the Scheduled Operation Date thereof, as may be amended by agreement of the parties from time to time;
"Project"	means the design, financing, procurement, construction, testing, commissioning, completion, ownership, management, long-term operation, repair, maintenance and transfer of the Facility in accordance with the Project Agreements;
"Project Agreements"	the Power Purchase Agreement, the Implementation Agreement, the Liquid Fuel Supply Agreement, the Gas Fuel Supply Agreement, the Land Lease Agreement, Direct Agreements and the BOI Agreement;
"Proposal"	means the proposal dated (the Proposal Date), submitted on behalf of [ ], to undertake the Project pursuant to the request for proposals issued by the CEB;
"Proposed Testing Day"	has the meaning given to that term in Clause 5.8.1(ii);
"Prospective Lenders"	means one or more of the financial institutions named in Volume II, Schedule J of the Proposal or such other financial institutions approved by the CEB;

"Prudent Utilities Practice"	means the accepted international practice and standard which the Company shall identify prior to the Operational Period, and engineering and operational considerations, including manufacturers' recommendations and the exercise of that degree of reasonable skill, diligence, foresight and prudence that would be exercised or generally followed by a skilled and experienced operator in the operation and maintenance of facilities similar to the Facility;
"Recurrent Costs"	means costs which are not of a capital cost nature and which will recur over a period of time;
"Reference Exchange Rate"	means on any Business Day and in respect of the sale of an amount of US Dollar for Rupees, the quotation given by the Company Nominated Bank for the sale of such amount of United States Dollars for Rupees;
"Reference Interest Rate"	means on any Day and for any amount payable in US Dollar the percentage rate per annum offered by USD London Interbank Offered Rate (USD LIBOR);
"Reimbursable Taxes"	means the expenses directly necessarily and actually born by the Company for the performance of obligation under this Agreement in relation to the facility on account of any and all taxes including gross receipts, business turnover, use, consumption, property, franchise, occupational, excise duties, customs duties, defence levy, however imposed, withheld, levied, or assessed in relation to the Company's business in the Project, by the Government of Sri Lanka, or any Governmental Instrumentality of Sri Lanka or any other taxation authority in Sri Lanka, Outgoings under the Lease but excluding Input Sales Taxes, Sales Taxes, Stamp Duty, Corporate Taxes and all taxes, imposts, duties or levies of whatever kind or nature however imposed that the Company may become liable to due to the sole default of the Company in maintaining the tax concessions available to the Company under the BOI concession or in respect of which the Company is entitled to a credit or receives an input credit.
"Reliability Tests"	means the tests described in Paragraph 6.5 of Schedule 6 (*Commissioning and Performance/ Reliability Testing*);
"Request for Proposals"	means request for proposals issued by the CEB for the Project;
"Required Equity"	means not less than twenty percent (20%) of the Capital Cost of the Project to be invested by way of equity investment in the Company;
"Required US Dollar Amount"	shall have the meaning given in Clause 7.4.1;

"Restoration"	has the meaning given to that term in Clause 12.3.4;
"Revised Testing Day"	has the meaning given to that term in Clause 5.8.3;
"Rupees", "Rs." or "LKR"	means the lawful currency of Sri Lanka;
Rupee Component of the Capital Cost Recovery Rate" or "RCCR"	Means the Rupee Component of Capitol cost Recovery Rate expressed in Rs./kW/Year: (i) in respect of Open Cycle (L) Operational Period ($RCCR_{OL}$) shall have the value stated in Annex A to Schedule 9 (Capacity Charge and Energy Charge); (ii) in respect of Open Cycle (N) Operational Period ($RCCR_{ON}$) shall have the value stated in Annex A to Schedule 9 (Capacity Charge and Energy Charge) (iii) for the Contract Year Y during Combined Cycle (L) Operational Period ($RCCR_{YCL}$) and shall have the value stated in Annex A to Schedule 9 (Capacity Charge and Energy Charge); or (iv) for the Contract Year Y during Combined Cycle (N) Operational Period ($RCCR_{YCN}$) and shall have the value stated in Annex A to Schedule 9 (Capacity Charge and Energy Charge);
"Rupee Component of the Fixed Operation and Maintenance Rate" or "RFOM"	means the Rupee Component of the Fixed Operation and Maintenance Rate expressed in Rs./kW/Year: (i) in respect of open cycle operation ($RFOM_{bOL}$ or $RFOM_{bON}$) and shall have the value stated in Annex A to Schedule 9 (*Capacity Charge and Energy Charge*) and for any Month in the Open Cycle Operational Period shall be further adjusted in accordance with Annex B to Schedule 9 ($RFOM_{MOL}$ or $RFOM_{MON}$); or (ii) in respect of combined cycle operation ($RFOM_{bCL}$ or $RFOM_{bCN}$) and shall have the value stated in Annex A to Schedule 9 (*Capacity Charge and Energy Charge*) and for any Month in the Combined Cycle Operational Period shall be further adjusted in accordance with Annex B to Schedule 9 ($RFOM_{YMCL}$ or $RFOM_{YMCN}$);
"Rupee Component of the Variable Operation and Maintenance Rate" or "RVOM"	means the Rupee Component of the Variable Operation and Maintenance Rate expressed in Rs./kW/Year: (i) in respect of open cycle operation ($RVOM_{bOL}$ or $RVOM_{bON}$) and shall have the value stated in Annex A to Schedule 9 (*Capacity Charge and Energy Charge*) and for any Month in the Open Cycle Operational Period shall be further adjusted in accordance with Annex B to Schedule 9 ($RVOM_{MOL}$ or $RVOM_{MON}$ or $RVOM_{YMOL}$ or $RVOM_{YMON}$);or (ii) in respect of Combined Cycle Operational Period ($RVOM_{bCL}$ or $RVOM_{bCN}$) and shall have the value

	stated in Annex A to Schedule 9 (*Capacity Charge and Energy Charge*) and for any Month where the Facility is in Combined Cycle Operational Period shall be further adjusted in accordance with Annex B to Schedule 9 ($RVOM_{YMCL}$ or $RVOM_{YMCN}$);
"Rupee Conversion Account"	means the Rupee denominated account opened and maintained by the Company at the Company Nominated Bank for the purpose of receiving and converting into US Dollar sums payable by the CEB pursuant to Clause 8.5.1 and notified to the CEB pursuant to Clause 8.10;
"Rupee Ordinary Account"	means the Rupee denominated account opened and maintained by the Company at the Company Nominated Bank for the purpose of receiving sums payable by the CEB pursuant to Clause 8.5.2 and notified to the CEB pursuant to Clause 8.10;
"Rupee Letter of Credit"	has the meaning given to that term in Clause 8.9.1(i);
"Sales Taxes"	means any and all forms of sales taxation, duties, imposts and levies of whatever kind and nature imposed by any Competent Authority on the sale of electrical energy;
"Scheduled Combined Cycle (L) Operation Date" or "SCLOD"	means the date that is 24 months from the date of the Construction Notice, as may be adjusted from time to time under Clause 5.6.1;
"Scheduled Combined Cycle Operation Date" or "SCOD"	means SCLOD
"Scheduled Maintenance"	means maintenance of the Facility under a Firm Maintenance Programme established under Clause 6.6;
"Scheduled Open Cycle Operation Date" or "SOCOD"	means the date that is 12 months from the date of the Construction Notice, as may be adjusted from time to time under Clause 5.6.1;
"Scheduled Operation Date"	means the Scheduled Open Cycle Operation Date or the Scheduled Combined Cycle Operation Date (as the case may be);
"Senior Debt"	means the debt financing provided by the Lenders to the Company pursuant to the Financing Agreements;
"Site"	means the area of land more particularly described in the Lease where the Facility is located;
"Site Reinstatement Bond"	means the bond in an amount of US Dollar one million (USD 1,000,000) established by the Company in favour of the CEB under the Lease;
"Sri Lanka"	means the Democratic Socialist Republic of Sri Lanka;
"Sri Lanka Prime Rate"	means latest Average Weighted Prime Lending Rate (AWPLR) published by Central Bank of Sri Lanka on

	monthly basis;
"Start-Up"	means the first synchronisation of a Generating Set to the CEB System at a time when all Generating Sets have been desynchronised;
"Start-Up Charge"	means the payment which is the subject of Paragraph 9.10 of Schedule 9 (*Capacity Charge and Energy Charge*);
"Step-in Notice"	has the meaning given to that term in Paragraph 3.6 of Schedule 3 (*Direct Agreement*);
"Subsidiary"	means a company: (i) of which the majority of its issued share capital is held by another company; or (ii) in respect of which another company has the right to control the composition of the board of directors or the casting of votes at shareholders' meetings of that company; or (iii) which, or whose board of directors, normally acts in accordance with the instructions of another company;
"Suspension Notice"	Has the meaning given to that term in Paragraph 3.5 of Schedule 3 (*Direct Agreement*);
"Suspension Period"	has the meaning given to that term in Paragraph 3.5 of Schedule 3 (*Direct Agreement*);
"Target Availability"	means the target availability established in Paragraph 8.5 of Schedule 8 (*Actual Available Capacity*);
"Term"	means the period of this Agreement comprising the Preliminary Period, the Construction Period and the Operational Period, as set out in Clause 3;
"Termination Point"	means each of the high voltage connections to the generator step-up transformers;
"Test"	has the meaning given to that term in Clause 5.8.1(i)(c);
"Testing Quantity"	has the meaning given to that term in Clause 5.8.1(ii);
"Testing Schedule"	has the meaning given to that term in Clause 5.8.1;
"Tonnes "	means metric tonnes;
"Transfer Costs"	has the meaning given to that term in Paragraph 11.13(ii) of Schedule 11(*Buy-Out*);
"Transfer Date	means: (i) in the event of a Buy-Out Notice dated prior to the Combined Cycle Operation Date, the date being thirty (30) Days after the date of such notice; and (ii) in the event of a Buy-Out Notice dated after the Combined Cycle Operation Date, the date being thirty (30) Days after the date of such notice;

	(iii) in the event of a CEB Buy-Out Notice served upon the expiry of the Combined Cycle Operational Period, the date being thirty (30) Days after such expiry date;
"Transferee"	has the meaning given to that term in Paragraph 3.6 of Schedule 3 (*Direct Agreement*);
"Transfer Notice"	has the meaning given to that term in Paragraph 3.8 of Schedule 3 (*Direct Agreement*);
"Transfer Taxes"	has the meaning given to that term in Paragraph 11.13(i) of Schedule 11(*Buy-Out*);
"Transmission Licensee"	Is the Ceylon Electricity Board who Licensed to excicute the duties in accordance with Clause 24 of Sri Lanka Electricity Act, No. 20 of 2009
"Tribunal"	has the meaning given to that term in Paragraph 12.7 of Schedule 12 (*Arbitration*);
"Turnkey Contract"	means the agreement between the Company and the Turnkey Contractor for the design, engineering, construction, testing and Commissioning of the Facility;
"Turnkey Contractor"	means the Turnkey Contractor appointed by the Company under Clause 4.2.1;
"UNCITRAL Rules"	has the meaning given to that term in Paragraph 12.4 of Schedule 12 (*Disputes Resolution Procedure*);
"United States Dollars", "USD", "US Dollars" or "US$"	means the lawful currency of the United States of America;
"US Dollar Component of Capital Cost Recovery Rate" or "DCCR"	means the US Dollar Component of the Capital Cost Recovery Rate expressed in USD/kW/Year: (i) in respect of Open Cycle (L) Operational Period ($DCCR_{OL}$) shall have the value stated in Annex A to Schedule 9 (Capacity Charge and Energy Charge); (ii) in respect of Open Cycle (N) Operational Period ($DCCR_{ON}$) shall have the value stated in Annex A to Schedule 9 (Capacity Charge and Energy Charge) (iii) for the Contract Year Y during Combined Cycle (L) Operational Period ($DCCR_{YCL}$) and shall have the value stated in Annex A to Schedule 9 (Capacity Charge and Energy Charge); or (iv) for the Contract Year Y during Combined Cycle (N) Operational Period ($DCCR_{YCN}$) and shall have the value stated in Annex A to Schedule 9 (Capacity Charge and Energy Charge);
"US Dollar Component of the Fixed Operation and Maintenance Rate" or "DFOM"	means the US Dollar Component of the Fixed Operation and Maintenance Rate expressed in USD/kW/Year:

(i) in respect of Open Cycle (L) Operation ($DFOM_{bOL}$), and shall have the value stated in Annex A to Schedule 9 (Capacity Charge and Energy Charge) and for any Month in the Open Cycle (L) Operational Period shall be further adjusted in accordance with Annex B to Schedule 9 ($DFOM_{MOL}$); or

(ii) in respect of Open Cycle (N) Operation ($DFOM_{bON}$) and shall have the value stated in Annex A to Schedule 9 (Capacity Charge and Energy Charge) and for any Month in the Open Cycle (N) Operational Period shall be further adjusted in accordance with Annex B to Schedule 9 ($DFOM_{MON}$);

(iii) in respect of Combined Cycle (L) Operation ($DFOM_{bCL}$) and shall have the value stated in Annex A to Schedule 9 (Capacity Charge and Energy Charge) and for any Month in the Combined Cycle (L) Operational Period shall be further adjusted in accordance with Annex B to Schedule 9 ($DFOM_{YMCL}$); or

(iv) in respect of Combined (N) Cycle Operation ($DFOM_{bCN}$) and shall have the value stated in Annex A to Schedule 9 (Capacity Charge and Energy Charge) and for any Month in the Combined Cycle (N) Operational Period shall be further adjusted in accordance with Annex B to Schedule 9 ($DFOM_{YMCN}$);

"US Dollar Component of the Variable Operation and Maintenance Rate" or "DVOM" means the US Dollar Component of the Variable Operation and Maintenance Rate expressed in USD/kWh:

(i) in respect of open cycle operation ($DVOM_{bOL}$ or $DVOM_{bON}$ as applicable) and shall have the value stated in Annex A to Schedule 9 (Capacity Charge and Energy Charge) and for any Month in the open cycle operation shall be further adjusted in accordance with Annex B to Schedule 9 ($DVOM_{MOL}$ or $DVOM_{MON}$ or $DVOM_{YMON}$ or $DVOM_{YMOL}$); or

(ii) in respect of Combined Cycle Operation ($DVOM_{bCL}$ or $DVOM_{bCN}$) and shall have the value stated in Annex A to Schedule 9 (Capacity Charge and Energy Charge) and for any Month where the Facility is in combined cycle operation shall be further adjusted in accordance with Annex B to Schedule 9 ($DVOM_{YMCL}$ or $DVOM_{YMCN}$);

"US Dollar Equivalent" means, in respect of any payment made or payable in Rupees on any Day, the amount of US Dollar required to purchase such amount of Rupees at the Reference

	Exchange Rate on such Day;
"US Consumer Price Index" or "USCPI"	means the value of "Consumer Price Index for All Urban Consumers: All Items in U.S. City Average (CPIAUCSL)" published by "U.S. Bureau of Labor Statistics";
"$USCPI_b$"	means the CPIAUCSL published for the month of May 2021;
"US Dollar Letter of Credit"	has the meaning given to that term in Clause 8.9.1(i);
"Week"	means a period of seven (7) Days beginning at 0000 Hours on a Saturday and ending at 2400 Hours on the following Friday;
"Weekly Report"	means the report of that description in Paragraph 8.7 of Schedule 8 (Actual Available Capacity);
"Wilful Default"	means an intentional, wanton or reckless disregard by a party of the Laws of Sri Lanka or an obligation under this Agreement;
"Works"	means the permanent and temporary works required for the design, construction, completion and Commissioning of the Facility; and
"Year"	means a year according to the Gregorian calendar.

SCHEDULE 2

PLANS AND DRAWINGS

SCHEDULE 3

DIRECT AGREEMENT

SCHEDULE 3 - DIRECT AGREEMENT

3 Schedule 3 - Direct Agreement

The CEB acknowledges that the Lenders will require the Senior Debt to be secured, and the CEB shall in accordance with Clause 4.1.1 enter into a Direct Agreement. The Direct Agreement shall be consistent with the following principles:

3.1 the Direct Agreement shall take effect on or after the Company serving the Construction Notice in accordance with Clause 4.6, as agreed therein;

3.2 the CEB shall acknowledge the right of the Lenders to cure any default of the Company under the Power Purchase Agreement or any Fuel Supply Agreement or step–in to the Project, as provided in such agreements or any direct agreements relating thereto;

3.3 the CEB shall give the Lenders notice within fourteen (14) Days of the CEB becoming aware of any breach by the Company of its obligations under this Agreement, in each case specifying the nature of such breach;

3.4 if the CEB serves upon the Company a notice to terminate this Agreement under Clause 13 ("**CEB Termination Notice**"), the CEB shall also serve a copy of such notice to the Lenders;

3.5 within sixty (60) Days of receipt by the Lenders of a CEB Termination Notice, the Lenders may serve a notice upon the CEB ("**Suspension Notice**"), the effect of which shall be to suspend for sixty (60) Days from the date of the Suspension Notice, the effect of the CEB Termination Notice ("**Suspension Period**");

3.6 the Lenders shall have the right to serve a notice ("**Step-in Notice**") indicating their intention to step-in to the Project (i) during any Suspension Period or (ii) at any time where the Company is in default under the Financing Agreements and the Lenders require to step in to the Project or to appoint a third party operator to replace the Company in relation to the Project ("**Transferee**");

3.7 following the service by the Lenders of a Step-in Notice there shall be a Cure Period of one hundred and eighty (180) Days from the date of the Step-in Notice during which period any right of the CEB to terminate this Agreement shall be suspended ("**Cure Period**"). In the event of the Lenders assuming the obligations of the Company the Capacity Charge shall be payable during the Cure Period. The Cure Period may be extended by agreement of the parties. If, during the Cure Period, the Lenders do not assume the obligations of the Company under this Agreement, the CEB's obligations under this Agreement shall be similarly suspended. The CEB shall provide such information as is available to the CEB when reasonably requested by the Lenders to assist the Lenders to assess what steps may be necessary to cure the breach by the Company;

3.8 at any time during the Cure Period the Lenders may serve a notice to the CEB ("**Transfer Notice**") certifying that a Transferee has been selected to which the Project may be sold or leased, or to which may be granted rights to operate the Project and otherwise which is prepared to assume all the Company's rights and obligations under this Agreement;

3.9 no later than seven (7) Days prior to the end of the Cure Period the Lenders shall give notice to the CEB whether or not they wish to continue to exercise their rights of step-in or propose to serve a Transfer Notice, and:

3.9.1 if they do continue to exercise their rights of step-in or if they serve a Transfer Notice then the Lenders or the Transferee (as the case may be) shall assume all outstanding and continuing liabilities of the Company under this Agreement;

3.9.2 but if they do not then this Agreement and the Direct Agreement shall terminate forthwith at the earlier of (i) the date on which the Lenders give notice that there shall be no continuance of their step-in rights or requirement for an assignment and transfer to a Transferee, or (ii) the end of such Cure Period;

3.10 upon service to the CEB of a Transfer Notice, the Lenders shall obtain the consent of the CEB to the proposed Transferee stepping-in to the Project (which consent shall not be unreasonably withheld or delayed where the CEB is satisfied that such proposed Transferee has appropriate experience, expertise and financial backing) and, upon giving such consent, the CEB shall provide the Lenders with such reasonable assistance as is necessary to effect the prompt assignment and transfer to the Transferee of the Company's rights and obligations under this Agreement. If the CEB fails to reply within fourteen (14) Days to the request for consent, time shall cease to run under the Cure Period;

3.11 if the Lenders continue to exercise their rights of step-in after the Cure Period or the Project Agreements are transferred to a Transferee, the CEB's rights of termination under this Agreement shall be restored (except where breaches in respect of which such rights have arisen, have been cured) both with respect to earlier and continuing rights of termination from the earlier of (i) the date on which the Lenders give notice of continuance of their rights of step-in, (ii) the effective date of any transfer to a Transferee, and (iii) the expiry of the Cure Period;

3.12 the Company may assign for the benefit of the Lenders all of its rights in respect of the CEB Letters of Credit providing that the Lenders agree to exercise any rights thereunder on the same terms as agreed by the Company in Clause 8.9 of this Agreement;

3.13 the Lenders shall, to the extent that there are insurance proceeds payable under any policy of insurance set out in Clause 11.3.1(i) and (iv) after a Buy-Out, agree to assign

the rights to receive those insurance proceeds to the CEB to the extent that the Buy-Out price has not been reduced to take account of such proceeds;

3.14 following the service of a Buy-Out Notice, the CEB shall Buy-Out the Facility and the Company shall be obliged to transfer the Facility to the CEB at the Buy-Out Price in accordance with the terms and conditions of Clause 14 and Schedule 11 (Buy-Out);

3.15 the Direct Agreement shall automatically terminate on the earlier of the date of full repayment of the Senior Debt and the expiry of this Agreement, except where any obligations of the CEB under this Agreement are outstanding, and in such event, the Direct Agreement shall continue to be valid and effective until all such obligations are settled in full;

3.16 the CEB shall agree that:

(i) it shall not amend this Agreement, without the express written consent of the Lenders; and

(ii) it shall cause its independent legal counsel to provide a legal opinion in customary form acceptable to the Lenders, with respect to validity and enforceability of this Agreement and the Direct Agreement, as a Condition Precedent to the effectiveness of the Direct Agreement; and

3.17 the Direct Agreement shall be governed by the Laws of Sri Lanka and disputes not first amicably resolved shall be the subject of a dispute resolution procedure adopting the principles of Part 2 of Schedule 12 (Disputes Resolution Procedure).

SCHEDULE 4

CONTRACTORS AND ENGINEERS

PART 1 - LIST OF CONTRACTORS FOR TURNKEY CONTRACT

PART 2 - LIST OF O&M CONTRACTORS FOR OPERATION AND MAINTENANCE AGREEMENT

PART 3 - LIST OF ENGINEERS

PART 4 - QUALIFICATIONS OF TURNKEY CONTRACTORS

PART 5 - QUALIFICATIONS OF O&M CONTRACTORS

(DETAILS PROVIDED IN RESPRCT OF EACH ABOVE IN THE PROJECT PROPOSAL OF THE SUCCESSFUL PROJECT PROPONENT SHALL BE INSERTED HERE)

SCHEDULE 5

MINIMUM FUNCTIONAL SPECIFICATION

Acronyms

(not already defined in Schedule 1)

AC	Alternating Current
AVR	Automatic Voltage Regulator
BOP	Balance of Plant
CCGT	Combined Cycle Gas Turbine
CMMS	Computerised Maintenance/Asset Management System
CO	Carbon Monoxide
CO_2	Carbon Dioxide
CRT	Cathode Ray Tube
CT	Current Transformer
DC	Direct Current
DCS	Distributed Control System
DG	Diesel Generator
DPU	Distributed Processor Unit
GIS	Gas Insulated Switchgear
GT	Gas Turbine
HHV	Higher Heating Value
HP	High Pressure
HRSG	Heat Recovery Steam Generator
HVAC	Heating Ventilation and Air Conditioning
Hz	Hertz
I/O	Input/Output
ISO	International Standards Organisation
LHV	Lower Heating Value
LP	Low Pressure
MCC	Motor Control Centre
MCR	Maximum Continuous Rating
MSL	Mean Sea Level
NDT	Non Destructive Testing
NOx	Nitrogen Oxides
QA	Quality Assurance
PVC	Poly Vinyl Chloride
QC	Quality Control
RMS	Root Mean Square
RTD	Resistance Temperature Detector
RTU	Remote terminal unit
STG	Steam Turbine Generator
SCADA	Supervisory Control and Data Acquisition
SF_6	Sulphur Hexafluoride
SOx	Sulphur Oxides
UPS	Uninterrupted Power Supply
VESD	Very Early Smoke Detection
VT	Voltage Transformer

SCHEDULE 5 - MINIMUM FUNCTIONAL SPECIFICATION

5 Schedule 5 - Minimum Functional Specification

5.1 Introduction

This Schedule containing the Minimum Functional Specification for the Facility sets out the minimum technical requirements for the Facility.

The Facility shall comply with the requirements more specifically described below and the Facility must be fit for the purpose and enable the Company to comply with its obligations under the Project Agreements. The Company shall design, construct, complete and operate the Facility in accordance with:

- the Project Agreements;
- the requirements of this Schedule 5;
- Applicable Codes and Standards (internationally and locally acceptable for power plant);
- Prudent Utilities Practice;
- Good Design Engineering and Construction Practices;
- the Laws of Sri Lanka
- the Grid Code.

All design work, calculations, drawings and detailing shall use the SI system of measurement. Plant and equipment shall be coded and the same coding shall be used for the design, construction, distributed control system and manuals. All the drawings, manuals etc. shall be in English language.

The Contractor shall use designs, methods, technologies and techniques that are modern, reliable, well proven, safe and in accordance with modern CCGT power station industry practice. They shall produce a Facility with low operating costs and high reliability. The design shall provide appropriate redundancy of critical components and shall avoid unproven arrangements, untried materials, products and processes, or any other solutions with limited operational experience unless appropriate assurances are provided and clear advantage to CEB can be demonstrated.

The completed Facility shall, amongst others:

(i) be capable of reliable operation under reasonably foreseeable climatic and seismic conditions and under plausible load and fault combinations, and shall have fault ride through capability for transient events such as those due to starting loads, transient short circuit and internal and external fault conditions; have black start feature with necessary system connection upto next GSS.

(ii) be fully automated, involving minimum operator intervention for normal operation consistent with modern CCGT power station practice;

(iii) be ergonomically arranged and appointed to facilitate inspection, cleaning, maintenance and repairs, allowing as much as possible for inspection and maintenance of key elements to be undertaken without taking plant out of service;

(iv) on the basis that the Facility will be operated and maintained in accordance with Prudent Utility Practices it shall be durable with structures and plant, equipment and systems designed, procured and constructed to perform their intended functions for a minimum of thirty (30) Years;

(v) be designed and completed to minimise the risk of fire through use of non-combustible fire retardant materials and provision of adequate and appropriate fire detection and protection systems;

(vi) make provision for:
  (a) the health and safety of the public, the Company's employees and visitors;
  (b) the security of the Facility assets;
  (c) protection of the environment.

(vii) include features, architectural finishes and landscaping that presents a modern appearance in sympathy with its natural and cultural surroundings and its function;

(viii) all work for or in connection with the Facility shall be undertaken in accordance with:
  (a) Applicable Codes and Standards as set out in Paragraph 5.2.8 of this Schedule 5; and
  (b) quality assurance programmes using the International System of Units (SI).

5.2 General Requirements

5.2.1 Normal Site Ambient Conditions

The Facility shall be designed for operation at all reasonably foreseeable climatic and atmospheric conditions occurring at the Site. Normal ambient conditions are summarised as:

- Maximum Air Temperature 38^{o}C
- Minimum Air Temperature 16^{o}C
- Maximum Relative Humidity 100 percent
- Minimum Relative Humidity 70 percent
- Average Sea Water Temperature 30^{0}C
- Average annual rainfall 2395 mm
- Maximum 1hour rainfall 150 mm
- Design wind speed 45 m/s
- Grade level 2.00 MSL
- Isokeraunic number 70-90

The required performance of plant and equipment, and the required performance of the Facility as a whole in open cycle and/or combined cycle operation, shall refer to performance under the conditions prevailing at the Site. Power output in open cycle and combined cycle operation shall be guaranteed under Site conditions.

5.2.2 Design Life

All components comprised in the Facility shall be new when installed and shall be purchased from manufacturers with a proven track record and high level of

reliability. The Facility shall be shall be designed for an operating life on a combined cycle basis of at least twenty six (26) years from the Combined Cycle Operation Date. The Facility shall be designed to operate continuously in combined cycle mode on base load and intermediate load, but be capable of performing up to 200 starts per Year.The Facility also shall be designed to be capable of operating on shift basis.

The Facility is to be designed specifically for coastal environment and include due consideration of the effects of possible salt water cooling tower drift.

5.2.3 Proven Technology

Only proven technology shall be employed in the design and completion of the Facility. For this purpose, "proven technology" means technology which has been employed satisfactorily in similar plants powered by Liquid Fuel and Gas Fuel. Without limiting the generality of the foregoing, "proven technology" in the context of gas turbines shall mean plant with the same model/series of gas turbines fired with Liquid Fuel and Gas Fuel and identical emission control features. In addition, the main equipment utilised for the Facility shall meet the following experience requirements:

- Gas turbines and steam turbines shall be of the same design and employ identical materials and components as models that have operated satisfactorily for at least two years within last ten years without failure or deterioration.
- All other equipment such as HRSG, transformers, cooling system, control systems, etc. shall be of modern and proven design which can meet the requirements of performance, reliability and availability specified.

5.2.4 Plant Capacity and Configuration

The Facility shall comprise CCGT technology with one or two gas turbine/s and one steam turbine configuration and be capable of powered by Liquid Fuel and Gas Fuel as the primary Fuel. Gas turbine and steam turbine plant shall all be located indoors. The Company shall provide a Facility that shall achieve NDC_{OL}, NDC_{CL}, NDC_{ON}, NDC_{CN} as specified in the Schedule 1 of this Agreement.

5.2.5 Redundancy

The Facility shall be designed to include reasonable redundancy to minimise the number and effect of Forced Outages and ensure Target Availability is achieved.

The Facility will be so designed that loss of generation resulting from failure of any one gas turbine shall not exceed the output of that gas turbine plus its contribution to the steam turbine output.

The cooling water system shall be designed to operate satisfactorily with only 50% cooling water flow and one half of the condenser. Plant performance at 50% cooling water flow shall be declared.

Critical components, being those components necessary for reliable operation of the power train of the Facility at its rated power production and Target

Availability, shall be designed with adequate redundancy. Spare parts for critical components shall be maintained on site at all times.

5.2.6 Scope of Work

The scope of work shall include all necessary facilities, plant and equipment and auxiliary plant for the safe, reliable and efficient operation of the Facility and compliance with the requirements of the Project Agreements. This shall include facilities such as the Auxiliaries, site formation and drainage, foundations, cooling water system, Fuel reception, treatment, handling and storage systems, an earth mat, internal roads, hard standings, landscaping and site security installations.

As a minimum the scope of work shall also cover:

- Provide CEB with documents and drawings as required;
- Preparation of erection and construction documents;
- Preparation of testing, acceptance and Commissioning procedures and operation and maintenance instruction manuals;
- Implementation of total quality management and quality control activities in accordance with ISO-9001:2000;
- Preparation of detailed work schedules (including details of all delivery schedules in respect of plant, equipment and materials);
- Manpower planning, progress monitoring and details of key milestone activities and achievement of payment milestone dates;
- Submission of regular progress reports.
- Transmission related settings

Prior to the commencement of the construction period, the Company shall conduct its own investigation and studies in order to derive information and detail about the Project sufficient to, inter alia, obtain permits, secure financing and to effectively obtain sufficient guarantees and warranties from the contractors engaged by the Company to execute the work. The following studies shall be performed as a minimum:

- Technical aspects to meet the performance requirements;
- Economic aspects to assure performance at the optimum tariff;
- Cooling water intake and discharge locations;
- Environmental Impact Assessment study and other studies as required to obtain an Environmental Protection License and demonstrate compliance with it;
- Geotechnical Investigations;
- Fuel supplies;
- Studies to assure that the Facility is compatible with the existing CEB grid system, with particular respect to system stability, load flow and relay protection and to provide relay coordination (with Protection, Excitation, Governor and Synchronizer) details to CEB for validation;
- Transportation access;
- Other studies as required.

The scope of plant procurement for the Facility shall include:

- Gas turbines including generators (GTs), being of the heavy duty industrial type with same nominal rating and model number;
- Heat recovery steam generators (HRSGs) with by-pass dampers, by-pass stack, HRSG stack and auxiliaries; open cycle operation mode shall be possible during the Combined Cycle Operational Period;
- Steam turbine generator (STG) with auxiliaries;
- Transformers, switchgear and other electrical equipment for connecting to 220 kV CEB substation in compliance with the Grid Code;
- Electrical and instrument cabling and raceways;
- Indoor and outdoor lighting;
- Earthing system, lightning protection and cathodic protection;
- All pipework;
- Steam, feedwater and condensate systems including appropriate bypass systems to provide flexible operation, start-up and shutdown;
- Auxiliary steam system comprising boiler, deaerator and pumps to preheat HRSGs;
- Circulating water system with intake and discharge channels, screens, pumps cooling towers (if required) and auxiliaries;
- Silencers;
- Chemical dosing systems and chemical storage;
- Chlorination plant;
- Chemical storage;
- Fuel treatment, metering and storage system;
- Fuel system;
- Water treatment facility including storage tank and pumps;
- Demineralised water facility and demineralised water storage tank;
- Service water system;
- Compressed air system, instrument air and service air;
- Black start Diesel Generator;
- Fire fighting and detection systems;
- HVAC System;
- Control and instrument systems;
- Protection and metering systems;
- Communication systems;
- Online condition monitoring systems for generators, transformers and HV Cables;
- DC Systems;
- Stores;
- Civil and building works, all foundation works;
- Waste treatment and disposal works;
- Cranes and hoists as required for lifting of all heavy items;
- Spare parts and consumables for Commissioning, operation and maintenance;
- Special tools for erection, operation and maintenance;
- Test equipment calibrated and certified in accordance with test code requirements;

- Documentation;

The Company shall provide all necessary services for the efficient, reliable and safe operation of the Facility and compliance with the Project Agreements including:

- Maintain all required permits;
- Maintain all required insurance;
- Port handling and clearance;
- Receiving at site, unloading, and storage;
- Site handling, site office, construction facilities, and site management;
- Testing and inspection at manufacturer's works;
- Packaging and transportation;
- Complete erection and Commissioning;
- Performance testing and reliability run;
- Training of operating personnel;
- Quality Assurance/Quality Control programs;
- Operation and Maintenance including supply and maintaining CMMS;
- Transfer at the end of Term.

5.2.7 Documents to be provided to CEB

Further to the requirements of the PPA regarding delivery of documents to the CEB, the Company shall provide the CEB with English copies of all investigations, studies, manuals, test certificates, schematics, setting calculation, setting summary and operation & maintenance manuals.

