

or (as applicable) Savings resulting from all Changes of Law that have occurred during that calendar Year exceeds €250,000.

- (b) If in a calendar Year Changes of Law give rise to claims that in aggregate exceed €250,000, the Party that is obliged to pay compensation pursuant to Clause 17.1 or 17.2 (as applicable) shall pay that compensation in full and, for the avoidance of doubt, that compensation will not be subject to any reduction to account for the €250,000 claiming threshold.

17.4 Application to changes to the Tax Law of the State

Without prejudice to Clause 17.5, the Parties agree and acknowledge that Clauses 17.1, 17.2 and 17.3 are not intended to apply to changes to the Tax Law of the State, other than with respect to any change of Tax Law that constitutes a Discriminatory Change of Law.

17.5 No Discriminatory Change of Law

The State shall not implement or bring into effect any Discriminatory Change of Law.

18. EXPROPRIATION

- 18.1 No Investment owned or enjoyed, directly or indirectly, by any Project Participant in relation to the Project shall be Expropriated except where such Expropriation is:

- (a) for a purpose which is a public purpose;
- (b) not discriminatory;
- (c) carried out under due process of law; and
- (d) accompanied by the payment of prompt, adequate and effective compensation that is no less than that provided for in this Clause 18.

- 18.2 Subject to Clause 18.3, the compensation payable to each Project Participant (other than Shippers in their capacities as Shippers) upon an Expropriation of an Investment of that Project Participant shall be no less than the Fair Market Value of the Investment expropriated as calculated at the time immediately before the Expropriation or impending Expropriation became known in such a way as to affect the value of the Investment.

- 18.3 The compensation payable to the Project Investor upon the Expropriation of substantially the whole of the Project Investor's Investment in Greek Territory shall in no case be lower than the sum of:

- (a) all of the amounts payable by the Project Investor under any Implementation Contract, including those Implementation Contracts with the Lenders;
- (b) all of the equity or subordinated debt invested in the Project Investor by any Person holding any form of direct or indirect equity or other ownership interest in the Project Investor to the extent that that equity or subordinated debt has not been returned to those Persons;
- (c) a sum equal to the net present value of the anticipated return on equity that would have been realised by those Persons holding any form of direct or indirect equity or other ownership interest in the Project Investor had the Expropriation not occurred; and
- (d) those other Losses or Damages directly arising out of the Expropriation.

- 18.4 If an Expropriation by the State or any State Entity which directly or indirectly causes any Shipper (in its capacity as a Shipper) to suffer any Loss or Damage, the State shall pay to that Shipper compensation in the amount that fully compensates the Shipper for all such Loss or Damage.
- 18.5 Compensation under this Clause 18 shall, at the request of the relevant Project Participant, be expressed in, and payable in, the Convertible Currency nominated by the relevant Project Participant. Notwithstanding Clause 28.5, compensation shall also include interest at the Agreed Interest Rate, calculated on a daily basis and compounded every six months, from the date of Expropriation until the date of payment.
- 18.6 Any dispute in respect of this Clause may be submitted by the relevant Project Participants (or any of them) for resolution pursuant to Clause 24 (which Clause shall for the purposes of disputes in respect of this Clause be read as if every reference to "Party" were a reference to "Project Participant"). For the avoidance of doubt, articles 26(3)(b)(i) and (c) of the Energy Charter Treaty shall not, as between the Parties and Project Participants, apply in respect of any such dispute.

19. FOREIGN CAPITAL PROTECTION

- 19.1 The State confirms that the Project shall benefit from the Foreign Capital Protection Law.
- 19.2 At the same time that this Agreement is ratified by the Greek Parliament, the State shall ensure that, pursuant to article 3 of the Foreign Capital Protection Law, a presidential decree is adopted which confirms that the Project shall benefit from the Foreign Capital Protection Law.
- 19.3 The benefits and protections afforded to the Project pursuant to the Foreign Capital Protection Law shall be in addition to, and shall not limit in any way, the benefits and protections available to the Project Participants under this Agreement, the Energy Charter Treaty, any bilateral investment treaty or otherwise.

20. PROJECT SPECIFIC EXEMPTIONS AND AMENDMENTS

On and from the Effective Date and without prejudice to Clause 3.2, the exemptions from and amendments to Greek Law set out in Schedule 6 shall come into force as part of Greek Law for the purposes of the Project only.

21. FORCE MAJEURE

- 21.1 Non-performance or delays in performance on the part of either Party with respect to any obligation or any part thereof under this Agreement, other than an obligation to pay money, shall be suspended to the extent that it is caused or occasioned by Force Majeure.
- 21.2 Force Majeure with respect to a Party shall be limited to the following events only:
- (a) natural disasters (earthquakes, landslides, cyclones, floods, fires, lightning, tidal waves, volcanic eruptions and other similar natural events or occurrences);
 - (b) epidemics, blockades, acts of public enemies, acts of trespass, sabotage, insurrection, acts of terrorism, riots and disobedience;
 - (c) civil wars and wars (whether declared or not) between sovereign states;
 - (d) international embargoes against sovereign states;
 - (e) the closing of any harbours, docks or canals;

- (f) the imposition of any rationing, allocation or similar controls;
- (g) nuclear, chemical or biological contamination;
- (h) pressure waves caused by devices travelling at supersonic speeds;
- (i) strikes or other labour disputes which are not limited to the employees of the affected Party and/or its Related Persons;
- (j) the inability to obtain necessary goods, materials, services or technology; and
- (k) the inability to obtain or maintain any necessary means of transportation.

and, in every case, the specified circumstance and any resulting effects preventing the performance of the Project Activities by the Party or that Party's obligations, or any part thereof, shall not be treated as Force Majeure unless:

- (i) they are beyond its reasonable control; and
- (ii) those circumstances were not caused or contributed to by its negligence or the negligence of one of its Related Persons or by its (or one of its Related Person's) breach of this Agreement or any other Project Agreement.

For the purposes of this Clause 21.2, a Party's "**Related Persons**" are:

- (i) in the case of the State, any other State Component; and
- (ii) in the case of the Project Investor, any other Project Participant.

21.3 No provision of any Greek Law shall act to provide either Party with any greater relief or excuse from its liabilities and/or obligations in connection with this Agreement in any circumstance which is outside the control of that Party than the relief or excuse from its liabilities and/or obligations that is provided under this Agreement.

22. INSURANCE

22.1 The Project Investor shall:

- (a) effect and maintain, or cause to be effected and maintained, insurances with respect to the Project Activities in such amounts and in respect of such risks, in accordance with the internationally accepted standards and business practices of the Natural Gas pipeline industry. Such insurances may include duly certified self-insurance and may be obtained outside the Hellenic Republic; and
- (b) inform the State of such insurances and shall, upon the request of the State, provide the State with copies of certificates of insurance and other statements from brokers or underwriters confirming any such insurance.

22.2 Other than with respect to insurances which are mandatory under Greek Law, the Project Investor shall not be in breach of its obligations under Clause 22.1(a) if it has failed to effect or maintain or cause to be effected or maintained any insurances as a result of:

- (a) those insurances not being available in the worldwide insurance market with insurers having a credit rating of at least A minus with Standard & Poor or equivalent with Moody's or Fitch;

- (b) the premiums with respect to those insurances being substantially uneconomic in the context of the Project having regard to the risks being covered and/or the terms and conditions of the relevant insurance policy, including any exclusions or deductibles; or
- (c) those insurances no longer being effected or maintained for projects similar to the Project or activities similar to the Project Activities.

2.3 The insurances effected and maintained in accordance with this Clause must provide that the insurer shall not have any right of subrogation to any claim of the Project Investor against the State for Loss or Damage to the extent based on any contractual right under this Agreement or in reliance on any legal right otherwise established by this Agreement.

DISPUTE RESOLUTION

3. WAIVER OF IMMUNITY

To the fullest extent permitted by Greek Law, on its own behalf and on behalf of each other State Component, the State irrevocably and unconditionally:

- (a) submits to the jurisdiction of the Greek courts and any other competent courts of any other jurisdiction in relation to the recognition of any judgment or order of the Greek courts and any other competent courts of any other jurisdiction in support of any arbitration in relation to any Dispute and in relation to the recognition of any arbitral award and waives and agrees not to claim any sovereign or other immunity from the jurisdiction of the Greek courts or the competent courts of any other jurisdiction in relation to the recognition of any such judgment or court order or arbitral award and agrees to ensure that no such claim is made on its behalf;
- (b) consents to the enforcement of any order or judgment in support of arbitration or any award made or given in connection with any Dispute and the giving of any relief in the Greek courts and any other competent courts of any other jurisdiction whether before or after final arbitral award including:
 - (i) relief by way of interim or final injunction or order for specific performance or recovery of any property other than Excepted Property;
 - (ii) attachment of its assets other than Excepted Property; and
 - (iii) enforcement or execution against any property, revenues or other assets (irrespective of their use or intended use) other than Excepted Property; and
- (c) waives and agrees not to claim any sovereign or other immunity from the jurisdiction of the Greek courts or any competent courts of any other jurisdiction in relation to such enforcement and the giving of such relief (including to the extent that such immunity may be attributed to it), and agrees to ensure that no such claim is made on its behalf.

4. DISPUTE SETTLEMENT

- 4.1 Any dispute (excluding a Taxation Dispute, but including a dispute as to whether a dispute is a Taxation Dispute) arising under this Agreement, or in any way connected with this Agreement (including this Agreement's establishment and any questions regarding arbitrability or the existence, validity, interpretation, performance, breach or termination of this Agreement, or the consequences of its nullity, or any dispute relating to any non-contractual obligations arising out of or in connection with this Agreement), or any dispute (excluding a Taxation Dispute, but

including a dispute as to whether a dispute is a Taxation Dispute) arising from Project Activities (a **Dispute**) shall, subject to Clause 24.2, be finally settled by arbitration pursuant to Clauses 24.3 to 24.8 (inclusive) to the exclusion of any other remedy or dispute resolution forum. Each of the Parties hereby gives its unconditional consent to any such submission to arbitration.

24.2 Without prejudice to any injunctive or interlocutory relief which may be available to the Parties, prior to initiating any arbitration pursuant to Clause 24.3:

- (a) the Party raising the Dispute shall first serve a written notification of the Dispute to the other Party, such notice to briefly describe the nature and circumstances of the Dispute;
- (b) the Parties shall take reasonable measures to resolve the Dispute amicably; and
- (c) a Party shall only be entitled to refer the Dispute to arbitration pursuant to this Clause 24 if the Parties have not reached an amicable agreement after one month of the date of the notice referred to in Clause 24.2(a).

24.3 The Party initiating arbitration pursuant to this Clause 24.3 shall submit the Dispute, at its option, to:

- (a) the International Centre for Settlement of Investment Disputes, established pursuant to the Convention on the Settlement of Investment Disputes between States and Nationals of other States opened for signature at Washington, 18 March 1965 (hereinafter referred to as the **ICSID Convention**) for the Disputes that are in its jurisdiction pursuant to article 25 of the ICSID Convention; or
- (b) an arbitral tribunal established under the Rules of Arbitration of the International Chamber of Commerce in force on the date of the Dispute,

which choice shall be final and binding on the other Party.

24.4 The number of arbitrators shall be three. Without prejudice to the default powers of any relevant arbitral institution to constitute a tribunal, the tribunal shall be constituted as follows:

- (a) each Party shall nominate an arbitrator for appointment;
- (b) the third arbitrator, who shall act as a chairman of the tribunal, shall be chosen by the two arbitrators appointed by or on behalf of the Parties. The chairman of the tribunal shall be of a nationality other than the nationality of the Parties;
- (c) if within 30 days from the end of the one month period after which the Party submitted the Dispute to arbitration, either Party has failed to appoint an arbitrator, or the two party appointed arbitrators have failed to select the third arbitrator within 30 days after both arbitrators have been appointed, the President of the International Chamber of Commerce shall appoint such arbitrator or arbitrators as have not been appointed.

24.5 If ICSID jurisdiction is unavailable or denied for resolution of any Dispute (including by reason of the State's withdrawal from or reservation to the ICSID Convention), the Party initiating arbitration shall be entitled to submit the Dispute to arbitration in accordance with Clause 24.3(b).

24.6 The language of the arbitration shall be English.

24.7 The tribunal shall have the power to order any interim or conservatory measures it deems appropriate. Upon being rendered, the tribunal's award shall be final and binding upon the Parties and the Parties undertake to comply voluntarily with its terms without delay.

24.8 Unless the Parties agree otherwise in writing, the Parties agree that the seat of any arbitration held pursuant to this Clause shall be Vienna and that all hearings shall be held in that city.

Taxation Disputes

24.9 Subject to Clause 24.11, all Taxation Disputes shall be resolved by the Greek Tax Administration and/or the Greek courts in accordance with applicable Greek Law (the **Taxation Dispute Resolution Process**).

24.10 If:

- (a) a Project Participant challenges or appeals, or intends to challenge or appeal, any tax audit, tax assessment notice, tax payment or similar act, finding or determination by a State Component or Local Authority in respect of Taxes and, pursuant to the Taxation Dispute Resolution Process, that Project Participant is required to make payment of 50 per cent. of the amount that is the subject of the challenge or appeal or any other amount required by Greek Law (including as precondition to that challenge or appeal being considered), that Project Participant's obligation to pay shall, subject to Clause 24.11(b), be capped at an amount of €1,000,000. Provided that Project Participant has (subject to that cap) made the relevant payment, the relevant State Component, Local Authority or competent court shall hear and consider the appeal or challenge in accordance with applicable Greek Law;
- (b) at any time after the Signing Date no requirement to make payment of the entire or part of the amount that is the subject of a challenge or appeal (including as a precondition to that challenge or appeal being considered) exists under Greek Law, the Taxation Dispute Resolution Process for the purposes of this Agreement shall be automatically revised such that under the Taxation Dispute Resolution Process there shall be no requirement to make payment of an amount that is the subject of a challenge or appeal (including as precondition to that challenge or appeal being considered).

24.11 If a dispute exists as to whether a dispute is a Taxation Dispute or not, the relevant Project Participant may elect, as an interim measure, to concurrently comply with the Taxation Dispute Resolution Process, in which case (and notwithstanding any Greek Law to the contrary):

- (a) pending determination as to whether the dispute is a Taxation Dispute, no judgments, determinations or rulings will be made pursuant to that Taxation Dispute Resolution Process and, to the extent necessary, the relevant proceedings will be suspended immediately prior to the making of any such judgment, determination or ruling;
- (b) if the dispute is determined to be a Taxation Dispute, the Taxation Dispute Resolution Process shall continue provided that, notwithstanding the cap referred to in Clause 24.10(a), the relevant Project Participant shall, as a precondition to such continuance, be required to pay within 15 Business Days of that determination 50 per cent. of the amount that is the subject of the challenge or appeal or any other amount required by Greek Law. If the relevant Project Participant fails to pay the full amount within 15 Business Days, it shall be deemed to have withdrawn its challenge or appeal and the amount that was the subject of the challenge or appeal shall become immediately due and payable in accordance with Greek Law; or

- (c) if the dispute is determined to be a Dispute:
 - (i) the Taxation Dispute Resolution Process shall be abandoned;
 - (ii) any amounts paid by the relevant Project Participant pursuant to the Taxation Dispute Resolution Process which were the subject of the challenge or appeal shall be returned by the relevant State Component or Local Authority to the relevant Project Participant within 15 Business Days of that determination; and
 - (iii) the Dispute shall be finally settled by arbitration pursuant to Clauses 24.3 to 24.8 (inclusive) to the exclusion of any other remedy or dispute resolution forum.

24.12 For the avoidance of doubt and notwithstanding any Greek Law to the contrary, the determination of any Dispute shall prevail over any judgment, determination or ruling made pursuant to the Taxation Dispute Resolution Process.

Valid and enforceable

24.13 The provisions of this Clause shall be valid and enforceable notwithstanding the illegality, invalidity, or unenforceability of any other provisions of this Agreement.

25. GOVERNING LAW OF THIS AGREEMENT

This Agreement, including Clause 24, and any non-contractual rights and obligations arising out of or in connection with it are governed by Greek law as it exists at the Signing Date.

FINAL PROVISIONS

26. NATURE OF THIS AGREEMENT

This Agreement shall at all times have a dual nature, being both part of Greek Law (including as the implementing law of the Intergovernmental Agreement) and a private contract between the Project Investor and the State.

27. AMENDMENTS TO THIS AGREEMENT

27.1 No variations or amendments of this Agreement shall be binding on the Parties unless:

- (a) for the purpose of this Agreement being both part of Greek Law (including as the implementing law of the Intergovernmental Agreement) and a private contract, that variation or amendment is:
 - (i) set out in writing and expressed to vary or amend this Agreement;
 - (ii) signed by the authorised representatives of each of the Parties; and
- (b) in addition to the requirements set out in Clause 27.1(a), for the purpose of this Agreement forming part of Greek Law (including as the implementing law of the Intergovernmental Agreement), that variation or amendment is, to the extent required under the Intergovernmental Agreement, agreed under the Intergovernmental Agreement and approved by way of an enacting law of the State's Parliament.