5.2.8 Applicable Codes and Standards

Applicable Codes and Standards shall be those codes of practice, standards, guidelines and references that are: (i) pertinent, consistent and appropriate to the design, construction and/or testing of a particular element, or whole of, the Facility, as appropriate, and (ii) published by the following:

(i) International Standards Organisation (ISO);

(ii) Applicable organisations as listed in Table S-5.1;

(iii) Professional bodies from countries such as USA, France, UK, Germany and Japan whose codes and standards are recognised internationally, provided that the Company can demonstrate that such codes and standards are applicable, appropriate and equivalent to those published by the organisations listed under (i) and/or (ii) above;

(iv) Recognised professional bodies from Sri Lanka, provided that the Company can demonstrate that such codes and standards are applicable, appropriate, equivalent and no less stringent than those published by the organisations listed under (i), (ii) and (iii) above; and

(v) Rules, Codes and Regulations issued by PUCSL.

TABLE S-5.1: APPLICABLE ORGANISATIONS

ACI	American Concrete Institute
AGMA	American Gear Manufacturers Association
AISC	American Institute of Steel Construction
AISI	American Iron and Steel Institute
ANSI	American National Standard Institute
API	American Petroleum Institute
ASA	American Standards Association
ASCE	American Society of Civil Engineers
ASHRAE	American Society of Heating, Refrigeration, and Air Conditioning Engineers
ASME	American Society of Mechanical Engineers
ASTM	American Society for Testing and Materials
AWS	American Welding Society
AFBMA	Anti-friction Bearing Manufacturers Association
BS	British Standards
CRSI	Concrete Reinforcing Steel Institute
EJMA	Expansion Joint Manufacturing Association
HEI	Heat Exchanger Institute
ICEA	Insulated Cable Engineers Association
IEC	International Electrotechnical Commission
IEEE	Institute of Electrical and Electronics Engineers
ISA	Instrument Society of America
MBMA	Metal Building Manufacturers Association
NFPA	National Fire Protection Association
OSHA	Occupational Safety and Health Administration
PFI	Pipe Fabrication Institute
SSI	Scaffolding and Shoring Institute
SSPC	Steel Structures Painting Council
TEMA	Tubular Exchanger Manufacturers Association
UPC	Uniform Plumbing Code

To ensure compatibility of design and standardisation of the Facility, all civil works, plant, equipment and systems provided for each feature of the Facility shall be designed and completed in accordance with requirements from the same suite of relevant applicable codes and standards.

Other internationally recognised standards may be adopted, as required, where the applicable codes and standards do not apply.

The Applicable Codes and Standards will include all addenda in effect.

Where the Company proposes to use codes and standards not belonging to (i) or (ii) above, it shall submit copies of such codes and standards to the CEB and seek approval from the CEB for their use. The Company shall deliver to

the CEB one original copy of all standards and codes used in the testing of the Facility.

5.2.9 Health and Safety

The Facility shall be constructed, installed, commissioned, operated and maintained in full compliance with Prudent Utilities Practice, Good Design Engineering and Construction Practices and the Laws of Sri Lanka concerning work place safety standards and the protection of persons' health. The Facility shall be designed and operated to meet the Environmental Laws of Sri Lanka, Health and Safety Guidelines in effect at the date of this Agreement.

5.2.10 Environmental standards

The emissions or discharges from the Facility shall at all times comply with the terms of the Environmental Protection Licence and any requirements of the Sri Lanka Land Reclamation & Development Corporation, and shall in any event not exceed the levels provided under the Environmental Law. If, however, the Company is required by the Lenders to comply with more stringent environmental standards, such compliance, including any resulting additional costs, shall be the sole responsibility of the Company. Noise emission of the Facility shall comply with the requirement of the Environmental approval and shall otherwise not exceed the standards for ambient noise criteria or limits for industrial area provided under the Laws of Sri Lanka.

5.2.11 Hazardous Substances

The Company shall be responsible for the removal and disposal of toxic, hazardous and dangerous waste found at the Site in accordance with Clause 5.7 and, throughout the Operational Period, shall be responsible for the implementation of any special procedures or requirements for the safe and proper storage, handling and disposal of any such substances generated during the operation of the Facility, including fuels, oils, gases and chemicals and any by-products thereof.

5.3 Particular Technical Requirements

5.3.1 Gas Turbine

Each gas turbine shall include:

- a gas turbine,
- a generator,
- field excitation and voltage regulator system,
- generator transformer
- starting package,
- inlet air system,
- exhaust system including monitoring facility,
- electrical / control package,
- mechanical package,
- primary Fuel package,
- Gas Fuel System,
- permanently installed on-line or off-line compressor wash system,
- cooler assemblies,

- Fuel transfer system,
- evaporative cooler and water injection assemblies as required
- NOx reduction system
- Generator and Auxiliary protection system, and
- any other system as required

(i) Gas Turbine

The gas turbine shall be a heavy duty industrial type prime mover suitable for dual fuel operation (Liquid Fuel & Gas Fuel). Turbines shall be equipped with alignment compensation system, vibration and NOx emission monitoring system.

The Generating Set shall be capable of rapid starting and withstanding repeated full load rejection. The starting system shall be capable of bringing the turbine up through the starting cycle to self-sustaining speed. Starting shall be by means of an electric motor or the manufacturer's standard proven method. The Company shall supply the necessary transformers, switchgear, and controls to power the starting motor from a point in parallel to the supply to the Generating Set auxiliary transformers.

(ii) Inlet Air System

The gas turbine shall have its own air intake system by which air is taken from the atmosphere (with due considerations given for local atmospheric contamination) to the inlet of the turbine compressor.

The air intake system shall be well elevated above ground level and shall be Static Filter type.

(iii) Generator

The generator shall be capable of matching the gas turbine power output over the entire normal Site ambient temperature range, when operating with generator and exciter windings of class F type, but having a temperature rise not exceeding that of class B under any operating conditions.

The frequency of the system is nominally 50Hz and is controlled within the limit of 49.5 Hz and 50.5 Hz unless abnormal condition prevailed. Under the abnormal condition the system frequency fall or rise for system condition specified in the following table S 5.2. The generator shall be capable of supplying their rated power within plus or minus ten percent ($^{+}$/$_{-}$10%) of normal rated voltages within the power factor range of 0.8 lagging and 0.95 leading. The generator shall be able to operate at any point within the generator capability curve.

Table S 5.2 Frequency variation Capability

Frequency (Hz)	Duration
50.5 – 52.0	60 minutes
49.5 – 50.5	Continuous
47.5 – 49.5	60 minutes
47.0 – 47.5	30 seconds

The generator shall be equipped with integral lube oil and coolant piping, necessary instrumentation with current transformers, neutral bus and enclosure, auxiliaries controls and enclosure, surge protection and potential transformer cubicle. The design shall use shaft-mounted axial blowers for circulating air through the generator.

The generator terminal voltage shall be as per manufacturer's standard design. The generator winding shall be star connected to earth through an earthing transformer, the secondary of which would be connected to an earthing resistor. The generator field excitation shall be either static or brushless type. The generator shall be complete with excitation control and associated accessories.

(iv) Electrical / Control System

The local electrical/control system shall contain equipment necessary for sequencing, control and monitoring of the turbine and generator. The microprocessor-based system shall interface with the central control room DCS, and monitor and operate the GT as an integral part of the overall combined cycle Facility. Also included shall be motor control centres, generator protective relay panel, voltage regulator, fire protection control system, batteries and battery charger. The batteries shall be in an isolated section of the package and are readily accessible for maintenance.

(v) Mechanical System

The mechanical system shall include a common lubrication oil system for the gas turbine and generator.

A compressor wash system shall be provided for both on-line and off-line compressor cleaning to remove dirt, oil mist, salts or other contaminants from the compressor blades. The system shall be capable of injecting a cleaning compound into the compressor inlet while the Generating Set is running off load. This package shall accommodate the pump, adapter for detergent injection, piping, valves, orifices and storage tanks.

5.3.2 Heat Recovery Steam Generator and Stacks

Heat Recovery Steam Generator and Stacks shall include;

- Bypass Stack and Damper
- HRSG
- HRSG Stack

(i) Bypass Stack and Damper

Exhaust gas from the gas turbine will enter the HRSG, through horizontal ducting connected to the turbine exhaust transition piece. A bypass stage, with damper, shall be provided for use when the gas turbine operates in open cycle mode.

Bypass stack and damper shall include:

- stack, tall enough to meet the Environmental Requirements, with sections of silencer, and emission monitoring system,
- internally insulated and lagged ductwork,

- access platforms, stairways and ladders,
- air navigation warning lights, if required
- lightning protection,
- exhaust gas ducting from the gas turbine exhaust flange expansion joint to the diverter damper,
- diverter damper assembly with mechanisms to modulate its position (the diverter will serve as both the HRSG bypass and inlet isolation damper), and
- a blanking plate to be used during maintenance periods, when individuals may be inside the HRSG gas path (the blanking plate is intended to be inserted in the diverter damper box outlet to the HRSG by unbolting the expansion joint, inserting the plate, and bolting it to the damper box).

(ii) HRSG

The HRSG unit shall include:

- high pressure (HP) superheater, evaporator and economizer,
- low pressure (LP) superheater, evaporator and economizer,
- HP steam drum and LP steam drum,
- separate deaerator to deaerate the full condensate flow,
- HRSG casing with internal insulation,
- HRSG inlet duct with internal insulation and stainless steel liner,
- expansion joint at the inlet duct,
- HRSG trim piping, valves and fittings, plus required supports and hangers,
- interconnecting piping between heat transfer sections,
- structural steel for support of the modules and ductwork,
- solid control and blowdown system, and
- microprocessor based distributed control system (DCS) to monitor and operate the HRSG as an integral part of the Facility including interface with the central control room.

All tube bundles shall be designed to allow unrestrained expansion during thermal transients. Internal insulation will be so sized as to assure that the outer casing remains cool. Vertical and horizontal thermal expansion shall occur unimpeded or be accommodated by expansion joints.

Access for inspection and maintenance of the HRSG gas path shall be provided by suitably located horizontal hinged access doors in the ductwork and casings. The HRSG and supporting systems shall be designed to ensure that the stack temperature does not fall below the acid dew point under normal operating condition and all materials shall be entirely suitable for operation with the Fuel specified in the Project Agreements for use in the Facility.

All external surfaces shall be formed to rapidly drain all rainwater. All surfaces to the economizers shall be fully drainable. Easy maintenance of the steam generator, stacks and dampers shall be provided by a system of walkways, platforms, ladders, and stairs.

(iii) HRSG Stack

Exhaust gases leaving the steam generator shall be directed to the HRSG stack, with sufficient height to meet the requirement of Environment Protection Licence. The HRSG stack shall include:

- stack, tall enough to meet the Environmental Requirements, with sections of silencer, and emission monitoring system;
- internally insulated and lagged ductwork;
- access platforms, stairways and ladders;
- air navigation warning lights, if required;
- lightning protection; and
- stack shall be drainable from a low point.

5.3.3 Steam Turbine Generator

The Generating Set shall include:

- a steam turbine,
- a generator complete with field excitation system,
- a mechanical package and STG controls as required with monitoring and operation an integral part of the overall combined cycle Facility DCS from the central control room.

(i) Steam Turbine

A single steam turbine shall be offered, which shall be capable to accommodate the total output of all HRSG's. Full turbine steam flow bypass system to the condenser shall be provided. The steam turbine shall have at least HP and LP sections, including:

- speed governor and turning gear,
- lubrication pumps,
- exhaust hood spray system,
- main steam stop valve,
- main steam governor valves,
- control and stop valves,
- steam and oil piping,
- lube oil tanks,
- special tools,
- controls, protective devices, instrumentation and their related piping and wiring.
- Electrical Protection System

(ii) Generator

The generator shall be capable of matching the steam turbine power output over the entire normal Site ambient temperature range, when operating with generator and exciter windings of class F type, but having a temperature rise not exceeding that of class B under any operating conditions.

The frequency of the system is nominally 50Hz and is controlled within the limit of 49.5 Hz and 50.5 Hz unless abnormal condition prevailed. Under the abnormal condition the system frequency fall or rise for system

condition specified in the following table S 5.2. The generator shall be capable of supplying their rated power within plus or minus ten percent ($^{+}$/$_{-}$10%) of normal rated voltages within the power factor range of 0.85 lagging and 0.95 leading . The generator shall be able to operate at any point within the generator capability curve.

Table S 5.2 Frequency variation Capability

Frequency (Hz)	Duration
50.5 – 52.0	60 minutes
49.5 – 50.5	Continues
47.5 – 49.5	60 minutes
47.0 – 47.5	30 seconds

The generator shall be equipped with integral lube oil and coolant piping, necessary instrumentation with current transformers, neutral bus and enclosure, auxiliaries controls and enclosure, surge protection and potential transformer cubicle. The design shall use shaft-mounted axial blowers for circulating air through the generator.

The generator terminal voltage shall be as per manufacturer's standard design. The generator winding shall be star connected to earth through an earthing transformer, the secondary of which would be connected to an earthing resistor. The generator field excitation shall be either static or brushless type. The generator shall be complete with excitation control and associated accessories.

(iii) Mechanical System

The mechanical system shall include the combined lubrication and control oil system on a common skid. A separate oil storage tank shall also be included.

5.3.4 Condensate and Feedwater System

The condensate and feed water system shall include:

- condenser and auxiliaries,
- condensate pumps,
- gland steam condenser,
- boiler feed water pumps,
- boiler drum level control valves,
- systems to feed corrosion-minimising and scale-reduction chemicals (e.g. amine, oxygen scavengers, and phosphate), and
- all interconnecting piping and valves.

A surface condenser with titanium tubes shall be provided complete with water boxes, air removal system, tube ball cleaning system and auxiliaries.

The condensate pumping system shall provide 100% capacity with one pump out of service.

HP boiler feed pumping system shall provide 100% capacity with one pump out of service. The pumps shall be of the horizontal split case design, with mechanical shaft seals and seal water coolers, and hydraulically balanced.

5.3.5 Cooling Water System

The cooling system shall be a mechanical draft cooling tower system using sea water. The cooling water system shall be designed to return all cooling water or blow down water to the sea within the allowable temperature rise and chemical concentration limits.

The capacity of the condensing and cooling system shall allow power plant operation in full steam by-pass mode.

A chlorination plant shall be provided to chlorinate seawater used for cooling or makeup purposes to prevent growth of marine organisms in the intake pipe, condenser, cooling tower and associated equipment.

Cooling water pipework material shall be fibreglass reinforced plastic or any other suitable material. Cooling water pump impellers and shafts shall be in 316 type stainless steel.

Mechanical and electrical works shall include 3x50% or 2X100% duty cooling water pumps, valves, piping, switchgear, cabling, instrumentation, screens including washing facilities and pump house crane.

Multi-cell mechanical draft cooling towers shall be provided with a common reinforced concrete water basin and pump house constructed on piled foundations on the power plant site. The scope of work shall also include marine intake and discharge facilities, screen pump pit, pump house, and piping to and from the cooling towers. Mechanical and electrical works shall include 3x50% or 2X100% duty cooling and make-up water pumps, fan assemblies, valves, piping, switchgear, cabling, instrumentation, screens including washing facilities, pump house cranes and firefighting facilities.

The cooling tower drift shall be limited to not more than 0.001% of the circulating water flow. Cooling tower location and orientation shall be such that any drift or plume from it does not adversely impact the equipment and facilities surrounding it.

5.3.6 Service Water System

The Company shall design the service water system to meet the water quality requirements for water supplies for the Facility's auxiliary systems including service water, fire water, auxiliary (closed) cooling water and as feed for the demineralised water system. It is the responsibility of the Company to arrange for seawater to be desalinated and have on site storage of service water sufficient for not less than three (3) Days continuous operation of the Facility at full load. The Company shall design the treatment system to meet the water quality criteria of all such water supplies and provide sufficient 2x100% capacity pumping systems with adequate storage capacity for the different water usage requirements.

5.3.7 Demineralised Water System

The Company shall process the desalinated and pre-treated water to produce water quality required for water make-up of the HRSGs in accordance with the requirements of the HRSG supplier. The demineralised water system shall have a minimum twenty four hour storage capacity of the make-up demineralised water requirement of the HRSGs. The system shall be provided

with bulk chemical storage tanks, two 100% capacity bulk chemical transfer pumps, day tanks, and two 100% capacity chemical metering pumps. The demineraliser system shall have two 100% capacity trains. The system shall be designed for automatic operation with the DCS.

5.3.8 Wastewater System

The Company shall design the Facility wastewater system to meet the Environmental Requirements and the Laws of Sri Lanka. The site waste water system shall be segregated into uncontaminated rainwater, rainwater contaminated with oil, process effluents and sewage. Treated water shall be discharged to the circulating or blow down water discharge pipe or culvert to the sea. The Company shall treat the oily waste, chemical waste, pre-treatment wastewater and demineraliser process wastewater. The system shall also be designed to treat periodic waste such as HRSG chemical cleaning waste and compressor water washes. The system shall be designed with redundant pumping system and automatic control system. The final combined effluent shall be continuously monitored for temperature, pH and oil and contaminated rainwater shall be continuously monitored for oil.

5.3.9 Fire Protection System

All fire protection and suppression systems and equipment shall be designed, manufactured, installed, inspected, and tested in accordance with National Fire Protection Agency (NFPA) Standard 850, “Fire Protection for Electric Generating Facilities and the relevant standards of Sri Lanka”. The fire protection system shall be subject to final approval by the fire insurance underwriters and the Fire Protection authorities of Sri Lanka. Fuel storage tanks shall be designed and constructed in accordance with NFPA 30, “Flammable and Combustible Liquids Code”.

The fire protection and suppression system shall be supplied complete with dedicated water supply, multiple fire pumps, pump controls, all associated piping, fittings, sprinklers, supports, valves, switches, detection equipment, hoses, alarms, and portable extinguishers. Fire suppression media will include as a minimum, water, CO2, foam, and portable apparatus. The use of Halon is prohibited.

The dedicated water supply shall be based on the requirement to provide a reliable water source with a minimum two hour supply capable of meeting full demand and replenishable per NFPA guidelines. Tank(s) supplied shall be permanently installed. If utilised, dual purpose water supplies shall be designed to ensure a dedicated two hour supply at full demand.

Multiple fire pumps that are not subject to common electrical or mechanical failure shall be provided, each of which shall be capable of meeting full flow requirements. Pumps shall be automatic starting with manual shutdown and will include all controls and remote alarm capability. A jockey pump for maintenance of fire main pressure shall be provided.

A properly sized underground fire main shall be looped around the main power block including Fuel storage, gas turbines, HRSG, steam turbine, cooling towers (if used) and step-up transformer area. Strategically located hydrants shall be provided complete with control and isolation valves, hydrant hose

houses, hose stations, host station equipment, standpipe, deluge, sprinkler, and hydrant connections, etc.

An automatic sprinkler system complete with detection, control and alarm decides shall be provided for cooling towers, offices, bathrooms, locker rooms, maintenance shops and warehouses.

A deluge system shall be provided for oil filled transformers and turbine lube oil systems.

Separate dedicated gas suppression systems shall be provided for the gas turbines, all rooms where electrical switchgear, relaying, control equipment, and batteries are installed.

The main control room shall be provided with VESD fire detection systems and portable fire extinguishers. Portable fire extinguishers shall also be provided and located in appropriate Facility areas.

5.3.10 Fuel Supplies

(i) Liquid Fuel supply

In the event that the Company elects to enter into the LFSA with CPC, the Facility shall be supplied with Liquid Fuel through a pipeline connecting it to CPC's Kerawalapitiya tank farm or road tankers.

The Company shall be solely responsible for receiving, metering, piping, pumping and storing Liquid Fuel at the Site, and for any filtering, treatment or conditioning of Liquid Fuel required for use in the Facility. Centrifuging, filtering and bypass equipment, to treat the incoming oil in accordance with the gas turbine manufacturer's recommendations shall be provided. The system shall include a calibrated storage tank to keep and measure the sludge removed from the Liquid Fuel.

Liquid Fuel storage tanks shall be constructed in accordance with the requirements of NFPA 30 flammable and combustible liquid codes or the equivalent codes of Sri Lanka. Due to the low flash point temperature, the system shall be designed to meet the explosion-proof requirements of US NEC Code Class I, Group D.

All tanks shall be coated with durable finishes in order to protect them, without need of reapplying these finishes for a period of twenty (20) Years. All tanks shall be closed at the top and have suitable safety devices, drains, vents, and access ports. Spill containment basins sized for 110% of the capacity of the largest tank and monitors to detect fires (when applicable) or large spills shall be provided. Basins shall be coated with materials suitable for the liquids they will contain.

A truck terminal with facilities to unload several Liquid Fuel tanker trucks simultaneously shall be provided in the event that the Liquid Fuel delivery pipeline is not available to ensure normal Liquid Fuel deliveries can be received. The road tanker unloading area shall be bunded by ramps to prevent spillage and rainwater discharging from the area. The area shall be drained to oil interceptors capable of handling spillage of one full tanker load

(ii) Gas Fuel supply

Supplies of Gas Fuel may become available at some time in the future. Pressure and temperature of Gas Fuel supply as indicated below. Gas Fuel supply pressure at the Facility terminal point will be in the range fourty (40) bars to sixty five (65) bars and that of temperature will be around five degree (5^0) Celcius once the Gas Fuel supply is made available.

The Company shall in their site install:

(a) Gas Fuel pipeline connection from Gas Fuel supply pipeline at the terminal point, which is expected to be at the Facility boundary,
(b) a metering installation,
(c) a Gas Fuel compressor installation/Gas Fuel pressure regulating system (if required based on the Gas Fuel supply pressure at plant boundary), with its auxiliary equipment and interconnecting piping, and
(d) treatment skid to ensure that Gas Fuel is supplied to the turbine in a suitable condition to meet the machine requirements.

5.3.11 Electrical System

The Company shall design, fabricate, deliver, install, test and perform Commissioning of all electrical systems and equipment required to support a fully operational power station. The equipment shall include generator step up transformers, Generating Set auxiliary transformers, medium voltage switchgear, low voltage switchgear, motor control centres, panel boards, DC distribution system, UPS equipment, lighting, communication, lightning protection and grounding system.

The Company shall provide 220 kV power transmission cables and medium voltage synchronising circuit breakers**,** including all associated equipment, to connect the Facility from the generator step-up transformers to the Interconnection Point. The location of the GIS Substation is shown in Annex 1 to this Schedule 5, which also contains an electrical single line diagram showing the Interconnection Point. Up to two 220 kV generator transformer bays are available.

The Company shall supply, install, connect, test and commission the interconnecting cables. Work in the vicinity of and within the GIS (and any outages required to undertake the work) shall be co-ordinated with CEB in accordance with the terms of this Agreement.

The Facility shall be interconnected to Generator Bays at the Kerawalapitiya CEBGIS.

5.3.12 The CEB System Technical Limits

The Company shall install equipment at the Facility that conforms to the following criteria as stipulated in Grid Code:

- Nominal rated voltage 220kV
- Normal operating voltage range 198 to 242 kV
- Nominal frequency 50Hz
- Normal operating frequency range ± 1 percent

- Max. short-circuit current 40 kA for 1 second
- Phase to earth clearance 2200 mm
- Phase to phase clearance 2400 mm
- Section clearance 5000 mm
- Insulation levels 245 kV;
- Power frequency withstand 460 kV (rms.)
- Impulse withstand 1050 kV (peak)
- Unified Specific Creepage distance 53.7 mm/kV

Fault detection and clearing times at 220kV:

- Primary protective relays 160 milliseconds
- Back-up protective relays 240 milliseconds
- Breaker failure system 400 milliseconds
- On-line stability limit 250 milliseconds

Fault current in-feeds from the Facility to the CEB System at the Interconnection Point, shall be no greater than 3 kA rms break (including generator and motor contributions). The total fault levels at the Interconnection Point will not exceed 40 kA for one (1) second rms break.

The Facility shall be designed to accommodate the following short term variations at the Interconnection Point as stipulated in Grid Code:

- Voltage with in 185kV to 245kV
- Frequency with in 47.5 Hz to 52.5 Hz

In the case of 2+1 configuration one GT and the ST shall be connected to one CEB GIS bay and the other GT shall be connected to the other CEB GIS bay. In the case of 1+1 configuration GT and ST shall be separately connected to the two bays.

The facility shall be designed to accommodate 245 kV to 185 kV (for up to 5 seconds) short term voltage variations at the interconnection Point.

5.3.13 Transformers

Each generator shall be connected to the CEB substation through its respective and dedicated generator step-up transformer with on load tap changer. All transformer protection design shall be co-ordinated with the CEB.

The generator step-up transformer shall be rated to convert all of the generator's electrical output (including rated overload conditions) to 220 kV. Any generator transformer shall not be shared by more than one generator.

The high voltage connection shall be by a short overhead/cable line to the disconnector structure adjacent to the generator transformer. On the low voltage side, the generator step-up transformer shall be connected by bus duct to the generator auxiliary compartments. The generator auxiliary compartments shall accommodate the generator circuit breaker, current transformers, potential transformers, lightning arrestors and surge capacitors.

A Generating Set transformer shall step down generator voltage to medium voltage and shall be sized to adequately provide for electrical auxiliaries requirements of the power Facility. The transformer secondary shall supply medium voltage switchgear with breakers to feed large size motors, such as

for condensate pumps, boiler feed pumps, etc. and service transformers for low voltage switchboard and/or motor control centres.

Unit auxiliary transformers shall be fed from the medium voltage switchgear. For catering to the low voltage loads, an adequate number of unit auxiliary transformers shall be provided.

5.3.14 Switchgear and Motor Control Centres

The medium voltage system shall be non-effectively earthed, i.e. the neutral is earthed through a high resistance to limit the fault current to a low value and shall be rated for a 3 phase fault level of 40 kA. The medium voltage switchgear shall have circuit breakers with interrupting medium such as SF6 or vacuum with full draw-out construction. The medium voltage incoming and outgoing feeders shall be provided with necessary protections and metering equipment.

The low voltage system shall be effectively earthed and should be rated for 3 phase fault level of 40 kA. The low voltage switchgear shall have air circuit breakers for incomers and bus couplers. The outgoing feeders shall be with switches, fuses and contactors/thermal overload relays in case of motor feeders. The low voltage switchgear shall be of the full draw-out type.

5.3.15 Electric Motors

400V voltage and medium voltage (around 6.6kV) electrical drives shall be 3 phase, 50 Hertz, squirrel cage induction motors.Motors shall be of high power factor (at least 0.88 for large motors), Class F insulation for medium voltage motors and Class B insulation for low voltage motors, IP55 enclosure class designed for direct-on-line starting with as low starting current as possible. Starting current for boiler feed pumps, induced draft fans, forced draft fans and CW pumps shall not exceed six (6) times (with no positive tolerance) the full load current.

Motor rating shall be at least 1.15 times the consumption at the duty point of the driven equipment and motors shall be capable of starting and accelerating to full speed at eighty percent (80%) of the nominal voltage.

5.3.16 Electrical Interconnection and Protection

The point of interconnection between the Facility and the CEB System (the "**Interconnection Point**") will be the 220 kV GIS bay to be provided by CEB at the GIS Sub-station as shown in Annex 1 to Schedule 5.

The "Interconnection Point" shall be the interface of the 220 kV cables from the generator transformer with the terminals of the respective generator transformer bay of the GIS substation. The Main and Check metering provided by the company shall be mounted in a panel located in the GIS substation building and shall interface with the metering transformers at terminals in the GIS control and protection panels. One set of multi-function energy meters shall be provided for each generator transformer connection. Synchronizing of the Facility to the CEB system shall not be at the CEB circuit breaker but shall be at the Company circuit breaker.

Control and protection interfaces with the outgoing 220 kV switchgear will be made available by the CEB. A complete and comprehensive protection system for the generators, generator transformers, service transformers and the station electrical distribution system shall be provided by the Company. The Company and the CEB will liaise to ensure that the electrical interface protection conforms to the CEB System Grid Code.

Protocols for such protection procedures and the procedure for setting the protection relays shall be included in the preliminary design of the Interconnection Facilities. The CEB will provide reasonable assistance in the testing and trip verification of the protection and inter-tripping schemes, but the Company shall be responsible for the installation, Commissioning, and scheme testing and interfacing to the Kerawalapitiya GIS.

As a minimum, the following shall be provided:

(a)	Cable Protection:	Main 1: Differential protection with back up distance function at either end with fiber optic communication Main 2: Main 2 protection relay shall be similar to Main 1 protection relay but from a different manufacturer. Backup directional over current /earth fault protection and non-directional over current /earth fault protection shall be in-built to both Main 1 and Main 2.
(b)	Transformer Protection:	Differential protection; Restricted earth fault protection, Backup earth fault/over current protection.
(c)	Breaker Failure Protection	Breaker failure inter-trip shall be sent via both Main 1 and Main 2 differential protection relays to either ends.

The Company shall indicate main trips and alarms at the Facility in the GIS control room.

220 kV cables within the generator transformer differential zone shall be protected by transformer protection.

Electrical protection proposed for various equipment of the Facility shall be per applicable standards and manufacturer's recommendations.

The Electrical Protection shall be co-ordinated to ensure that, in the case of external faults on the CEB system, the generators shall withstand the fault and not trip for at least one (1) second. If the external fault is not cleared by the CEB system within one (1) second, the generator shall then isolate from the CEB system, and remain at "Full Speed No Load" available for immediate reconnection and loading once the fault is cleared.

The operating characteristics of the back-up protection shall be "Inverse Definite Minimum Time" and the operating time shall be 0.8 seconds for the maximum anticipated fault current.

5.3.17 Power and Control Cables

Power cables (AC and DC) shall be stranded, insulated, screened, armoured and sheathed. Cable sizes shall be determined on basis of derating factor of around 0.5 for ambient/ground temperature, grouping, proximity of cables, voltage drops during start-up or on basis of short circuit current capacity of 0.25 second duration, whichever is larger. Medium voltage cables shall be suitable for unearthed system and 400 volt cables shall be suitable for earthed system. Cables for medium voltage motors and transformers shall be sized for continuous current capacity and voltage drop consideration.
All control cables shall be 1000 volt grade, multi-core, stranded, copper conductor, PVC insulated PVC sheathed. Size and armour of the cable shall be selected appropriately, as per wiring regulations.

Cables connecting electronic instrumentation and sensors to the DCS or SCADA RTU shall be single screened twisted pair, or multi-core cable with individually screened twisted pairs, having tinned copper conductors of 0.5 mm^2 minimum conductor size, rated at a minimum of 300 volt insulation. They shall have PVC insulation with aluminium foil overall shielding, Mylar tape separators with shield drain wire, extruded PVC inner sheath, galvanised steel wire armoured layer and overall PVC jacket.

Special cables shall be used wherever so required for special applications.

5.3.18 Grounding and Lightning Protection

The system grounding envisages generator neutral earthing through grounding transformer with secondary resistance, medium voltage system (11kV, 6kV) through resistance and 400 volt system to be solidly grounded.

Separate ground grid of the Facility shall be provided for grounding of equipment and structures for maintaining step and touch potentials within the safe limits. The grounding grid for the power station shall be interfaced with GIS Substation grounding grid.

Lightning protection for building/structures/equipment shall be provided.

5.3.19 Lighting

Lighting systems shall be supplied with 230 volt AC for normal lighting and 220 volt DC for emergency lighting. Normal AC lighting shall be from 400 AC, 3 phase, 4 wire supply through lighting transformers. At least 10% of the normal lighting fixtures shall be connected from the emergency lighting distribution board for automatic changeover.

Illumination levels at various places shall be according to international practice. Basically indoor illumination shall be by fixtures with fluorescent lamps. Luminaries with high intensive discharge lamps shall be used in high bay areas like the turbine hall and for outdoor illumination.

5.3.20 Communication Systems

CEB will provide communications channels via fiber optic (FO) cable from GIS Substation to link the Facility with the CEB communication network for

provision of Voice, SCADA, protection signalling and other data transmission services.

(i) Facility Requirement

(a) UG Fiber Optic Cable from facility to GIS and the Patch Panels

The communication interface will be an underground Fiber Optic cable that connects the Facility with the CEB communication network. The UG Fiber Optic cable shall contain 24 numbers of single mode fiber cores suitable for transmission of 1310 nm and 1550 nm optical wavelengths and they shall in conformity with ITU-T recommendations G.652.D.

A suitable distribution frame/patch panels with single mode pig tail (FC) terminations shall be installed at two ends of FO cable. The FO cable shall be terminated at the patch panel.

(b) Connection of Facility to the existing CEB communication network

An underground Fiber Optic cable shall be drawn from the Facility to the Kerawalapitiya GSS. Suitable patch panels shall be installed at the Facility and at the Kerawalapitiya GSS for terminating the FO cable. Necessary splicing and end to end testing of the FO cable shall be carried out.

(ii) Communication Equipment and SCADA gateways/RTUs

The Facility shall be provided with effective and reliable communication with following services in order to extend the existing CEB communication facilities to the Facility.

- Hot line and Administrative Telephone Systems
- Supervisory Control and Data Acquisition (SCADA) System
- Tele-protection signalling facilities
- GB Ethernet networking facilities

(a) Optical Fiber Communication System

The optical fiber communication system shall be established, between Facility and the CEB GIS.

The optical fiber communication system shall be designed for a single mode fiber optic transmission system in compliance with International Telecommunications Union (ITU) recommendations for SDH digital bit rate hierarchy of 155 Mb/s (STM-1) and 622 Mb/s (STM-4). Each fiber optic link shall comprise of two number of single mode 24 core ITU-T-652D compliant all dielectric Underground Fibre cables terminated using FC/PC Patch Panels at each end. The wave length of the light shall be 1310nm or 1550nm. Approach cable shall be provided wherever necessary.

The design of the UG fiber optic cable and all related accessories shall be approved by the CEB.

Further, the proposed Communication System for the Facility and the CEB GIS shall fulfil below requirements.

System Configuration

Configuration of the proposed fiber optic communication system shall be possible to cater below services.