27.2 The State shall not amend, rescind, declare invalid or unenforceable, or otherwise seek to avoid or limit this Agreement as a fully effective part of Greek Law without the prior written consent of the Project Investor.

- 27.3 If the Albanian HGA is at any time amended or the Project Investor enters into a New HGA:
- (a) the Project Investor shall promptly notify the State of that amendment or New HGA, such notification to include a copy of the amendment or New HGA; and
 - (b) to the extent that any amendment to the Albanian HGA or New HGA, when taken with the whole of the Albanian HGA or that New HGA, provides to that host state a material advantage that is not available to the State under this Agreement:
 - (i) the Parties shall seek to determine an appropriate amendment to this Agreement that will provide that material advantage to the State; and
 - (ii) if the Parties have failed to agree such an amendment within 90 days of commencing discussions, either Party may refer to the matter to arbitration in accordance with Clause 24.3 and the arbitral tribunal shall have the power to determine the terms of such amendment.

28. CONDITIONS RELATING TO PAYMENTS

- 28.1 Any award or claim for payment under this Agreement shall be paid by the relevant Party on or before 30 days after receipt of the related award or undisputed claim for payment or on such later date as may be prescribed by Tax Law procedures associated with any Taxation Dispute Resolution Process.
- 28.2 All monetary compensation payable by a Party to the other Party under or in connection with this Agreement shall, if the recipient Party so requires, be paid in the Convertible Currency nominated by the recipient Party.
- 28.3 **Payments by the Project Investor**
- (a) Subject to Clauses 28.3(b) and 28.3(c), except where a deduction or withholding must be made pursuant to any applicable law, any payment to be made by the Project Investor under or in connection with this Agreement will be made clear of and without any deduction for or on account of any set off, counterclaims, deductions or withholdings of any nature whatsoever and by whomsoever imposed.
 - (b) If any form of deduction or withholding from any payment must be made due to any law other than Greek Law, the Project Investor shall pay that additional amount which is necessary to ensure that the State receives a net amount equal to the full amount that would have been received if the payment had been made without that deduction or withholding.
 - (c) Without prejudice to any other claim that may be available to the Project Investor pursuant to or in connection with this Agreement, the Project Investor shall have the right to set off any amounts (including any amount attributable to any Tax) due and payable by any State Component (other than a State Entity) to the Project Investor under or in connection with this Agreement or the Project Activities against any amounts (including any amount attributable to any Tax) due and payable by the Project Investor to any State Component (other than a State Entity) under or in connection with this Agreement or the Project Activities.
- 28.4 **Payments by the State**
- (a) Subject to Clauses 28.4(b) and 28.4(c), except where a deduction or withholding must be made pursuant to any applicable law, any payment to be made by the State under or in connection with this Agreement will be made clear of and without any deduction for or on account of any present

or future Taxes, levies, imposts, duties, charges, fees, set off, counterclaims, deductions or withholdings of any nature whatsoever and by whomsoever imposed.

- (b) If any form of deduction or withholding from any payment must be made due to any law (including Greek Law) or if any amount paid (including any payment of interest) is subject to any Tax, including stamp duty (irrespective of the legal classification of such payment) the State shall pay that additional amount which is necessary to ensure that the recipient of that payment receives and is entitled to retain a net amount equal to the full amount that would have been received and which it would have been entitled to retain if the payment had been made without that deduction or withholding and was not subject to any Tax.
- (c) Without prejudice to any other claim that may be available to the State pursuant to or in connection with this Agreement, the State shall have the right to deduct any amounts (including any amount attributable to any Tax) previously assessed and notified to the Project Investor in accordance with Greek Law and which are due and payable by any Project Participant to any State Component (other than a State Entity) under or in connection with this Agreement or the Project Activities from any amounts (including any amount attributable to any Tax) due and payable by the State to the Project Investor under or in connection with this Agreement or the Project Activities.

28.5 **Agreed Interest Rate**

If any Party fails to pay any amount due and payable by it under the Agreement or under any judgment or award in connection with this Agreement, that Party shall, in addition to such amount, be liable to pay to the Party to whom the same was due, interest (calculated on a daily basis and compounded every six months) on such overdue amount from the date due until the date of actual payment, after as well as before judgment or award, at the Agreed Interest Rate.

29. **EXPIRY AND TERMINATION**

29.1 Without prejudice to Clauses 2.5 and 30, this Agreement shall have a term beginning on the Effective Date and expiring on the earlier of: (a) the Twenty-Five Year COD Date and (b) the date on which the Project Investor permanently ceases to carry out the Project Activities (as notified by the Project Investor to the State) unless terminated earlier in accordance with this Clause 29.

29.2 If:

- (a) pursuant to article 12 of the Intergovernmental Agreement, a party withdraws from the Intergovernmental Agreement as a result of:
 - (i) the Pipeline System not being selected by the Shah Deniz consortium to transport natural gas from the Caspian Region to Europe; and
 - (ii) the Project Investor failing to identify, in agreement with the parties to the Intergovernmental Agreement, an alternative source of supply within the time period referred to in article 12 of the Intergovernmental Agreement,

either Party may immediately terminate this Agreement by providing notice of the same to the other Party; or

- (b) the Project Investor has not taken steps to commence the construction phase of the Project by not later than 48 months after the Effective Date, the State shall have the right to give written notice to the Project Investor of the termination of this Agreement. Such termination shall become effective 60 days after actual receipt by the Project Investor of

the termination notice unless within that 60 day period the Project Investor provides evidence of taking steps toward an imminent commencement of the construction phase of the Project. The State's right to terminate pursuant to this Clause 29.2(b) shall, unless exercised at an earlier time, expire upon the Project Investor providing evidence of taking steps toward an imminent commencement of the construction phase of the Project. In addition, the above-referenced 48 month period shall be extended if and to the extent of any delays caused by:

- (i) the failure or refusal of any State Component to perform any of its obligations under this Agreement or any other Project Agreement; or
- (ii) any Force Majeure affecting the Project Investor; or
- (c) an Abandonment occurs:
 - (i) the State shall have the right to give written notice to the Project Investor requesting the Project Investor to recommence the Project Activities within six months of receiving the State's notice;
 - (ii) if the Project Investor fails to recommence the Project Activities within six months of receiving the State's notice, the State shall have the right to give written notice to the Project Investor of the termination of this Agreement, provided that if the Project Investor disputes either that an Abandonment has occurred or that it has failed to recommence the Project Activities, this Agreement shall continue in full force and effect pending the resolution of such matter in accordance with Clause 24.

29.3 Termination or expiry of this Agreement shall be without prejudice to:

- (a) the rights of the Parties (including those Persons which are no longer Parties) and other Persons in connection with any accrued liability of the Parties as at the date of termination;
- (b) the full performance of all obligations under this Agreement which have accrued prior to termination;
- (c) those rights and obligations which expressly or impliedly survive termination; and
- (d) the survival of all waivers and indemnities provided herein in favour of a Party (or former Party) or other Person.

29.4 Subject to Clause 29.5, the State may terminate this Agreement if a Person, who in the State's sole discretion, constitutes a danger to the State's national security or international political interests becomes able to exercise control over the Project Investor. The State may not exercise this termination right in respect of any Person at any time after the date falling 90 days after receiving notice from the Project Investor of that person becoming able to exercise control. For the purposes of this Clause 29.4 and Clause 29.5, **control** has the meaning attributed to it with reference to Council Regulation (EC) No. 139/2004.

29.5 The Project Investor may notify the State in advance of any proposed transaction which might result in any Person acquiring control of the Project Investor and requesting the State to confirm whether or not the State believes a right to terminate this Agreement under Clause 29.4 would arise by reason of that transaction. If, as at the date falling 30 days after the Project Investor's notification, the State has not confirmed that it believes such a right would arise, then the State

may not terminate this Agreement under Clause 29.4 on the grounds of the circumstances resulting from that transaction.

- 29.6 This Clause 29 exhaustively sets out the circumstances in which this Agreement may be cancelled or terminated and neither Party shall have any other right (whether arising under Greek Law or otherwise) to seek or declare any cancellation or termination of this Agreement.

30. FURTHER OPPORTUNITIES

If at any time during the term of this Agreement, either Party considers that:

- (a) there may be further opportunities to exploit the Pipeline System, including with respect to alternative sources of Natural Gas; and/or
- (b) extending the term of this Agreement may provide material benefits in respect of promoting further investment in the Southern Gas Corridor,

the relevant Party shall notify the other Party and they shall meet to discuss and negotiate, in good faith, amendments to this Agreement to support such objectives, including with a view to securing and maintaining ongoing stable, transparent and non-discriminatory conditions for the implementation and execution of the Project. For the avoidance of doubt, nothing in this Clause 30 shall oblige either Party to agree any amendment to this Agreement.

31. SUCCESSORS AND PERMITTED ASSIGNEES

- 31.1 Subject to relevant Greek and/or international legislation, the State agrees that the rights and benefits of the Project Investor under this Agreement include the right to transfer its rights under this Agreement in accordance with the provisions of this Clause 31.
- 31.2 Subject to Clause 31.4, any assignment or transfer of rights and/or obligations under this Agreement by the Project Investor shall require the prior notification of the Project Investor to the State and shall include the details of such transferred rights and/or obligations and the proposed recipient thereof, and if the Project Investor so elects, delivery to the State of an agreement duly executed by the Project Investor and the proposed recipient of such rights and/or obligations; provided, however, that the State shall have the right within 20 days of receipt of such notification to disapprove such assignment or transfer if the proposed assignee or transferee:
- (a) poses a threat to the national security of the Hellenic Republic;
 - (b) is an Entity incorporated or organised in a jurisdiction which is subject to European Union or United Nations sanctions;
 - (c) (if the Project Investor intends to transfer its obligations under this Agreement) does not have the technical and/or financial capability to perform the Project Investor's obligations under this Agreement.
- 31.3 Upon delivery of the form of agreement as contemplated by this Clause 31.2, the State shall promptly execute the agreement and return the same to the Project Investor.
- 31.4 The State hereby consents to any assignment (by way of security) or grant of other security interests to the Lenders (or an Entity acting on behalf (including as agent or trustee) of the Lenders) of the benefit of, or rights under, this Agreement.

- 31.5 Any purported assignment or transfer of the Project Investor's rights and/or obligations under this Agreement which is not made in compliance with this Clause 31 shall be void and have no effect.
- 31.6 Any change in control of the Project Investor, within the meaning of article 65 of Greek Law 4001/2011, shall be promptly notified by the Project Investor to both the State and to RAE in accordance with that law.

32. DECOMMISSIONING

Following the Project Investor's permanent cessation of the Project Activities, the Project Investor shall decommission the Project according to the terms of the decommissioning plan to be established as set out in the environmental and social impact assessment process (as may be amended from time to time) included in Schedule 2, unless the State agrees to have all rights in relation to the Greek Facilities transferred to it or its nominee. The Project Investor shall have no obligations in relation to the decommissioning of the Project other than those provided for in this Clause 32.

33. PROJECT FINANCING COOPERATION

- 33.1 The State acknowledges that the Project Investor intends to finance the development of the Project on a limited or non-recourse project finance basis. The State further acknowledges that such financing is fundamental to the successful implementation of the Project and that such financing will be in respect of the entire Project rather than any specific part of the Project. Subject to the Project Investor reimbursing the State for any reasonably incurred legal fees in connection with the same, the State agrees to cooperate with the Project Investor in its pursuit of such limited or non-recourse project finance based debt or bond financing for the Project, such co-operation to include the following:
- (a) providing potential Lenders, Interest Holders and any or their respective Affiliates with such non-proprietary/non-secret data that is available to the State and is reasonably required by such Persons;
 - (b) at financial closing, providing legal opinions, which may include customary qualifications, to the Project Investor, Lenders, Interest Holders and any or their respective Affiliates regarding such matters customary for a limited recourse debt or bond financings;
 - (c) executing such other documents as are reasonably necessary or reasonably appropriate to extend directly to any and all applicable Lenders the representations, warranties, guarantees, covenants, undertaking and obligations of the State as, and to the extent, set forth in this Agreement.
- 33.2 The State acknowledges its willingness to enter into a direct agreement with the Lenders (or the agent or trustee of the Lenders) on terms to be agreed between the State and such Lenders those terms to be customary for a limited recourse debt or bond financing. Such a direct agreement shall not impose any requirement on the State to guarantee, assume or provide any other form of surety for any part of the Project Investor's debt to the Lenders.
- 33.3 The State shall use its best endeavours to ensure that any security granted by the Project Investor to the Lenders (or any agent or trustee of the Lenders) with respect to the Greek Facilities is perfected and fully enforceable by the Lenders in accordance with the terms upon which the security is granted.

34. NOTICES

34.1 A notice, approval, consent or other communication given under or in connection with this Agreement (in this Clause 34, a **Notice**):

- (a) must be in writing in the English language;
- (b) shall be delivered by hand, or by internationally recognised courier delivery service, or sent by facsimile transmission or email to the Party to which it is required or permitted to be given or made at such Party's address, facsimile number or email address specified below and marked for the attention of the person so specified, or at such other address, facsimile number or email address and/or marked for the attention of such other person as the relevant Party may from time to time specify by Notice given in accordance with this paragraph.

34.2 Any notice or other document sent by email shall be sent as an email attaching the actual notice or other document in a non-editable PDF format. No notice or other document shall be sent in the body of an email.

34.3 The relevant details of each party at the date of this Agreement are:

The State

Address: The Ministry of Environment, Energy and Climate Change, 119 Messogion Ave., 101 92 Athens, Greece,

Facsimile: +30 210 69 69 608,

E-mail: gg.eka@eka.ypeka.gr

Attention: Prof. Konstantinos Mathioudakis, General Secretary for Energy and Climate Change

or

Address: The Ministry of Environment, Energy and Climate Change, General Secretariat for Energy and Climate Change, General Directorate for Energy, 119 Messogion Ave., 101 92 Athens, Greece,

Facsimile: +30 210 69 69 034

Email: ZacharopoulosA@eka.ypeka.gr

Attention: Mr. Athanasios Zacharopoulos, Deputy Head of Petroleum Policy Directorate

The Project Investor

Address: 2-4 Messogion Ave, 115 27, Athens, Greece

Facsimile: +30 210 74 54 300

Email: rikard.scoufias@tap-ag.com

Attention: Rikard Scoufias, Country Manager Greece

- 34.4 In the absence of evidence of earlier receipt, any Notice shall take effect from the time that it is deemed to be received in accordance with Clause 34.5.
- 34.5 Subject to Clause 34.4, a Notice is deemed to be received:
- (a) in the case of a notice delivered by hand at the address of the addressee, upon delivery at that address;
 - (b) in the case of internationally recognised courier delivery service, when an internationally recognised courier has delivered such communication or document to the relevant address and collected a signature confirming receipt;
 - (c) in the case of a facsimile, on production of a transmission report from the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient; and
 - (d) if sent by email, upon the generation of a receipt notice by the recipient's server or, if such notice is not so generated, upon delivery to the recipient's server.
- 34.6 A Notice received or deemed to be received in accordance with Clause 34.5 on a day which is not a Business Day or after 5.00 p.m. on any Business Day, according to local time in the place of receipt, shall be deemed to be received on the next following Business Day.

35. MISCELLANEOUS

35.1 Nature of obligations

The obligations undertaken by each Party under this Agreement shall be several, independent, absolute, irrevocable and unconditional, and shall each constitute an independent covenant of that Party, separately enforceable from all other obligations of that Party under this Agreement and the obligations of any State Component or Project Participant under the Project Agreements, without regard to the non-performance, invalidity or unenforceability of any of those other obligations.

35.2 Liability with Respect to Third Parties

Subject to Clause 35.4, nothing in this Agreement shall:

- (a) create any rights or liabilities, whether contractual or under Greek Law, pursuant to which any third party (other than a Project Participant that is a third party to this Agreement) may bring any claim against the State, any other State Component or any Project Participant; or
- (b) affect or otherwise alter the rights of the Parties as against third parties and the rights of third parties as against the Parties under Greek Law.

35.3 Waiver

- (a) The rights of each Party under this Agreement:
 - (i) may be exercised as often as necessary;

- (ii) unless otherwise expressly provided in this Agreement, are cumulative and not exclusive of rights and remedies provided by law; and
 - (iii) may be waived only in writing and specifically.
- (b) Delay by a Party in the exercise or non-exercise of any right under this Agreement is not a waiver of that right.
- (c) A waiver (whether express or implied) by one of the Parties of any of the provisions of this Agreement or of any breach of or default by the other Party in performing any of those provisions shall not constitute a continuing waiver and that waiver shall not prevent the waiving Party from subsequently enforcing any of the provisions of this Agreement not waived or from acting on any subsequent breach of or default by the other Party under any of the provisions of this Agreement.

35.4 Third Party Rights

- (a) Notwithstanding Clause 35.2, all rights and indemnities expressed to be in favour of any third party (including each Project Participant) under this Agreement may be enforced by those third parties, notwithstanding that such third parties are not party to this Agreement.
- (b) Subject to Clause 27, but notwithstanding any other provision of this Agreement benefiting any third party (including this Clause 35.4) the Parties shall not be required to obtain the consent of any third party for any amendment, waiver, variation or termination to or under (as the case may be) this Agreement.