- Data and signal transmission for SCADA system
- Voice communication for operational and administrative purposes
- Protection signal transmission
- Ethernet data transmission

System Components

The equipment and materials to be supplied under this Sub-Clause shall include, but not be limited to, the following:

1. One Fiber Optic Multiplexer (SDH+PDH) at the Facility
    - 02 nos. of Power Supply (Main and standby)
    - 02 nos. CPU (Main and standby)
    - 02 nos. of Optical interface modules having interfaces for CEB GIS and one extra interface for future
    - 04 numbers of Serial data interfaces (V.24, V.28)
    - 08 nos. of FXS ports with standard external surge protection circuitry
    - Tele-protection interfaces - as required by protection branch
    - 01 no of module with minimum 04 numbers of Ethernet ports with L2- switching, also configurable for VLAN and L3- routing facility (10/100 Mbps) for IEC 104 SCADA application
    - Module/s with minimum 16 numbers of Ethernet ports with L2 Switching and VLAN facility (100/1000 Base T) and minimum 04 nos. 1 GbE - 10 GbE, SFP based ports for other IT applications
    - The fiber optic multiplexer shall be compatible with the existing fiber optic multiplexers at CEB GIS for communication of voice, data and tele-protection signals and shall be integrated with the existing Network Management System (NMS) for remote configuration and monitoring. The fiber optic multiplexer shall be powered up by DC 48 V, positive grounded supply.
    - Fiber optic multiplexer shall be maintained in healthy condition in order to ensure disturbance free data and voice communication for system control purposes. CEB will provide assistance for maintenance of the fiber optic multiplexer after Commissioning the link
2. Two nos. of patch panels shall be provided in the communication/control room of the Facility for termination of two underground FO cables drawn from CEB GIS.
3. Tele-protection interface modules (as required by protection branch) shall be provided for the existing Fiber Optic

Multiplexer (of Type FOX 615 by ABB Switzerland) at CEB GIS.

4. Two number of patch panels shall be provided in communication room of the CEB GIS building for termination of two underground FO cables drawn from Facility

5. Other Accessories:
   - Patch Cords
   - Cable Splicing Box.

The design of the Fiber Optic Multiplexer and all related accessories shall to approved by the CEB.

(b) SCADA Gateway

At Facility

All the signals relevant to the Power Plant shall be made available as per the IEC 60870 – 5 – 104 protocol for integration and configuration to the National System Control Center (NSCC) SCADA System through the gateways with 1:1hot redundancy.
Configuration of NSCC SCADA Master Station for integration of the signals shall be done by the CEB. The integrated signals shall be tested up to the NSCC by the Company with CEB.

At CEB GIS

All the signals related to Power Plant feeders shall be configured and tested from the existing Gateway at CEB GIS. Required license upgrading, software and Hardware modifications shall be done by the Company. Existing signals before the modification of the Gateway shall be available after the modification and they shall be tested and verified with the NSCC. Final configuration of Database, Project file and Gateway backup (Acronis true image) file, any Software upgradation required for the modification work and that software version shall be provided with the license in the form of a Portable external hard disk to the CEB.
Revised Single Line Diagram(SLD) of the “Kerawalapitiya LNG2 power plant ” shall be submitted to the National System Control Centre(NSCC) to provide nomenclatures before finalizing the design stage. The relevant signal list, gateway configuration parameter list and communication path configuration parameter list will be submitted at the design stage as per the finalized SLD.

5.3.21 Black Start / Emergency Power Supply

The Facility shall be provided with black start Diesel Generator(s) (DG) of adequate capacity to be able to take care of the start-up of the Facility during black-out conditions. DG set shall also be provided as a reliable source of power supply to important equipment to enable safe shutdown of the Facility in the event of failure of complete AC supply in the station.

5.3.22 Control System

(i) General

The Facility shall be provided with a central on-site control room so that the Company can control the generators and perform switching and load dispatch duties. The Facility shall have a microprocessor-based distributed control system (DCS). The Facility design shall include a microprocessor based distributed control system for interface with the gas turbine, steam turbine, HRSG, and BOP equipment including interface with proprietary control systems as supplied by the manufacturer.

The DCS shall include provision for interfacing with an off-site communications facility for dispatching, monitoring, and control of the facility. The DCS shall include a facility to retain a log of the entire plant operating history within the DCS for a minimum period of seven (7) Days. It shall be possible to for this log to be downloaded to a suitable digital storage media for long term storage. A trend facility shall also be provided including the ability to export operating data in digital format.

(ii) Control System Environment

The Facility shall include suitable forms of environmental protection to allow mounting of control system components in the environment as defined herein. Modules shall be electromagnetically shielded. The control room shall be air conditioned, but control room equipment shall function normally if the air conditioning system fails.

(iii) Control Philosophy

The control, monitoring and alarm functions of the DCS shall reside in the distributed processor unit (DPU), which consist of self diagnostic, redundant microprocessors with redundant power supply modules interconnected via redundant data highway. The microprocessors shall interface with input/output (I/O) cabinets via redundant communication links. Each DPU drop shall be capable of performing both control and data acquisition functions.

The system shall encompass all requirements for all Facility operations whether centralised or local and shall incorporate features to:

- Maintain a centralised control objective, all possible functional operations shall reside in the main facility control room;
- Allow operator interface with the process through interactive CRT stations;
- Maximise use of “Remote” (in the process area) I/O processors to reduce cabling requirements. Redundant sensors, I/O modules, and controllers shall be used where required to provide assurance of required reliability. However, redundancy in itself shall not be a substitute for reliability of hardware or system design;
- Achieve simplicity of maintenance, system configuration, troubleshooting and ease of system reconfiguration.

Overall Facility integrated control, alarm, monitoring and protection shall be performed by the DCS in conjunction with other manufacturer supplied

control system(s), Facility protection relay system, electrical breakers controls and metering, etc.

(iv) Cabinet/Panels

All I/O, microprocessors, power supplies, and associated electronics shall be housed in 19 inch rack-mount control cabinets that will facilitate equipment installation and maintenance. The control cabinets shall have provisions for bottom or top entry of all interconnecting cables. I/O cabinets shall be separate from logic cabinets where practical.

(v) Power Supplies

The power supply shall provide all the power and voltage levels required to operate the electronic components for the control and protection sections. Power for the system must come from the station AC supply and redundant battery/battery charging systems.

(vi) Spare Capacity

The Company shall include an additional 20% installed, but unused, spare capacity. Spare capacity shall be included for each of the following categories:

- Process Transmitter Inputs
- Thermocouple Inputs
- RTDs Inputs
- Pulse Inputs
- Pulse Outputs
- Digital Inputs
- Digital Outputs
- Control and Logic Processing
- Analog Inputs
- Analog Outputs

(vii) Generation Control and Monitoring

The DCS will interface with CEB's SCADA system for control and monitoring of the Facility. The scope-of-supply shall include RTU(s), site redundant communications server, and redundant workstation/SCADA server.

The Facility shall be dispatchable. The CEB System Control Centre will communicate, from time to time, to the Facility the capacity (MW) and reactive power that will be required. The Facility will have the obligation to comply with these instructions within to be determined amount of time, that prudent utility practices are followed and that the technical limits of the Facility are not exceeded. The Company will be responsible for determining the most efficient distribution of the load within the Facility equipment.

Communications between the CEB System Control Centre and Facility control room will be via fibre optic cable as described in Paragraph 5.3.20 of this Schedule 5, "Communications Systems". The communication channels shall comply with the requirements of the CEB.

The data acquisition system shall be connected to the SCADA network system and shall transmit data to the CEB control centre as stipulated in Paragraph 5.3.20 of this schedule.

Signals will be agreed upon by both parties, but as a minimum it is expected that the following measurements or indications shall be relayed to the CEB System Control Centre:

- Amperes (each line)
- Line to neutral voltages (each line)
- Active power (directional)
- Generating Set circuit breaker CLOSE/OPEN position
- 220 kV disconnector CLOSE/OPEN position
- Reactive power (directional)

These include signals to and from the CEB GIS switchgear and associated systems. Circuit breaker status shall have 2 independent auxiliary contact inputs - one to be "ON" and one to be "OFF" in a given position (to cater for double bit indication).

The Company shall supply the remote terminal units (RTU) required to transmit the above signals to the CEB System Control Centre. The Facility RTUs shall be compatible with the CEB system, which uses the IEC 60870-5-101 data protocol.

5.3.23 Civil and Structural Works

(i) General Scope

The civil/structural scope of work for the Facility includes but is not limited to the following :

- Geotechnical investigation;
- Site final clearing and grading;
- Excavation and backfilling;
- Site drainage system;
- Flood protection system;
- Site Improvements - as required including all concrete paving with base, sidewalks, side drainage ditches, gravelled areas, landscaping, and fences with gates;
- Cooling water or make up water intake and discharge, and pumping facilities as required;
- All required foundations in accordance with ACI including but not limited to gas turbines, HRSGs, steam turbine-generator and its accessories, stacks and ducting, by-pass stacks, buildings and attached structures, transformers and other electrical equipment, cooling towers, miscellaneous footings for walkways and stairways, all other auxiliary equipment;
- Platforms, gratings, handrails, ladders and stair treads (all galvanised) for the following areas as a minimum: HRSG, cooling towers, safety valves, main steam, water and continuous blowdown valves, stack test ports;
- Fuel storage tanks, Fuel unloading and forwarding pump houses;
- Water supply facility;
- Water treatment facility;

- Sanitary sewer system.

(ii) Site Features and Layout

The Site is prone to flooding and the Company shall incorporate effective drainage and flood prevention systems.

The CEB property at Kerawalapitiya is designated for an ultimate development of 1000 MW and the Company is alerted to the need to plan the Facility within specified site constraints to accommodate future development.

The indicative site plans provided in Annex 1 of Schedule 5 demarcates the land available to the Company for the 300 MW Facility and identify the location of the CEB GIS Substation. Easements on the Site and between the Site and the coast are declared and may be used by the Company for works such as cooling, water supply, Fuel supply and future gas supply pipelines provided the works are:

(a) designed, constructed and maintained in such a way as to minimise social and environmental impacts to the corridor of land between the Site and the coast;
(b) Designed and constructed in such a way to allow heavy vehicle traffic to safely pass over all buried services during future generation expansion construction works.

(iii) Cathodic Protection

Permanent cathodic protection shall be provided where necessary to minimise corrosion of all buried metal including steel piles and metal in contact with sea water/ cooling water.

(iv) Construction Requirements

The Company shall provide the following services and facilities during the construction of the Facility:

- All vehicles over 3 tonnes and land vehicles shall pass through a wheel washing facility before leaving site;
- Road cleaning vehicle;
- Watering system to minimise dust generation;
- Covers on loads of all delivery vehicles;
- Fitting effective silencers to all vehicles, machinery and compressors;
- Regular dust monitoring system at site boundaries;
- Regular noise monitoring at Site boundaries.

5.4 Environmental Requirements

The Company shall design the Facility so that its operational parameters are in accordance with the Environmental Requirements and so that the Facility will comply with the Environmental Requirements in both open and combined cycle operation. Exhaust gas emissions shall not exceed the emission rates provided in the Environmental Approval and as otherwise allowed by the Central Environmental Authority of Sri Lanka for NOx, CO and SOx emissions. Continuous on-line monitoring of the exhaust emissions is required for NOx and SOx, particulates and opacity and

the gas turbine and HRSG shall be provided with test ports on exhaust stacks to carry out monitoring tests of particulate and SO2, NOx, CO, emissions.

Liquid effluents, domestic sewage and contaminated storm water shall be treated to meet the requirements of the Environmental Approval and World Bank Environment, Health and Safety Guidelines.

Noise emissions from the Facility shall comply with the requirements of the Environmental Approval and shall otherwise not exceed the standards for ambient noise criteria or limits for industrial areas provided under the Laws of Sri Lanka. In order to ensure a safe and satisfactory working environment a sound pressure level of 85 dB(A) shall not be exceeded at a distance of one metre from any noise generating plant.

5.5 Performance Requirements

5.5.1 Power Output

The Net Dependable Capacity shall be achieved even when the output of the Facility is degraded just prior to a major overhaul. The Net Dependable Capacity shall be based upon the gas turbine firing with NOx control equipment in operation.

5.5.2 Operational Characteristics

The Operational Characteristics of the Facility are specified below:

(i) Start-Up Times

The Facility start up times shall be no greater than the values specified in Table S-5.2.

Table S-5.2 Start-Up Times

	Open Cycle		Combined Cycle	
	Time Required to 1st synchronisation of Gas Turbine from the dispatch instruction (minutes)	Time from 1st synchronisation to full load (minutes)	Time Required to 1st synchronisation of Steam Turbine from the dispatch instruction (minutes) Refer Note 1	Time from 1st synchronisation to full load (minutes)
Hot start (< 2 Hours since de-synchronisation)	15	12	35	20
Hot start (> 2 Hours but < 8 Hours since de-synchronisation)	15	12	40	30
Warm start (> 8 Hours but < 48 Hours since de-synchronisation)	15	12	80	70
Cold start (> 48 Hours since de-synchronisation)	15	12	80	100

Note 1: During Combined Cycle Operation Gas Turbine can be synchronised within "*Time required to 1st synchronisation of Steam Turbine from the dispatch instruction"* as defined in the Table S-5.2. Time of synchronisation of Gas Turbine shall be notified to CEB for purposes of Paragraph 9.8 of Schedule 9.

Note 2: All above timings shall not be applicable for start ups utilizing black start generator (In the event of black start additional 15 minutes will be allowed for all above timings).

The gas turbine Generating Sets shall be designed for no less than 200 start-ups annually.

(ii) Ramp rates

The Facility load ramping rate is the steady rate at which the load can be raised. The Company, prior to the commencement of the Construction Period, shall submit to the CEB copies of the manufacturer's start-up curves that specify maximum load ramping rates and temperature stabilisation periods for start-ups. These curves shall be considered as part of this Schedule 5, provided that such rates allow the achievement of those start-up times set out above.

Step changes in dispatch are allowable, provided that the Facility load is greater than the minimum stable load specified below, but in no case can such step change result in operation of the Facility below such minimum stable load. After such a step change, the Facility load shall be held constant for no less than thirty minutes for stabilisation purposes.

The load ramping shall be limited to a maximum of 10% of NDC per minute, as the case may be, for step load increase at any load above the minimum stable load and also for a step load reduction from any load in the range of NDC to 40% of NDC.

(iii) Minimum Stable Load

The minimum stable load of the Facility

- in the open cycle operation mode in the case of 2+1 configuration shall be no greater than 20% of NDC_{OL} or NDC_{ON} as the case may be and in the case of 1+1 configuration shall be no greater than 40% of NDC_{OL} or NDC_{ON} as the case may be.
- in the combined cycle operation mode in the case of 2+1 configuration shall be no greater than 20% of NDC_{CL} or NDC_{CN} as the case may be and in the case of 1+1 configuration shall be no greater than 40% of NDC_{CL} or NDC_{CN} as the case may be.

(iv) Automatic Voltage Regulator Droops

Generator terminal voltage to be adjustable over the range of 95% to 105% of rated voltage at generator terminal, with a droop characteristic of 0% to 10%.

(v) Governor Droops

To be adjustable over the range as indicated in the Grid Code. The Facility shall be able to operate on the specific droop settings given by CEB as and when required within the Grid Code range.

(vi) Reactive Load Capability

Manufacturer's generator reactive load capability profiles shall be submitted to the CEB prior to the commencement of the Construction Period and shall thereon be considered part of this Schedule 5.

Generating Units shall be capable of continuously delivering the declared outputs at any point between the Power Factors of 0.85 lagging and 0.95 leading, in accordance with its reactive load capability profiles.

5.5.3 Margins for Operational Characteristics

For the purposes of Availability Declarations, the following margins shall be applicable for the Operational Characteristics. Provided that actual operating characteristics fall within the specified range of the Operational Characteristics, the Company shall be permitted to declare the Declared Available Capacity up to the NDC level. However, if the actual operating characteristics fall outside the specified range, the Declared Available Capacity shall be deemed to be zero:

(i) Start-up time: The allowable margins applying to the Facility start-up times shall be as specified in Table S-5.3.

Table S-5.3: Margins applying to Start-up Times

	Open Cycle		Combined Cycle	
	Time Required to 1st synchronisation from the dispatch instruction (minutes)	Time from 1st synchron-isation to full load (minutes)	Time Required to 1st synchronisation from the dispatch instruction (minutes)	Time from 1st synchron-isation to full load (minutes)
Hot start (< 2 Hours since de-synchronisation)	+5	+ 5	+ 10	+ 15
Hot start (> 2 Hours but < 8 Hours since de-synchronisation)	+5	+ 5	+ 10	+ 15
Warm start (> 8 Hours but < 48 Hours since de-synchronisation)	+5	+ 5	+ 15	+ 15
Cold start (> 48 Hours since de-synchronisation)	+5	+ 5	+ 15	+ 15

(ii) Ramp Rate: MW/min rates minus 10%

(iii) Minimum Stable Load: Down to 35% of Net Dependable Capacity in both Open Cycle and Combined Cycle operation mode.

(iv) Automatic Voltage regulator droop: 1% - 6%

(v) Governor droop: 1% - 6%

(vi) Reactive load capability - 5% of rated capability

5.5.4 Plant Availability

Between the Open Cycle Operation Date and the Combined Cycle Operation Date the Company shall ensure average open cycle operation availability as stated in Schedule 8.

Following the Combined Cycle Operation Date the Company shall ensure a lifetime average availability as stated in Schedule 8, which is to include planned and unplanned outages and partial de-ratings.

5.6 Transfer at the end of Term

5.6.1 General

The Transfer Plan, in the form agreed on the date of the Agreement, shall be a part of this Agreement and shall specify minimum standards and responsibilities in relation to the matters described in the Transfer Plan.

Notwithstanding the contents of the Transfer Plan, the Company shall meet or exceed the requirements specified in this Paragraph 5.6 in respect of transfer of the Facility to CEB on completion of the Term. Such requirements govern, amongst others, the physical condition and performance characteristics of the Facility at Transfer Date, documentation and assets that will be provided with the Facility, and training, and the procedures to be followed in the transfer process.

5.6.2 [Not Used]

5.6.3 Inspections and Tests

The Company and CEB shall carry out inspections and tests according to the program specified in the Transfer Plan to demonstrate that the Facility at Transfer Date will be in a satisfactory condition generally and will comply with the standards required under the Project Agreements. Notwithstanding the provisions of the Transfer Plan, the inspections and tests to be carried out in preparation for the transfer of the Facility to CEB shall as a minimum comply with the requirements of this Paragraph 5.6, including the following:

- A joint inspection of the Facility will be conducted by representatives of the Company and CEB nominated for the purpose.
- The joint inspection will be scoped to establish the condition of the Facility at Transfer Date. Other inspections and tests shall be carried out as and when required to establish compliance with the Project Agreements, the Transfer Plan and Prudent Utility Practice.
- The inspections and tests shall occur no earlier than twelve (12) months before, and no later than six (6) months prior to, the scheduled Transfer Date.

5.6.4 [Not Used]

5.6.5 Physical Condition of the Facility

The Facility at Transfer Date will have a physical condition consistent with a facility that was constructed in accordance with Good Design, Engineering and Construction Practices and operated and maintained in accordance with Prudent Utility Practice throughout the Open Cycle Operational Period and Combined Cycle Operational Period.

Without in any way limiting the generality of the foregoing, the Company prior to Transfer Date shall comply with the following:

(i) Gas Turbine & Generator

- A borescope inspection shall be done to assess blade and nozzle condition.
- The equipment shall be clean and free of oil spills;
- Equipment controls and alarms shall be functional;
- Vibration shall be within manufacturers' limits;
- Insulation and lagging shall be in place, clean and in good order;

(ii) Steam Turbine & Generator

- Blades and diaphragms shall be inspected;
- Insulation and lagging shall be in place, clean and in good order;
- Equipment controls and alarms shall be functional;
- Vibration shall be within manufacturers' limits;

(iii) Heat Recovery Steam Generator

- Pressure parts shall be tested for wall thinning and those parts below manufacturer's tolerance;
- Tubes shall be checked for bows outside of manufacturer's tolerances;
- Leaks in pressure parts shall be repaired;
- Insulation and lagging shall be in place, clean and in good order;
- Equipment controls and alarms shall be functional;
- Diverter valve(s) shall be inspected for proper operation and sealing;
- The Heat Recovery Steam Generator shall be checked throughout for corrosion, including entrance and exhaust ducts, bypass stack and gas discharge stack;

(iv) Balance of Plant

- Cooling tower fan blades shall be inspected;
- Circulating cooling water system shall be free of leaks and marine growth. Condenser and cooler tubing shall be inspected for leaks and repaired or replaced;
- Fire protection equipment shall be operable and operating with all controls and alarms in service. Fire hydrants and post indicator valves shall be tested to show satisfactory operation. Hydrants and valves showing unsatisfactory operation shall be repaired or replaced;
- The instruments and controls shall be tested;
- Local and central control panels shall be completely calibrated and tested;
- Insulation and lagging will be in place, clean and in good order;
- Cranes and hoists shall be tested and demonstrably operable;
- Water supply and water treatment plants shall be demonstrably operable;
- Pumps and motors shall be checked and in good running condition;
- Equipment and components will be properly labelled in accordance with as-built designations;

(v) Electrical

- Cables shall be properly tagged for identification in accordance with as-built cable schedules.
- Electrical switchgear, MCCs and control cabinets shall be clean. Name tags on equipment shall reflect current as-built designations.
- Cable trenches, manholes and hand-holes shall be free of trash and standing water and shall be covered and drained to prevent entrance of water and trash.
- The Facility shall be lamped up as shown in as-built drawings.
- Facility grounding shall be tested and be at or below 10 Ohms ground resistance. All ground cable risers shall be attached to equipment of structures as appropriate with the full cable stranding.
- Transformers shall be subjected to a high potential or Megger test as appropriate and shall show proper winding resistance in accordance with manufacturer's instructions.
- Substation connections shall be checked and any such "hot spots" or other defects shall be repaired.

(vi) Civil Items

- Protective coatings shall be visually inspected.
- Spalled concrete or concrete degraded by chemical spills or other causes shall be repaired.
- Site drainage, either swales or underground piping, shall be in working order and the Site shall be graded throughout to properly drain.
- Building facilities shall be clean with the building elements and cladding free of corrosion and in proper condition.

5.6.6 Asset Transfers

The Company shall transfer with the Facility all assets as are reasonably required to maintain the Facility as a going concern both in a technical and commercial sense. Assets to be transferred to CEB by the Transfer Date shall include:

- Facility equipment and furnishings such as tools, test equipment, computers, software, appliances and furniture will be turned over at the end of Term.
- Heavy and light vehicles, including vehicles allocated for the operation of the Facility.

No later than three (3) months prior to the Transfer Date, the Company shall provide a list of all Facility assets to be transferred to the CEB.

5.6.7 Documentation

All records and information associated with the Facility's design, maintenance and operation shall be transferred to CEB prior to Transfer Date. CEB shall have access to such records and information in the six (6) months prior to Transfer Date. Such records and information shall include design

documentation, as-built drawings, operating manuals and maintenance records.

Intellectual property rights with respect to the documentation shall transfer to CEB to the extent that the operation and maintenance of the Facility is not impeded in any way by any denial of such rights.

The Company shall provide accurate and up-to-date records to CEB prior to Transfer Date including the following:

- Piping and instrument diagrams
- Electrical and instrumentation logic diagrams
- Circuit and raceway schedules
- Electrical cabling and connection diagrams
- Facility civil drawings
- Plant equipment operation and maintenance manuals
- Any warranties available
- Operating logbooks and records
- Maintenance records including complete CMMS history database
- Management systems and records
- Permits and licenses
- Environmental records
- Inspection records

5.6.8 Staffing and Training

The Company shall institute an employment policy that facilitates transfer of the Company's staff to CEB. The Company's employment policy in relation to staff transfers shall include the following principles:

- CEB shall have the right to approach the Company's personnel for the purpose of offering employment at the Facility at any time within nine (9) months prior to the Transfer Date;
- Those personnel of the Company that accept employment offers from CEB prior to the Transfer Date shall be seconded to the Company until the Transfer Date.
- The parties shall consult and prepare a schedule giving indicative dates for employment transfers for various employment categories. The purpose of this schedule is to determine departure dates for Company personnel that will support transfer of the Facility to the CEB so that technology transfer and continuity of skills is maintained throughout the transfer process;

The Company shall train those CEB personnel unfamiliar with the Facility and those personnel designated for transfer from the Company who will be undertaking unfamiliar roles in the new ownership structure. The training shall cover all operation and maintenance skills and functions to ensure a smooth transfer of responsibility for the Facility. The training shall be conducted for a period of two (2) months prior to Transfer Date and up to one (1) month after Transfer Date. The Company shall use reasonable endeavours to see that the trainees are adequately equipped to operate and maintain the Facility.

5.6.9 Performance Characteristics

(i) Plant Output

Facility testing to verify minimum performance characteristics of the Facility provided in Clause 2, Section F of Volume II shall begin at a time prior to the end of the Term as specified in Paragraph 5.6.3 of this Schedule 5.

(ii) Net Heat Rate

The net heat rate of the Facility at the end of the Term, both simple cycle and combined cycle, shall meet the requirements specified in Clause 2, Section F of Volume II. Facility testing shall begin at a time prior to the end of the Term as specified in Paragraph 5.6.3 of this Schedule 5.

(iii) Plant Emissions

The Facility shall demonstrate the ability to meet the then current requirements for Facility emissions, both liquid and gaseous. If the Facility fails to meet any such requirements, the Company shall bring the Facility into compliance before the end of the Term. Facility testing shall begin at a time prior to the end of the Term as specified in Paragraph 5.6.3 of this Schedule 5.

ANNEX 1

1. INDICATIVE SITE PLANS
   (General Layout of the Plant Facility Area showing the Cooling Water Corridor and Fuel Supply Corridor– proper plans will be included at the time of signing the PPA)

2. SINGLE LINE AND INTERFACING DIAGRAM

3. CODE FOR INTERCONNECTION

SCHEDULE 6

COMMISSIONING AND PERFORMANCE/ RELIABILITY TESTING

SCHEDULE 6 – COMMISSIONING AND PERFORMANCE/ RELIABILITY TESTING

6 Schedule 6

6.1 General Scope

The tests described in this Schedule 6 fall into the following categories:

- Pre-Synchronisation Tests: These tests are to be carried out and successfully completed prior to the first synchronisation of any turbo-generator to the CEB System;
- Demonstration Tests;
- Reliability Tests; and
- Performance Tests: These tests demonstrate the Facility's compliance with the requirements of the Minimum Functional Specification or as subsequently agreed. These tests must be successfully completed prior to the Combined Cycle Operation Date.

The tests mentioned in this Schedule are not intended to form a complete list of the numerous tests, which the Company would normally perform to ensure equipment quality and Facility reliability.

The Company shall supply the CEB copies of the Applicable Codes and Standards under which all testing will be conducted.

Facility shall be commissioned first with Liquid Fuel. During the Combined Cycle Operational Period when Gas Fuel is available at the Site boundary the Facility shall be connected to the Gas Fuel supply line and Facility shall be commissioned with Gas Fuel. The all the tests described in this Schedule shall be done for the Facility for the Liquid Fuel and Gas Fuel during the respective period as the case may be. The Commissioning period for Gas Fuel is limited to one Month. The Company shall adjust the period for the Reliability Test accordingly.

6.2 General Test Conditions

During all testing (first with Liquid Fuel & with Gas Fuel when it is available), the Facility will be operated within operational and design limits of the plant and equipment and in a manner consistent with Prudent Utilities Practice for continuous long-term operation, and the operational temperatures and pressures shall not exceed the manufacturers' recommendations for continuous long-term operation. During all Tests the Facility will be operated from the control room with all systems normally operated in automatic mode.

All systems must be ready for normal and continuous operation. The use of temporary equipment will not be allowed unless previously approved in writing by the CEB. The Facility shall run in a normal manner with no equipment shutdown to reduce auxiliary load. Where redundant capacity is provided, only equipment required for normal operation must be in operation.

During all testing, the Company's start-up personnel shall be present and shall be responsible for the operation of the Facility. The Company shall provide all operating personnel for the testing as well as for the operation of the Facility.

During all testing the net electrical energy delivered to the CEB at the Interconnection Point shall be continuously recorded, as a function of time.

The Company shall provide Generator, Exciter and Governor Dynamic Simulation Models in PSS/E (Power System Simulator for Engineers) software format. The dynamic parameters of these models should be validated during the testing and Commissioning of the power plant

6.3 Pre-Synchronisation Tests

The Company shall issue to the CEB documentation to demonstrate that the following tests have been satisfactorily performed prior to synchronisation of any turbo-generator to the CEB System:

- Confirmation of the correctness of execution of the section of the works (installed plant) in accordance with the agreed design(s);
- Checking/proving of all protection/safety devices;
- Automatic voltage regulator setting and adjusting in both stand-still condition and with the generator running at no load;
- Turbine governor control checks, including a ten percent (10%) over-speed test;
- Functional testing and timing of high voltage switch gear;
- Verification of the settings of all the protective relays/systems;
- Voltage phasing checks between the Facility and the CEB System; and
- Proving of all inter-tripping circuits between the Facility and CEB equipment.

6.4 Demonstration Tests

The Demonstration Tests shall include the following tests in order to demonstrate compliance with the required functional capabilities in accordance with the Minimum Functional Specification:

6.4.1 Automatic Voltage Regulator (AVR) Droop

The AVR Droop shall be demonstrated once for each generator, to be adjustable over the range of ninety five percent (95%) to one hundred and five percent (105%) of rated voltage at generator terminal with a droop characteristic of zero percent (0%) to ten percent (10%). Other AVR Droop limits, as agreed, shall also be demonstrated.

6.4.2 Turbine Governor Operation

The operation of each turbine governor shall be demonstrated to be able to adjust the droop in steps of one percent (1%) for the range from one percent (1%) to eight percent (8%) and in steps of four percent (4%) to five percent (5%) for the range from eight percent (8%) to twenty percent (20%).

6.4.3 Reactive Capacity

Tests shall be conducted to demonstrate the capability of the generators to operate at rated voltage and frequency at power factors and under reactive conditions with AVRs in auto for each of the open cycle and combined cycle operation modes as follows:

100% MCR	>0.95 Leading Power Factor
100% MCR	>0.85 Lagging Power Factor
Minimum stable load:	MVAr Leading in accordance with the generator capability profiles
Minimum stable load:	MVAr Lagging in accordance with the generator capability profiles

6.4.4 Full Load Rejection Test

This test will be undertaken by the Company to demonstrate the ability of the Facility, in both the open cycle and combined cycle mode, to sustain a full load (or a lower load level if deemed appropriate by the CEB) instantaneous rejection in a controlled manner. The Facility must not trip or cause operation of over speed protection devices and must otherwise remain in a safe condition throughout the demonstration period and remain in "house load operation".

6.4.5 Minimum Stable Load Test

The Company shall demonstrate that the Facility, in both open cycle and combined cycle mode, is able to operate continuously for a period of four (4) Hours at the minimum stable load as identified by the Company.

6.4.6 Response of Plant to Load Changes

The Company shall demonstrate that the Facility, in both open cycle and combined cycle mode, is capable of achieving the required loading rates. In addition the Company shall demonstrate that the Facility, while operating in both open cycle and combined cycle mode, is able to accept a step load increase equivalent to ten percent (10%) of the Net Dependable Capacity whilst operating at any load above thirty percent (30%) of the Net Dependable Capacity and is able to accept a step load reduction, equivalent to ten percent (10%) of the Net Dependable Capacity, from any load in the range of one hundred percent (100%) to forty percent (40%) of the Net Dependable Capacity. During these tests the Facility must not trip and must safely and in a stable manner absorb the transient event in a reasonable time.

6.4.7 Start-up Sequence Time

These tests will demonstrate that the time required to bring the Facility, whilst operating in both open cycle and combined cycle mode, from a shutdown condition to full output is in accordance with the requirements of Paragraph 5.5.3 of Schedule 5 (Minimum Functional Specification).

6.5 Reliability Tests

The Reliability Tests for the Facility shall be completed before the Company is able to declare the occurrence of the Combined Cycle Operation Date. The duration of

the Reliability Tests shall be thirty (30) Days and shall comprise four (4) discrete test phases of seven (7), seven (7), eight (8) and eight (8) Days each. The Reliability Tests shall be conducted in accordance with the following requirements:

(i) the Company shall only be entitled to proceed to the next phase of the Reliability Tests upon successful completion of the previous phase, and must re-start any phase during which the level of interruptions exceed the permitted level. For the purpose of this Paragraph, an interruption means any event for which the Company is responsible or which is not excused by this Paragraph 6.5. The Company shall not be required to repeat a phase which has been successfully completed unless required under Paragraphs 6.5.1(iv) and (v) below;

(c) the Facility will fail any phase of this test if it fails to provide power for the whole of such phase at the required level of Dispatch, after taking into account the permitted interruptions described in the subsequent Paragraphs. The duration of each interruption shall be defined as the period during which the Facility fails to provide the required level of Dispatch. The aggregate period of permitted interruptions shall be added to the test phase during which such permitted interruptions occurred;

(d) if a Reliability Test is interrupted at any time due to a Dispatch Instruction or for any other reason attributable to the CEB, the Company shall be entitled to treat the period of such interruption as part of the successfully completed testing time;

(e) during the initial seven (7) Day phase of the Reliability Tests, any interruption in operation not exceeding six (6) Hours duration shall be allowed, provided that during such phase the aggregate of such interruptions does not exceed six (6) for reasons attributable to the Company; and

(f) in each of the second, third and fourth test phases any interruption in operation not exceeding six (6) Hours duration shall be allowed, provided that during each such phase the aggregate of such interruptions does not exceed two.

During any phase of the Reliability Tests, the Company may operate the Facility for at least seventy two (72) Hours of continuous operation at NDC (subject to allowable tolerances) during which period the Company may elect to conduct the combined cycle Performance Tests. Details concerning the Performance Tests are set out in Paragraph 6.6 below.

If, for reasons attributable to the Company, the capacity available from the Facility between two phases of the Reliability Tests for any period in excess of thirty six (36) Hours is less than the lower of (i) NDC and (ii) the capacity established during the Performance Test, the Company shall be obliged to repeat the previous phase.

If the total average availability from the Facility over the duration of the four (4) phases of the Reliability Tests is less than ninety two percent (92%), the Company may choose which phases it will repeat so that when the availability during the

repeated phases(s) is added to the availability achieved during the non-repeated phases, the average achieved is at least equal to ninety two percent (92%). Upon achieving such average, the Company will pass the Reliability Tests.