35.5 Representations

- (a) Each Party acknowledges that, in agreeing to enter into this Agreement, it has not relied on any express or implied representation, warranty, collateral contract or other assurance (except those repeated in this Agreement and the documents referred to in it) made by or on behalf of any other Party at any time before the signature of this Agreement. Each Party waives all rights and remedies which, but for this Clause 35.5(a), might otherwise be available to it in respect of any such representation, warranty, collateral contract or other assurance.
- (b) Nothing in Clause 35.5(a) limits or excludes any liability for fraud.

35.6 Relationship of the Parties

Nothing in this Agreement shall be deemed to constitute a partnership between the Parties nor be deemed to constitute any Party the agent of any other Party for any purpose.

35.7 Entire Agreement

This Agreement, and the documents referred to in it, contains the whole agreement between the Parties relating to the transactions contemplated by this Agreement and supersedes all previous agreements between the parties relating to the subject matter of this Agreement. Except to the extent otherwise required by law, no terms shall be implied (whether by custom, usage or otherwise) into this Agreement.

35.8 Further Assurance

Each Party agrees, upon the request of the other, to execute any documents and take any further steps as may be reasonably necessary in order to implement and give full effect to this Agreement.

35.9 Counterparts

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same Agreement and any Party may enter into this Agreement by executing a counterpart.

35.10 Severability

- (a) The provisions contained in each Clause of this Agreement shall be enforceable independently of each of the others and their validity shall not be affected if any of the others are invalid. If any of those provisions is void but would be valid if some part of the provision were deleted, the provision in question shall apply with such modification as may be necessary to make it valid.
- (b) Without limiting Clause 35.10(a), if any amendment, deviation, exemption or adjustment to Greek Law made by this Agreement is found to be unconstitutional or, notwithstanding Clause 3.3, to be inconsistent with a requirement under the Community Treaties, including, for the avoidance of doubt, any requirement of any European Union law made under the Community Treaties, the Parties shall negotiate an amendment to this Agreement with the intention that a functionally equivalent position is achieved.
- (c) The State shall not be liable to the Project Investor if any amendment, deviation, exemption or adjustment to Greek Law made by this Agreement is found to be unconstitutional or, notwithstanding Clause 3.3, to be inconsistent with a requirement under the Community Treaties, including, for the avoidance of doubt, any requirement of any European Union law made under the Community Treaties.

35.11 Confidentiality

The State and the Project Investor shall maintain, and the State shall cause each of the other State Components and each Independent Authority to maintain, the confidentiality of all data and information of a non-public or proprietary nature that they may receive, directly or indirectly, from the other pertaining to any of the Project Participants or the Project.

35.12 Costs

Each of the Parties shall pay its own costs and expenses of and incidental to the negotiation, preparation and completion of this Agreement.

35.13 Language

The language of this Agreement and all notices, demands, requests, statements, certificates or other documents or communications under this Agreement shall be in English unless otherwise agreed in writing. This Agreement is made in both Greek and English and both texts shall have equal force and effect. If this Agreement or any related documents are translated into another language, the English and Greek versions shall prevail.

The Parties have caused this Agreement to be executed by their duly authorised representatives:

THE GOVERNMENT OF THE HELLENIC REPUBLIC

By:

By:

IOANNIS STOURNARAS

ASIMAKIS PAPAGEORGIOU

MINISTER OF FINANCE

DEPUTY MINISTER OF ENVIRONMENT,
ENERGY AND CLIMATE CHANGE

THE PROJECT INVESTOR

Trans Adriatic Pipeline AG

By:

KJETIL TUNGLAND

MANAGING DIRECTOR

SCHEDULES TO THE HOST GOVERNMENT AGREEMENT

SCHEDULE 1

PROJECT LAND

PART 1

REQUIRED PROJECT LAND

Definitions

In this Schedule, in addition to those definitions set out in Clause 1, the following terms shall have the following meanings:

Above Ground Facilities means those parts of the Greek Facilities that are necessary for controlling the flow of Natural Gas and/or for ensuring the safety and maintenance of the Pipeline System, including compressor stations, metering and pigging stations, receiving terminals and block valve stations.

Affected Persons means those Persons (including informal Land users) whose Land is acquired, encumbered or impaired, or whose rights with respect to such Land are acquired, encumbered or impaired as a result of the Project Investor obtaining Relevant Rights over the Required Project Land and includes those Persons that are landowners, occupiers or informal users of Land adjacent to Required Project Land.

Commencement Point means point, situated at the border between the Hellenic Republic and the Republic of Turkey, determined by the Project Investor as being technically optimal for the Pipeline System's commencement and interconnection with the relevant upstream facilities.

Construction Corridor means that Temporary Land identified by the Project Investor in accordance with paragraph 6.3 extending from the Commencement Point to the Exit Point, within which the centreline of the Pipeline System Corridor will be located and that is required for the construction of the Pipeline System and related Project Activities during the Construction Phase.

Construction Phase means the period from the date that the physical construction of the Greek Facilities commences until the date that the Pipeline System is commissioned for commercial operation and all construction equipment has been removed from the Temporary Land.

Corridor of Interest means that area of Land identified in maps GPL00 - ASP - 642 - Y - TAE – 0052 / at 04 and GPL00 - ERM - 642 - Y - TAE - 0012 / at 03 (each of which form part of the Project Investor's environmental and social impact assessment submitted under Greek Law) with a width of generally two kilometres at any one point (subject to certain routing options) and extending from the Commencement Point to the Exit Point.

Emergency Situation means a situation where harm to persons or property has occurred or where imminent harm to persons or property is reasonably likely to occur if that situation is not addressed.

Encumbrance means any mortgage, mortgage pre-notation, lien, judgment, execution, pledge, charge, security interest, restriction, easement, claim, deficiency in title or chain of ownership, or encumbrance of any nature whatsoever, whether arising by operation of Greek Law or otherwise created.

Energy Law means Greek Law 4001/2011 on operation of Electricity and Natural Gas Energy Markets, Research, Production and Hydrocarbons Transmission Networks and other provisions transporting into

Greek law European Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC.

Excess Land has the meaning given to it in paragraph 6.5.

Exit Point means the point, situated on the border between the Hellenic Republic and the Republic of Albania, determined by the Project Investor as being technically optimal for the Pipeline System's crossing from the Hellenic Republic into the Republic of Albania.

Facilities Land means that Permanent Land identified by the Project Investor in accordance with paragraph 6.3 that is required for the installation of the Above Ground Facilities.

Failed Negotiation means a failed negotiation determined in accordance with the performance requirements of the European Bank for Reconstruction and Development as set out in the Environmental and Social Policy, as certified by the Project Investor.

Hazardous Materials means any natural or artificial substance which (whether alone or in conjunction with any other substance) gives rise to a risk of causing harm to persons or any other physical entity or causing damage to the environment and includes any controlled, special, hazardous, pollutant, contaminant, flammable, toxic, radioactive, corrosive, caustic or dangerous waste, material, water or otherwise hazardous substances (including petroleum, its derivatives, by-products and other hydrocarbons and asbestos).

Livelihood Restoration Plan means the document to be established by the Project Investor on the basis of the Environmental and Social Policy that defines the entitlements of Affected Persons, establishes common Replacement Values in respect of the Land associated with the Affected Persons and outlines the land access and expropriation processes contemplated by this Agreement (in each case, in a manner consistent with this Agreement).

Municipal Land means State Land owned by Local Authorities.

Negotiation Procedures has the meaning given to it in paragraph 7.1(b).

Permanent Access Road Land means that Permanent Land identified by the Project Investor in accordance with paragraph 6.3 that is required for the construction, use and maintenance of permanent access roads to facilitate Project Activities during both the Construction Phase and the Post Construction Phase.

Permanent Land means the Land required by the Project Investor for both the Construction Phase and the Post Construction Phase.

Pipeline System Corridor means that Permanent Land which is not Facilities Land within the Construction Corridor identified by the Project Investor in accordance with paragraph 6.3 and extending from the Commencement Point to the Exit Point within, over or under which the Pipeline System (other than the Above Ground Facilities) is to be located.

Post Construction Phase means the period from the end of the Construction Phase until the expiry or earlier termination of this Agreement.

Pre-Construction Phase means the period from the Effective Date until the commencement of the Construction Phase.

Preferred Project Area means an area of Land extending from the Commencement Point to the Exit Point with a width of approximately 200 metres, subject to certain areas being wider to reflect the

engineering of the Pipeline System and the projected construction methodology for the Pipeline System, together with that Land that has been preliminarily identified by the Project Investor as Land that may be required for Temporary Access Road Land, Permanent Access Road Land and Road Upgrade Land.

Replacement Value means the value to replace the losses experienced by an Affected Person, generally on the basis of a fair market valuation and taking into account transaction costs, but which will, in any case, be no lower than the amount of compensation that would be payable in the relevant circumstance under the Energy Law.

Required Project Land means the Permanent Land, the Temporary Land and the Road Upgrade Land.

Road Upgrade Land means that Land adjacent to existing public roads required for the purpose of the Public Road Access Works.

Temporary Access Road Land means that Temporary Land identified by the Project Investor in accordance with paragraph 6.3 that is required for the construction, use and maintenance of temporary access roads to facilitate Project Activities during the Construction Phase.

Temporary Land means the Land required by the Project Investor for the Construction Phase only.

1. APPLICABLE STANDARDS

- 1.1 The State shall, and shall procure that the other State Components shall, perform its obligations under this Schedule:
 - (a) within the limits of its authority; and
 - (b) in accordance with its obligations under public international law and Greek Law (as amended by this Agreement).
- 1.2 The Parties acknowledge that the processes set out in Part 1 of this Schedule shall be performed within the context described in Part 2 of this Schedule.

2. NATURE OF THE OBLIGATIONS UNDER THIS SCHEDULE

- 2.1 For the avoidance of doubt:
 - (a) nothing in this Schedule shall require the State to make any payment to any Person (including any Affected Person) in respect of the acquisition of the Relevant Rights for the purpose of the Project; and
 - (b) the Parties acknowledge and agree that Project Investor, of its own volition, has elected to comply with broader requirements in respect of the acquisition of the Relevant Rights, including the performance requirements of the European Bank for Reconstruction and Development as set out in the Environmental and Social Policy and adjusted from time to time and the additional standards and requirements set forth in Schedule 2. The State bears no liability or responsibility (other than those express obligations set out in this Agreement) in respect of that election by the Project Investor.
- 2.2 The Project Activities are carried out in implementation of the Intergovernmental Agreement; therefore, articles 165-172, 173 par. 1, 174 and 175 of the Energy Law are applicable, as provided in articles 177 and 176 par.1 of the Energy Law, subject to the following adjustments, which are required to enable the Project Investor to comply with the above broader requirements

imposing obligations on the Project Investor that are in addition to those provided in the Energy Law:

- (a) in addition to publication of the Ministerial Decision provided for under article 165 par. 1 of the Energy Law in the Government Gazette, the Project Investor shall also be obliged to comply with the following condition for the acquisition of any Relevant Rights in relation to Non-State Land granted under the above provisions of the Energy Law: to submit a certification to the State in accordance with paragraph 7.1(c) that there has been a Failed Negotiation in respect of the relevant Non-State Land. Following such certification, the Project Investor shall automatically acquire the Relevant Rights over the relevant Non-State Land without any other conditions or formalities subject only to the payment of compensation to the Affected Persons in accordance with this Schedule. This provision is for the sole benefit of the Project Investor and shall not create any rights for any Affected Persons and/or third parties;
- (b) financial compensation to the relevant Affected Persons will be granted in accordance with paragraph 8 of this Schedule and, to the extent applicable, shall be based on Replacement Values;
- (c) to the benefit of Local Authorities, all Required Project Land which is Municipal Land shall be granted to the Project Investor in accordance with article 170 of the Energy Law and the relevant Local Authorities shall be compensated in accordance paragraph 8 of this Schedule;
- (d) article 169 par. 3 of the Energy Law shall apply subject to payment of compensation to the relevant Affected Persons at a level consistent with the principles set out in the relevant Livelihood Restoration Plan. If at the time of payment of this compensation, the decision of the General Secretary of Decentralised Administration on land values and amounts of compensation, according to the provisions of the Energy Law, has not been issued, the Project Investor shall pay any difference between the compensation actually paid and the one determined subsequently by the above decision of the General Secretary of Decentralised Administration, at a later stage, and in any case, no later than one year from the issuance of this decision. Payments under this clause shall be made in accordance with article 169 par. 2 of the Energy Law;
- (e) the zone described in article 166 par. 2 of the Energy Law (the permanent easement zone) shall be reduced by one meter on each side of the pipeline axis, namely it shall have a width of four (4) meters to the left and four (4) meters to the right of the pipeline axis, instead of five (5) meters, to the benefit of the environment and any Affected Persons; The Minister of Environment, Energy and Climate Change may decide to impose, when considered necessary for the installation of the pipeline and in particular, in order to enable the above reduction of the permanent easement zone, temporary occupation and use of other territorial zones which are adjacent to one or both of the four (4) meter zones referred to in paragraph (d) above, and whose united or split total width may not exceed thirty (30) meters.

2.3 The following shall not apply for all purposes in connection with the Project Investor's acquisition of Relevant Rights in accordance with this Schedule, including through notarial deed:

- (a) article 23 of Greek Law 4014/2011;
- (b) article 24 of Greek Law 2945/2001;
- (c) articles 35 and 72 of Greek Law 998/1979; and

(d) article 60 of Legislative Decree 86/1969.

- 2.4 By virtue of a notarial deed which is registered with the competent local land registry or cadastre, as the case may be, a holder of a mortgage or mortgage pre-notation can agree with the Project Investor that a Relevant Right created by virtue of notarial deed is deemed to be prior to the mortgage or mortgage pre-notation.

3. ADMINISTRATION

- 3.1 Within 10 Business Days after the Effective Date of the Agreement, the Project Investor and the State will designate to each other in writing those Persons, agencies and regulatory bodies which each will be entitled to communicate with and rely on in giving the various notices and securing and confirming the various rights described in this Schedule. Such notified contact persons or bodies shall be subject to change, from time to time, on not less than 5 Business Days' prior written notice.

- 3.2 Subject to Clause 35.11 of this Agreement, applicable privacy and data protection restrictions under Greek Law and applicable human rights standards, the Project Investor shall have the right to use, publicise and/or export any data and information obtained by the Project Investor or any other Project Participant in connection with the activities described in this Schedule.

4. GENERAL ACTIVITIES IN RESPECT OF PROJECT LAND

- 4.1 In respect of Project Land and subject to paragraph 1.1 above, the State and each other State Component shall:
- (a) pursuant to Clause 16 of this Agreement, issue, or cause to be issued, all necessary permits, authorisations, land registration certificates and other Authority Permissions required under Greek Law for the Project Investor to acquire and exercise those Relevant Rights obtained pursuant to this Schedule;
 - (b) provide to the Project Investor information within its possession, including cadastral information, maps and databases, as the Project Investor may reasonably request in connection with the acquisition of the Required Project Land from time to time;
 - (c) take all necessary steps to ensure that the Project Investor is able to enjoy the Relevant Rights that are made available to it in the Required Project Land;
 - (d) not grant to any Person other than the Project Investor any Relevant Rights or other rights in connection with the Required Project Land which are inconsistent or may interfere with the full exercise and enjoyment by each Project Participant of the Relevant Rights granted under or in accordance with this Agreement;
 - (e) ensure that all Relevant Rights that are made available to the Project Investor continue for a consecutive period of no less than the term of this Agreement unless this Agreement expressly provides for a shorter period to apply;
 - (f) not revoke any Relevant Rights made available to the Project Investor without the prior written consent of the Project Investor;
 - (g) protect, defend and indemnify the Project Investor from and against any Loss or Damage arising in connection with any and all third-party claims or demands (including any and all third party claims or demands from any Person claiming to be an Affected Person if the Project Investor has, at the time of the claim and acting in good faith, already

compensated another Person in respect of applicable Relevant Rights) arising from or related to:

- (i) the Project Investor's or a Project Participant's exercise of the Relevant Rights; or
- (ii) the performance (whether in part or whole or in accordance with the Greek Law or not) of the State Components' obligations under this Schedule,

to the extent that any such third-party claims or demands are caused by or arise from any breach by any State Component of this Agreement; and

- (h) protect, defend and indemnify the Project Investor from and against any Loss or Damage arising in connection with the discovery of any pre-existing Hazardous Materials in any of the Required Project Land which was previously State Land (other than land described in article 171 par. 3, second subparagraph of the Energy Law), provided that the State shall have no obligation to protect, defend or indemnify the Project Investor to the extent that such Loss or Damage arose as a result of the Project Investor failing to act as a properly skilled and experienced contractor in the applicable circumstances.

4.2 The obligations of the State and the other State Components in this paragraph 4 shall apply equally to State Land and Non-State Land other than as expressly set out in paragraph 4.1(h).