The Company shall prepare and submit to the CEB a report on each phase of the Reliability Tests comprising observations and recordings of the various test parameters measured. This report shall record full details of all interruptions, which have occurred, adjustments made and any minor repairs carried out during the tests.

6.6 Performance Tests

6.6.1 General Scope

Prior to the Combined Cycle (L) Operation Date, Performance Tests will be carried out to demonstrate the net electrical output of the Facility. These tests shall be to ASME or equivalent internationally acceptable standards and the net achieved kW output level, amongst others, shall be measured. Liquidated damages may become payable pursuant to Schedule 9 (Capacity Charge and Energy Charge). The Company shall conduct the Performance Tests for the Facility with respect to net electrical output, net heat rate, emissions and noise during an eight (8) Hour full load run, as described below.

The net electrical output shall equal or exceed hundred and three percent (103%) of NDC_{OL}, $NDC_{CL,}$ NDC_{ON} or NDC_{CN} as applicable.

The net heat rate of the Facility is not a guaranteed performance figure, but heat rates will be measured as part of the performance test program.

The generator shall be tested to ensure that the temperature increases in the generator stator and rotor do not exceed the limits laid down in the manufacturer's specification. These tests shall be carried out with the generators at full load and at rated power factor.

Testing to demonstrate emission guarantees, and for adjustment of the emission control system shall be performed by the Company and witnessed by the CEB using procedures provided by the Company and approved by the CEB.

Compliance with the NOx/SO_2 and particulate emission guarantee shall be demonstrated by measurement of emissions for a period of four (4) Hours duration with the gas turbine operating at steady state full load with the system operating in proper adjustment and calibration. The NOx emission sampling and analysis for calibration of the single point monitor shall be in general in accordance with US-EPA Method 20 presented in Title 40, Chapter 40, Part 60 (40 CFR 60) of the Code of Federal Regulations, Subpart CG-Standards of Performance for New Stationary Sources.

6.6.2 Test Conditions

The standards and procedures adopted by the Company during the Performance Tests shall be in accordance with ASME Power Test Code PTC 46 Overall Plant

Performance. During testing the gas turbine firing temperature shall be no higher than agreed for normal Facility operation.

All electrical auxiliaries required during normal Facility operation, including lighting and HVAC, shall be supplied by the Facility during the tests.

The tests shall be performed using the Fuel specified in the Project Agreements for the gas turbines and (if applicable) HRSG's. The Company shall supply calibrated flow meters, which have been independently tested at a test facility to be agreed with the CEB. Calibration records shall be made available to the CEB for approval prior to the test. The Company shall submit for approval by the CEB details of the test procedures and apparatus to be used to determine: (a) density, (b) calorific value and (c) temperature of the Fuel used during the test.

Tests shall be conducted at 100%, 75% and 50% load in open cycle and combined cycle.

The net electrical power output shall be measured at the metering point. The Company shall provide specially calibrated current transformers and watt-hour meters to give a metering accuracy within +/- 0.2% and these shall be a permanent part of the installation.

Data for each test will consist of instrument readings taken at ten (10) minute intervals over a one (1) Hour time span after "steady state" conditions have been established. Two (2) nos of one (1) Hour tests will be conducted and the final net tested output level of the Facility shall be the average of the test results for each one (1) Hour period.

Before starting the test, the Facility shall be run until "steady state" conditions have been established. "Steady state" is achieved when key variables associated with the test objectives have been stabilised. Stability is achieved when all the following readings have continued to be within the maximum permissible variations for a fifteen (15) minute period immediately prior to the test start and have continued throughout the one (1) Hour test period:

- Power Output +/- 2% of NDC_{OL}, NDC_{CL}, NDC_{ON} or NDC_{CN} as applicable
- Barometric Pressure +/- 5 mbar
- Ambient Air Temperature +/- 2.5 ºC
- System frequency +/- 2%
- Power Factor +/-2%

The steam turbine will be considered to be in a "steady-state" condition if the electrical output remains within plus or minus two percent ($^{+}/_{-}$ 2%) and condenser coolant inlet temperature does not vary more than plus or minus two and a half percent ($^{+}/_{-}$ 2.5%) throughout the fifteen (15) minute period immediately prior to each test point and throughout the one (1) Hour test period.

Barometric pressure at the test site shall be measured with a pre-calibrated mercury or aneroid barometer or a calibrated electronic instrument. Relative humidity or web bulb temperatures shall be determined using a hygrometer or psychrometer.

The instruments used to determine the Facility's electrical outputs and net heat rate shall have been calibrated at a reputable establishment agreed with the CEB.

A correction for ageing is only permitted to cover the period between Open Cycle Operation Date and Combined Cycle Operation Date.

6.6.3 Test Reports

A written report of the results of each of the tests referred to in this Schedule 6 shall be prepared by the Company and issued to the CEB within seven (7) Days of the completion of each Test. These reports will include, as a minimum, the following information:

- The date and time of the commencement and completion of each Test;
- A summary of instrument calibration data, including signed and approved instrument calibration forms;
- The names of the people responsible for recording test data;
- A description of the conditions under which the tests were performed, including meteorological information;
- A list of emissions generated throughout the test period;
- A summary of all test data and results, including for each turbo-generator the daily maximum and average electrical output;
- Calculations of correction factors applied to measured data;
- A listing of Dispatch Instructions, transmission system events, plant problem events; and
- Conclusions from the test results.

The CEB recognises that other test requirements may be imposed by other parties and will reasonably co-operate in arranging for its Dispatch to allow such other requirements to be satisfied.

6.6.4 Engineer's Certificate and Completion Certificate

When the Engineer is satisfied that the Facility in open cycle or combined cycle operation (as the case may be) has satisfied the Commissioning and performance/reliability tests and otherwise meets all the relevant requirements of the Minimum Functional Specification, he shall certify the Facility as conforming to the Minimum Functional Specification and shall copy such certification (the "Engineer's Certificate") to the CEB and the Company. The Engineer's certification shall state amongst other things the measured net kW output of the Facility.

On receipt of the Engineer's Certificate for open cycle or combined cycle operation (as the case may be), the Company shall issue a Completion Certificate pursuant to Clause 5.8.9.

SCHEDULE 7

METERING

SCHEDULE 7 – METERING

7 SCHEDULE 7 – METERING

7.1 Location of Meters

The Metering Points to record the kW and kWh exchange between the Facility and the CEB System shall be located in the GIS Sub-station at the locations specified in Annex 1, Schedule 5 (Minimum Functional Specification). The metering system shall consist of two (2) groups of meters, each group consisting of one (1) meter for forward or output metering and one meter for reverse or input metering, at the Interconnection Point, of irreversible, solid-state, metering devices, which shall be mounted on the individual line output feeder at the generator step-up transformer high voltage side. Alternatively, two (2) separate meters, one (1) meter for both import and export metering shall be provided. Such meter shall be properly scaled to record import energy in kWh, import maximum demand in kVA and export energy in MWh.

The Meters shall utilise current and voltage transformer terminals provided by the CEB and incorporated into this switchgear. Both the Main Meter and the Check Meter shall be purchased by the Company and shall be installed by the Company in accordance with this Agreement within the GIS Sub-station. Both the Main Meter and the Check Meter shall be installed in a separate room or cabinet and shall only be accessible by the Company and the CEB in the presence of each other by means of a dual key system.

7.2 Accuracy and Capability of Meters

The measuring accuracy and capability of both the Main Meter and the Check Meter will be set to mutually agreed international standards of at least:

- Class 0.2 current transformers (three phases);
- Class 0.2 voltage transformers; and
- A three phase energy meter of Class 0.2s, complete with impulse output facility and maximum demand facility to record watt-hours and watts and incorporating provision for local and remote monitoring with adequate instrument safety factor

Both the Main Meter and the Check Meter shall have an accuracy of plus or minus point two percent ($^{+}/_{-}$ 0.2%) for watt-Hour metering and plus or minus point two percent ($^{+}/_{-}$ 0.2%) for watt metering.

Calibration and testing of the Main Meter and Check Meter shall be conducted by an internationally recognised testing and calibration facility acceptable to the CEB and the Company.

Each of the Main Meter and the Check Meter shall include summators to measure the output and input of kW and kWh at 220kV.

The calculation of Capacity Charges and Energy Charges requires Hourly metering and so the Meters shall be suitable to record Hourly Metered Output (including lowest

kW achieved in each hour) and Metered Input. The Main Meter and Check Meter shall each have the capability at any point in time to retain in memory the last sixty (60) Days recordings of Metered Output and Inputs.

Each metering system shall include seal-able Main and Check digital type meters having mass storage capability, magnetic tape or data card and related recorders, data transfer facilities and testing facilities. Both the Main Meter and the Check Meter shall use the same VT's and CT's for measurements.

The meters shall also be able to record continuously the CEB system voltage and frequency and have the capability to provide all information and data required in terms of this Agreement including:

- the recording of the times and durations that the Facility is synchronised to and de-synchronised from the CEB system, minimum kW output for each hour and
- providing all information and data required for the purposes of billing and payment, to produce Weekly Reports as stated in Paragraph 8.7 of Schedule 8, and for other purposes as required under the Project Agreements.

The equipment and components supplied shall be in accordance with the latest editions/amendments of the standards specified below.

(i) IEC 62052-11(2003) Electricity metering equipment (AC)- General requirements, tests and test conditions- Part 11: Metering equipment.

(g) IEC 62053-22(2003) Electricity metering equipment (AC) Particular requirements- Part 22: Static meters for active energy (classes 0.2 and 0.5)

(h) IEC 62053-23- (2003) Electricity metering equipment (AC) particular requirements-Part 23 static meters for reactive energy (classes 2 & 3)

The Meter shall be capable of measuring and recording Import and Export kWh, kvarh, average kW, maximum kVA demand, power factor. The accuracy class of the Meters shall be Class 0.2 for Active Energy (kWh) and Class 2 or less for reactive Energy (kvarh). The standard rated current of the meter shall be 1 A. The Meter shall operate with specified accuracy for power factors in the full range of all quadrants. The Meter shall record the consumption accurately irrespective of the phase sequence of supply.

The meters shall be capable to program for the CT ratios from 200:1 A to 2000:1 A and VT ratio 220 kV:110 V

The meters shall be properly scaled to record import energy in kWh, import maximum demand in kVA and export energy in MWh with at least ten (10) digits with two (2) decimal places. Import Export definition for reactive energy and active energy as per the IEC 62053-23.

The Meters shall be suitable for time of day Metering (minimum of 6), import-export metering. The meters shall have provisions to change the time of day tariff in the field and shall have the facility to programme for a minimum of six (6) time of day tariffs.

The Meters shall record the monthly electricity transfer in calendar month, along with the cumulative consumption of kWh separately and the maximum of average kVA demand and average kW over a demand integration period of fifteen (15) minutes interval for generally every thirty (30) or thirty one (31) days period. Facilities shall be provided to reset the maximum demand indication automatically as well as manually. Meters shall record the average demand in kW for both import and export [average demand integration period of fifteen (15) minutes interval for generally sixty (60) Days period].

Load Profile [fifteen (15) minutes interval period for at least sixty (60) Days] for following measurements should be made available.

(i) Average values of Phase L1 Current, Phase L2 Current, Phase L3 Current

(i) Average values of Phase L1 Voltage, Phase L2 Voltage, Phase L3 Voltage

(j) Average values of Active Power, Reactive Power, Apparent Power, Power Factor, Frequency

(k) Active Energy, Reactive Energy

It shall be possible to fully program (display settings, time of day tariff settings, load profile data, including automatic billing/resetting date, etc.), download data and reset the maximum demand both locally and remotely through suitable software running on a personnel computer without any assistance of the manufacturer.

The Meters shall be capable of recording occurrence of missing voltages and shall display the details of tampering attempts, power restorations and other details such as time and date of such occurrences.

The Meters shall record the power quality data such as voltage dips, drops, sag, swell, power usage, voltage &current harmonics etc

The Meters shall have a Calendar clock to provide time and date information and it shall also facilitate GPS time synchronizing. GPS system shall also be provided with the metering panel. The Meters shall be equipped with built in battery backup. Battery life shall be not less than ten (10) Years.

The Meters shall also be provided with blinking LEDs which blink and shall be analogous to the kWh and kvarh metered, for calibration purposes.

The Meters shall have facilities to store a minimum of twelve (12) months of monthly billing data and to download the necessary data when required.

The Meters should have the facility to set two (2) or more user levels to restrict the unauthorized access to data or altering the programme.

The meter shall support traditional and new network communication technologies such as:

- GPRS (TCP/IP);
- SCADA (Modbus/DNP3 Protocol);
- Separate functional communication ports- one for modem and other for SCADA should be made available; and
- A user friendly, Windows based graphic user interface software shall be supplied on a CD with all the licenses with the meters in order to program the meters (locally) and to download the data from the remote GPRS facilitated meters. The software shall have the facility to communicate via a GPRS modem connected to the PC.

SCHEDULE 8

ACTUAL AVAILABLE CAPACITY

SCHEDULE 8 – ACTUAL AVAILABLE CAPACITY

8 Schedule 8 – Actual Available Capacity

8.1 Capacity Charges payable on Availability

Throughout the Operational Period, and subject to the terms of this Agreement, Capacity Charges shall be payable to the Company on the basis of the Actually Achieved Monthly Availability of the Facility.

8.2 Actual Available Capacity

The Actual Available Capacity for any one Hour (AA_h) shall not be more than NDC_{OL}, NDC_{ON}, NDC_{CL},or NDC_{CN}, as applicable and be determined according to the following provisions:

8.2.1 subject to Paragraphs 8.2.2, 8.2.4 and 8.2.5 of this Schedule 8, for each Hour of the Operational Period, AA_h shall be the lowest of:

(a) the Declared Available Capacity for that Hour; and

(b) the Declared Available Capacity level indicated in a Firm Maintenance Programme for that Hour as such programme may be adjusted pursuant to Clause 6.6.8; and

(c) the lowest achieved kW output for that hour if lower than 97% of the kW output required under the Dispatch Instruction (as determined under the Clause 6.8.12) provided that the instances in which the kW output during an Hour (determined under Clause 6.8.12) is lower than 97% of the kW output required under the Dispatch Instruction occurs concurrently with a CEB System Problem will not be taken into consideration for the purposes of this sub Paragraph (c).

8.2.1A Notwithstanding Paragraph 8.2.1 above, the Facility shall be deemed to be available in the circumstances set out in Clauses 6.5.4 (iii), (iv) and (vi) of this Agreement;

(a) Clause 6.5.4 (iii), (iv) and (vi) of this Agreement;

(b) Where Force Majeure affects the Company, Paragraph 8.2.2 below shall apply.

8.2.2 for each Hour of the Operational Period during times of Force Majeure affecting the Company's ability to generate energy at the Facility, AA_h shall be the lowest of:

(a) the Declared Available Capacity for that Hour;

(b) the Declared Available Capacity level indicated in a Firm Maintenance Programme for that Hour as such programme may be adjusted pursuant to Clause 6.6.8; and

(c) the lowest achieved kW output for that hour if lower than 97% of the kW output required under the Dispatch Instruction (as determined

under the Clause 6.8.12) provided that the instances in which the kW output during an Hour (determined under Clause 6.8.12) is lower than 97% of the kW output required under the Dispatch Instruction occurs concurrently with a CEB System Problem will not be taken into consideration for the purposes of this sub Clause (c).

8.2.3 for each Hour of the Operational Period during times of Force Majeure affecting the CEB's ability to receive energy from the Facility, AA_h shall be the lowest of:

(a) A_{FMV};

(b) NDC_{OL}, NDC_{ON}, NDC_{CL},or NDC_{CN}, as applicable, and has the value stated in Table A2, Annex A of Schedule 9; and

(c) the Declared Available Capacity level indicated in a Firm Maintenance Programme for that Hour, as such programme may be adjusted pursuant to Clause 6.6.8.

Where:

$$A_{FMV} = A_V - A_{FMR}$$

A_v is the lesser of:

(i) the Declared Available Capacity for that Hour; and

(ii) the lowest achieved kW output for that hour if lower than 97% of the kW output required under the Dispatch Instruction (as determined under the Clause 6.8.12) provided that the instances in which the kW output during an Hour (determined under Clause 6.8.12) is lower than 97% of the kW output required under the Dispatch Instruction occurs concurrently with a CEB System Problem will not be taken into consideration for the purposes of this sub Clause (ii);

A_{FMR} is the number of kW by which the output of the Facility is reduced during that Hour for reasons attributable to the event of Force Majeure affecting CEB, as determined in accordance with Paragraph 8.8 of this Schedule 8, as applicable; and

8.2.4 for each Hour of the open cycle mode during the Combined Cycle Operational Period

(i) when the Availability Declaration of Company is for the Combined Cycle Operation and CEB's Dispatch is for the Open Cycle Operation, AA_h shall be the lowest of,

(a) the Declared Available Capacity for that Hour;

(b) the Declared Available Capacity level indicated in a Firm Maintenance Programme for that Hour as such programme may be adjusted pursuant to Clause 6.6.8; and

(c) A_O

Where

$$A_O = \left(\frac{NDC_C}{NDC_O} \right) * A_X$$

A_X the lowest achieved kW output for that hour if lower than 97% of the kW output required under the Dispatch Instruction (as determined under the Clause 6.8.12) provided that the instances in which the kW output during an Hour (determined under Clause 6.8.12) is lower than 97% of the kW output required under the Dispatch Instruction occurs concurrently with a CEB System Problem will not be taken into consideration for the purposes of this sub Paragraph (c);

NDC_O NDC_{OL} or NDC_{ON} as applicable;

NDC_C NDC_{CL} or NDC_{CN} as applicable.

(ii) when the Availability Declaration of Company is for the Open Cycle Operation and CEB's Dispatch is for the Open Cycle Operation, AA_h shall be the lowest of;

(a) the Declared Available Capacity for that Hour;

(b) the Declared Available Capacity level indicated in a Firm Maintenance Programme for that Hour as such programme may be adjusted pursuant to Clause 6.6.8;

(c) the lowest achieved kW output for that hour if lower than 97% of the kW output required under the Dispatch Instruction (as determined under the Clause 6.8.12) provided that the instances in which the kW output during an Hour (determined under Clause 6.8.12) is lower than 97% of the kW output required under the Dispatch Instruction occurs concurrently with a CEB System Problem will not be taken into consideration for the purposes of this sub Paragraph (c);

(d) CEB's Dispatch Instruction for that Hour.

8.2.5 for each Hour of the Open Cycle period or any Contract Year where Actual Availability achieved upto that hour exceeds the Target Availability for Open Cycle Operational Period or the Contract Year as the case may be, AA_h shall be the lowest of;

(a) the Declared Available Capacity for that Hour;

(b) the Declared Available Capacity level indicated in a Firm Maintenance Programme for that Hour as such programme may be adjusted pursuant to Clause 6.6.8;

(c) the lowest achieved kW output for that hour if lower than 97% of the kW output required under the Dispatch Instruction (as determined under the Clause 6.8.12) provided that the instances in which the kW output during an Hour (determined under Clause 6.8.12) is lower than 97% of the kW output required under the Dispatch Instruction occurs concurrently with a CEB System Problem will not be taken into consideration for the purposes of this sub Paragraph (c);

(d) CEB's Dispatch Instruction for that Hour.

8.3 Calculation of the Actually Achieved Monthly Availability

For each Month (m) or part thereof, Capacity Charge payments are due on the basis of the Actually Achieved Monthly Availability, which shall be calculated in accordance with the following formula:

$$AAMA_m = \frac{\sum_{h=1}^{PH_m} AA_h}{NDC * PH_m} * 100$$

where:

$AAMA_m$ is the Actually Achieved Monthly Availability, expressed in percent;

PH_m is the number of Hours (h) in the relevant Month or where this Agreement is terminated in course of a Month, the number of Hours (h) in such part thereof;

AA_h is the Actual Available Capacity, expressed in kW for each Hour calculated in accordance with Paragraph 8.2 of this Schedule 8; and

NDC is NDC_{OL},NDC_{ON},NDC_{CL} or NDC_{CN} as applicable, for the respective hour and has the value stated in Table A2, Annex A of Schedule 9.

Where the Facility is operated with different Fuel during a Month, the Monthly Invoice will show the applicable Capacity Charges (based on $AAMA_m$) and Energy Charges separately for the respective periods during which such operation took place. For such purpose, the Company shall maintain accurate records of such operations. During the Gas Fuel operation, if the facility is not available to operate in Gas Fuel due to the reasons attributable to the Company, the consent of CEB is required to operate the Facility in Liquid Fuel.

8.4 Calculation of the Actually Achieved Annual Availability

For the Open Cycle Operational Period and for each Contract Year, the Actually Achieved Annual Availability shall be calculated in accordance with the following formula:

$$AAAA = \frac{\sum_{m=1}^{m} (PH_m * AAMA_m)}{PH}$$

Where:

AAAA is the Actually Achieved Annual Availability, expressed in percent;

$AAMA_m$ is the Actually Achieved Monthly Availability, expressed in percent;

M is the number of months in the Open Cycle Operational Period or the relevant Contract Year, as applicable; and

PH is the number of Hours in the Open Cycle Operational Period (PH_{oc}) or the relevant Contract Year (PH_y), as applicable; and

PH_m is the number of Hours (h) in the relevant Month.

8.5 Target Availability

Target Availability shall be determined as follows:

8.5.1 Target Availability (TA) over the Combined Cycle Operational Period calculated as an arithmetical average of all Contract Years shall be not less than 90%. The Target Availability (TA_O) for the Facility for the Open Cycle Operational Period shall be 90 %.

8.5.2 the initially agreed Target Availability (TA_Y) for the Contract Year commencing on the Combined Cycle Operation Date and each subsequent Contract Year, expressed in percent, is set out in Table 8.1 below:

Table 8.1: Facility Availability : Combined Cycle Operational Period

Year	Availability (%)	Year	Availability (%)	Year	Availability (%)	Year	Availability (%)
1		8		15		22	
2		9		16		23	
3		10		17		24	
4		11		18		25	
5		12		19			
6		13		20			
7		14		21			

8.5.3 two (2) Months prior to the start of any Contract Year, the initially agreed Target Availability for such Contract Year given in Paragraph 8.5.2 of this Schedule 8 may be adjusted by the Company by up to two percentage (2%) points, provided that the arithmetical average of the Target Availability for all Contract Years, calculated over the Combined Cycle Operational Period, shall be not less than 90%. Notwithstanding the foregoing in the event Scheduled Maintenance are postponed due to dispatch instructions of CEB or occurrence of the Commissioning in Gas Fuel, then Parties shall mutually agree to adjust the Target Availability for following two (2) Contract Years without affecting the Target Availability set out in 8.5.1. There shall be no retrospective adjustment of the Target Availability.

8.6 Target Availability and Company's Liability for Liquidated Damages

For the purpose of calculating the liquidated damages for non-achievement of the Target Availability for the Open Cycle Operational Period (TA_O) and the Target Availability for any Contract Year (TA_Y), the respective Target Availabilities shall be reduced to take account of Force Majeure, such reduced Target Availability being the "**Adjusted Target Availability**":

The Adjusted Target Availability shall be calculated in accordance with the following formula:

$$ATA_Y = TA_Y - \left(\frac{\sum_{h=1}^{H} A_{FMh}}{PH * NDC}\right) * 100$$

where:

ATA_Y is the Adjusted Target Availability, expressed as a percentage, for the Open Cycle Operational Period or the relevant Contract Year, as the case may be;

TA_Y is the Target Availability, expressed as a percentage, for the Open Cycle Operational Period (TA_O) or the relevant Contract Year (TA_Y), as the case may be;

H is, in respect of the Open Cycle Operational Period or the relevant Contract Year, as the case may be, the number of Hours the Company's ability to generate energy at the Facility was affected by an event or circumstance of Force Majeure;

PH is the number of Hours in the Open Cycle Operational Period or the relevant Contract Year (as the case may be);

NDC is NDC_{OL}, NDC_{ON}, NDC_{CL}, or NDC_{CN}, as applicable, and has the value stated in Table 2, Annex A of Schedule 9; and

A_{FMh} is the number of kW by which the output of the Facility is reduced for each Hour of the Open Cycle Operational Period or the relevant Contract Year, as the case may be, in which the Company's ability to generate energy at the Facility, was affected by an event or circumstance of Force Majeure, such reduction being determined in accordance with Paragraph 8.8 of this Schedule 8.

8.7 Weekly Report

On the first Day of each Week, the Company shall provide to the CEB a report (the "**Weekly Report**"). The Company shall provide Weekly Reports in respect of each Week of the Term following the occurrence of the Open Cycle Commissioning Date.

The Weekly Report shall, amongst others, report the following in respect of the previous Week:

(i) The date and time of each occasion that the Facility is synchronized with and de-synchronized from the CEB System, giving details in respect of each synchronisation of the type of start (i.e. Start within two (2) hours, Hot Start, Warm Start or Cold Start); and

(ii) Hourly Metered Output and Metered Input for each Hour; and

(iii) Actual Available Capacity for each Hour; and

(iv) The lowest achieved kW output for each Hour; and

(v) Explanation and details of the timing and impact of Force Majeure, specifying for each Hour of an event or occurrence of Force Majeure the kW reduction in the Facility's output attributable the event or circumstance of Force Majeure; and

(vi) Explanation and details of the timing of each Forced Outage and the impact on the available capacity of the Facility in each case; and

(vii) Explanation and details of the timing of Scheduled Maintenance on the available capacity of the Facility.

The CEB may comment within three (3) Business Days of receipt of each Weekly Report. No comment shall be deemed as an acceptance of the Company's statements in its Weekly Report.

Any disparities in the information contained in the Weekly Report and the documented reading of the Meters shall be resolved in favour of the readings of the Meters in accordance with Clause 6.8.12.

8.8 Determination of Force Majeure Reduction in Available Capacity

Where pursuant to Clause 12 the parties declare Force Majeure, the parties shall meet within seven (7) Days of such declaration (and shall meet periodically thereafter for as long as the event or circumstance continues) to agree in respect of each Hour the reduction in the kW output of the Facility attributable to the event or circumstance of Force Majeure affecting CEB (A_{FMR}) or affecting Company (A_{FMh}), as the case may be.

If the parties do not reach agreement within fourteen (14) Days of such meeting (or meetings), value of A_{FMR} or A_{FMh} shall be determined by an Expert appointed under Part 1 of Schedule 12 (Disputes Resolution Procedure).

SCHEDULE 9

CAPACITY CHARGE AND ENERGY CHARGE

SCHEDULE 9 - CAPACITY CHARGE AND ENERGY CHARGE

9 Schedule 9 - Capacity Charge and Energy Charge

9.1 General

This part of Schedule 9 outlines the basis of the payment of Capacity Charges and Energy Charges and is without limitation to the generality of the Clauses/Paragraphs of this Agreement and the specific provisions which follow in Annexes A and B of this Schedule 9.

9.2 Capacity Charges and Energy Charges

Payments to the Company comprise two distinct elements, namely a Capacity Charge element and an Energy Charge element, each of which is sub-divided into a number of components as follows:

9.2.1 Capacity Charge represents payment for available capacity and consists of following components:

(i) US Dollar Components of the Capital Cost Recovery Rate covers relevant US Dollar Components denominated debt service payments and return on equity, and is calculated in relevant US Dollar Components. The values applying for the US Dollar Components of the Capital Cost Recovery Rate are shown in Annex A and are not escalable; and

(ii) Rupee Component of the Capital Cost Recovery Rate covers Rupee denominated debt service payments and return on equity, and is calculated in Rupees. The values applying for the Rupee Component of the Capital Cost Recovery Rate are shown in Annex A and are not escalable; and

(iii) US Dollar Components of the Fixed Operation and Maintenance Rate covers the fixed operation and maintenance costs denominated in US Dollar Components. The US Dollar Components of the Fixed Operation and Maintenance Rate is indexed to the relevant Consumer Price Index as indicated in Annex B; and

(iv) Rupee Component of the Fixed Operation and Maintenance Rate covers the fixed operation and maintenance costs denominated in Rupees. The Rupee Component of the Fixed Operation and Maintenance Rate is indexed to the Colombo Consumers Price Index (CCPI) of Sri Lanka as indicated in Annex B; and

9.2.2 Energy Charge represents payment for net electrical output and consists of following components:

(i) Energy Charge for Fuel component covers Fuel costs, which reflect the cost of the energy content of Fuel. This component is payable in Rupees; and

(ii) US Dollar Components of the Variable Operation and Maintenance Rate covers US Dollar Components denominated variable operation and

maintenance costs and will be indexed to the relevant Consumer Price Index as indicated in Annex B; and

(iii) The Rupee Component of the Variable Operation and Maintenance Rate covers Rupee denominated variable operation and maintenance costs and will be indexed to the Colombo Consumers Price Index (CCPI) of Sri Lanka as indicated in Annex B.

9.3 Additional Payments and Liquidated Damages

Payments for Start-Ups and performance based incentive are available to the Company, and the Company is also liable to certain liquidated damages calculated pursuant to this Schedule 9 as follows:

9.3.1 the Start-Up Charge provides for payment for Start-Ups, using initial rates as outlined in Annex A. These rates include all costs associated with a Start-Up, including cost of Fuel, cost of auxiliary power and incremental maintenance costs associated with the Start-Ups, and no further payment will be made for Start-Ups. The initial rates used in the Start-Up Charge will be partially indexed to the Fuel Energy Rate and partially to Colombo Consumers Price Index (CCPI) of Sri Lanka as indicated in Annex B;

9.3.2 Pursuant to Paragraph 9.9 of this Schedule 9, a performance incentive payment will be made in respect of available capacity in excess of the Adjusted Target Availability in any Contract Year provided that this excess available capacity is dispatched by CEB;

9.3.3 liquidated damages are payable by the Company to the CEB if:

(i) pursuant to Paragraph 9.11 of this Schedule 9, during performance testing it is established that the required output level is less than one hundred and three percent (103%) of the applicable Net Dependable Capacity;

(ii) pursuant to Paragraph 9.12 of this Schedule 9, the actual achieved kW output is less than ninety seven percent (97%) of the output required under a Dispatch Instruction; and

(iii) pursuant to Paragraph 9.13 of this Schedule 9, the Adjusted Target Availability less the Actually Achieved Annual Availability (*AAAA*), is greater than one percent.

Additionally, pursuant to Paragraph 9.14 of this Schedule 9 if the Facility is available during a Firm Maintenance Programme in excess of the availability for Dispatch indicated in such Firm Maintenance Programme, no Capacity Charges are payable in respect of such additional available capacity provided that if such additional available capacity is as a result of a request by the CEB, the Capacity Charges that would otherwise be payable based upon the Declared Availability Capacity, shall be increased in accordance with Paragraph 9.14 of this Schedule 9.

9.4 Basis of Payment Calculation During Term of Agreement

There are following distinct periods during which payments will be made by the CEB to the Company:

9.4.1 for the Open Cycle (L) Commissioning period prior to the Open Cycle Operational Date no Capacity Charge and Variable O&M Charge will be payable. However, payments will be made by the CEB to the Company for the Energy Charge calculated in accordance with Paragraph 9.8.1 of this Schedule 9, for Metered Output for Liquid Fuel operation during this period,

9.4.2 for the Open Cycle (L) Operational Period, Capacity Charges and Energy Charges will be paid for any Actual Available Capacity and Metered Output. The Start-Up Cost will also be payable for Start-Ups requested by the CEB provided the previous shut down of the Facility was in accordance with the Dispatch Instruction given by CEB only (For avoidance of any doubt cost for the first Start-Up of the relevant period will be paid) and will be calculated in accordance with the Paragraph 9.10 of this Schedule 9. Payments of Capacity Charges will be calculated in accordance with Paragraph 9.7.1 of this Schedule 9, and of Energy Charges on the Metered Output will be calculated in accordance with Paragraph 9.8.2 of this Schedule 9;

9.4.3 for the Combined Cycle (L) Commissioning Period prior to the Combined Cycle (L) Operational Period, no Capacity Charges, Variable O&M Charge and Start-up Charge will be payable and no liquidated damages for non-achievement of a Dispatch Instruction or in respect of non-achievement of Target Availability will be payable. However, payments will be made by the CEB to the Company of the Energy Charge calculated in accordance with Paragraph 9.8.5 of this Schedule 9, for Metered Output during this period;

9.4.4 for the Combined Cycle (L) Operational Period, Capacity Charges and Energy Charges will be paid for any Actual Available Capacity and Metered Output. The Start-Up Charge will also be payable for Start-Ups requested by the CEB provided the previous shut down of the Facility was in accordance with the Dispatch Instruction given by CEB only (For avoidance of any doubt cost for the first Start-Up of this period will be paid) and will be calculated in accordance with the Paragraph 9.10 of this Schedule 9. Payments of Capacity Charges will be calculated in accordance with Paragraph 9.7.3 of this Schedule 9, and of Energy Charges on the Metered Output will be calculated in accordance with Paragraph 9.8.6(i) and Paragraph 9.8.6(ii) of this Schedule 9 as applicable;

9.4.5 for the Open Cycle (N) Commissioning period prior to the Open Cycle Operational Date no Capacity Charge and Variable O&M Charge will be payable. However, payments will be made by the CEB to the Company for the Energy Charge calculated in accordance with Paragraph 9.8.3 of

this Schedule 9, for Metered Output for Liquid Fuel operation during this period;

9.4.6 for the Open Cycle (N) Operational Period, Capacity Charges and Energy Charges will be paid for any Actual Available Capacity and Metered Output. The Start-Up Cost will also be payable for Start-Ups requested by the CEB provided the previous shut down of the Facility was in accordance with the Dispatch Instruction given by CEB only (For avoidance of any doubt cost for the first Start-Up of the relevant period will be paid) and will be calculated in accordance with the Paragraph 9.10 of this Schedule 9. Payments of Capacity Charges will be calculated in accordance with Paragraph 9.7.2 of this Schedule 9, and of Energy Charges on the Metered Output will be calculated in accordance with Paragraph 9.8.4 of this Schedule 9;

9.4.7 for the Combined Cycle (N) Commissioning Period, no Capacity Charges, Variable O&M Charge and Start-up Charge will be payable and no liquidated damages for non-achievement of a Dispatch Instruction or in respect of non-achievement of Target Availability will be payable. However, payments will be made by the CEB to the Company of the Energy Charge calculated in accordance with Paragraph 9.8.7 of this Schedule 9, for Metered Output during this period; and

9.4.8 for the Combined Cycle (N) Operational Period, Capacity Charges and Energy Charges will be paid for any Actual Available Capacity and Metered Output. The Start-Up Cost will also be payable for Start-Ups requested by the CEB provided the previous shut down of the Facility was in accordance with the Dispatch Instruction given by CEB only (For avoidance of any doubt cost for the first Start-Up of this period will be paid) and will be calculated in accordance with the Paragraph 9.10 of this Schedule 9. Payments of Capacity Charges will be calculated in accordance with Paragraph 9.7.4 of this Schedule 9, and of Energy Charges on the Metered Output will be calculated in accordance with Paragraph 9.8.8(i) and Paragraph 9.8.8(ii) of this Schedule 9 as applicable.

9.5 Settlement Periods

The Open Cycle Operational Period, and each Contract Year thereafter shall be divided into Months which shall be sub-divided into Hourly periods for the purpose of calculating the Capacity Charges and Energy Charges. Performance of the Facility will be accessed for each hour and aggregated to produce a performance summary for each month in the Open Cycle Operational Period and each Contract Year.

9.6 Performance Criteria

The Actually Achieved Monthly Availability of the Facility will be calculated for each Month in accordance with Schedule 8 and the Capacity Charge payments will be based on this.

9.7 Capacity Charge Equations

The following provisions shall apply to the calculation of the Capacity Charges payable to the Company:

For avoidance of doubt, it is clarified that Paragraph 9.7.1 and 9.7.2 shall not be used to compute Capacity Charge payment or the total amount of Capacity Charges payable when the Facility is operated in open cycle mode during Combined Cycle Operational Period. For such situations, Paragraph 9.7.3 and 9.7.4 of this Schedule 9 shall be used as applicable.

9.7.1 for the Open Cycle (L) Operational Period the Capacity Charge shall be calculated in accordance with the following formulae. The Capacity Charge payable for a Month shall be determined in accordance with Paragraph 9.7.1 (b) of this Schedule 9. No Capacity Charge shall be payable for any Month beyond this period and Capacity Charges shall only become payable again following the Combined Cycle Operation Date.

(a) The Capacity Charge for the Actually Achieved Monthly Availability in the Open Cycle (L) Operational Period shall be calculated as follows;

$$DCCP_{MOL} = AAMA_{MOL} * \frac{PH_M}{PH_Y}(DCCR_{OL} + DFOM_{MOL}) * NDC_{OL}$$

and

$$RCCP_{MOL} = AAMA_{MOL} * \frac{PH_M}{PH_Y}(RCCR_{OL} + RFOM_{MOL}) * NDC_{OL}$$

where:

$DCCP_{MOL}$ is the US Dollar component of the Capacity Charge calculated for the Month M during the Open Cycle (L) Operational Period, expressed in US Dollar;

$RCCP_{MOL}$ is the Rupee component of the Capacity Charge calculated for the Month M during the Open Cycle (L) Operational Period, expressed in Rs;

$AAMA_{MOL}$ is the Actually Achieved Monthly Availability for Month M, during the Open Cycle (L) Operational Period, expressed in percent calculated in accordance with the Paragraph 8.3 of Schedule 8.;

PH_M is the number of Hours in Month M;

PH_Y is number of Hours in that Year;

$DCCR_{OL}$ is the US Dollar Component of the Capital Cost Recovery Rate for the Open Cycle (L) Operational Period and has the value stated in Annex A of this Schedule 9;

$RCCR_{OL}$ is the Rupee Component of the Capital Cost Recovery Rate for the Open Cycle (L) Operational Period and has the value stated in Annex A of this Schedule 9;

$DFOM_{MOL}$ is the US Dollar Component of the Fixed Operation and Maintenance Rate for the Month M(M=1,2…10) during the

Open Cycle (L) Operational Period, calculated in accordance with the Paragraph 2 of Annex B of this Schedule 9;

$RFOM_{MOL}$ is the Rupee Component of the Fixed Operation and Maintenance Rate for Month M during the Open Cycle (L) Operational Period calculated in accordance with the Paragraph 3 of Annex B of this Schedule 9; and

NDC_{OL} has the value stated in Annex A of this Schedule 9.

provided that the total amount of Capacity Charges payable over this period shall not exceed the following:

$$DMCCP_{OL} = TA_{OL} * NDC_{OL} * \left(DCCR_{OL} + \frac{1}{n}\sum_{M=1}^{n} DFOM_{MOL} \right) * \frac{PH_{OL}}{PH_{Y}}$$

and

$$RMCCP_{OL} = TA_{OL} * NDC_{OL} * \left(RCCR_{OL} + \frac{1}{n}\sum_{M=1}^{n} RFOM_{MOL} \right) * \frac{PH_{OL}}{PH_{Y}}$$

where:

$DMCCP_{OL}$ is the maximum of the US Dollar component of the Capacity Charge payable over the Open Cycle Operational Period expressed in US Dollar;

$RMCCP_{OL}$ is the maximum of the Rupee component of Capacity Charge payable over the Open Cycle Operational Period expressed in Rs;

TA_{OL} is the Target Availability (TA_o) for this period, as provided under Paragraph 8.5.1 of Schedule 8;

PH_{OL} is the number of Hours in the Open Cycle Operational Period;

PH_Y is eighht thousand seven hundred and sixty (8760) Hours;

n is the lower of:(i) ten (10); and (ii) the number of Months in Open Cycle Operational Period.

(b) the Capacity Charge payment for any Month M in the Open Cycle Operational Period shall be the sum of:

(i) $ADCCP_{MOL}$ (which is the Actual US Dollar Component of Capacity Charge payment for the relevant Month, M, expressed in US Dollar) which shall be the lesser of:

(A) $DCCP_{MOL}$ for the relevant Month, *M*; and

(B) $DMCCP_{OL} - \sum_{i=1}^{M-1} ADCCP_{iOL}$

where: $ADCCP_{iOL}$ is the Actual US Dollar Component of Capacity Charge payment for any Month i prior to the relevant Month M, expressed in US Dollar.
and

(ii) $ARCCP_{MOL}$ (which is the Actual Rupee Component of Capacity Charge payment for the relevant Month, M, expressed in Rupees) which shall be the lesser of:

(A) $RCCP_{MOL}$ for the relevant Month, M; and

(B) $RMCCP_{OL} - \sum_{i=1}^{M-1} ARCCP_{iOL}$

Where: $ARCCP_{iOL}$ is the Actual Rupee Component of Capacity Charge payment for any Month i prior to the relevant Month M, expressed in Rupees.

(c) the Capacity Charge shall be reconciled at the expiry of the Open Cycle Operational Period, and an adjustment will be made to take account of any difference between the actual amount that is due for such Open Cycle Operational Period (based upon the Actually Achieved Annual Availability) and the sum of the actual payments received by the Company from the CEB based on the calculations referred to in Paragraph 9.7.1(b) of this Schedule 9, and the difference (if any) shall either become payable by the CEB to the Company within thirty (30) Days of such determination (in the case of any underpayment) or deducted from any payments due to the Company from the CEB in the first Monthly Invoice in the Contract Year immediately following such period (in respect of any overpayment).

9.7.2 for the Open Cycle (N) Operational Period the Capacity Charge shall be calculated in accordance with the following formulae. The Capacity Charge payable for a Month shall be determined in accordance with Paragraph 9.7.2(b) of this Schedule 9. No Capacity Charge shall be payable for any Month beyond this period and Capacity Charges shall only become payable again following the Combined Cycle Operation Date.

(a) The Capacity Charge for the Actually Achieved Monthly Availability in the Open Cycle (N) Operational Period shall be calculated as follows

$$DCCP_{MON} = AAMA_{MON} * \frac{PH_M}{PH_Y}\left(DCCR_{ON} + DFOM_{MON}\right) * NDC_{ON}$$

and

$$RCCP_{MON} = AAMA_{MON} * \frac{PH_M}{PH_Y}\left(RCCR_{ON} + RFOM_{MON}\right) * NDC_{ON}$$

where;

$DCCP_{MON}$ is the US Dollar component of the Capacity Charge calculated for the Month M during the Open Cycle (N) Operational Period, expressed in US Dollar;

$RCCP_{MON}$ is the Rupee component of the Capacity Charge calculated for the Month M during the Open Cycle (N) Operational Period, expressed in Rs;

$AAMA_{MON}$ is the Actually Achieved Monthly Availability for Month M, during the Open Cycle (N) Operational Period, expressed in percent calculated in accordance with the Paragraph 8.3 of Schedule 8.(AA_h shall be calculated as per Clause 8.2.5)

PH_M is the number of Hours in Month M;

PH_Y is number of Hours in that Year;

$DCCR_{ON}$ is the US Dollar Component of the Capital Cost Recovery Rate for the Open Cycle (N) Operational Period (if operated by Gas Fuel) and has the value stated in Annex A of Schedule 9;

$RCCR_{ON}$ is the Rupee Component of the Capital Cost Recovery Rate for the Open Cycle (N) Operational Period (if operated by Gas Fuel) and has the value stated in Annex A of Schedule 9;

$DFOM_{MON}$ is the US Dollar Component of the Fixed Operation and Maintenance Rate for the Month M(M=1,2…10) during the Open Cycle (N) Operational Period, calculated in accordance with the Paragraph 2 of Annex B of Schedule 9;

$RFOM_{MON}$ is the Rupee Component of the Fixed Operation and Maintenance Rate for Month M during the Open Cycle (N) Operational Period calculated in accordance with the Paragraph 3 of Annex B of Schedule 9; and

NDC_{ON} has the value stated in Annex A of Schedule 9.

provided that: the total amount of Capacity Charges payable over this period shall not exceed the following:

$$DMCCP_{ON} = TA_{ON} * NDC_{ON} * \left(DCCR_{ON} + \frac{1}{n} \sum_{M=1}^{n} DFOM_{MON} \right) * \frac{PH_{ON}}{PH_Y}$$

and

$$RMCCP_{ON} = TA_{ON} * NDC_{ON} * \left(RCCR_{ON} + \frac{1}{n} \sum_{M=1}^{n} RFOM_{MON} \right) * \frac{PH_{ON}}{PH_Y}$$

where:

$DMCCP_{ON}$ is the maximum of the US Dollar component of the Capacity Charge payable over the Open Cycle (N) Operational Period expressed in US Dollar;

$RMCCP_{ON}$ is the maximum of the Rupee component of Capacity Charge payable over the Open Cycle (N) Operational Period expressed in Rs;

TA_{ON} is the Target Availability (TA_o)for this period, as provided under Paragraph 8.5.1 of Schedule 8;

PH_{ON} is the number of Hours in the Open Cycle (N) Operational Period;

PH_Y is eight thousand seven hundred and sixty (8760) Hours;

n is the lower of: (i) ten (10); and (ii) the number of Months in Open Cycle (N) Operational Period.

(b) the Capacity Charge payment for any Month M in the Open Cycle (N) Operational Period shall be the sum of:

(i) $ADCCP_{MON}$(which is the Actual US Dollar Component of Capacity Charge payment for the relevant Month, M, expressed in US Dollar) which shall be the lesser of:

(A) $DCCP_{MON}$ for the relevant Month, *M*; and

(B) $$DMCCP_{ON} - \sum_{i=1}^{M-1} ADCCP_{iON}$$

where;

$ADCCP_{iON}$ is the Actual US Dollar Component of Capacity Charge payment for any Month i prior to the relevant Month M, expressed in US Dollar.

and

(ii) $ARCCP_{MON}$ (which is the Actual Rupee Component of Capacity Charge payment for the relevant Month, M, expressed in Rupees) which shall be the lesser of:

(A) $RCCP_{MON}$ for the relevant Month, M; and

(B) $$RMCCP_{ON} - \sum_{i=1}^{M-1} ARCCP_{iON}$$

where

$ARCCP_{iON}$ is the Actual Rupee Component of Capacity Charge payment for any Month i prior to the relevant Month M, expressed in Rupees

(c) the Capacity Charge shall be reconciled at the expiry of the Open Cycle (N) Operational Period, and an adjustment will be made to take account of any difference between the actual amount that is due for such Open Cycle (N) Operational Period (based upon the Actually Achieved Annual Availability) and the sum of the actual payments received by the Company from the CEB based on the calculations referred to in Paragraph 9.7.2(b) of this Schedule 9, and the difference (if any) shall either become payable by the CEB to the Company within thirty (30) Days of such determination (in the case of any underpayment) or deducted from any payments due to the Company from the CEB in the first Monthly Invoice in the Contract Year immediately following such period (in respect of any overpayment).

9.7.3 For the Combined Cycle (L) Operational Period the Capacity Charge payable for each Month shall be calculated in accordance with the following formulae. The Capacity Charge payable for a month shall be determined in accordance with Paragraph 9.7.3 (b) of this Schedule 9:

(a) The Capacity Charge for the Actually Achieved Monthly Availability shall be calculated as follows

$$DCCP_{YMCL} = AAMA_{YMCL} * \frac{PH_{YMCL}}{PH_Y}\left(DCCR_{YCL} + DFOM_{YMCL}\right) * NDC_{CL}$$

and

$$RCCP_{YMCL} = AAMA_{YMCL} * \frac{PH_{YMCL}}{PH_Y}\left(RCCR_{YCL} + RFOM_{YMCL}\right) * NDC_{CL}$$

where:

$DCCP_{YMCL}$ is the US Dollar component of the Capacity Charge calculated for the Month M in the Contract Year Y during the Combined Cycle (L) Operational Period, expressed in US Dollar

$RCCP_{YMCL}$ is the Rupee component of the Capacity Charge calculated for Month M in the Contract Year Y during the Combined Cycle (L) Operational Period, expressed in Rs;

$AAMA_{YMCL}$ is the Actually Achieved Monthly Availability for Month M in the Contract Year Y expressed in percent, calculated in accordance with the Paragraph 8.3 of Schedule 8;

PH_{YMCL} is the number of Hours in the Month M in the Contract Year Y;

PH_Y is no of hours in the Contract Year Y;

$DCCR_{YCL}$ is the US Dollar Component of the Capital Cost Recovery Rate for the Contract Year Y during the Combined Cycle (L) Operational Period, and has the value as stated in Annex A of this Schedule 9;

$RCCR_{YCL}$ is the Rupee Component of the Capital Cost Recovery Rate for the Contract Year Y during the Combined Cycle (L) Operational Period, and has the value as stated in Annex A of this Schedule 9;

$DFOM_{YMCL}$ is the US Dollar Component of the Fixed Operation and Maintenance Rate for the Month M in the Contract Year Y during the Combined Cycle (L) Operational Period, calculated in accordance with the Paragraph 2 of Annex B of this Schedule 9;

$RFOM_{YMCL}$ is the Rupee Component of the Fixed Operation and Maintenance Rate for the Month M in the Contract Year Y during the Combined Cycle (L) Operational Period, calculated in accordance with the Paragraph 3 of Annex B of this Schedule 9; and

NDC_{CL} has the value stated in Annex A.

provided that the maximum amount of Capacity Charges payable in any Contract Year during Combined Cycle (L) Operational Period shall not exceed:

$$DMCCP_{YCL} = TA_{YCL} * NDC_{CL} * \left(DCCR_{YCL} + \frac{1}{n} \sum_{M=1}^{n} DFOM_{YMCL} \right)$$

and

$$RMCCP_{YCL} = TA_{YCL} * NDC_{CL} * \left(RCCR_{YCL} + \frac{1}{n} \sum_{M=1}^{n} RFOM_{YMCL} \right)$$

where:

$DMCCP_{YCL}$ is the maximum of the US Dollar component of the Capacity Charge payable for that Contract Year Y during the Combined Cycle (L) Operational Period expressed in US Dollar;

$RMCCP_{YCL}$ is the maximum of the Rupee component of the Capacity Charge payable for that Contract Year Y during the Combined Cycle (L) Operational Period expressed in Rs;

TA_{YCL} is the Target Availability (TA_Y) for that Contract Year which has the value stated in Paragraph 8.5.2 of Schedule 8, subject to adjustment under Paragraph 8.5.3 of Schedule 8.;

NDC_{CL} is the value as stated in Annex A; and

n is the number of Months in that Contract Year Y in during the Combined Cycle (L) Operational Period.

(b) for any Month M of in the Contract Year Y, during the Combined Cycle (L) Operational Period the Capacity Charge payable shall be the sum of:

(i) $ADCCP_{YMCL}$ (which is the Actual US Dollar Component of Capacity Charge payment for the relevant Month, M, in the contract year, Y during the Combined Cycle (L) Operational Period expressed in US Dollar which shall be the lesser of:

(A) $DCCP_{YMCL}$ for the relevant Month, M;

and

(B) $$DMCCP_{YCL} - \sum_{i=1}^{M-1} ADCCP_{YiCL}$$

where $ADCCP_{YiCL}$ is the Actual US Dollar Component of Capacity Charge payment for any Month i prior to the relevant Month M in the Contract Year Y during the Combined Cycle (L) Operational Period expressed in US Dollar

and

(ii) $ARCCP_{YMCL}$ (which is the Actual Rupee Component of Capacity Charge payment for the relevant Month, M, in the Contract Year Y during the Combined Cycle (L) Operational Period expressed in Rupees) which shall be the lesser of:

(A) $RCCP_{YMCL}$ for the relevant Month, M in the Contract Year Y during the Combined Cycle (L) Operational Period;

and

(B) $$RMCCP_{YCL} - \sum_{i=1}^{M-1} ARCCP_{YiCL}$$

where $ARCCP_{YiCL}$ is the Actual Rupee Component of Capacity Charge payment for any Month i prior to the relevant Month M in the Contract Year Y, during the Combined Cycle (L) Operational Period expressed in Rupees

(c) the Capacity Charge shall be reconciled at the expiry of each Contract Year, and an adjustment will be made to take account of any difference between the actual amount that is due to the Company for such Contract Year (based upon the Actually Achieved Annual Availability) and the sum of the actual payments received by the Company from the CEB based on the calculations referred to in Paragraph 9.7.3(b) of this Schedule 9, and the difference (if any) shall either become payable by the CEB to the Company within thirty (30) Days of such determination (in the case of any underpayment) or deducted from any payments due to the Company from the CEB in the first Monthly Invoice of the immediately following Contract Year (in respect of any overpayment).

9.7.4 For the Combined Cycle (N) Operational Period in which the Facility is operated with Gas Fuel the Capacity Charge payable for each Month shall be calculated in accordance with the following formulae. The Capacity Charge payable for a month shall be determined in accordance with Paragraph 9.7.4 (b) of this Schedule 9:

(a) The Capacity Charge for the Actually Achieved Monthly Availability shall be calculated as follows

$$DCCP_{YMCN} = AAMA_{YMCN} * \frac{PH_{YMCN}}{PH_Y} \left(DCCR_{YCN} + DFOM_{YMCN} \right) * NDC_{CN}$$

and:

$$RCCP_{YMCN} = AAMA_{YMCN} * \frac{PH_{YMCN}}{PH_Y} \left(RCCR_{YCN} + RFOM_{YMCN} \right) * NDC_{CN}$$

$DCCP_{YMCN}$ is the US Dollar component of the Capacity Charge calculated for Month M in the Contract Year Y Combined Cycle (N) Operational Period expressed in US Dollar (when the Facility is operated with Gas Fuel);

$RCCP_{YMCN}$ is the Rupee component of the Capacity Charge calculated for Month M in the Contract Year Y Combined Cycle (N) Operational Period expressed in Rs;

$AAMA_{YMCN}$ is the Actually Achieved Monthly Availability for Month M in the Contract Year Y during the Combined Cycle (N) Operational Period expressed in percent, calculated in accordance with the Paragraph 8.3 of Schedule 8.;

PH_{YMCN} is the number of Hours in the Month M in the Contract Year Y during the Combined Cycle (N) Operational Period:

PH_{Y} is no of hours in the Contract Year Y, during the Combined Cycle (N) Operational Period;

$DCCR_{YCN}$ is the US Dollar Component of the Capital Cost Recovery Rate for the Contract Year Y during the Combined Cycle (N) Operational Period and has the value as stated in Annex A of this Schedule 9;

$RCCR_{YCN}$ is the Rupee Component of the Capital Cost Recovery Rate for the Contract Year Y during the Combined Cycle (N) Operational Period and has the value as stated in Annex A of this Schedule 9;

$DFOM_{YMCN}$ is the US Dollar Component of the Fixed Operation and Maintenance Rate for the Month M in the Contract Year during the Combined Cycle (N) Operational Period calculated in accordance with the Paragraph 2 of Annex B of this Schedule 9;

$RFOM_{YMCN}$ is the Rupee Component of the Fixed Operation and Maintenance Rate for the Month M in the Contract Year during the Combined Cycle (N) Operational Period calculated in accordance with the Paragraph 3 of Annex B of this Schedule 9; and

NDC_{CN} has the value stated in Annex A.

provided that the maximum amount of Capacity Charges payable in any Contract Year shall not exceed:

$$DMCCP_{YCN} = TA_{YCN} * NDC_{CN} * \left(DCCR_{YCN} + \frac{1}{n} \sum_{M=1}^{n} DFOM_{YMCN} \right)$$

and

$$RMCCP_{YCN} = TA_{YCN} * NDC_{CN} * \left(RCCR_{YCN} + \frac{1}{n} \sum_{M=1}^{n} RFOM_{YMCN} \right)$$

where:

$DMCCP_{YCN}$ is the maximum of the US Dollar component of the Capacity Charge payable for that Contract Year Y during the Combined Cycle (N) Operational Period expressed in US Dollar;

$RMCCP_{YCN}$ is the maximum of the Rupee component of the Capacity Charge payable for that Contract Year Y during the Combined Cycle (N) Operational Period expressed in Rs;

TA_{YCN} is the Target Availability (TA_Y) for that Contract Year which has the value stated in Paragraph 8.5.2 of Schedule 8, subject to adjustment under Paragraph 8.5.3 of Schedule 8;

NDC_{CN} is the value as stated in Annex A; and

n is the number of Months in that Contract Year Y during the Combined Cycle (N) Operational Period

(b) for any Month M of in the Contract Year Y, during the Combined Cycle (N) Operational Period the Capacity Charge payable shall be the sum of:

(i) $ADCCP_{YMCN}$ (which is the Actual US Dollar Component of Capacity Charge payment for the relevant Month, M, in the Contract Year during the Combined Cycle (N) Operational Period expressed in US Dollar) which shall be the lesser of:

(A) $DCCP_{YMCN}$ for the relevant Month, M during the Combined Cycle (N) Operational Period; and

(B) $$DMCCP_{YCN} - \sum_{i=1}^{M-1} ADCCP_{YiCN}$$

Where $ADCCP_{YiCN}$ is the Actual US Dollar Component of Capacity Charge payment for any Month i prior to the relevant Month M in the Contract Year Y expressed in US Dollar

and

(ii) $ARCCP_{YMCN}$ (which is the Actual Rupee Component of Capacity Charge payment for the relevant Month, M, during the Combined Cycle (N) Operational Period expressed in Rupees) which shall be the lesser of:

(A) $RCCP_{YMCN}$ for the relevant Month, M during the Combined Cycle (N) Operational Period; and

(B) $$RMCCP_{YCN} - \sum_{i=1}^{M-1} ARCCP_{YiCN}$$

Where $ARCCP_{YiCN}$ is the Actual Rupee Component of Capacity Charge payment for any Month i prior to the relevant Month M in the Contract Year Y, during the Combined Cycle (N) Operational Period, expressed in Rupees

(c) the Capacity Charge shall be reconciled at the expiry of each Contract Year, and an adjustment will be made to take account of any difference between the actual amount that is due to the Company for such Contract Year (based upon the Actually Achieved Annual Availability) and the sum of the actual payments received by the Company from the CEB based on the calculations referred to in Paragraph 9.7.4(b) of this Schedule 9, and the difference (if any) shall either become payable by the CEB to the Company within thirty (30) Days of such determination (in the case of any underpayment) or deducted from any payments due to the Company from the CEB in the first Monthly Invoice of the immediately following Contract Year (in respect of any overpayment).

9.8 Energy Charges

The following provisions shall apply to the calculation of Energy Charges payable to the Company:

9.8.1 for the Open Cycle (L) Commissioning period prior to the Open Cycle (L) Operation Date (Facility commissioned with Liquid Fuel), the Energy Charge payment shall be calculated in accordance with the following formula:

$$REC_{POL} = \sum_{h=1}^{h_m} E_h * \left[\left(\frac{NDC_{OL} * IHR_{OL} + NL_{1OL} + NL_{2OL}}{NDC_{OL}} \right) * FER_{POL} \right]$$

where:

REC_{POL} is the Energy Charge payable for the period prior to the OCOD expressed in Rs, calculated as the aggregate of the value for each Hour during such period;

E_h is the Hourly Metered Output during each Hour of this period expressed in kWh

IHR_{OL} is the incremental heat rate for open cycle operation expressed in kJ/kWh (net, HHV), and has the open cycle value stated in Annex A of this Schedule 9;

NL_{1OL} is the no load energy requirement for GT1 in open cycle operation expressed in kJ/h (net, HHV), and has the open cycle value stated in Annex A of this Schedule 9;

NL_{2OL} is the no load energy requirement for GT2 in open cycle operation expressed in kJ/h (net, HHV), and has the open cycle value stated in Annex A of this Schedule 9;

h_m is the total number of Hours during the Open Cycle Commissioning Period.

FER_{POL} is the Fuel Energy Rate expressed in Rs./kJ, applicable for the period prior to the OCLOD, as calculated in accordance with Paragraph 6.1 of Annex B of this Schedule 9.

NDC_{OL} has the value stated in Annex A of this Schedule 9.

9.8.2 for the Open Cycle (L) Operational Period the Energy Charge for each Month of this period shall be calculated in accordance with the following formulae;

$$DEC_{MOL} = \sum_{h=1}^{h_m} (Eh * DVOM_{MOL})$$

and

$$REC_{MOL1} = \sum_{h=1}^{h_m} X_h * \left(E_h * IHR_{OL} + H_{1h} * NL_{1OL} + H_{2H} * NL_{2OL} \right) * \mathrm{FER}_{\mathrm{MOL}}$$

$$REC_{MOL2} = \sum_{h=1}^{h_m} Y_h * \mathrm{E_h} * \left(\frac{\mathrm{NDC_{OL}} * \mathrm{IHR_{OL}} + \mathrm{NL_{1\,OL}} + \mathrm{NL_{2\,OL}}}{NDC_{OL}} \right) * \mathrm{FER}_{\mathrm{MOL}}$$

$$\mathrm{REC}_{\mathrm{MOL\,3}} = \sum_{h=1}^{h_m} E_h * \left(\mathrm{R}\,VOM_{MOL} \right)$$

$REC_{MOL} = REC_{MOL1} + REC_{MOL2} + REC_{MOL3}$

where:

DEC_{MOL} is the US Dollar component of the Energy Charge payable for that Month M, expressed in US Dollar;

REC_{MOL} is the Rupee component of the Energy Charge payable for that Month M, expressed in Rupees;

E_h is the Hourly Metered Output during each Hour of that Month M, expressed in kWh;

IHR_{OL} is the incremental heat rate for open cycle operation expressed in kJ/kWh (net, HHV), and has the open cycle value stated in Annex A of this Schedule 9;

h_m is the number of Hours during that Month M for the Open Cycle Operational Period

NL_{1OL} is the no load energy requirement per one gas turbine 1 in open cycle operation expressed in kJ/h (net, HHV), and has the open cycle value as stated in Annex A of this Schedule 9;

NL_{2OL} is the no load energy requirement per one gas turbine 2 in open cycle operation expressed in kJ/h (net, HHV), and has the open cycle value as stated in Annex A of this Schedule 9;

$DVOM_{MOL}$ is the US Dollar Component of the Variable Operation and Maintenance Rate for that Month M in respect of the Open Cycle Operational Period, calculated in accordance with Paragraph 4 of Annex B of this Schedule 9; and

$RVOM_{MOL}$ is the Rupee Component of the Variable Operation and Maintenance Rate for that Month M in respect of Open Cycle Operational Period, calculated in accordance with Paragraph 5 of Annex B of this Schedule 9.

H_{1h} is the time period in which GT1 has been synchronized during each Hour of that Month M, expressed in hours.;

H_{2h} is the time period in which GT2 has been synchronized during each Hour of that Month M, expressed in hours.;

X_h is equal to one (1), if Actual Available Capacity is 100 % of Declared Available Capacity for that Hour "h" of that month M and otherwise Zero;

Y_h is equal to one (1), if Actual Available Capacity is less than 100 % of Declared Available Capacity for that Hour "h" of that month M and otherwise Zero;

9.8.3 for the Open Cycle (N) Commissioning period prior to the Open Cycle (N) Operation Date, the Energy Charge payment shall be calculated in accordance with the following formula:

$$REC_{PON} = \sum_{h=1}^{h_m} E_h * \left[\left(\frac{NDC_{ON} * IHR_{ON} + NL_{1ON} + NL_{2ON}}{NDC_{ON}} \right) * FER_{PON} \right]$$

where:

REC_{PON} is the Energy Charge payable for the period prior to the OCOD expressed in Rs, calculated as the aggregate of the value for each Hour during such period;

E_h is the Hourly Metered Output during each Hour of this period expressed in kWh

IHR_{ON} is the incremental heat rate for open cycle (N) operation expressed in kJ/kWh (net, HHV), and has the open cycle value stated in Annex A of Schedule 9;

NL_{1ON} is the no load energy requirement for GT1 in open cycle (N) operation expressed in kJ/h (net, HHV), and has the open cycle value stated in Annex A of Schedule 9;

NL_{2ON} is the no load energy requirement for GT2 in open cycle (N) operation expressed in kJ/h (net, HHV), and has the open cycle value stated in Annex A of Schedule 9;

h_m is the total number of Hours during the Open Cycle Commissioning Period.

FER_{PON} is the Fuel Energy Rate expressed in Rs./kJ, applicable for the period prior to the OCNOD, as calculated in accordance with Paragraph 6.2 of Annex B of Schedule 9.

NDC_{ON} has the value stated in Annex A of Schedule 9.

9.8.4 for the Open Cycle (N) Operational Period the Energy Charge for each Month of this period shall be calculated in accordance with the following formulae;

$$DEC_{MON} = \sum_{h=1}^{h_m} (Eh * DVOM_{MON})$$

and

$$REC_{MON1} = \sum_{h=1}^{h_m} X_h * \left(E_h * IHR_{ON} + H_{1h} * NL_{1ON} + H_{2h} * NL_{2ON} \right) * \mathrm{FER}_{MON}$$

$$REC_{MON2} = \sum_{h=1}^{h_m} Y_h * \mathrm{E_h} * \left(\frac{\mathrm{NDC_{ON}} * \mathrm{IHR_{ON}} + \mathrm{NL_{1ON}} + \mathrm{NL_{2ON}}}{NDC_{ON}} \right) * \mathrm{FER_{MON}}$$

$$\mathrm{REC_{MON3}} = \sum_{h=1}^{h_m} E_h * \left(\mathrm{R}\, VOM_{MON} \right)$$

$\mathrm{REC_{MON}} = \mathrm{REC_{MON1}} + \mathrm{REC_{MON2}} + \mathrm{REC_{MON3}}$

where:

DEC_{MON} is the US Dollar component of the Energy Charge payable for that Month M, expressed in US Dollar;

REC_{MON} is the Rupee component of the Energy Charge payable for that Month M, expressed in Rupees;

E_h is the Hourly Metered Output during each Hour of that Month M, expressed in kWh;

$\mathrm{IHR_{ON}}$ is the incremental heat rate for open cycle (N) operation expressed in kJ/kWh (net, HHV), and has the open cycle value stated in Annex A of Schedule 9;

h_m is the number of Hours during that Month M;

NL_{1ON} is the no load energy requirement per one gas turbine 1 in open cycle (N) operation expressed in kJ/h (net, HHV), and has the open cycle value as stated in Annex A of Schedule 9;

NL_{2ON} is the no load energy requirement per one gas turbine 2 in open cycle (N) operation expressed in kJ/h (net, HHV), and has the open cycle value as stated in Annex A of Schedule 9;

FER_{MON} is the FER expressed in Rs./kJ, for the month M in the Open Cycle (N) Operational Period as calculated in accordance with Paragraph 6.2 of Annex B of Schedule 9;

$DVOM_{MON}$ is the US Dollar Component of the Variable Operation and Maintenance Rate for that Month M in respect of the Open Cycle (N) Operational Period, calculated in accordance with Paragraph 4 of Annex B of Schedule 9;

$RVOM_{MON}$ is the Rupee Component of the Variable Operation and Maintenance Rate for that Month M in respect of Open Cycle

(N) Operational Period, calculated in accordance with Paragraph 5 of Annex B of Schedule 9;

H_{1h} is the time period in which GT1 has been synchronized during each Hour of that Month M, expressed in hours;

H_{2h} is the time period in which GT2 has been synchronized during each Hour of that Month M, expressed in hours;

Xh is equal to one (1), if Actual Available Capacity is one hundred percent (100 %) of Declared Available Capacity for that Hour "h" of that month M and otherwise Zero; and

Yh is equal to one (1), if Actual Available Capacity is less than one hundred percent (100 %) of Declared Available Capacity for that Hour "h" of that month M and otherwise Zero.

9.8.5 for the Combined Cycle (L) Commissioning Period, the payment of the Energy Charge for each Month M shall be calculated in accordance with the following formula:

$$REC_{MCCL} = \sum_{h=1}^{h_m} E_h * \left[\left(\frac{NDC_{CL} * IHR_{CL} + NL_{1CL} + NL_{2CL}}{NDC_{CL}} \right) * FER_{MCCL} \right]$$

where:

REC_{MCCL} is the Rupee component of the Energy Charge payable for the Month M during the Combined Cycle (L) Commissioning Period expressed in Rupees;

E_h is the Metered Output during Combined Cycle (L) Commissioning Period, expressed in kWh;

IHR_{CL} is the incremental heat rate for operation of the Facility, expressed in kJ/kWh (net, HHV), and having the value for Combined Cycle (L) Operational Period, stated in Annex A of this Schedule 9;

h_m is the number of Hours during that Month M;

NL_{1CL} is the no load energy requirement for GT1 in Combined Cycle (L) operation expressed in kJ/h (HHV), and has the Combined Cycle value stated in Annex A of this Schedule 9;

NL_{2CL} is the no load energy requirement for GT2 in Combined Cycle (L) operation expressed in kJ/h (HHV), and has the Combined Cycle value stated in Annex A of this Schedule 9;

NDC_{CL} has the value stated in Annex A of this Schedule 9.