4.3 The competent State Components shall use reasonable endeavours to proactively assist and support, as far as reasonably practicable, the Project Investor in the identification and acquisition of the Required Project Land and the required Relevant Rights and in respect of all other activities contemplated by or arising out of the activities undertaken in connection with this Schedule.

4.4 Cadastral Information

- (a) The Parties shall (or, in the case of the State, shall cause Ktimatologio SA to) promptly following the Signing Date in good faith negotiate and enter into an agreement pursuant to which they shall cooperate in relation to the preparation and finalisation of cadastral information in relation to the Project Land (the **Cadastral Agreement**).
- (b) The State shall ensure that the Ktimatologio SA complies with all of its obligations under the Cadastral Agreement in a prompt and timely manner. For the purposes of this Agreement, the Cadastral Agreement shall be deemed to be a Project Agreement.

5. ACCESS TO PROJECT LAND IN THE PRE-CONSTRUCTION PHASE

5.1 Project Investor Activities

- (a) In relation to Non-State Land, during the Pre-Construction Phase the Project Investor shall, subject to compliance with paragraphs 5.1(b) and 5.1(c), have the right in accordance with article 6 of Law 2882/2001 to access such Non-State Land as is necessary to enable the Project Investor and the other Project Participants to carry out those Project Activities that are required or desirable to be performed in anticipation of the construction of the Pipeline System, including with respect to the gathering of cadastral and other Land ownership and use information and, should the Project Investor so decide, preliminary archaeological and hazardous material investigations.

- (b) Prior to utilising the right of access described in paragraph 5.1(a), the Project Investor shall use its reasonable endeavours to enter into discussions with, and reach negotiated agreements with, relevant landowners and other Affected Persons in respect of that right.
- (c) If during the Pre-Construction Phase, despite the reasonable endeavours of the Project Investor, the Project Investor is unable within a two month period to contact the relevant landowners and/or other Affected Persons or to reach a reasonable agreement with those persons in respect of accessing the relevant Non-State Land upon reasonable, the Project Investor may provide notice of the same to the State and shall thereafter, together with any other Project Participants, be entitled to access the relevant Non-State Land notwithstanding that contract has not been made or an agreement has not been reached (as applicable). When accessing Non-State Land in such circumstances, the Project Investor shall seek to minimise the duration of its access and any interference to the relevant landowners and other Affected Persons.
- (d) In relation to State Land, during the Pre-Construction Phase the Project Investor and the other Project Participants shall have the right to access State Land for the purpose of carrying out those Project Activities that are required or desirable to be performed in anticipation of the construction of the Pipeline System.
- (e) It is recognised that the Project Investor will commence the activities contemplated by this paragraph 5 before the Effective Date and may have notified the State as contemplated by paragraph 5.1(c) above in respect of Non-State Land before that date.

6. IDENTIFICATION OF REQUIRED PROJECT LAND

- 6.1 The process set out in this paragraph 6 for the identification of the Required Project Land and the required Relevant Rights is in addition to, and not in substitute of, applicable Greek Law which relates to the conduct of environmental and social impact assessments, the identification and approval of the location of the Greek Facilities, the issuance of Applicable Permissions for the Project Activities, the negotiation for the acquisition of Relevant Rights and the undertaking of any expropriation of Relevant Rights.
- 6.2 The Project Investor acknowledges and agrees that the route of the Greek Facilities through Greek Territory may raise defence related issues or other issues of national interest and the route of the Greek Facilities may, as part of the identification process described in this paragraph 6, need to be adjusted to address such issues.

6.3 Phase 1 – Pre-Construction Phase

- (a) Corridor of Interest

The Parties acknowledge the Corridor of Interest and agree that the Corridor of Interest reflects, as at the Signing Date, the Land that the Project Investor considers may be required for Project Activities. It is intended that the Corridor of Interest will be further refined as the engineering of the Pipeline System proceeds.

- (b) Preferred Project Area

- (i) Following further engineering works and consultations with relevant stakeholders based on the Corridor of Interest, the Project Investor will select the Preferred Project Area that the Project Investor considers will be required for the further implementation of the Project Activities and notify the State of the same.

- (ii) The notification provided by the Project Investor under paragraph 6.3(b)(i) will include maps and diagrams setting out the Preferred Project Area, as well as a written description setting out the basis for the selection of the Preferred Project Area.
- (iii) While the Preferred Project Area will be based on the Corridor of Interest, the Parties acknowledge that deviations from the Corridor of Interest may be necessary to accommodate the results of further analysis and route refinement.
- (iv) Within 40 Business Days of receiving the notification of the Preferred Project Area from the Project Investor, the State shall have the right to approve the notified configuration of the Preferred Project Land and in the event of non-approval provide the Project Investor with its written comments including a detailed reasoning. The Project Investor shall, taking into account the State's written comments, proceed to an appropriate reconfiguration of the Preferred Project Area submitting it to the State for new approval following the hereinabove procedure.

Required Project Land

- (i) Following further engineering works and consultations with relevant stakeholders based on the Preferred Project Area, the Project Investor will notify the State of the Required Project Land and the particular Relevant Rights that are required over each part of the Required Project Land.
- (ii) Promptly following the Project Investor's notification of the Required Project Land, the State shall issue the act provided for in article 165, par 1 of the Energy Law in respect of that Land.
- (iii) Without limiting the generality of paragraph 6.3(c)(i), it is intended that:
 - (A) the Construction Corridor will, in general, be of a width of 38 metres, subject to certain areas being wider to reflect the engineering of the Pipeline System and the projected construction methodology for the Pipeline System;
 - (B) the Pipeline System Corridor (other than the Facilities Land) will, in general, be of a width of 8 metres, with the pipeline lying in the centre of the Pipeline System Corridor;
 - (C) the Relevant Rights over the Facilities Land and the Permanent Access Road Land are intended to be rights of ownership vested in the Project Investor;
 - (D) the Relevant Rights over the Pipeline System Corridor are intended to be easement rights vested in the Project Investor;
 - (E) the Relevant Rights over the Temporary Land are intended to be lease, licence or other temporary rights (as the Project Investor may negotiate) vested in the Project Investor, except as provided in paragraph 7.1(d)(ii) below; and
 - (F) the Relevant Rights over the Road Access Land are intended to be rights of ownership vested in the State.
- (iv) The notification provided by the Project Investor under paragraph 6.3(c)(i) will include maps and diagrams of the Required Project Land detailed to a level which will enable the State to perform its obligations under this Schedule in connection with the acquisition of the Relevant Rights required over each part of the Required Project Land. The

notification will also include a written description setting out the basis for the selection of the Required Project Land and how the comments, if any, made by the State with respect to the Preferred Project Area have been taken into account.

- (v) The Required Project Land shall be based on the Preferred Project Area, however deviations from the Preferred Project Area shall be permitted provided that:
 - (A) when identifying the Required Project Land pursuant to paragraph 6.3(c)(i), the Project Investor shall identify those deviations (if any) that have been made from the Preferred Project Area together with a description of why those deviations have been made; and
 - (B) within 40 Business Days of receiving notice of such deviations, the State shall have the right to approve the notified deviations and in the event of non-approval provide the Project Investor with its written comments including a detailed reasoning. The Project Investor shall, taking into account the State's written comments, proceed to an appropriate reconfiguration of the Required Project Land submitting it to the State for new approval following the hereinabove procedure.

6.4 Potential re-routing

If, following the Project Investor's identification of the Required Project Land pursuant to paragraph 6.3(c)(i) (including at any time during the Construction Phase), the Project Investor reasonably considers that additional Land is required for the purposes of the Project (including as a result of any re-routing of the Greek Facilities), the Project Investor shall notify the State of that additional Required Project Land and the State shall promptly:

- (a) revise the act referred to in paragraph 6.3(c)(ii); or
- (b) issue a new act as provided for in article 165, par 1 of the Energy Law in respect of the changed Required Project Land,

and this Agreement shall apply equally to that additional Land.

6.5 Phase 2 – Post Construction Phase

- (a) When the Project Investor considers that the Construction Phase has been completed, it will notify the State and relinquish all Relevant Rights over the Temporary Land.
- (b) At any time, and from time to time, following the completion of the construction of the Pipeline System, the Project Investor may notify the State that certain areas of the Permanent Land are no longer required for Project Activities (the **Excess Land**).
- (c) If the Excess Land was previously Non-State Land, the Project Investor will provide the former owner with the option to take over all Relevant Rights over the Excess Land for no or nominal consideration before triggering paragraph 6.5(e).
- (d) The notification provided by the Project Investor under paragraph 6.5(b) shall include maps and diagrams of the Excess Land detailed to a level which will enable the State to remove the Relevant Rights over the Excess Land together with the basis for the selection of the Excess Land as well as a notification of the Project Investor on the outcome of the provisions of paragraph 6.5(c).

- (e) Promptly after receiving the notification provided by the Project Investor under paragraph 6.5(b), the State shall acquire all Relevant Rights over the Excess Land that has not been handed over pursuant to paragraph 6.5(c) for no or nominal consideration in accordance with Greek Law. The Project Investor shall provide all reasonable assistance that the State may require in performing the acquisition.

6.6 Phase 3 – Expansion Phase(s)

If at any time, and from time to time, the Project Investor wishes to expand, extend or undertake material works (other than for the purpose of a spur line to any market outside the Hellenic Republic, the Republic of Albania or the Italian Republic, unless the Parties otherwise agree) with respect to the Pipeline System and requires additional Project Land either permanently or for construction purposes, the provisions of this Schedule shall apply *mutatis mutandis* to any additional Relevant Rights required with respect to the implementation of that expansion, extension or material works.

7. ACQUISITION OF RELEVANT RIGHTS OVER THE REQUIRED PROJECT LAND

7.1 Project Investor Activities

- (a) Following the Project Investor's identification of the Required Project Land pursuant to paragraph 6.3, the Relevant Rights required over that part of the Required Project Land that is Non-State Land will be acquired in accordance with this paragraph 7.1.
- (b) To the extent that the Relevant Rights over the Required Project Land relate to Non-State Land, the Parties acknowledge the need to attempt to obtain those Relevant Rights in the accordance with negotiation procedures described in the relevant Livelihood Restoration Plan, including that part of the Livelihood Restoration Plan setting out the guide to land acquisition and compensation or "GLAC", (the **Negotiation Procedures**).
- (c) It is intended that the expropriation of Relevant Rights relating to Non-State Land will only be used after negotiations for agreements or settlements in respect of the relevant Non-State Land, including in relation to any Encumbrances over that Non-State Land, have been the subject of a Failed Negotiation, as certified by the Project Investor.
- (d) The certification of a Failed Negotiation by the Project Investor shall constitute conclusive evidence that such a failure has occurred. Where a Failed Negotiation occurs:
 - (i) in respect of Required Project Land for the Pipeline System Corridor, the Project Investor may notify the State of the same and the Relevant Rights in respect of the relevant Non-State Land shall automatically be conferred to the Project Investor in accordance with, and subject to, paragraph 2.2(a) above;
 - (ii) in respect of Required Project Land which is Temporary Land, the Project Investor shall notify the State of the same and the Relevant Rights in respect of that Temporary Land shall automatically be conferred to the Project Investor under article 18 par. 5 of the Constitution upon the Project Investor paying compensation to the relevant Affected Persons in accordance with this Schedule;
 - (iii) in respect of other Required Project Land, the State shall proceed in accordance with article 171 of the Energy Law to provide the Relevant Rights in respect of the Relevant Non-State Land to the Project Investor as described in paragraph 6.3(c)(iii) above. In this respect, articles 11, 12 and 13 of Greek Law 3894/2010 (as amended) shall apply with references to "Invest In Greece" to be read as "Project Investor".

- (e) To the extent that the Relevant Rights over the Required Project Land relate to State Land:
 - (i) the Project Investor shall consult with any Affected Persons that are not State Components in respect of that Land and attempt to obtain the Relevant Rights of those Affected Persons through negotiated settlements in the accordance with the Negotiation Procedures;
 - (ii) after acquiring such Relevant Rights, or if the Project Investor certifies that it has failed in acquiring any Relevant Rights, the Project Investor shall notify the State of the remaining Relevant Rights required and the applicable State Land and the Relevant Rights in respect of that State Land shall automatically be conferred to the Project Investor in accordance with, and subject to, paragraph 2.2(b) above;
 - (iii) those Affected Persons who have not agreed a negotiated settlement shall be entitled to compensation in accordance with the Livelihood Restoration Plan; and
 - (iv) in no circumstance shall any payment made by the Project Investor, in accordance with the Negotiation Procedures or otherwise, to Affected Persons that are not State Components or Local Authorities in respect of any Relevant Rights over State Land constitute, deem or otherwise indicate that such Affected Person holds, as a matter of Greek Law, any rights of ownership or other rights over that State Land.

7.2 State Assistance

The competent State Components shall use reasonable endeavours to assist, as far as reasonably practicable, the Project Investor's attempt to obtain Relevant Rights over the Required Project Land in accordance with the Negotiation Procedures.

7.3 Road Upgrade Land

- (a) The Relevant Rights over the Road Upgrade Land will be acquired in the name of the State irrespective of whether such acquisition is undertaken by the State or by the Project Investor in compliance with the provisions of the Livelihood Restoration Plan. The State shall retain those Relevant Rights for the duration of this Agreement.
- (b) The State shall make available the Road Upgrade Land, together with the public road to which the Road Upgrade Land relates, to the Project Investor for the purpose of the implementation of the Public Road Access Works promptly upon the request of the Project Investor.

8. FINANCIAL COMPENSATION

8.1 Project Investor Activities

- (a) Where the Project Investor obtains access to any Project Land for the purposes described in paragraphs 5.1(a) or 5.1(d), the Project Investor will arrange to pay financial compensation to the relevant Affected Persons in accordance with:
 - (i) the terms agreed by the Project Investor and the relevant Affected Person; or
 - (ii) if no terms have been agreed, at a level consistent with the principles set out in the relevant Livelihood Restoration Plan.
- (b) Where the Project Investor obtains Relevant Rights over any Non-State Land or where the State obtain Relevant Rights over any Road Upgrade Land that is Non-State Land:

- (i) through negotiated agreements or settlements, the Project Investor will arrange to pay financial compensation to the relevant Affected Persons (which, to the extent applicable, shall be the applicable Replacement Value) in accordance with the terms of those negotiated agreements or settlements;
 - (ii) through any compulsory or expropriation procedure, then notwithstanding that such Relevant Rights have been acquired by the State and then transferred to the Project Investor, the Project Investor will arrange to pay financial compensation to the relevant Affected Persons at a level consistent with the principles set out in the relevant Livelihood Restoration Plan which, to the extent applicable, shall be the applicable Replacement Value,
- (c) Where the Project Investor obtains Relevant Rights over any State Land, the Project Investor shall:
- (i) to the extent that an Affected Person is not a State Component or a Local Authority, pay financial compensation in accordance with the terms of any negotiated agreement or settlements, or if there is no negotiated agreement or settlement, at a level consistent with the principles set out in the relevant Livelihood Restoration Plan; and
 - (ii) to the extent that an Affected Person is a State Component or a Local Authority, pay compensation at a level consistent with the principles set out in the relevant Livelihood Restoration Plan, with the exception of land described in article 171 par. 3, second subparagraph of the Energy Law for which the Project Investor shall not be required to pay any compensation.

8.2 State Obligations

The State shall use its best endeavours to facilitate the Project Investor's payment of compensation to Affected Persons as provided for in this Schedule 1, including, at the Project Investor's request:

- (a) assisting in the establishment of any committees or other organisations to assist in the disbursement of compensation to Affected Persons; and
- (b) facilitating, on a basis to be agreed by the Parties, the establishment of escrow or other bank accounts to assist in the disbursement of compensation to Affected Persons.

8.3 Limitation of claims related to land use that started after the cut-off date

Notwithstanding any other provision of this Agreement or any Greek Law to the contrary, no informal user of any Required Project Land shall be considered an "Affected Person" for the purpose of obtaining compensation either in accordance with this Agreement or under Greek Law when this informal land use commenced after a cut-off date to be specified by the Project Investor and thereafter published in accordance with the relevant Livelihood Restoration Plans.

9. EMERGENCY ACCESS

- (a) If in the reasonable opinion of the Project Investor there exists an Emergency Situation in relation to the Pipeline System, the Project Participants shall:
 - (i) as soon as reasonably practicable, notify the relevant State Authorities of that Emergency Situation; and

- (ii) be entitled to enter and cross all Non-State Land and all State Land (other than State Land that is subject to military, security or other form of State use that requires all persons to obtain security clearance before entering) for the purpose of accessing the relevant part of the Pipeline System as expediently as possible so as to address that Emergency Situation.
- (b) The State Components shall do all things necessary to facilitate the Project Participants' exercise of the right specified in paragraph 9(a).
- (c) If a Project Participant enters, or intends to enter, into Land pursuant to the right specified in paragraph 9(a), the Project Participant shall notify any affected landowners as soon as reasonably practicable of that entry or that intention to enter, as the case may be.
- (d) The Project Investor shall be fully responsible for any Loss or Damage arising out of the exercise of the right specified in paragraph 9(a).