FER_{MCCL} is the FER expressed in Rs./kJ, applicable to Combined Cycle (L) Commissioning Period, as calculated in accordance with Paragraph 6.1 of Annex B of this Schedule 9.

9.8.6 for the Combined Cycle (L) Operational Period, the payment of the Energy Charge for each Month M shall be calculated in accordance with the following formulae:

(i) combined cycle mode during Combined Cycle (L) Operational Period

$$DEC_{YMCL1} = \sum_{h=1}^{h_m} (E_{hC} * DVOM_{YMCL})$$

And

$$REC_{YMCL1} = \sum_{h=1}^{h_m} X_h * (E_{hC} * IHR_{CL} + H_{1hC} * NL_{1CL} + H_{2hC} * NL_{2CL}) * FER_{YMCL}$$

$$REC_{YMCL2} = \sum_{h=1}^{h_m} Y_h * E_{hC} * \left(\frac{NDC_{CL} * IHR_{CL} + NL_{1CL} + NL_{2CL}}{NDC_{CL}} \right) * FER_{YMCL}$$

$$REC_{YMCL3} = \sum_{h=1}^{h_m} E_{hC} * \left(RVOM_{YMCL} \right)$$

where:

E_{hC} is the Hourly Metered Output during each Hour that Month M, , expressed in kWh in combined cycle operation mode;

IHR_{CL} is the incremental heat rate for operation of the Facility, expressed in kJ/kWh (net, HHV), and having the value for Combined Cycle (L) Operational Period stated in Annex A of this Schedule 9;

H_{1hC} is the time period in which GT1 has been synchronized in combined cycle operation mode during each Hour of the Month M in the Contract Year Y, expressed in hours.;

H_{2hC} is the time period in which GT2 has been synchronized in combined cycle operation mode during each Hour of that Month M in the Contract Year Y, expressed in hours.;

h_m is the number of Hours during that Month M in the Contract Year Y

NL_{1CL} is the no load energy requirement for GT1 for each Hour of operation and having the combined cycle value stated in Annex A of this Schedule 9;

NL_{2CL} is the no load energy requirement for GT2 for each Hour of operation and having the combined cycle value stated in Annex A of this Schedule 9;

FER_{YMCL} is the FER expressed in Rs./kJ, for the Month M in the Contract Year Y for Combined Cycle (L) Operational Period, as calculated in accordance with Paragraph 6.1 of Annex B of this Schedule 9;

$DVOM_{YMCL}$ is the US Dollar Component of the Variable Operation and Maintenance Rate for that Month M in the Contract Year Y

and calculated in accordance with Paragraph 4 of Annex B of this Schedule 9; and

$RVOM_{YMCL}$ is the Rupee Component of the Variable Operation and Maintenance Rate for that Month M in the Contract Year Y and calculated in accordance with Paragraph 5 of Annex B of this Schedule 9.

X_h is equal to one (1), if Actual Available Capacity is one hundred percent (100%) of Declared Available Capacity for that Hour "h" of that month M and otherwise Zero.

Y_h is equal to one (1), if Actual Available Capacity is less than one hundred percent (100%) of Declared Available Capacity for that Hour "h" of that month M and otherwise Zero.

(ii) open cycle mode during Combined Cycle (L) Operational Period

$$DEC_{YMOL1} = \sum_{h=1}^{h_m} (E_{hO} * DVOM_{YMOL})$$

And

$$REC_{YMOL1} = \sum_{h=1}^{h_m} X_h * (E_{hO} * IHR_{OL} + H_{1hO} * NL_{1OL} + H_{2hO} * NL_{2OL}) * FER_{YMCL}$$

$$REC_{YMOL2} = \sum_{h=1}^{h_m} Y_h * E_{hO} * \left(\frac{NDC_{OL} * IHR_{OL} + NL_{1OL} + NL_{2OL}}{NDC_{OL}} \right) * FER_{YMCL}$$

$$REC_{YMOL3} = \sum_{h=1}^{h_m} E_{hO} * \left(RVOM_{YMOL} \right)$$

where:

E_{hO} is the Hourly Metered Output during each Hour of that Month M, expressed in kWh in open cycle operation mode;

IHR_{OL} is the incremental heat rate for operation of the Facility, expressed in kJ/kWh (net, HHV), and having the value for open cycle mode during Combined Cycle (L) Operational Period, stated in Annex A of this Schedule 9;

H_{1hO} is the time period in which GT1 has been synchronized in open cycle mode during each Hour of that Month M in the Contract Year Y, expressed in hours.;

H_{2hO} is the time period in which GT2 has been synchronized in open cycle mode during each Hour of the Month M in the Contract Year Y, expressed in hours.;

h_m is the number of Hours during that Month M in the Contract Year Y

NL_{1OL} is the no load energy requirement for GT1 for each Hour of operation and having the open cycle value stated in Annex A of this Schedule 9;

NL_{2OL} is the no load energy requirement for GT2 for each Hour of operation and having the open cycle value stated in Annex A of this Schedule 9;

FER_{YMCL} is the FER expressed in Rs./kJ, for the Month M in the Contract Year Y for Combined Cycle (L) Operational Period, as calculated in accordance with Paragraph 6.1 of Annex B of this Schedule 9;

$DVOM_{YMOL}$ is the DVOM for that Month M in the Contract Year Y in respect of open cycle mode for Liquid Fuel operation and calculated in accordance with Paragraph 4 of Annex B of this Schedule 9;

$RVOM_{YMOL}$ is the RVOM for that Month M in the Contract Year Y in respect of open cycle mode for Liquid Fuel operation and calculated in accordance with Paragraph 5 of Annex B of this Schedule 9;

X_h is equal to one (1), if Actual Available Capacity is one hundred percent (100%) of Declared Available Capacity for that Hour "h" of that month M and otherwise Zero

Y_h is equal to one (1), if Actual Available Capacity is less than one hundred percent (100%) of Declared Available Capacity for that Hour "h" of that month M and otherwise Zero

(iii) The total payment of the Energy Charge for the Month M of Contract Year Y during Combined Cycle (L) Operational Period,

$$DEC_{YMCL} = DEC_{YMCL1} + DEC_{YMOL1}$$

$$REC_{YMCL} = REC_{YMCL1} + REC_{YMCL2} + REC_{YMCL3} + REC_{YMOL1} + REC_{YMOL2} + REC_{YMOL3}$$

where:

DEC_{YMCL} is the US Dollar component of the Energy Charge payable for the Month M in the Contract Year Y during the Combined Cycle (L) Operational Period, expressed in US Dollar

REC_{YMCL} is the Rupee component of the Energy Charge payable for the Month M in the Contract Year Y during the Combined Cycle (L) Operational Period, expressed in Rupees;

9.8.7 for the Combined Cycle (N) Commissioning Period, the payment of the Energy Charge shall be calculated in accordance with the following formula:

$$REC_{MCCN} = \sum_{h=1}^{h_m} E_h * \left(\frac{NDC_{CN} * IHR_{CN} + NL_{1CN} + NL_{2CN}}{NDC_{CN}} * FER_{MCCN} \right)$$

REC_{MCCN} is the Rupee component of the Energy Charge payable for the Month M during the Combined Cycle (N) Commissioning Period expressed in Rupees;

E_h is the Metered Output during Combined Cycle (N) Commissioning Period, expressed in kWh;

IHR_{CN} is the incremental heat rate for operation of the Facility, expressed in kJ/kWh (net,HHV), and having the value for Combined Cycle (N) Operational Period, stated in Annex A of this Schedule 9;

h_m is the number of Hours during that Month M;

NL_{1CN} is the no load energy requirement for GT1 in Combined Cycle (N) Operational Period expressed in kJ/h (HHV), and has the combined cycle value stated in Annex A of this Schedule 9;

NL_{2CN} is the no load energy requirement for GT2 in Combined Cycle (N) Operational Period expressed in kJ/h (HHV), and has the combined cycle value stated in Annex A of this Schedule 9;

NDC_{CN} has the value stated in Annex A of this Schedule 9;

FER_{MCCN} is the FER, expressed in Rs./kJ, applicable to Combined Cycle (N) Commissioning Period, as calculated in accordance with Paragraph 6.2 of Annex B of this Schedule 9.

9.8.8 for the Combined Cycle (N) Operational Period, the payment of the Energy Charge for each Month M shall be calculated in accordance with the following formulae:

(i) For combined cycle mode during the Combined Cycle (N) Operational Period

$$DEC_{YMCN1} = \sum_{h=1}^{h_m} (E_{hC} * DVOM_{YMCN})$$

And

$$REC_{YMCN1} = \sum_{h=1}^{h_m} X_h * (E_{hC} * IHR_{CN} + H_{1hC} * NL_{1CN} + H_{2hC} * NL_{2CN}) * FER_{YMCN}$$

$$REC_{YMCN2} = \sum_{h=1}^{h_m} Y_h * E_{hC} * \left(\frac{NDC_{CN} * IHR_{CN} + NL_{1CN} + NL_{2CN}}{NDC_{CN}} \right) * FER_{YMCN}$$

$$REC_{YMCN3} = \sum_{h=1}^{h_m} E_{hC} * RVOM_{YMCN}$$

where:

E_{hC} is the Hourly Metered Output during each Hour of that Month M, expressed in kWh for combined cycle operation mode;

IHR_{CN} is the incremental heat rate for operation of the Facility, expressed in kJ/kWh (net, HHV), and having the value for Combined Cycle (N) Operatonal Period stated in Annex A of this Schedule 9;

H_{1hC} is the time period in which GT1 has been synchronized in combined cycle mode during each Hour of that Month M, expressed in hours;

H_{2hC} is the time period in which GT2 has been synchronized in combined cycle mode during each Hour of that Month M, expressed in hours;

h_m is the number of Hours during that Month M in the Contract Year Y;

NL_{1CN} is the no load energy requirement for GT1 for each Hour of operation during that Combined Cycle (N) Operational Period and having the combined cycle value stated in Annex A of this Schedule 9;

NL_{2CN} is the no load energy requirement for GT2 for each Hour of operation during that Combined Cycle (N) Operational Period and having the combined cycle value stated in Annex A of this Schedule 9;

FER_{YMCN} is the FER, expressed in Rs./kJ, for the Month M in the Contract Year Y for Combined Cycle (N) Operational Period, as calculated in accordance with Paragraph 6.2 of Annex B of this Schedule 9;

$DVOM_{YMCN}$ is the US Dollar Component of the Variable Operation and Maintenance Rate for that Month M in the Contract Year Y during Combined Cycle (N) Operational Period and calculated in accordance with Paragraph 4 of Annex B of this Schedule 9;

$RVOM_{YMCN}$ is the Rupee Component of e Variable Operation and Maintenance Rate for that Month M in the Contract Year Y during Combined Cycle (N) Operational Period and calculated in accordance with Paragraph 5 of Annex B of this Schedule 9;

X_h is equal to one (1), if Actual Available Capacity is one hundred percent (100%) of Declared Available Capacity for that Hour “h” of that month M and otherwise Zero;

Y_h is equal to one (1), if Actual Available Capacity is less than one hundred percent (100%) of Declared Available Capacity for that Hour “h” of that month M and otherwise Zero.

(ii) For open cycle mode during the Combined Cycle (N) Operational Period

$$DEC_{YMON1} = \sum_{h=1}^{h_m} (E_{hO} * DVOM_{YMON})$$

and

$$REC_{YMON1} = \sum_{h=1}^{h_m} X_h * (E_{hO} * IHR_{ON} + H_{1hO} * NL_{1ON} + H_{2hO} * NL_{2ON}) * FER_{YMCN}$$

$$REC_{YMON2} = \sum_{h=1}^{h_m} Y_h * E_{hO} * \left(\frac{NDC_{ON} * IHR_{ON} + NL_{1ON} + NL_{2ON}}{NDC_{ON}} \right) * FER_{YMCN}$$

$$REC_{YMON3} = \sum_{h=1}^{h_m} E_{hO} * RVOM_{YMON}$$

where:

E_{hO} is the Hourly Metered Output during each Hour of that Month M, expressed in kWh for open cycle operation mode;

IHR_{ON} is the incremental heat rate for operation of the Facility, expressed in kJ/kWh (Net, HHV), and having the value for open cycle mode during Combined Cycle (N) Operational Period, stated in Annex A of this Schedule 9 ;

H_{1hO} is the time period in which GT1 has been synchronized in open cycle mode during each Hour of that Month M in the Contract Year Y, expressed in hours

H_{2hO} is the time period in which GT2 has been synchronized in open cycle mode during each Hour of that Month M in the Contract Year Y, expressed in hours

h_m is the number of Hours during that Month M in the Contract Year Y

NL_{1ON} is the no load energy requirement for GT1 for each Hour of operation and having the value for open cycle mode in Combined Cycle (N) Operational Period, stated in Annex A of this Schedule 9;

NL_{2ON} is the no load energy requirement for GT2 for each Hour of operation and having the value for open cycle mode in Combined Cycle (N) Operational Period, stated in Annex A of this Schedule 9;

FER_{YMCN} is the FER expressed in Rs./kJ, for the Month M in the Contract Year Y for Combined Cycle (N) Operational Period, as calculated in accordance with Paragraph 6.2 of Annex B of this Schedule 9.

$DVOM_{YMON}$ is the DVOM for that Month M in the Contract Year Y in respect of open cycle mode for Gas Fuel operation and calculated in accordance with Paragraph 4 of Annex B of this Schedule 9;

$RVOM_{YMON}$ is the RVOM for that Month M in the Contract Year Y in respect of open cycle mode for Liquid Fuel operation and calculated in accordance with Paragraph 5 of Annex B of this Schedule 9;

X_h is equal to one (1), if Actual Available Capacity is one hundred percent (100%) of Declared Available Capacity for that Hour "h" of that month M and otherwise Zero;

Y_h is equal to one (1), if Actual Available Capacity is less than one hundred percent (100%) of Declared Available Capacity for that Hour "h" of that month M and otherwise Zero.

(iii) The total payment of the Energy Charge for the Month M of Contract Year Y during Combined Cycle (N) Operational Period,

$DEC_{YMCN} = DEC_{YMCN1} + DEC_{YMON1}$

$REC_{YMCN} = REC_{YMCN1} + REC_{YMCN2} + REC_{YMCN3} + REC_{YMON1} + REC_{YMON2} + REC_{YMON3}$

DEC_{YMCN} is the total US Dollar component of the Energy Charge payable for the Month M in the Contract Year Y during the Combined Cycle (N) Operational Period, expressed in US Dollar;

REC_{YMCN} is the total Rupee component of the Energy Charge payable for that Month M in the Contract Year Y during the Combined Cycle (N) Operational Period, expressed in Rupees.

9.9 Incentive Performance Payment

CEB shall pay the company an incentive performance payment determined and calculated with the following formula for the Combined Cycle Operational Period (the "Incentive Performance Payment").

$$IP_Y = \left(AAAA_Y - \left(ATA_Y + 1\%\right)\right) * PH_Y * NDC * K_M$$

where:

IP_Y is the Incentive Performance Payment payable by CEB to the Company in the Contract Year Y, expressed in Rs;

$AAAA_Y$ is the Actually Achieved Annual Availability for the Contract Year Y;

PH_Y is the number of Hours in the Contract Year Y;

NDC is NDC_{CL} or NDC_{CN} as the case may be;

ATA_Y is the Adjusted Target Availability for the Contract Year Y; and

K_M has the value stated in Annex B expressed in Rs per kWh.

provided that the value of IP_Y cannot be ≤ 0.

9.10 Start-Up Charge

A Start-Up Charge is payable for any Start-Up of the Facility requested by the CEB for any Month during the Operational Period, provided that no allowance will be payable for any Start-Up required due to Forced Outages or Force Majeure affecting the Company, or for Start-Up required after Scheduled Maintenance, and the Start-Up Charge shall be calculated in accordance with the following formula:

$$SA_M = n_{hM} * S_{hM} + n_{wM} * S_{wM} + n_{cM} * S_{cM}$$

where:

SA_M is the Start UP Charge applicable in Month M in the Open Cycle Period and in the Contract Years in (Rs.) as applicable

n_{hM} is the number of hot starts in Month M during the Open Cycle Period n_{hMo} or during the Combined Cycle (L) Operational Period n_{hYMCL} or during the Combined Cycle (N) Operational Period n_{hYMCN} or Open Cycle Operation during the Combined Cycle (L) Operational Period n_{hYMOL} or Open Cycle Operation during the Combined Cycle (N) Operational Period n_{hYMON} as the case may be eligible for a Start-Up Charge, where "**Hot Start**" means any Start-Up not more than eight (8) Hours after de-synchronisation of the Facility from the CEB System as determined pursuant to Paragraph 8.7 of Schedule 8;

n_{wM} is the number of warm starts in Month M during the Open Cycle Period n_{wMo} or during the Combined Cycle (L) Operational Period n_{wYMCL} or during the Combined Cycle (N) Operational Period n_{wYMCN} or Open Cycle Operation during the Combined Cycle (L) Operational Period n_{wYMOL} or Open Cycle Operation during the Combined Cycle (N) Operational Period n_{wYMON} as the case may be eligible for a Start-Up Allowance, where "**Warm Start**" means any Start-Up more than eight (8) Hours but not more than forty eight (48) Hours after de-synchronisation of the Facility from the CEB System as determined pursuant to Paragraph 8.7 of Schedule 8;

n_{cM} is the number of cold starts in Month M during the Open Cycle Period n_{cMo} or during the Combined Cycle (L) Operational Period n_{cYMCL} or during the Combined Cycle (N) Operational Period n_{cYMCN} or Open Cycle Operation during the Combined Cycle (L) Operational Period n_{cYMOL} or Open Cycle Operation during the Combined Cycle (N) Operational Period n_{cYMON} as the case may be eligible for a Start-Up Allowance, where "**Cold Start**" means any Start-Up more than forty eight (48) Hours after de-synchronisation of the Facility from the CEB System (including after a major overhaul) as determined pursuant to Paragraph 8.7 of Schedule 8;

S_{hM} is S_{hMOL} or S_{hMON} or S_{hMCL} or S_{hMCN} as the case may be;

S_{wM} is S_{wMOL} or S_{wMON} or S_{wMCL} or S_{wMCN} as the case may be;

S_{cM} is S_{cMOL} or S_{cMON} or S_{cMCL} or S_{cMCN} as the case may be;

S_{hMOL} is the rate for Hot Starts (Rs) applicable in Month M for the Open Cycle operation with Liquid Fuel, as calculated in accordance with Paragraph 8 of Annex B of this Schedule 9;

S_{hMON} is the rate for Hot Starts (Rs) applicable in Month M for the Open Cycle operation with Gas Fuel, as calculated in accordance with Paragraph 8 of Annex B of this Schedule 9;

S_{hMCL} is the rate for Hot Starts (Rs) applicable in Month M for the Combined Cycle operation with Liquid Fuel, as calculated in accordance with Paragraph 8 of Annex B of this Schedule 9;

S_{hMCN} is the rate for Hot Starts (Rs) applicable in Month M for the Combined Cycle operation with Gas Fuel, as calculated in accordance with Paragraph 8 of Annex B of this Schedule 9;

S_{wMOL} is the rate for Warm Starts (Rs) applicable in Month M for the Open Cycle operation with Liquid Fuel, as calculated in accordance with Paragraph 8 of Annex B of this Schedule 9;

S_{wMON} is the rate for Warm Starts (Rs) applicable in Month M for the Open Cycle operation with Gas Fuel, as calculated in accordance with Paragraph 8 of Annex B of this Schedule 9;

S_{wMCL} is the rate for Warm Starts (Rs) applicable in Month M for the Combined Cycle operation with Liquid Fuel, as calculated in accordance with Paragraph 8 of Annex B of this Schedule 9;

S_{wMCN} is the rate for Warm Starts (Rs) applicable in Month M for the Combined Cycle operation with Gas Fuel, as calculated in accordance with Paragraph 8 of Annex B of this Schedule 9;

S_{cMOL} is the rate for Cold Starts (Rs) applicable in Month M for the Open Cycle operation with Liquid Fuel, as calculated in accordance with Paragraph 8 of Annex B of this Schedule 9;

S_{cMON} is the rate for Cold Starts (Rs) applicable in Month M for the Open Cycle operation with Gas Fuel, as calculated in accordance with Paragraph 8 of Annex B of this Schedule 9;

S_{cMCL} is the rate for Cold Starts (Rs) applicable in Month M for the Combined Cycle operation with Liquid Fuel, as calculated in accordance with Paragraph 8 of Annex B of this Schedule 9;

S_{cMCN} is the rate for Cold Starts (Rs) applicable in Month M for the Combined Cycle operation with Gas Fuel, as calculated in accordance with Paragraph 8 of Annex B of this Schedule 9;

The applicable parameters are to be used for the calculation of SA_M depending on the type of Fuel.

9.11 Liquidated Damages in Relation to the NDC

Liquidated damages shall be payable by the Company to the CEB if during the Performance Tests prior to the Open Cycle Operation Date and the Combined Cycle Operation Date, and during the Gas Fuel Commissioning Period (both open cycle and combined cycle) it is established that the net kW output level of the Facility as

witnessed by CEB, is less than one hundred and three percent (103%) of the Net Dependable Capacity applicable to the open cycle mode and the combined cycle mode for Liquid Fuel and Gas Fuel, respectively, as stated in Table A2 of Annex A, and such liquidated damages shall be calculated in accordance with the following formula:

PD = (1.03 NDC- PTO)*L*
where:

PD is the liquidated damages payable by the Company expressed in Rs for each performance test for the open cycle mode and combined cycle mode for each Fuel as the case may be

NDC NDC_{OL} or NDC_{ON} or NDC_{CL} or NDC_{CN} as the case may be and has the value stated in Annex A of this Schedule 9.;

PTO is the output level in kW achieved during the relevant performance test as the case may be;

L is the level of the damages for such reduced output, which in the case of open cycle operation US Dollar three hundred and fifty (USD 350) per kW and combined-cycle operation US Dollar five hundred and twenty five (USD 525) per kW.

Provided that the value of PD cannot be ≤ 0

Provided that the amount of damages payable pursuant to this Paragraph 9.11 in respect of any one of the above Performance Tests shall be the amount calculated in accordance with the above formula less the amount of damages already paid (if any) pursuant to this Paragraph 9.11 in respect of the earlier Performance Tests done.

9.12 Liquidated Damages for Non Achievement of Dispatch Instructions

If during the Open Cycle Operational Period or the Combined Cycle Operational Period the actual achieved kW output of the Facility is below ninety seven percent (97%) of the kW output required in a Dispatch Instruction, and if such an event occurs more than twenty times during the Open Cycle Operational Period or ten times during any Contract Year, then the Company shall pay the CEB a sum in liquidated damages calculated in accordance with the following formulae:

$$DD = \frac{(DCCR + DFOM\ )}{PH} * \sum_{h=1}^{Hm} R_h$$

and

$$RD = \frac{(RCCR\ + RFOM\ )}{PH} * \sum_{h=1}^{Hm} R_h$$

where:

DD is the US Dollar component of the liquidated damages payable by the Company in any Month in the Open Cycle Period or in any Contract Year to the CEB for each such occurrence in excess of such threshold;

RD is the Rupee component of the liquidated damages payable by the Company in any Month in the Open Cycle Period or in any Contract Year to the CEB for each such occurrence in excess of such threshold;

DCCR is $DCCR_{OL}$ or $DCCR_{ON}$ or $DCCR_{YCL}$ or $DCCR_{YCN}$, as the case may be, and have the respective values stated in Annex A of this Schedule 9;

RCCR is $RCCR_{OL}$ or $RCCR_{ON}$ or $RCCR_{YCL}$ or $RCCR_{YCN}$, as the case may be, and have the respective values stated in Annex A of this Schedule 9;

DFOM is $DFOM_{MOL}$ or $DFOM_{MON}$ or $DFOM_{YMCL}$ or $DFOM_{YMCN}$ as the case may be, calculated in accordance with Paragraph 2 of Annex B of this Schedule 9;

RFOM is $RFOM_{MOL}$ or $RFOM_{MON}$ $RFOM_{YMCL}$ or $RFOM_{YMCN}$ as the case may be, calculated in accordance with Paragraph 2 of Annex B of this Schedule 9;

PH is the number of Hours in the Open Cycle Period, PH_{OC} or Contract Year PH_Y as the case may be;

R_h the difference in kW's between the Declared Available Capacity and the Actual Available Capacity (AA_h) determined pursuant to Paragraph 8.2 of Schedule 8 during each such Hour;

H_m Number of hours in which the actual achieved kW output of the Facility is below ninety seven percent (97%) of the kW output required in a Dispatch Instruction in a Month.

9.13 Liquidated Damages for Not Achieving the Target Availability

If the Actually Achieved Annual Availability is more than one percent (1%), less than the Adjusted Target Availability then the liquidated damages payable by the Company shall be calculated in accordance with the following formulae:

9.13.1 for the Open Cycle Operational Period liquidated damages shall be calculated as follows:

$$D_{OC} = \left(\frac{(ATA_Y - 1\%) - AAAA}{TA} \right) * PH_{OC} * NDC_{OL} * K_m$$

where:

D_{oc} is the liquidated damages payable, expressed in Rs;

ATA_Y is the Adjusted Target Availability for the Open Cycle Operational Period determined pursuant to Paragraph 8.6 of Schedule 8;

AAAA is the Actually Achieved Annual Availability for the Open Cycle Operational Period determined pursuant to Paragraph 8.4 of Schedule 8;

PH_{oc} is the number of Hours in the Open Cycle Operational Period;

NDC_{OL} has the value stated in Annex A; and

K_M has the value determined pursuant to Paragraph 9 of Annex B of this Schedule 9, expressed in Rs./kWh;

TA Target Availability for the Open Cycle Operational Period (TA_O) determined pursuant to Paragraph 8.5 of Schedule 8;

provided that D_{oc} shall not be ≤ 0.

9.13.2 for the Combined Cycle Operational Period liquidated damages for each Contract Year shall be calculated as follows:

$$D_{CC} = \left(\frac{(ATA_Y - 1\%) - AAAA}{TA} \right) * PH_{CC} * NDC_{CC} * K_m$$

where:

D_{cc} is the liquidated damages payable by the Company to the CEB, expressed in Rs.in the Contract Year Y;

PH_y is the number of Hours in the Contract Year Y;

NDC_{cc} is NDC_{CL} or NDC_{CN} as the case may be and has the value as stated in Annex A;

ATA_Y is the Adjusted Target Availability for the t Contract Year Y determined pursuant to Paragraph 8.6 of Schedule 8;

AAAA is the Actually Achieved Annual Availability for the Contract Year Y determined pursuant to Paragraph 8.4 of Schedule 8; and

K_M has the value stated in Paragraph 9 of Annex B of this Schedule 9, expressed in Rs per kWh;

TA *is the* Target Availability for the Combined Cycle Operational Period (TA_Y) determined pursuant to Paragraph 8.5.3 of Schedule 8; provided that D_{cc} shall not be ≤ 0.

9.14 Consequence to Capacity Charge for Greater Availability during Scheduled Maintenance

Without prejudice to Paragraph 9.7 of this Schedule 9, if in respect of any Hour during the period of Scheduled Maintenance the Declared Available Capacity is greater than the availability of the Facility for Dispatch provided in respect of such period of Scheduled Maintenance under a Firm Maintenance Programme, and if such additional available capacity is not a result of a request from the CEB, then no Capacity Charge is payable for such additional available capacity during that period of Scheduled Maintenance. Such available capacity shall not be used to calculate the Actually Achieved Monthly Availability.

Without prejudice to Paragraph 9.7 of this Schedule 9, if in respect of any Hour during the period of Scheduled Maintenance the Declared Available Capacity is greater than the availability of the Facility for Dispatch provided in respect of such period of

Scheduled Maintenance under a Firm Maintenance Programme, and if such additional available capacity is as a result of a request from the CEB, then the Capacity Charge payable for such additional available capacity during that period of Scheduled Maintenance shall be calculated in accordance with Paragraph 9.7 of this Schedule 9 provided that the values of $DCCR_{YCL}$ and $RCCR_{YCL}$ in respect of the Combined Cycle (L) Operational Period, or $DCCR_{YCN}$ and $RCCR_{YCN}$ in respect of Combined Cycle(N) Operational Period (as applicable) stated in Annex A to this Schedule 9 and used in such calculation shall be one hundred and fifty percent (150%) of the applicable value in Annex A to this Schedule 9.Such available capacity shall be used to calculate the Actually Achieved Monthly Availability. (for the avoidance of doubts the said one hundred and fifty percent (150%) shall not be considered in determination of the Actual Available Capacity for such Hours. However the entirety of Actual Available Capacity computed for such hours shall be counted for computation of $AAMA_m$ and AAAA)

9.15 Calculation of Capacity Charge during Extension of Operational Period

Where the Operational Period is extended pursuant to Clause 12.3.3, for the purpose of calculating the Capacity Charge payable during the period of such extension as a result of Force Majeure pursuant to Clause 12.3.3, such Capacity Charge shall be calculated in accordance with Paragraph 9.7 of this Schedule 9 using the following factors:

9.15.1 *DCCR* and *RCCR* for each period of such extension shall have the corresponding value for *DCCR* and *RCCR* applicable during the period of such Force Majeure for which the extension arises;

where:

DCCR is the US Dollar Component of the Capital Cost Recovery applicable during the Open Cycle Operational Period ($DCCR_{OL}$ or $DCCR_{ON}$) or Combined Cycle (L) Operational Period ($DCCR_{YCL}$) or the Combined Cycle (N) Operational Period (.), as the case may be, and shall have the respective values stated in Annex A of this Schedule 9;

RCCR is the Rupee Component of the Capital Cost Recovery Rate (in Rs per kW per Year) applicable during the Open Cycle Period ($RCCR_{OL}$ or $RCCR_{ON}$) or Combined Cycle (L) Operational Period ($RCCR_{YCL}$) or the Combined Cycle (N) Operational Period ($RCCR_{YCN}$), as the case may be, and shall have the respective values stated in Annex A of this Schedule 9;

9.15.2 $DFOM_{MOL}$, $RFOM_{MOL}$, $DVOM_{MOL}$, $RVOM_{MOL}$, $DVOM_{YMOL}$, $RVOM_{YMOL}$, $DFOM_{YMCL}$, $RFOM_{YMCL}$, $DVOM_{YMCL}$, $RVOM_{YMCL}$, $DFOM_{MON}$, $RFOM_{MON}$, $DVOM_{MON}$, $RVOM_{MON}$, $DVOM_{YMON}$, $RVOM_{YMON}$, $DFOM_{YMCN,}$ $RFOM_{YMCN}$, $DVOM_{YMCN}$ and $RVOM_{YMCN}$ shall have the values specified in Annex A and further adjusted pursuant to Annex B to this Schedule 9 for the relevant Month M in such extended period for which payment of the Capacity Charge is calculated; and

9.15.3 the value of Target Availability shall be ninety percent (90%),

SCHEDULE 9 - ANNEX A - AGREED VALUES

1 Capital Cost Recovery Rate

1.1 The US Dollar Component of the Capital Cost Recovery Rate ($DCCR_{OL}$) for the Open Cycle (L) Operational Period is [----------] USD/kW/Year;

and

The Rupee Component of the Capital Cost Recovery Rate ($RCCR_{OL}$) for the Open Cycle (L) Operational Period is [----------] Rs./kW/Year;

and

The US Dollar Component of the Capital Cost Recovery Rate ($DCCR_{ON}$) for the Open Cycle (N) Operational Period is [----------] USD/kW/Year;

and

The Rupee Component of the Capital Cost Recovery Rate ($RCCR_{ON}$) for the Open Cycle (N) Operational Period is [----------] Rs./kW/Year;

1.2 The US Dollar Component of the Capital Cost Recovery Rate ($DCCR_{YCL}$) and the Rupee Component of the Capital Cost Recovery Rate ($RCCR_{YCL}$) for each Contract Year in Combined Cycle (L) Operational Period shall be as stated in Table A.1.1 below:

and

The US Dollar Component of the Capital Cost Recovery Rate ($DCCR_{YCN}$) and the Rupee Component of the Capital Cost Recovery Rate ($RCCR_{YCN}$) for each Contract Year in Combined Cycle (N) Operational Period shall be as stated in Table A.1.2 below:

Capital Cost Recovery Rates given in Table A.1.1 shall be used until the end of the Combined Cycle (L) Operational Period. If this period ends in a date in a certain Contract Year, then Combined Cycle (N) Operational Period Commence one month after that date in that Contract Year. Then Table A.1.2 is applicable for the Capital Cost Recovery for the balance period of the same Contract Year and thereafter for the onward Contract Years.

TABLE A.1.1 - Combined Cycle (L) Operational Period

Item	US Dollar Debt Service Rate	US Dollar Return on Equity Rate	US Dollar Component of the Capital Cost Recovery Rate	Rupee Debt Service Rate	Rupee Return on Equity Rate	Rupee Component of the Capital Cost Recovery Rate
Abbriviation	($DCCR_{YDCL}$)	($DCCR_{YECL}$)	($DCCR_{YCL}$)	($RCCR_{YDCL}$)	($RCCR_{YECL}$)	($RCCR_{YCL}$)
Units	USD/kW/Year	USD/kW/Year	USD/kW/year	Rs./kW/Year	Rs./kW/Year	Rs./kW/year
Contract Year 1						
Contract Year 2						
Contract Year 3						
Contract Year 4						
Contract Year 5						
Contract Year 6						
Contract Year 7						
Contract Year 8						
Contract Year 9						
Contract Year 10						
Contract Year 11						
Contract Year 12						
Contract Year 13						
Contract Year 14						
Contract Year 15						
Contract Year 16						
Contract Year 17						
Contract Year 18						
Contract Year 19						
Contract Year 20						
Contract Year 21						
Contract Year 22						
Contract Year 23						
Contract Year 24						
Contract Year 25						

TABLE A.1.2 - Combined Cycle (N) Operational Period

Item	US Dollar Debt Service Rate	US Dollar Return on Equity Rate	US Dollar Component of the Capital Cost Recovery Rate	Rupee Debt Service Rate	Rupee Return on Equity Rate	Rupee Component of the Capital Cost Recovery Rate
Abbriviation	($DCCR_{YDCN}$)	($DCCR_{YECN}$)	($DCCR_{YCN}$)	($RCCR_{YDCN}$)	($RCCR_{YECN}$)	($RCCR_{YCN}$)
Units	USD/kW/Year	USD/kW/Year	USD/kW/year	Rs./kW/Year	Rs./kW/Year	Rs./kW/year
Contract Year 1						
Contract Year 2						
Contract Year 3						
Contract Year 4						
Contract Year 5						
Contract Year 6						
Contract Year 7						
Contract Year 8						
Contract Year 9						
Contract Year 10						
Contract Year 11						
Contract Year 12						
Contract Year 13						
Contract Year 14						
Contract Year 15						
Contract Year 16						
Contract Year 17						
Contract Year 18						
Contract Year 19						
Contract Year 20						
Contract Year 21						
Contract Year 22						
Contract Year 23						
Contract Year 24						
Contract Year 25						

2. Contracted Parameters and Values

The contracted values for the Facility applicable for the Open Cycle Operational Period and the Combined Cycle Operational Period shall be as stated in Table A2.

TABLE A2 – Contracted Parameters and Values

(i) For Open Cycle Operation Mode

Values for Open Cycle Operational Period and open cycle operation mode during Combined Cycle (L) Operational Period			Values for Open Cycle (N) Operational Period and open cycle operation mode during Combined Cycle (N) Operational Period		
Parameter	Units	Value	Parameter	Units	Value
IHR_{OL} *(net, HHV)*	kJ/kWh		IHR_{ON} *(net, HHV)*	kJ/kWh	
NL_{1OL} *(net, HHV)*	kJ/hour/1st gas turbine		NL_{1ON} *(net, HHV)*	kJ/hour/1st gas turbine	
NL_{2OL} *(net, HHV)*	kJ/hour/2nd gas turbine		NL_{2ON} *(net, HHV)*	kJ/hour/2nd gas turbine	
$DFOM_{bOL}$	USD/kW/year		$DFOM_{bON}$	USD/kW/year	
$RFOM_{bOL}$	Rs./kW/year		$RFOM_{bON}$	Rs./kW/year	
$DVOM_{bOL}$	USD/kWh		$DVOM_{bON}$	USD/kWh	
$RVOM_{bOL}$	Rs./kWh		$RVOM_{bON}$	Rs./kWh	
NDC_{OL} *NoteA2-1*	kW/one gas turbine		NDC_{ON} *NoteA2-2*	kW/one gas turbine	
S_{hOL}	Rs./Hot Start		S_{hON}	Rs./Hot Start	
S_{wOL}	Rs./Warm Start		S_{wON}	Rs./Warm Start	
S_{cOL}	Rs./Cold Start		S_{cON}	Rs./Cold Start	

NoteA2-1: For avoidance of doubt, Net Dependable Capacity (NDC) for effecting capacity payments for operation in open cycle operation mode during Combined Cycle (L) Operational Period shall be NDC_{CL} as specified in Table A2 (ii). Capacity payments shall be made in accordance with Paragraph 9.7.3 of this Schedule 9

NoteA2-2: For avoidance of doubt, Net Dependable Capacity (NDC) for effecting capacity payments for operation in open cycle operation mode during Combined Cycle (N) Operational Period shall be NDC_{CN} as specified in Table A2 (ii). Capacity payments shall be made in accordance with Paragraph 9.7.4 of this Schedule 9

(ii) For Combined Cycle Operation Mode

Values for combined cycle operation mode during Combined Cycle (L) Operational Period			Values for combined cycle operation mode during Combined Cycle (N) Operational Period		
Parameter	Units	Value	Parameter	Units	Value
IHR_{CL} *(net, HHV)*	kJ/kWh		IHR_{CN} *(net, HHV)*	kJ/kWh	
NL_{1CL} *(net, HHV)*	kJ/hour/1st gas turbine		NL_{1CN} *(net, HHV)*	kJ/hour/1st gas turbine	
NL_{2CL} *(net, HHV)*	kJ/hour/2nd gas turbine		NL_{2CN} *(net, HHV)*	kJ/hour/2nd gas turbine	
$DFOM_{bCL}$	USD/kW/year		$DFOM_{bCN}$	USD/kW/year	
$RFOM_{bCL}$	Rs./kW/year		$RFOM_{bCN}$	Rs./kW/year	
$DVOM_{bCL}$	USD/kWh		$DVOM_{bCN}$	USD/kWh	
$RVOM_{bCL}$	Rs./kWh		$RVOM_{bCN}$	Rs./kWh	
NDC_{CL}	kW		NDC_{CN}	kW	
S_{hCL}	Rs./Hot Start		S_{hCN}	Rs./Hot Start	
S_{wCL}	Rs./Warm Start		S_{wCN}	Rs./Warm Start	
S_{cCL}	Rs./Cold Start		S_{cCN}	Rs./Cold Start	

(iii) For any Operation Mode or Operational Period

Values applicable for any operation mode or period		
Parameter	Units	Value
$USCPI_b$	N/A	268.551
$CCPI_b$	N/A	140.3
PF_b	Rs./Litre	111.00
FER_{bL}	Rs./kJ	0.003008
FER_{bN}	Rs./kJ	0.001896

SCHEDULE 9 - ANNEX B – ESCALATION FORMULAE

1 Escalation Formulae

Some of the values used in the payment formulae shall be calculated in accordance with the provisions set out in this Annex B. The payment components subject to escalation are:

(i) US Dollar Component of the Fixed Operation and Maintenance Rate;
(ii) Rupee Component of the Fixed Operation and Maintenance Rate;
(iii) US Dollar Component of the Variable Operation and Maintenance Rate;
(iv) Rupee Component of the Variable Operation and Maintenance Rate;
(v) Start-Up Allowances for each type of start;
(vi) Liquidated Damages for not achieving the Target Availability; and
(vii) Liquid Fuel Transport Rate.

2 US Dollar Component of Fixed O&M Rate (*DFOM*)

The rate applied in any Month M for $DFOM_M$ shall be calculated in accordance with the following formula:

$$DFOM_M = DFOM_b * \frac{USCPI_{YM}}{USCPI_b}$$

where:

$DFOM_M$ is the US Dollar Component of the Fixed Operation and Maintenance Rate, $DFOM_{MOL}$, $DFOM_{MON}$, $DFOM_{YMCL}$ or $DFOM_{YMCN}$ as applicable Open Cycle Period or Contract Year Y (in applicable US Dollar per kW per Year);

$DFOM_b$ is the US Dollar Component of the Fixed Operation and Maintenance Rate for the base value $DFOM_{bOL}$, $DFOM_{bON}$, $DFOM_{bCL}$, $DFOM_{bCN}$ as applicable (in applicable USD per kW per Year) for the Open Cycle Operational Period or Contract Year Y as the case may be, and shall have the values stated in Annex A;

$USCPI_{YM}$ is the USCPI applicable in Month M of the Contract Year Y; and

$USCPI_b$ is the value stated in Table A2, Annex A of Schedule 9.

3 Rupee Component of Fixed O&M Rate (RFOM)

The rate applied in any Month M of the Open Cycle Operational Period or in any Contract Year Y for $RFOM_M$ shall be calculated in accordance with the following formula:

$$RFOM_M = RFOM_b * \frac{CCPI_{YM}}{CCPI_b}$$

where:

$RFOM_M$ is the Rupee Component of the Fixed Operation and Maintenance Rate $RFOM_{MOL}$, $RFOM_{MON}$, $RFOM_{YMCL,}$,$RFOM_{YMCN}$ as applicable to the Open Cycle Operational Period or Contract Year Y (in Rupees per kW per Year);

$RFOM_b$ is the Rupee Component of Fixed Operation and Maintenance Rate for the base value $RFOM_{bOL}$, $RFOM_{bON,}$ $RFOM_{bCL}$, $RFOM_{bCN}$ in Rupees per kW per Year for the Open Cycle Operational Period or Contract Year Y as the case may be, and shall have the values stated in Annex A;

$CCPI_{YM}$ is the CCPI value applicable in Month M in the Contract Year Y; and

$CCPI_b$ is the value stated in Table A2, Annex A of Schedule 9.

4 US Dollar Denominated Component of Variable O&M Rate (DVOM)

4.1 The US Dollar Component of the Variable Operation and Maintenance Rate in any Month M ($DVOM_M$) shall be calculated in accordance with the following formula:

$$DVOM_M = DVOM_b * \frac{USCPI_{YM}}{USCPI_b}$$

where:

$DVOM_M$ is the US Dollar Component of the Variable Operation and Maintenance Rate expressed in USD per kWh $DVOM_{MOL}$, $DVOM_{MON,}$ $DVOM_{YMOL,}$ $DVOM_{YMON}$ $DVOM_{YMCL}$ or $DVOM_{YMCN}$ as applicable for the respective operation mode, Fuel, Open Cycle Operational Period or Month of Contract Year Y;

$DVOM_b$ is the base value of US Dollar Component of the Variable Operation and Maintenance Rate expressed in USD per kWh $DVOM_{bOL}$, $DVOM_{bON,}$ $DVOM_{bCL}$ and $DVOM_{bCN}$ are applicable for respective operation mode, Fuel, Open Cycle Operational Period or Contract Year Y as the case may be, and shall have the values stated in Annex A;

$USCPI_{YM}$ is the USCPI applicable in Month M of the Contract Year Y; and

$USCPI_b$ is the value stated in Table A2, Annex A of Schedule 9.

5. Rupee Component of Variable O&M Rate (RVOM)

The Rupee Component of the Variable Operation and Maintenance Rate applicable for any Month M in the Open Cycle Period or Contract Year Y ($RVOM_M$) shall be calculated in accordance with the following formula:

$$RVOM_M = RVOM_b * \frac{CCPI_{YM}}{CCPI_b}$$

where:

$RVOM_M$ is the Rupee Component of the Variable Operation and Maintenance Rate $RVOM_{MOL}$, $RVOM_{MON,}$ $RVOM_{YMOL,}$ $RVOM_{YMON,}$ $RVOM_{YMCL}$ or $RVOM_{YMCN}$ as applicable to Open Cycle Operational Period or Contract Year Y in Rupees per kWh;

$RVOM_b$ is the Rupee Component of the Variable Operation and Maintenance Rate for the base value $RVOM_{bOL}$, $RVOM_{bON,}$ $RVOM_{bCL}$, $RVOM_{bCN}$ in Rupees per kWh (in Rupees per kWh) for the Open Cycle Operational Period or Contract Year Y as the case may be, and shall have the values stated in Annex A.

$CCPI_{YM}$ is the Colombo Consumers Price Index value applicable in Month M in the Contract Year Y; and

$CCPI_b$ is the value stated in Table A2, Annex A of Schedule 9.

6. Fuel Energy Rate (FER)

The value for Fuel Energy Rate (Rs./kJ) is calculated for the respective Commissioning Periods and Operational Periods are calculated in accordance with the following formula;

6.1 For the period prior to Open Cycle Operation, Open Cycle (L) Operational Period Commissioning Period (with Liquid Fuel) and the Combined Cycle (L) Operational Period and the open cycle operation mode during Combined Cycle (L) Operational Period.

$$FER_L = \frac{\sum_{i=1}^{r} P_i * Q_i}{\sum_{i=1}^{r} M_i * C_i}$$

FER_L is $FER_{POL,}$ $FER_{MOL,}$ $FER_{MCCL,}$ or FER_{YMCL} expressed in Rs./kJ as the case may be;

i is the respective parcel (including truck loads) number of Liquid Fuel delivered to the Company during the period prior to Open Cycle Operation, Open Cycle (L) Operational Period, the Commissioning. Period (with Liquid Fuel) or in the Month M in the Contract Year Y in the Combined Cycle (L) Operational Period, and the open cycle mode during Combined Cycle (L) Operational Period as the case may be.

Q_i is the Liquid Fuel quantity (in litres) delivered to the Company during the period prior to Open Cycle Operation, Open Cycle (L) Operational Period, the Commissioning. Period (with Liquid Fuel) and the open cycle mode during Combined Cycle (L) Operational Period or in the Month M in the Contract Year Y in the Combined

Cycle (L) Operational Period, as the case may be for a given parcel i as indicated in the relevant invoice issued by the CPC;

P_i is the price (Rs/litres) including the cost of transport (if any), indicated in the invoice issued by the CPC for the Liquid Fuel quantity (in litres) delivered to the Company, as adjusted in accordance with any debit or credit note issued by CPC on account of any difference in the calorific value of any Liquid Fuel delivered, during the period prior to Open Cycle Operation, Open Cycle (L) Operational Period, the Commissioning. Period (with Liquid Fuel) and the open cycle operation mode during Combined Cycle (L) Operational Period or in the Month M in the Contract Year Y in the Combined Cycle (L) Operational Period, as the case may be for a given parcel i;

C_i is the Calorific value at HHV (kJ/kg) as indicated in the test report for a given parcel i issued by CPC.

M_i is the Liquid Fuel quantity (in kg) delivered to the Company during the period prior to Open Cycle Operation, Open Cycle (L) Operational Period, the Commissioning Period (with Liquid Fuel) and the open cycle mode during Combined Cycle (L) Operational Period or in the Month m in the Contract Year Y in the Combined Cycle (L) Operational Period, as the case may be for a given parcel i as indicated in the relevant invoice issued by the CPC

r No of parcels of Liquid Fuel delivered to the Company during the period prior to Open Cycle Operation, Open Cycle (L) Operational Period, the Commissioning. Period (with Liquid Fuel) and the open cycle mode during Combined Cycle (L) Operational Period or in the Month M in the Contract Year Yin the Combined Cycle (L) Operational Period, as the case may be.

6.2 For the period prior to Open Cycle Operation, Open Cycle (N) Operational Period, the Commissioning Period (with Gas Fuel) and the Combined Cycle (N) Operational Period and the open cycle mode during Combined Cycle (N) Operational Period.

$$FER_N = \frac{\sum_{i=1}^{r} P_{gi} * Q_{gi}}{1.05505585262 * 10^6 * \sum_{i=1}^{r} Q_{gi}}$$

FER_N is FER_{PON} or FER_{MON} or FER_{MCCN} or FER_{YMCN} expressed in Rs./kJ as the case may be;

i is the respective parcel number of Gas Fuel delivered to the Company during the period prior to Open Cycle (N) Operation, Open Cycle (N) Operational Period, the Commissioning. Period (with Gas Fuel) and the open cycle mode during Combined Cycle (N) Operational Period or in the Month M in the Contract Year Y,

in the Combined Cycle (N) Operational Period , as the case may be.

Q_{gi} is the Gas Fuel quantity (MMBTU) delivered to the Company during the period prior to Open Cycle Operation, Open Cycle (N) Operational Period,the Commissioning. Period (with Gas Fuel) and the open cycle mode during Combined Cycle (N) Operational Period or in the Month M in the Contract Year Y in the Combined Cycle (N) Operational Period, as the case may be for a given parcel i as indicated in the relevant invoice issued by the Gas Fuel Supplier

P_{gi} is the price (Rs./MMBTU) indicated in the invoice issued by the Gas Fuel Supplier for the Gas Fuel quantity (in MMBTU) delivered to the Company during the period prior to Open Cycle Operation, Open Cycle (N) Operational Period, the Commissioning Period (with Gas Fuel) and the open cycle mode during Combined Cycle (N) Operational Period or in the Month M in the Contract Year Y in the Combined Cycle (N) Operational Period, as the case may be for given parcel i;

7. [Not Used]

8. Start-Up Charges

The Start-Up cost for each type of start shall be indexed partially to the Fuel Energy Rate and partially to the CCPI in the following proportions:

8.1 For the Combined Cycle (L) Operational Period and Open Cycle (L) Operational Period

$$S_{MYL} = S_L * \left(0.9 * \frac{FER_{MYL}}{FER_{bL}} + 0.10 * \frac{CCPI_{YM}}{CCPI_b}\right)$$

where:

S_{MYL} is the rate expressed in Rupees per start of relevant hot (S_{hMOL} S_{hMCL}), warm (S_{wMOL}, S_{wMCL}) or cold (S_{cMOL}, S_{cMCL}) start applicable in Month M in Contract Year Y; and Open Cycle (L) Operational Period, as the case may be

S_L is the rate expressed in Rupees per start of relevant hot (S_{hOL}, S_{hCL}), warm(S_{wOL}, S_{wCL}) or cold (S_{cOL}, S_{cCL}) start as per Annex A for Combined Cycle (L) Operational Period and Open Cycle (L) Operational Period, as the case may be

FER_{MYL} is the value of FER expressed in Rs./kJ for the month of M in the Contract Year Y for the Combined Cycle (L) Operational Period (FER_{YMCL}) or the value of the FER expressed in Rs./kJ for the month M in the Open Cycle (L) Operational Period (FER_{MOL}) as the case may be

FER_{bL} is the value stated in Table A2, Annex A of Schedule 9

8.2 For the Combined Cycle (N) Operational Period

$$S_{MYN} = S_N * \left(0.9 * \frac{FER_{MYN}}{FER_{bN}} + 0.10 * \frac{CCPI_{YM}}{CCPI_b}\right)$$

where:

S_{MYN} is the rate expressed in Rupees per start of relevant hot (S_{hMON}, S_{hMCN}), warm (S_{wMON}, S_{wMCN}) or cold (S_{cMON}, S_{cMCN}) start applicable in Month M in Contract Year Y; and Open Cycle (N) Operational Period, as the case may be

S_N is the rate expressed in Rupees per start of relevant hot (S_{hON}, S_{hCN}), warm (S_{wON}, S_{wCN}) or cold (S_{cON}, S_{cCN}) start as per Annex A for Combined Cycle (N) Operational Period, and Open Cycle (N) Operational Period as the case may be

FER_{MYN} is the value of FER expressed in Rs./kJ for the month of M in the Contract Year Y for the Combined Cycle (N) Operational Period (FER_{YMCN}) or the value of the FER expressed in Rs./kJ for the month M in the Open Cycle (N) Operational Period (FER_{MON}) as the case may be

FER_{bN} is the value stated in Table A2, Annex A of Schedule 9

9. Value for K_M

For purposes of Paragraph 9.9 and 9.13 of this Schedule 9 the value K_M shall be determined in accordance with the following formula:

$$K_M = K_0 * \frac{CCPI_{YM}}{CCPI_b}$$

where: K_o = 6 Rs./kWh

SCHEDULE 10

FORM OF CEB IRREVOCABLE STANDBY LETTER OF CREDIT

SCHEDULE 10 - LETTER OF CREDIT

FORM OF CEB IRREVOCABLE STANDBYLETTER OF CREDIT

Number: .....

Amount: US Dollar/Rupees .....

Validity Period: Three hundred and sixty five (365) Days from Commencement Date

Commencement Date: ……..

Expiry Date: .....

Account party: Ceylon Electricity Board

Beneficiary: [ ] (Private) Limited

Address: [,Colombo in Sri Lanka]

We hereby establish our Irrevocable, Unconditional, Standby Letter of Credit Number..... issued in your favour for the account of the Ceylon Electricity Board (the "**Account Party**") for an amount not exceeding a total of [FC/Rs ( ) US Dollar/Rupees] (the "**L/C Amount**"). Drafts drawn on us shall be payable at sight and must be accompanied by a certificate in the form of the Drawing Certificate attached purporting to be signed by two duly authorised officers of the Beneficiary on behalf of the Beneficiary.

One draft and one Drawing Certificate shall be presented for each drawing hereunder and the draft shall be in the amount specified in the accompanying Drawing Certificate.

The original of this Letter of Credit shall be presented for each drawing hereunder. The L/C Amount shall be automatically reduced by the amount of all drawings hereunder.

Partial drawings are permitted under this Letter of Credit.

This Letter of Credit shall automatically terminate on the earlier to occur of (i) the Expiry Date and (ii) the date the drawing(s) made by you under this Letter of Credit equal in aggregate the L/C Amount.

This Letter of Credit sets forth in full our undertaking and such undertaking shall not, in any way, be modified, amended, amplified, or limited by reference to any document, instrument or agreement referred to herein, except only the certificate referred to herein; and any such references shall not be deemed to incorporate herein by reference any document, instrument, or agreement except for such certificate.

We hereby agree with you that drafts drawn under and in compliance with the terms and conditions of this Letter of Credit shall be duly honoured on due presentation at our office at ....., ... Attention: ....., specifically referring thereon to this Letter of Credit by number.

Except for any assignment or transfer by the Beneficiary of this Letter of Credit to Lenders, this Letter of Credit shall not be assigned or transferred by the Beneficiary.

This credit is subject to “Uniform Customs and Practice for Documentary Credits” (2007 Revision), International Chamber of Commerce, Publication No. 600.

[LETTER OF CREDIT BANK]

By :.....

Name:

Title:

DRAWING CERTIFICATE

[Letter of Credit Bank]

.....

.....

Attention: Letter of Credit Department

Re: Irrevocable Standby Letter of Credit No.

The undersigned, each an authorised officer of [ ] (Private) Limited (the "**Beneficiary**"), each hereby certifies to the [Letter of Credit Bank] that:

1. Unless otherwise defined herein, all capitalised terms used herein and defined in the above referenced Letter of Credit (the "**Letter of Credit**") shall be used herein as so defined.
2. The undersigned is the Beneficiary under the Letter of Credit (or a permitted assignee of the Beneficiary under the Letter of Credit) and the persons executing this certificate on behalf of the Beneficiary are duly authorised to do so.
3. The Beneficiary is making a drawing under the Letter of Credit in the amount of:

(i) [FC...../Rupees …….], which amount is the unpaid amount [s] of Invoice No. [s]..... submitted by the Beneficiary to the Ceylon Electricity Board ("**CEB**") on..... Such amount has not been disputed by the CEB and remains unpaid as of the date hereof, which date is no less than three (3) Days after the date such payment was due and payable; or

(ii) [FC...../Rupees …….], which amount is the entire stated amount of the Letter of Credit which has not been drawn at the date of this Drawing Certificate (the "**Available Amount**"). Such Available Amount is being drawn in full because the Letter of Credit has not been renewed or replaced in the same form at least thirty (30) Days prior to its Expiry Date.You are instructed immediately to pay the Available Amount by way of bank transfer to the following account: [FC/Rs account], Number [ ], Account Name: [ ] (Private) Limited, "re the CEB Letter of Credit", Bank:[branch in Colombo of bank in Sri Lanka].

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this Drawing Certificate as of the ..... day of....., 20..... [Beneficiary]

By:.....

Name:..... Name……..

Title: ..... Title……..

SCHEDULE 11

BUY-OUT

SCHEDULE 11 - BUY-OUT

11 Schedule 11 - Buy-Out

11.1 Introduction

This Schedule outlines the procedures and methodology for calculating the Buy-Out Price if an event entitling the CEB to Buy-Out the Facility pursuant to Paragraph 11.2 ("**CEB Buy-Out Event**") or entitling the Company to require the CEB to Buy-Out the Facility pursuant to Paragraph 11.4 ("**Company Buy-Out Event**") occurs after the date the Company gives the Construction Notice and a notice exercising the right to Buy-Out the Facility ("**Buy-Out Notice**") under Paragraph 11.3 or Paragraph 11.5 below is served by the CEB or the Company, as the case may be.

11.2 CEB's Buy-Out Events

A CEB Buy-Out Event shall be those events set out as such in Annex 1 of this Schedule 11 and shall occur where the CEB gives notice to terminate this Agreement.

11.3 CEB Buy-Out Notices

Where a CEB Buy-Out Event occurs, the CEB shall be deemed to have served a Buy-Out Notice ("**CEB Buy-Out Notice**") on the Company to Buy-Out the Facility.

In the case of a Buy-Out at the expiry of the Combined Cycle Operational Period, the CEB shall serve its CEB Buy-Out Notice on the Company no later than one hundred and eighty (180) Days prior to that date, failing which the CEB shall lose its right to serve a CEB Buy-Out Notice.

11.4 Company's Buy-Out Events

A Company Buy-Out Event shall be those events set out as such in Schedule 11 – Annex 1 and shall occur where the CEB or the Company as the case may be, gives notice to terminate this Agreement.

11.5 Company Buy-Out Notices

Where a Company Buy-Out Event occurs, the Company shall be entitled at its option to serve a Buy-Out Notice ("**Company Buy-Out Notice**") on the CEB requiring the CEB to Buy-Out the Facility. The Company shall serve its Company Buy-Out Notice on the CEB within thirty (30) Days of the date of the notice to terminate served on the CEB, failing which the Company shall lose its right to serve a Company Buy-Out Notice.

11.6 Buy-Out Obligations

Following the service of a Buy-Out Notice under either Paragraph 11.3 or 11.5, the CEB shall Buy-Out the Facility and the Company shall be obliged to transfer the Facility to the CEB at the Buy-Out Price, in accordance with the terms and conditions of Paragraph 14 and this Schedule 11.

11.7 Buy-Out Price

11.7.1 The Buy-Out Price shall be calculated as at the date of the Buy-Out Event (unless otherwise stated in the Buy-Out Price Table set out in Annex 2 to this Schedule 11) and shall be payable is shown in Annex 1 to this Schedule 11 in a matrix format. The table refers to various compensation elements labelled A, B, C and D which are set out in Annex 2 to this Schedule 11.

11.7.2 In respect of a Buy-Out of the Facility at the expiry of the Combined Cycle Operational Period, the Buy-Out Price shall be one (1) US Dollar.

In this event the Company shall pay back USD ……. and/or LKR…..…. to CEB, which is the Facility decommissioning cost declared by the Company. [insert here the Facility decommissioning cost given in Transfer Plan of successful Project Proponent's Project Proposal].

11.7.3 The CEB, in the event of a CEB Buy-Out Notice, and the Company, in the event of a Company Buy-Out Notice, shall within fifteen (15) Days of the issue of the respective Buy-Out Notice, provide the other party with their calculation of how the Buy-Out Price is arrived at. If the parties cannot agree on the Buy-Out Price within thirty (30) Days of the date of the Buy-Out Notice in question, either party may refer the matter to an Expert appointed under Part 1 of Schedule 12 (Disputes Resolution Procedure).

11.8 Scope of the Buy-Out

11.8.1 For the purposes of a Buy-Out, the Facility shall include all assets of the Company including:

(i) all land, buildings, plant and machinery, Fuel stocks, equipment and materials, spare parts and oil stockpiles (including any of the foregoing which have been ordered by the Company and which the Company is contractually bound to pay for);

(l) all records, drawings, manuals (including operation and maintenance manuals) and all other consumables, and

(m) all rights which are capable of being assigned or transferred to the CEB (which the Company shall use all reasonable endeavours to achieve) under licences, permits and consents of Competent Authorities, contracts (including maintenance contracts), warranties, performance or other guarantees and all intellectual property rights.

11.8.2 If, at the Transfer Date, any claim by the Company in respect of any of its rights referred to in Paragraph 11.8.1(iii) has not been concluded and if such claim does not relate to a diminution in the value of the Facility subsisting at the Transfer Date or the Facility's future electricity generating capacity, such claim shall remain for the benefit of the Company, but otherwise such claim shall remain for the benefit of the CEB and if it is not possible to assign or transfer to the CEB the right to pursue or continue pursuing such claim which is to remain for the benefit of the CEB

hereunder, the Company shall co-operate with the CEB in pursuing such claim in the Company's name, subject to the CEB indemnifying the Company in respect of the costs incurred in so doing.

11.8.3 Upon a Buy-Out, cash in hand or in the Company's bank accounts (excluding any cash balances in the L/C Deposit Accounts due to the CEB, the CPC and the Government after the deduction of all non-disputed amounts owing to the Company at the Transfer Date, and subject to the Company accounting to the CEB, the CPC and the Government following Buy-Out in respect of any amount being due to the CEB, the CPC and the Government following resolution of any related disputes)) and receivables accruing to the Company prior to the Transfer Date, including the proceeds of any insurance (subject to Clause 11.5), shall, subject to the Company making provision for the full discharge of its liabilities in accordance with Paragraph 11.9.1, remain for the benefit of the Company.

11.9 Accrued Liabilities and Obligations

11.9.1 The Company shall be responsible for and shall discharge all liabilities and perform all obligations (including payment obligations) of the Company that are incurred by the Company prior to the Transfer Date unless expressly assumed by the CEB, the CPC or the Government as the case may be.

11.9.2 The CEB shall be responsible for and shall discharge all liabilities and perform all obligations (including payment obligations) relating to the Facility that are incurred by the CEB or arise as a result of the CEB's ownership of the Facility from and after the Transfer Date.

11.10 Company to Novate or Assign Material Agreements to the CEB

Without prejudice to the generality of Paragraph 11.8, the Company shall, if so required by the CEB, use all reasonable efforts to procure the novation (or failing that, assignment of all of the underlying rights held by the Company) to the CEB of any relevant construction contract or other material contracts relating to the Facility (subject to the provisions of those contracts and the Company's obligations pursuant to Clause14.3).

11.11 Company's Responsibility for Transfer Costs and Taxes

If a CEB Buy-Out Notice is issued under Paragraph 11.3, the Company shall be responsible for all Transfer Costs and Transfer Taxes (each as defined below) in connection with the Buy-Out.

11.12 CEB's Responsibility for Transfer Costs and Taxes

If a Company Buy-Out Event occurs, the CEB shall be responsible for all Transfer Costs and Transfer Taxes in connection with the Buy-Out.

11.13 Definitions for Transfer Taxes and Transfer Costs

For purposes of this Schedule 11, the terms:

(i) "**Transfer Taxes**" means any stamp duty and any other taxes, including any sales or value added taxes, and any registration fees that are payable to the Government upon a transfer of the Facility to the CEB; and

(ii) "**Transfer Costs**" means all costs and liabilities of the Company which are incurred as a result of the Buy-Out, including:

(iii) the fees, costs and expenses of the Appraiser;

and

(iv) any termination payments or any fees payable on the assignment or transfer of any of the rights referred to in Paragraph 11.8.1 or on the termination, assignment or novation of any contracts in connection with the Facility (provided that the terms of those contracts have been specifically approved by the CEB).

11.14 Transfer on receipt by Company of Buy-Out Price

Subject to Paragraph 11.16, on the Transfer Date the Company shall transfer to the CEB the Facility free of all charges and liens, on payment of the Buy-Out Price by the CEB to the Company in accordance with Paragraph 11.15.

11.15 Payment of Buy-Out Price

On the Transfer Date the CEB shall, subject to Paragraph 11.16, pay the Buy-Out Price and all other amounts required to be paid in US Dollar to the Company under this Agreement in US Dollar in immediately available funds. If the CEB pays such amount in Rupees, then the provisions of Clause 7.4 shall apply.

11.16 Payment of Buy-Out Price to the Lenders

If the Transfer Date occurs at a time when any of the Senior Debt is still outstanding, the CEB shall pay the Buy-Out Price directly to a bank account designated by the Lenders. As consideration for such payment, and upon their receipt thereof, the Lenders shall release all liens, charges or encumbrances over or in respect of the Facility and on all assets of the Company being transferred to the CEB. Payment of the Buy-Out Price, calculated in accordance with the provisions of this Agreement, to the Lenders' designated bank account shall be a full discharge of the CEB's obligation to pay such Buy-Out Price to the Company.

11.17 Company to provide the CEB benefit under Guarantees

If a Company Buy-Out Notice is served and the Company is entitled to receive or receives compensation from the Government as a result of the events giving rise to the Company Buy-Out Notice and such compensation is in respect of a reduction in the value of the Facility, then to the extent such reduction in value has not been accounted for in determining the Buy-Out Price, the CEB shall be entitled to receive the benefit of such compensation, in the form of deduction from or offset against the applicable Buy-Out Price.

11.18 Access to the Site and Deductions for Clean Up Costs

11.18.1 Immediately following the service by either party of a Buy-Out Notice, the Company shall allow the CEB or its representatives access to inspect the Site, to check the condition of the Facility and to make an inventory of the Company's assets that will be transferred to the CEB on a Buy-Out.

11.18.2 Notwithstanding any of the foregoing provisions of this Schedule 11, where the Site has been contaminated by toxic or hazardous or other waste as a result of any failure by the Company to comply with its obligations under this Agreement, then [unless the parties agree within twenty (20) Days that the Company shall be responsible for decontaminating the Site] the CEB shall be entitled to deduct from the Buy-Out Price an amount reasonably calculated to recover the costs of decontamination and removal of such waste which it shall advise the Company by notice. If the Company disagrees that the Site has been so contaminated, or that such contamination has resulted from any failure by the Company to comply with its obligations under this Agreement or with such clean-up costs it shall be entitled to refer the matter to an Expert appointed under Part 1 of Schedule 12 (Disputes Resolution Procedure) to determine the existence of such contamination, its cause and the necessary clean-up costs provided that the burden shall be on the Company to prove such matters. Notwithstanding such dispute, the transfer of the Facility to the CEB shall proceed, with the amount of the clean-up costs so assessed by the CEB being withheld from the Buy-Out Price, subject to the parties agreeing adequate security in favour of the Company in respect of the Disputed Amount of such costs. The CEB shall not be entitled to any sum in respect of such decontamination which would prevent the repayment of the Senior Debt and interest thereon from the proceeds of the Buy-Out Price.

Schedule 11 – Annex 1

Buy-Out Price Table

The compensation elements specified in this Annex 1 and Annex 2 shall apply to the determination of the Buy-Out Price for CEB Buy-Out Events and Company Buy-Out Events arising as a result of termination in accordance with the following Clauses:

CEB Buy-Out Events: Clauses 13.1.2(i) 13.1.2(ii), 13.1.3(i), 13.1.3(ii), 13.1.4, 13.1.5, 13.1.6, 13.1.7, 13.1.9, 13.1.10, 13.1.11 and 13.1.12.

Company Buy-Out Events: Clauses 13.1.8(i), 13.1.8(ii), 13.2.2, 13.2.3, 13.2.4, 13.2.5, 13.2.6, 13.2.8 and 13.2.9.

ITEM	TERMINATION EVENT	BUY-OUT PRICE PAYABLE BY CEB
Termination occurring prior to Open Cycle Operation Date:		
1.	Termination giving rise to a CEB Buy-Out Event or a Company Buy-Out Event	A + D
2.	Termination following Force Majeure	A + D
3.	Termination giving rise to a CEB Buy-Out Event set out in Clauses 13.1.2(i) and 13.1.3(i)	A
Termination occurring on or after Open Cycle Operation Date:		
4.	Termination giving rise to a CEB Buy-Out Event set out in Clauses 13.1.2(ii), 13.1.3(ii), 13.1.4, 13.1.5, 13.1.6, 13.1.7, 13.1.11 and 13.1.12	A
5.	Termination giving rise to a Company Buy-Out Event in respect of Clauses 13.2.2, 13.2.3, 13.2.4, 13.2.6, 13.2.8 and 13.2.9.	A + C
6.	Termination in respect of the CEB Buy-Out Event set out in Clause 13.1.10 following Force Majeure	A + B
7.	Termination in respect of the Company Buy-Out Event set out in Clause 13.2.5 following Force Majeure	A + B
8.	Termination in respect of the CEB Buy-Out Event set out in Clause 13.1.9, for a Restoration schedule default following Force Majeure affecting the Company.	A + B
9.	Termination in respect of the Company Buy-Out Event set out in Clause 13.1.8(i), following Force Majeure where the parties agree that Restoration is not feasible.	A + B
10.	Termination in respect of the Company Buy-Out Event set out in Clause 13.1.8(ii), followed by Force Majeure where CEB disagree with the Expert determination.	A + C

Schedule 11 – Annex 2

Buy-Out Price Elements

In this Schedule 11, the letters A, B, C and D are used to signify different elements of the Buy-Out Price to be paid upon the occurrence of the events described in this Schedule 11. The letters shall represent the following amounts:

A =	Outstanding debt, as represented by the audited financial statements, being the sum of (i) the total amount outstanding to the Lenders under the Financing Agreements (including interest during the construction period through to the earlier of the date of payment in full of the Buy-Out Price or the Combined Cycle Operation Date); (ii) the total amount outstanding under any loan agreements for capital improvements to the Facility that are required under this Agreement, as agreed by the CEB; (iii) the total amount of any other outstanding debt incurred by the Company, that was approved by the CEB, less any insurance proceeds available to the Company following a Force Majeure and not spent for Restoration; and (iv) any fees, costs and expenses payable by the Company to the Lenders arising out of the prepayment of any loans (including winding up costs and hedge break funding costs) under Financing Agreements. For the avoidance of doubt, outstanding debt shall exclude loan repayments due and unpaid by the Company at the date of Termination, except in situations where such non-payment has arisen due to Force Majeure or Change in Law or the acceleration of the outstanding debt by the Lenders.
B =	Book value of the shareholders' equity in the Company, as represented by the shareholders funds stated in the balance sheet of the Company's most recent audited financial statement, such audit being undertaken by a recognized international firm of auditors in accordance with International Accounting Standards.
C =	The Equity Rate, being the expected net cash flows accruing to the Company from the date of Termination to the twenty fifth (25^{th}) anniversary of the Combined Cycle Operation Date discounted to a Net Present Value at 10%. The Equity Rate shall be deemed to be zero until the Open Cycle Operation Date has occurred, and shall otherwise apply from the date of Termination until the twenty fifth (25^{th}) anniversary of the Combined Cycle Operation Date, For the purposes of calculating the Buy Out Price, the Equity Rate in respect of each Year shall be the sum of the US Dollar Component and Rupee components of such earnings, where: US Dollar component = $DCCR_e * NDC * TA_Y$ Rupee component = $RCCR_e * NDC * TA_Y$ Where: $DCCR_e$ is the US Dollar Return on Equity Rate as stated in Tables A1 of Annex A of Schedule 9 for the Open Cycle Operational Period or the relevant Contract Year, as the case may be; $RCCR_e$ is the Rupee Return on Equity Rate as stated in Tables A1 of Annex A of Schedule 9 for the Open Cycle Operational Period or the relevant Contract Year, as the case may be;

	NDC	is the value for Net Dependable Capacity for Open Cycle (L) Operational Period (NDC_{OL}), Open Cycle (N) Operational Period (NDC_{ON}), Combined Cycle (L) Operational Period (NDC_{CL}) or Combined Cycle (N) Operational Period (NDC_{CN}), as the case may be;
	TA_Y	is the Target Availability for the Open Cycle Operational Period or for the relevant Contract Year of the Combined Cycle Operational Period, as the case may be, as stated in Paragraph 8.5 of Schedule 8.

D =	Construction period value shall equal 100% of the sum of all equity subscriptions paid into the Company and spent on the Project until Transfer Date, with deductions, as represented by the audited financial statements, to reflect the following: (i) The extent to which amounts actually incurred by the Company exceed the amounts budgeted in the base case financial model prepared by the Lenders at the time of execution of the Financing Agreements; (ii) Any non-compliances with the Minimum Functional Specification; (iii) Any loans disbursed by Lenders but not expended by the Company; (iv) Any liquidated damages liabilities that the Company might have reasonably been expected to incur.

SCHEDULE 12

DISPUTES RESOLUTION PROCEDURE

SCHEDULE 12 - DISPUTES RESOLUTION PROCEDURE

12 Schedule 12 - Disputes Resolution Procedure

PART 1 - EXPERT DETERMINATION

12.1 Appointment of Expert

Where this Agreement provides for a dispute to be determined by an Expert or the parties otherwise agree that a dispute under this Agreement should be determined by an Expert, then the procedure for the appointment of an Expert shall be as follows:

12.1.1 the party wishing the appointment to be made shall give notice in writing to that effect to the other party and shall, with such notice, give details of the matter which is proposed to be determined by the Expert;

12.1.2 the parties shall meet in an endeavour to agree upon a single Expert to whom the matter in dispute shall be referred for determination;

12.1.3 if, within fourteen (14) Days from the service of the said notice, the parties have failed to agree upon an Expert, the party wishing the appointment to be made may request the Chairman for the time being of the Singapore International Arbitration Centre, to nominate an Expert within fourteen (14) Days of such request;

12.1.4 upon an Expert being agreed or nominated under the foregoing provisions of Part 1 of this Schedule 12 (Disputes Resolution Procedure) the parties shall forthwith notify such Expert of his selection and shall request him within fourteen (14) Days of such notification to indicate whether or not he is willing and able to accept the appointment; and

12.1.5 if such Expert is either unwilling or unable to accept such appointment or has not indicated his willingness and ability to accept such appointment within the said period of fourteen (14) Days then (unless the parties are able to agree upon the appointment of another Expert) the matter shall be referred (by either party) in the manner aforesaid to the Chairman for the time being of the Singapore International Arbitration Centre, who shall be requested to make a further nomination and the process shall be repeated until an Expert is found who accepts appointment.

12.2 Conflicting Interest

Any person appointed as an Expert shall, before accepting such appointment, fully disclose any interest or duty he has or may have which conflicts or may conflict with his function under such appointment, and he shall also fully disclose any such interest or duty incurred at any time before he gives his determination under such appointment provided always that no person shall be appointed an Expert who at the time of appointment is or has at any time during the ten (10) Years prior to the time of appointment been an employee of either party or of any Affiliate or Subsidiary of either party or of any company with which either party has a direct significant financial interest.

12.3 Decision

12.3.1 Representations Data and Information

The Expert so appointed shall promptly fix a reasonable time [no later than thirty (30) Days after the Expert's acceptance of its appointment] and/or place for receiving submissions or information in the form and/or manner directed by the Expert from the parties and the said Expert may make such other enquiries and require such other evidence (which may include a description of the dispute, a statement from each party of its position and copies of supporting evidence) as he may consider useful to assist in determining the matter. Each party shall have access to the documentation submitted to the Expert by the other party which is marked "Non-Confidential". Any documentation so received by either party shall be treated on a confidential basis. All other information and data submitted by either party to the Expert shall be regarded as confidential and shall be and remain confidential to the Expert and shall not be disclosed to the other party. The Expert shall have the right to inspect the Facility.

12.3.2 Substitution of Expert

If within a period of forty (40) Days after the acceptance by an Expert of the appointment, unless otherwise agreed by both parties, such Expert shall not have made his determination then (at the request of either party) a new Expert shall be appointed under the provisions of this Part 1 of Schedule 12 (Disputes Resolution Procedure) and on the acceptance of appointment by such new Expert the appointment of the previous Expert shall cease, provided that if the previous Expert shall have rendered a decision prior to the date upon which the new Expert accepts his appointment then such decision shall be binding upon the parties and the instructions to the new Expert shall be withdrawn.

12.3.3 Competence

The Expert shall be deemed not to be an arbitrator but shall render his decision as an expert and the law or legislation relating to arbitration shall not apply to such Expert or his determination or to the procedure by which the Expert reaches his determination.

12.3.4 Determination

The determination of the Expert shall be made in writing setting out the reasons for such determination and shall be final and subject to Clause 12.3.8(ii), binding upon the parties and not subject to appeal save in the event of fraud, manifest error or failure by the Expert to disclose any relevant interest or duty in accordance with Paragraph 12.2 of this Part 1 of Schedule 12 (Disputes Resolution Procedure).

12.3.5 Costs and Expenses

Each party shall bear all costs incurred by it in connection with the Expert's determination but the costs and expenses of the Expert shall be apportioned equally between the parties.

PART 2 - ARBITRATION

12.4 References to Arbitration

Any dispute or difference of whatever nature between the parties arising out of or in connection with this Agreement [which are not first amicably resolved between the parties or are not the subject of determination by an Expert in accordance with Part 1 of this Schedule 12 (Disputes Resolution Procedure)] including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (the "**UNCITRAL Rules**") for the time being in force, which rules are deemed to be incorporated by reference to this Clause save as may be amended by this Part 2 of Schedule 12 (Disputes Resolution Procedure).

12.5 Notices of Arbitration

Either of the parties to this Agreement who wishes to initiate an arbitration shall give a notice of arbitration to the other party in accordance with Article 3 of the UNCITRAL Rules.

12.6 Place and Language of Arbitration

The place of the arbitration shall be Colombo, Sri Lanka. The language of the arbitration shall be English and any award shall be rendered in English.

12.7 Arbitral Tribunal

The Arbitral Tribunal (the "**Tribunal**") shall be composed of three arbitrators. Each party shall appoint one arbitrator and the two arbitrators thus appointed shall choose the third arbitrator who will act as the presiding arbitrator of the Tribunal in accordance with Article 7 of the UNCITRAL Rules.

12.8 Consolidation of Disputes under this Agreement

After a Tribunal has been appointed, either party may give a further notice of arbitration to the other party and to the Tribunal referring any other dispute arising out of or in connection with this Agreement to those arbitral proceedings. If the other party consents within thirty (30) Days of receipt of such notice (determined in accordance with Clause 15.3) to any such other dispute being so referred, the Tribunal may, as it considers appropriate, order that the other dispute should be referred to and consolidated with the same arbitral proceedings.

12.9 Conduct of Arbitration

In accordance with Article 15 of the UNCITRAL Rules, the Tribunal may (subject to the UNCITRAL Rules) conduct the arbitration in such manner as it considers appropriate. In all matters not expressly provided for herein or in the UNCITRAL Rules, the Tribunal shall act in accordance with the spirit of the UNCITRAL Rules bearing in mind, in particular, that there may be more than two parties to the proceedings and that there may be more than one set of proceedings.

12.10 Awards

All and any awards or other decisions of the Tribunal shall be made in accordance with the UNCITRAL Rules in writing and shall be binding on the parties who exclude all and any rights of appeal from all and any awards insofar as such exclusion can validly be made in connection with any question of fact or law arising in the course of the arbitration or with respect to any award. The final award shall be made within six months from the appointment of the Tribunal, but insofar as it is impractical to do so, shall be made as soon as possible. All and any awards or other decisions of the Tribunal shall be made in US Dollars (unless the Tribunal determines that the obligation or liability in respect of which an award is made should be compensated in Rupees) free of any tax, deduction or set off and the Tribunal shall be authorised in its discretion to grant pre-award and post-award interest at commercial rates and costs.

12.11 Costs of Enforcement

Any costs, fees, or taxes incident to enforcing any award shall to such extent as is permitted by law, be charged against the party resisting such enforcement.

12.12 Parties Obligations During Arbitral Proceedings

12.12.1 Except as expressly provided in this Agreement, pending the award in any arbitration proceeding hereunder:

(i) this Agreement and the rights and obligations of the parties shall remain in full force and effect; and

(ii) each of the parties shall continue to perform their respective obligations under this Agreement. The termination of this Agreement shall not result in the termination of any arbitration proceeding pending at the time of such termination nor otherwise affect the rights and obligations of the parties under or with respect to such pending arbitration.

12.12.2 Each party irrevocably agrees not to initiate any suit or other proceedings:

(i) in any court of competent jurisdiction arising out of or in relation to any dispute requiring to be determined by an arbitral proceeding in accordance with this Schedule 12 (Disputes Resolution Procedure) until any such dispute has been concluded by means of a final decision of the Tribunal; or

(n) in which relief or remedy is sought by way of an injunction or other judicial order (interlocutory or final) which would have the effect (directly or indirectly) of restraining or impeding the maintenance or prosecution by either party of any arbitral proceeding initiated in accordance with this Schedule 12 (Disputes Resolution Procedure);

provided that a party may initiate a suit or proceeding for the purpose of:

(a) enforcement of any procedural order made by the Tribunal or the arbitration agreement set forth in this Schedule 12 (Disputes Resolution Procedure); or

(b) granting of any relief by way of interlocutory injunction or other interim relief or remedy sought exclusively in aid of a claim which is a subject matter of an arbitral proceeding brought pursuant to this Schedule 12 (Disputes Resolution Procedure) (including without limitation injunctive or other interim relief or remedy with a view to preventing or restraining the removal or dissipation of the assets of the respondent to the claim for such relief or remedy from Sri Lanka or other place where those assets are situated).

SCHEDULE 13 - MINIMUM INSURANCE TO BE MAINTAINED BY THE COMPANY

SCHEDULE 13 - MINIMUM INSURANCE TO BE MAINTAINED BY THE COMPANY

PART 1 - CONSTRUCTION PERIOD

1. Marine and Air Cargo:

Cover: All materials, equipment, plant, machinery, spares and other items for incorporation in the Facility against all risks of physical loss or damage whilst in transit by sea or air from country of origin anywhere in the world to the Site from the time the insured items leave the warehouse or factory for shipment to the Site, subject to normal exclusions.

Sum insured: In respect of any shipment, an amount equal to one hundred and ten percent (110%) of the CIF value.

Insured: The Company, the contractors, the sub-contractors and suppliers to the Company and to the Turnkey Contractor.

General: To the extent available at commercially reasonable terms (including premium levels), the cover shall include damage during transit caused by strikes of the kind specified in Clause 12.1.2(i), civil commotion and riot occurring in Sri Lanka up to fifteen per cent of the capital value of the Facility at the date of such loss or damage.

2. Contractors' All Risks:

Cover: The Works executed, including all buildings, structures and installations on the Site, and in the course of execution, materials and temporary works and all Turnkey Contractor's equipment, while on the Site, against all risks of physical loss or damage (including as a result of fire or arson) other than normal exclusions, war or kindred risks, nuclear risks, unexplained shortage, cost of replacing or repairing items which are defective in workmanship, material or design; penalties; consequential losses; cash; vehicles; vessels; aircraft. The cover shall include the costs incurred in the removal of all debris resulting from an insured event and shall also cover all fees of professional advisors, including international consultants, incurred in connection with an insured event and shall provide the equivalent terms, conditions and perils/causes of loss provided under an Erection All Risks insurance policy.

Sum insured: The actual cost to construct the Facility (reflecting all reinstatement and replacement costs).

Period of Cover: Actual construction, testing and Commissioning until expiry of the warranty period under the Turnkey Contract.

Insured: The Company, the Turnkey Contractor, the sub-contractors, the CEB, Lenders and all suppliers and consultants in respect of their activities at the Site.

General: (1) During the warranty period, cover shall be limited to the loss or damage for which the Turnkey Contractor is liable under the

warranties of the Turnkey Contract. (2) Cover shall include transit within Sri Lanka of locally procured equipment and materials. (3) To the extent available at commercially reasonable terms (including premium levels), the cover shall include damage caused by strikes of the kind specified in Clause 12.1.2(i), civil commotion and riot occurring in Sri Lanka up to fifteen per cent of the replacement capital value of the Facility at the date of such loss or damage subject to a maximum value prescribe by the National Insurance Trust Fund or any Competent Authority.

3. Public Liability:

Cover: Against legal liability to third parties for bodily injury or death and damage to property arising out of the construction, testing and Commissioning of the Facility in Sri Lanka.

Sum insured: For any one claim USD 3,000,000 (or such other amount which an independent power generator exercising Prudent Utilities Practice would maintain from time to time for a similar facility to the Facility).

Insured: The Company, the Lenders, the Turnkey Contractor (including all sub-contractors working at the Site), the CEB, and all suppliers and consultants in respect of their activities at the Site.

Period of Cover: The actual construction, testing and Commissioning of the Facility from the sooner of (i) first mobilisation of the Turnkey Contractor, and (ii) first commencement of Works at the Site by the Company until the Combined Cycle Operation Date.

4. Miscellaneous:

Other insurance as is customary, desirable or necessary to comply with Laws of Sri Lanka, such as Workmen's Compensation Insurance in relation to all workmen employed in the construction of the Facility and Motor Vehicle Insurance on any vehicle or any other insurance's which the Lenders may require to be effected.

PART 2 - OPERATING PERIOD

1. All Risks Insurance-Fixed Assets:

Cover: All building contents, plant, machinery, stock, fixtures, fittings and all other personal property forming part of the Facility against "All Risks" of physical loss or damage including but not limited to those resulting from fire, arson, lightning, explosion, spontaneous combustion, storm, wind, tempest, flood, hurricane, water damage, strikes, riot, malicious damage, earthquake, tsunami, collapse and/or loss of contents of tanks, other than normal exclusions. The cover shall include the costs incurred in the removal of all debris resulting from an insured event and shall also cover all fees of professional advisors, including international consultants, incurred in connection with such insured event.

Sum insured: Full replacement of the Facility.

Insured: The Company, the O&M Contractor, the CPC, the CEB and the Lenders.

General: To the extent available at commercially reasonable terms (including premium levels), the cover shall include damage caused by strikes of the kind specified in Clause 12.1.2(i), civil commotion and riot occurring in Sri Lanka up to fifteen per cent of the replacement capital value of the Facility at the date of such loss or damage subject to a maximum value prescribe by the National Insurance Trust Fund or any Competent Authority..

2. Consequential Loss Following All Risks:

Cover: Loss of revenue due to loss of capacity and/or loss of output as a direct consequence of loss of or damage to the Facility and caused by a peril insured under Paragraph 1 above.

Sum insured: An amount equal to estimated debt service as specified in the Financing Agreements.

Insured: The Company, the CEB and the Lenders.

General: Insurers to agree to waive the right of recourse against the O&M Contractor(s).

3. Machinery Breakdown:

Cover: All machinery, plant, boilers and ancillary equipment forming part of the Facility against sudden and unforeseen physical loss or damage resulting from mechanical and electrical breakdown or derangement, explosion or collapse of boilers and pressure vessels, electrical short circuits, vibration, misalignment, excessive current or voltage, abnormal stresses, centrifugal forces, failure of protective or regulating devices, overheating, entry of foreign bodies, impact, collision and other similar causes.

Sum insured: Full replacement value of all machinery, plant, boilers, etc.
Insured: The Company, the Lenders, the CEB and the O&M Contractor.

4. Consequential Loss Following Machinery Breakdown:

Cover: Loss of revenue due to loss of capacity and/or loss of output as a direct consequence of loss of or damage to the Facility caused by a peril insured under Paragraph 3 above.
Sum insured: An amount equal to the estimated Debt Service.
Insured: The Company, the CEB, the O&M Contractor and the Lenders.
General: The Insurers to agree to waive the right of recourse against the O&M Contractor(s).

5. Public Liability:

Cover: Legal liability of the insured for damage to property of third parties or bodily injury or death to third parties arising out of the ownership, operation and maintenance of the Facility.
Sum insured: For any one claim US Dollars three million (USD 3,000,000.00) or such other amount which an independent power generator exercising Prudent Utilities Practice would maintain from time to time for a similar facility to the Facility.
Insured: The Company, the O&M Contractor, the Lenders, the CPC and the CEB.

6. Miscellaneous:

Other insurance as are customary, desirable or necessary to comply with the Laws of Sri Lanka, such as Workmen Compensation Insurance in relation to all workmen employed in the Facility or in connection with its operation, and Motor Vehicle Insurance on any vehicle owned by the Company.

SCHEDULE 14 – FORM OF ESCROW AGREEMENT

SCHEDULE 14 – FORM OF ESCROW AGREEMENT

THIS ESCROW AGREEMENT is dated this day of 20

BETWEEN **THE CEYLON ELECTRICITY BOARD (**the **"CEB"**), a body corporate established by Act No.17 of 1969 and having its head office at No. 50, Sir Chittampalam A. Gardiner Mawatha, Colombo 00200, Sri Lanka;

AND **[ ] (PRIVATE) LIMITED** (the **"Company"**)

AND **[ ]**(the **"the Escrow Agent"**)

WHEREAS

A. The CEB has entered into a power purchase agreement dated …….. with the Company (the "Power Purchase Agreement")

B. Clause 8.8.5 of the Power Purchase Agreement requires that the CEB and the Company enter into an escrow agreement on the terms and conditions set out therein

NOW THIS AGREEMENT WITNESSES as follows:

1. INTERPRETATION

In this agreement, unless the context otherwise requires:

1.1 **Definitions:** expressions defined in the Power Purchase Agreement shall bear the same meaning where used in this agreement;

1.2 **Headings:** Clause and other headings are for ease of reference only and shall not be deemed to form any part of the context or to affect the interpretation of this agreement; and

1.3 **Parties:** references to parties shall mean all of the parties to this agreement and their respective executors.

2. TERM

This agreement shall commence at the time when the Escrow Agent receives any money pursuant to Clause 8.10.5 of the Power Purchase Agreement (the "Disputed Amount").

3. RETENTION OF DISPUTED AMOUNT

Upon receipt of the Disputed Amount by the Escrow Agent, the Company and the CEB shall, by signing this agreement, have been deemed to have instructed the Escrow Agent to lodge the Disputed Amount on trust in an interest bearing account on 48 hour call with [ ] (the Disputed Amount and interest earned thereon referred to hereinafter as the "Deposit"), to be disbursed pursuant to the terms of the Power Purchase Agreement, or otherwise as contemplated under this agreement.

4. RELEASE OF ESCROW AGENT

4.1 Release of Escrow Agent: Upon payment of the Deposit pursuant to either of the decision of the Expert or the Tribunal or a notice signed by both the CEB and the Company, this agreement shall be deemed to be terminated and the Escrow Agent shall be released and discharged from all further obligations hereunder.

5. COMPLIANCE BY ESCROW AGENT WITH INSTRUCTIONS

5.1 **Disposition of Deposit:**
If at any time, the Escrow Agent receives a notice signed by both the CEB and the Company containing instructions to the Escrow Agent regarding the disposition of the Deposit or any portion thereof or any matter related thereto, the Escrow Agent must comply with such instructions.

5.1 **Termination of Agreement:**
If at any time, the Escrow Agent receives a notice signed by both the CEB and the Company that this agreement has been terminated, the Escrow Agent may deliver the Deposit in accordance with the joint instructions contained in such notice and upon such delivery this Escrow Agreement shall be deemed to be terminated and the Escrow Agent shall be released and discharged from all further obligations hereunder.

6. ESCROW AGENT NOT BOUND TO ENQUIRE

The duties of the Escrow Agent under this agreement are as specifically provided in this agreement only and are purely ministerial in nature. Except for its own gross negligence or wilful misconduct, the Escrow Agent shall not be liable in any circumstance whatsoever in relation to the matters contained in this agreement including without limiting the generality of the foregoing, for:

6.1 **Act or Omission:**
Any error or judgment, fact or law, or any act done or omitted to be done;

6.2 **Event or Condition:**
The Escrow Agent's determination as to whether an event or condition has occurred, or been met or satisfied or as to whether sufficient evidence of the event or condition has been furnished to it even if it shall be found that such determination was improper or incorrect, provided only, that the Escrow Agent shall not have been guilty of gross negligence or wilful misconduct in making such determination; or

6.3 **Compliance with Conditions:**

The Escrow Agent's determination as to whether a provision of the Power Purchase Agreement or this agreement has been complied with or as to whether sufficient evidence of compliance with the provision has been furnished to it even if it shall be found that such determination was improper or incorrect, provided only, that the Escrow Agent shall not have been guilty of gross negligence or wilful misconduct in making such determination.

7. DISPUTE RESOLUTION

If any difference or dispute of whatever nature between the parties arising under or in connection with this agreement or the existence or validity of this agreement or any provision hereof, the Escrow Agent shall not be required to determine the same or take any action in the matter (unless such dispute or difference alleges the wilful misconduct of Escrow Agent), but rather Escrow Agent may await the settlement or resolution of any such controversy by the parties

8. LEGAL PROCEEDINGS

Escrow Agent shall not be required to institute legal proceedings of any kind.

9. NO VERIFICATION

The Escrow Agent may rely, and shall be protected in acting or refraining from acting, upon any instrument, not only as to its due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein. In particular, the Escrow Agent shall not be required to verify the matters referred to in, or the validity of, written directions received from the CEB and/or the Company, all such directions executed by those parties being conclusive as to the matters referred to therein.

10. INDEMNITY

The Company and the CEB, jointly and severally, hereby agree to indemnify, defend and hold the Escrow Agent harmless from and against, all costs, damages, assignments, solicitors' fees, expenses, obligations, liabilities and claims of any kind which the Escrow Agent may sustain, incur or pay in connection with or arising out of this agreement, including, without limitation, any fees and expenses which it may incur or sustain in any legal action arising from this agreement or involving the subject matter hereof, whether or not commenced by the Escrow Agent provided, however, that the foregoing indemnification shall not apply to the Escrow Agent in the event of its wilful misconduct in connection with the performance of its services hereunder.

11. VALIDITY OF DOCUMENTS

The Escrow Agent shall not be responsible for the genuineness or validity of any document or item deposited with it which appears to be in accordance with the Power Purchase Agreement or any notice or instruction given to it, and it is fully protected in acting in accordance with any written instruction or instrument given to it hereunder and reasonably believed by it to have been signed by the proper parties. Each party hereto (other than the Escrow Agent) represents and warrants that this agreement has been duly and validly authorised, executed and delivered by such party and constitutes a valid and binding obligation of such party, enforceable against such party in accordance with its terms.

12. CONFLICT

Ifat any time the Escrow Agent receives conflicting notices, claims, demands or instructions with respect to the Deposit, or if for any other reason it shall be unable in good faith to determine the party or parties entitled to receive any part of the Deposit, the Escrow Agent may refuse to make any payment and retain the Deposit in its possession until the Escrow Agent shall have received instructions in writing signed jointly by the CEB and the Company, or until directed by a final, non-appealable order of the Expert or the Tribunal whereupon the Escrow Agent may make such disposition in accordance with such joint instructions or order.

13. RESIGNATION

The Escrow Agent may resign at any time upon by giving the CEB and the Company ten (10) Days' prior written notice to that effect. In such event, the successor escrow agent shall be such person, firm or corporation as who shall be mutually selected by CEB and the Company who shall sign an agreement in the same or similar terms to this agreement.

14. NOTICES

All notices and other communications required hereunder shall be in writing and shall be deemed to have been duly given when personally delivered, two (2) Days after posting if sent by post within Sri Lanka or ten (10) Days after posting if posted from one country to another, or by facsimile upon receipt of a transmission report acknowledging the facsimile was received in its entirety. Unless other addresses are subsequently specified in writing, such notices or other communications shall be sent to the CEB or Company to the addresses set out in the Power Purchase Agreement and to the Escrow Agent, to:

[ ]
[ ]
Fax No:

15. ENTIRE AGREEMENT

This agreement and the Power Purchase Agreement contain the entire agreement among the parties with respect to the subject matter hereof. This agreement may not be amended, supplemented or discharged, and no provision hereof may be modified or waived, except by an instrument in writing signed by all of the parties hereto. No waiver of any provision hereof by any party shall be deemed a continuing waiver of any matter by such party.

16. NO ASSIGNMENT

This agreement shall not be assignable by any party without the prior written consent of the other parties.

17. GOVERNING LAW

This agreement shall be governed by and construed in accordance with the laws of Sri Lanka.

18. COUNTERPART EXECUTION

This agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Executed counterparts transmitted by facsimile shall be effective as originals.

19. CONFIDENTIALITY

The Escrow Agent shall not disclose the provisions of this agreement or any matters relating to this agreement to any person except as required by law or to the extent that the provision or matter has entered the public domain.

EXECUTED as an agreement

SIGNED by the **CEYLON ELECTRICITY BOARD** by:

Full name of director	Signature of director
Full name of director	Signature of director

SIGNED by **[ ]**
(PRIVATE) LIMITED by:

Full name of director	Signature of director
Full name of director	Signature of director

SIGNED for and on behalf of **[ ]**
by …….in the presence of:

Witness to signature of …….	Signature of ……..

Name of witness

Occupation of witness

Address of witness

SCHEDULE 15 - FORM OF CONSTRUCTION PERFORMANCE BOND

SCHEDULE 15 - FORM OF CONSTRUCTION PERFORMANCE BOND

BACKGROUND

A. _____ of _____ , a company incorporated in Sri Lanka (the "Company") has entered into an agreement dated _____ to finance, design, engineer, construct, commission, operate and maintain a power station to be built at Kerawalapitiya and to sell and deliver electrical power ("the Power Purchase Agreement") to the Ceylon Electricity Board;

B. Under the Power Purchase Agreement the Company is bound and obliged to furnish a Construction Performance Bond to secure the due performance by the Company during the Construction Period in terms of the Power Purchase Agreement;

C. At the request of the Company, we _____ of _____ a commercial bank having its registered office at _____ are agreeable to and desirous of giving such a Construction Performance Bond;

WE HEREBY notwithstanding any objection by the Company, irrevocably undertake and are bound and obliged, without any right of set off, counterclaim, legal or equitable discharge whether on our behalf or on behalf of the Company, to pay to the Ceylon Electricity Board unconditionally and without demur any sum of money and not exceeding a sum of USD _____ on their first demand.

Every demand hereunder shall be in writing and signed by the General Manager of the Ceylon Electricity Board (or by any person for the time being acting in or performing the functions of the General Manager).

For all purposes connected with and relating to this Construction Performance Bond, every such demand shall be conclusive proof that the amount so demanded is lawfully due under this Construction Performance Bond.

All payments hereunder shall be made in Sri Lanka by cheque or bank draft drawn in favour of the Ceylon Electricity Board.

The rights and remedies of the Ceylon Electricity Board hereunder shall be deemed to be in addition to and not in substitution of any of the rights and remedies of the Ceylon Electricity Board under the Power Purchase Agreement and this Construction Performance Bond shall not be prejudiced or affected by any indulgence or forbearance of the Ceylon Electricity Board towards the Company in connection with the Power Purchase Agreement.

Any claim under this Construction Performance Bond must be received by us on or before *[insert a date thirty (30) Days beyond the Scheduled Combined Cycle Operation Date]* when this Construction Performance Bond shall expire and shall be returned to us.

IN WITNESS whereof this Construction Performance Bond has been signed by the authorised signatories of the aforesaid _____

on this day of _____ 20xx

_____	_____
Authorised Signatory	Authorised Signatory
Name:	Name:
Designation:	Designation:

SCHEDULE 16 - FORM OF OPERATIONS PERFORMANCE BOND

SCHEDULE 16 - FORM OF OPERATIONS PERFORMANCE BOND

BACKGROUND

A. _____ of _____ , a company incorporated in Sri Lanka (the "Company") has entered into an agreement dated _____ to finance, design, engineer, construct, commission, operate and maintain a power station to be built at Kerawalapitiya and to sell and deliver electrical power ("the Power Purchase Agreement") to the Ceylon Electricity Board;

B. Under the Power Purchase Agreement the Company is bound and obliged to furnish an Operations Performance Bond to secure the due performance of the Company during the Operations Period in terms of the Power Purchase Agreement;

C. At the request of the Company,
we _____ of _____ a commercial bank having its registered office at _____ are agreeable to and desirous of giving such an Operations Performance Bond;

WE HEREBY notwithstanding any objection by the Company, irrevocably undertake and are bound and obliged, without any right of set off, counterclaim, legal or equitable discharge whether on our behalf or on behalf of the Company, to pay to the Ceylon Electricity Board unconditionally and without demur any sum of money and not exceeding a sum of USD _____ on their first demand.

Every demand hereunder shall be in writing and signed by the General Manager of the Ceylon Electricity Board (or by any person for the time being acting in or performing the functions of the General Manager).

For all purposes connected with and relating to this Operations Performance Bond, every such demand shall be conclusive proof that the amount so demanded is lawfully due under this Operations Performance Bond.

All payments hereunder shall be made in Sri Lanka by cheque or bank draft drawn in favour of Ceylon Electricity Board.

The rights and remedies of the Ceylon Electricity Board hereunder shall be deemed to be in addition to and not in substitution of any of the rights and remedies of the Ceylon Electricity Board under the Power Purchase Agreement and this Operations Performance Bond shall not be prejudiced or affected by any indulgence or forbearance of the Ceylon Electricity Board towards the Company in connection with the Power Purchase Agreement.

Any claim under this Operations Performance Bond must be received by us on or before *(insert date thirteen months from the expected date for expiry of the Power Purchase Agreement)* when this Operations Performance Bond shall expire and shall be returned to us.

IN WITNESS whereof this Operations Performance Bond has been signed by the authorised signatories of the aforesaid _____

on this day of _____ 20 .

_____	_____
Authorised Signatory	Authorised Signatory
Name:	Name:
Designation:	Designation: