

IMPLEMENTATION AGREEMENT

This Implementation Agreement (“Agreement”) is made and entered into as of [●]th day of [●], 2015 by and between:

1. Republic of Maldives, acting through the Ministry of Environment and Energy (“Government”); and
2. [●], a limited liability company organised and existing under the laws of [●] with its [principal/registered] office located at [●] (“Seller”).

WHEREAS:

- A) The Government, with support from the Strategic Climate Fund and International Development Association, has initiated a programme called Accelerating Sustainable Private Investment in Renewable Energy for inviting private sector generators to develop roof top solar PV (as defined in the PPA) projects in Maldives on DBFOOT (i.e. design, build, finance, own, operate and transfer) basis. The electrical energy generated from such projects is proposed to be purchased by Government owned utilities under long term power purchase agreement.
- B) The Government invited bids from interested independent power producers, via the RFP (as defined in the PPA) for setting up roof top solar power projects on Government owned buildings identified and procured by it, details of which were included in the RFP.
- C) The Seller submitted the Proposal (as defined in the PPA) in response to the RFP. The Seller has been selected by the Government vide [Letter of Acceptance], dated [●] to develop a roof top solar PV power project. Accordingly, the Seller desires to construct, own and operate and subsequently transfer a grid connected solar PV electric generating facilities situated at the roof top of Government owned buildings with a total electric capacity equal to [2.5 MW on the island of Male]/ [1.5MW on the island of Hulhumale]. The details of the Sites (as defined in the PPA), together with the Expected Capacity (defined hereinbelow) of the Facility (defined hereinbelow) at each Site is further described in Exhibit B of the PPA.
- D) STELCO (as defined in the PPA), is the identified state utility under the ASPIRE programme for purchase of the Electric Energy (as defined in the PPA) generated by the Seller.
- E) STELCO has, simultaneously with this Agreement, executed a Power Purchase Agreement dated [●] (“PPA”) with the Seller to set forth the mechanism for purchase of the Electric Energy generated by the Seller and other mutual rights and obligations of Seller and STELCO. The Seller will also enter into long term Roof Lease Agreements (as defined in the PPA) (co-terminous with the Contract Term (as defined in the PPA) with the Government or Government-owned entities for taking over on lease the Sites on which the Project shall be established.
- F) The Government will also fund an Escrow Account (as defined in the PPA) that shall be maintained to provide payment security to the Seller for the Electric Energy sold by the Seller to STELCO, which account will be replenished by STELCO and/or the Government in the event of a drawdown. The terms and conditions of the Escrow Account will be separately agreed between STELCO, Government, the Seller and a commercial bank selected by the Government in an Escrow Agreement (as defined in the PPA).
- G) The Seller and the Government desire to enter into this Agreement to set forth the mutual rights and obligations of the Seller and the Government, in relation to development of the

Project (as defined in the PPA).

NOW, THEREFORE, in consideration of the mutual promises and covenants of each Party to the other contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

In this Agreement, unless the context otherwise requires, any term defined in Article 1.1 of the PPA, but not defined herein, shall have throughout this Agreement the meaning set forth against that term in the PPA and the following terms shall have the following meanings:

“Agreement” has the meaning set forth in the Preamble hereof.

“Applicable Laws” means any and all central, state, or local statutes, laws, municipal charter provisions, regulations, ordinances, rules, mandates, judgments, orders, decrees, Permits and Approvals, codes or license requirements, or other governmental requirements or restrictions, or any interpretation or administration of any of the foregoing by any Governmental Authority, that apply to the either Party under this Agreement, whether now or hereafter in effect.

“Assessment Notice” has the meaning set forth in Article 4.2(b)(iii) hereof.

“Concurrence Notice” has the meaning set forth in Article 4.2(b)(iii) hereof.

“Dispute” has the meaning set forth to the said term in Article 7.2 hereof.

“Dispute Notice” has the meaning set forth to the said term in Article 7.2 hereof.

“Effective Date” has the meaning set forth to the said term in Article 2.1 hereof.

“Escrow Agreement” has the meaning set forth in Recital F hereof.

“Expert” has the meaning set forth in Article 6.3(a) hereof.

“Generation Adjustment” has the meaning set forth in Article 4.2(b)(v) hereof.

“Government” has the meaning set forth in Recital A hereof.

“PPA” has the meaning set forth in Recital C hereof.

“Parties” means collectively the Government and the Seller; and “Party” shall mean any of them.

“Protected Assets” has the meaning set forth in Article 6.6 hereof.

“Relocation Determination” has the meaning set forth in Article 4.2(b)(v) hereof.

“Seller” has the meaning set forth in the Preamble hereof.

“Unavailability Notice” has the meaning set forth in Article 4.2(b)(iii) hereof.

1.2 Interpretations

In this Agreement:

- (a) any reference to any statute or statutory provision shall include:
 - (i) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);
 - (ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Agreement) and (to the extent liability thereunder may exist or can arise) shall include any past statutory provision (as from time to time amended, modified, re-enacted or consolidated), which the provision referred to has directly or indirectly replaced;
- (b) reference to any Party under this Agreement shall also include its successors, administrators, legal representatives, and permitted assigns as the case may be;
- (c) heading to Articles and paragraphs are for information only, and shall not form part of the operative provisions of this Agreement and be ignored in construing the same;
- (d) references to Articles and schedules are to Articles and schedules to this Agreement. All of these form part of the operative provisions of this Agreement and references to this Agreement shall, unless the context otherwise requires, include references to the Articles and schedules;
- (e) unless the contrary is expressly stated, no Article in this Agreement limits the extent or application of another Article;
- (f) any reference to books, files, records or other information or any of them means books, files, records or other information or any of them in any form or in whatever medium held including paper, electronically stored data, magnetic media, film and microfilm;
- (g) “in writing” includes any communication made by letter or facsimile;

- (h) the words “*include*”, “*including*”, “*inter alia*” and “*in particular*” shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words;
- (i) the words “*directly or indirectly*” mean directly or indirectly through one or more intermediary persons or through contractual or other legal arrangements, and “direct or indirect” shall have the correlative meanings;
- (j) the expression “*this Article*” shall, unless followed by reference to a specific provision, be deemed to refer to the whole Article (not merely the sub-Article, paragraph or other provision) in which the expression occurs;
- (k) the terms ‘*hereof*’, ‘*herein*’, ‘*hereby*’, ‘*hereto*’ and derivative or similar words shall, unless followed by a reference to a specific provision of the Agreement, be deemed to refer to this entire Agreement;
- (l) when any number of Days are prescribed in this Agreement, same shall be reckoned exclusively of the first and inclusively of the last Day, unless the last Day does not fall on a Business Day, in which case the last Day shall be the next succeeding Day which is a Business Day;
- (m) time is of the essence in the performance of the Parties’ respective obligations. If any time period specified herein is extended, such extended time shall also be of the essence;
- (n) a reference to any agreement is a reference to that agreement and all schedules, appendices and the like incorporated therein, as the same may be amended, modified, supplemented, waived, varied, added to, substituted, replaced, renewed or extended from time to time;
- (o) all provisions of this Agreement shall be interpreted and construed in accordance with their meanings, and not strictly for or against either Party, regardless of which Party may have drafted this Agreement or a specific provision;
- (p) grammatical variations of defined words shall be construed in accordance with the relevant definition(s);
- (q) references to the singular number shall include references to the plural number and vice versa; and
- (r) words denoting one gender shall include all genders.

ARTICLE 2
EFFECTIVE DATE AND DURATION

2.1. Effective Date

This Agreement shall enter into full force and effect from the date of its execution (the “Effective Date”).

2.2. Term

The term of this Agreement shall continue until (a) the PPA has expired or has been terminated in accordance with its terms, or (b) all outstanding obligations of STELCO under the PPA have been performed, whichever is later, unless terminated earlier or extended in accordance with the provisions of this Implementation Agreement.

ARTICLE 3
OBLIGATIONS OF THE SELLER

3.1 Seller's Obligations Generally

- (a) The Seller shall design, build, finance, own, operate and transfer the Project with due diligence and efficiency and in accordance with Good Engineering and Operating Practices, Applicable Laws, World Bank Performance Standards, Environmental and Social Management Framework, Section 10 of the World Bank Anti-Corruption Guidelines, and this Agreement. The Seller shall, at all times, comply with the provisions of the PPA, Roof Lease Agreements, and the Escrow Agreement.
- (b) The Seller shall provide, promptly as needed, the resources (financial and otherwise) required for the development, operation, maintenance and the transfer of the Project.
- (c) The Seller shall maintain a financial management system and prepare financial statements in accordance with accounting standards (i) applicable to it under Applicable Laws; and (ii) acceptable to the World Bank. The financial statements shall reflect the true and correct view of the operations, resources and expenditures related to the Project.

3.2 Third Party Rights

- (a) The Seller shall, as and when required by Government or the World Bank, get its financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank. Further, the Seller shall promptly, upon a request in writing, furnish the audited statements to the Government and the World Bank.
- (b) The Seller shall enable and permit Government and the World Bank to inspect the Project, and any records and documents in relation to the Project.
- (c) The Seller shall prepare and furnish to the Government and the World Bank all such information in relation to the Project as Government or the World Bank may reasonably request in this regard.

ARTICLE 4 OBLIGATIONS OF THE GOVERNMENT

4.1. Roof Lease Agreement

The Government undertakes that it will procure execution of the Roof Lease Agreements for all the Sites in the format set out in Exhibit A within thirty (30) Days from the Contract Date.

4.2. Obligations during Contract Term

- (a) The Government shall not take any discriminatory action which shall include the imposition of obligations, conditions or standards in relation to the Project that are unduly and materially more onerous than those relating to any similar solar PV power project that is privately financed on a similar basis by any Person other than the Government that materially and adversely affects the Project, the performance of the Seller's obligations or the enjoyment of its rights under this Agreement, the PPA or the Roof Lease Agreement.
- (b) Arrangement of Alternate Site
 - (i) The Government shall provide a suitable alternative Site(s) to the Seller, if, during the Contract Term, any Site becomes unavailable to the Seller due to a Political Force Majeure Event in accordance with Article 12.7(c) of the PPA. The alternative Site(s) shall have the capacity to develop similar Electric Capacity and Contract Energy as was installed at the Site(s) that became unavailable. If the cost of generation or quantity of Electric Energy at such alternative Site(s) is different than at the Site(s) that became unavailable, the Generation Adjustment shall be determined in accordance with Article 4.2(b)(v) or Article 4.2(b)(x), as the case may be, and adjusted (either positively or negatively, as the case may be) in the relocation cost payable by the Government to the Seller, in accordance with Article 4.2(b)(ii).
 - (ii) In the event of a Political Force Majeure Event, in addition to such rights that the Seller has under the PPA, the Government shall pay to the Seller, the full cost of relocation of the Facility from the Site that became unavailable to the alternate Site(s).
 - (iii) In the event that any Site(s) becomes unavailable due to a Political Force Majeure Event, the Seller shall, by a notice in writing notify the Government of such unavailability ("Unavailability Notice"). Within seven (7) Days of receipt of the Unavailability Notice, the Government shall by a notice in writing notify the Seller that it either: (A) concurs with the Seller's determination of the unavailability of the Site(s) ("Concurrence Notice"), or (B) requires a physical inspection and assessment of the Site(s) ("Assessment Notice") to determine if the Site(s) is indeed unavailable. If the Government fails to issue either a Concurrence Notice or an Assessment Notice within the period stipulated in the preceding sentence, the Government shall be deemed to have issued a Concurrence Notice.
 - (iv) If (A) the Government issues or is deemed to have issued a Concurrence Notice, or (B) following its inspection of the Site(s) pursuant to an Assessment Notice, the

Government concurs with the Seller's determination of the unavailability of the Site(s), then the Government shall submit to the Seller a description of proposed alternative Site(s) available for the relocation of the Facility(ies). The Government shall also provide to the Seller all such assistance as may be reasonably required by the Seller to ascertain the suitability of the proposed alternative Site(s) for the relocation of the Facility(ies).

- (v) The Parties shall jointly determine: (A) the alternative Site(s) to which the Facility(ies) shall be relocated; (B) the quantum of the relocation cost that the Government must pay to the Seller for relocation of the Facility(ies) to such alternative Site(s); (C) whether the cost of generation of Electric Energy at the alternative Site(s) is less than or equal to the cost of generation of Electric Energy at the Site that became unavailable, and if not, the difference in the cost of generation of Electric Energy between the Site(s) that became unavailable and the alternative Site(s) and the overall economic impact of such difference in cost of generation (whether positive or negative) for the remaining Contract Term (such economic impact the "Generation Adjustment"), which Generation Adjustment shall be adjusted (either positively or negatively, as the case may be) in the relocation cost payable by the Government to the Seller (collectively, the "Relocation Determination"); provided that if the Parties are unable to agree on the Relocation Determination or any part thereof, then the Parties shall appoint an Expert in accordance with Article 6.3 to make a determination in accordance with Article 4.2(b)(vii).
- (vi) If the Parties agree on a Relocation Determination in accordance with Article 4.2(v), then the Government shall procure the execution of a Roof Lease Agreement(s) for the selected alternative Site(s) between the Government or the relevant Government-owned entity and the Seller, and the Seller shall promptly relocate the Facility(ies) to such alternative Site(s).
- (vii) If (A) following its inspection of the Site(s) pursuant to an Assessment Notice, the Government does not concur with the Seller's determination of the unavailability of the Site(s), or (B) in the event that the Parties are unable to agree on a Relocation Determination pursuant to Article 4.2(v), then the Parties shall proceed to appoint an Expert in accordance with the Article 6.3 to make a determination in accordance with Article 4.2(b)(x). After appointment of the Expert, the Parties shall inform STELCO in writing of the details of the Expert so appointed, and STELCO shall have the right to make such representation to the Expert as it deems fit.
- (viii) Within seven (7) Days of the appointment of the Expert, the Government shall submit to the Expert so appointed (with a copy to the Seller and STELCO) a description of proposed alternative Site(s) available for the relocation of the Facility(ies), should the existing Site(s) be determined to be unavailable. The Government shall also provide to the Seller all such assistance as may be reasonably required by the Seller to ascertain the suitability of the alternative Site(s) for the relocation of the Facility(ies).
- (ix) Within seven (7) Days of the Government's submission of the list of proposed alternative Site(s) to the Expert pursuant to Article 4.2(b)(viii), the Seller shall indicate

in writing to the Expert (with a copy to the Government and STELCO) its preference(s) among the proposed alternative Site(s) for the relocation of the Facility(ies).

- (x) The Expert shall, on the basis of submissions made by the Government and the Seller and the representations (if any) made by STELCO, determine: (A) if the existing Site(s) is unavailable, and if so; (B) if the proposed alternative Site(s) made available by the Government are fit for relocation of the Facility(ies); and if so, (C) the alternative Site(s) to which the Facility(ies) shall be relocated; (D) whether the cost of generation of Electric Energy at the alternative Site(s) is less than or equal to the cost of generation of Electric Energy at the Site that became unavailable and if the cost of generation of the Electric Energy at the alternative Site(s) is different from the cost of generation of the Electric Energy at the Site that became unavailable, the overall economic impact of such difference in cost of generation (whether positive or negative) for the remaining Contract Term, the Generation Adjustment, and (F) the quantum of the relocation cost that the Government must pay to the Seller for relocation of the Facility to an alternative Site(s), adjusted for the Generation Adjustment.
- (xi) Within fifteen (15) Days of the determination of the Expert pursuant to Article 4.2(x), the Government shall procure the execution of a Roof Lease Agreement for the selected alternative Site(s) between the Government or the relevant Government-owned entity and the Seller, and the Seller shall promptly, but in any case within thirty (30) Days, relocate the Facility(ies) to such alternative Site(s).

(c) Escrow Account

- (i) The Government shall, by no later than the Scheduled Commercial Operation Date: (A) set up and maintain for the Term of this Agreement the Escrow Account in US Dollars, with a commercial bank acceptable to the World Bank, the Seller; and (B) deposit in the Escrow Account, as the initial funding for such Escrow Account, an amount equivalent to the amount arrived at by multiplying the Contract Energy for one hundred and eighty (180) Days with the Tariff in the Escrow Account.
- (ii) Upon receipt of a Deficiency Notice from the Escrow Agent in accordance with Article 4.8 of the Escrow Agreement, the Government shall ensure that STELCO shall transfer the amount set out in the Deficiency Notice to the Escrow Account, failing which, the Government shall transfer to the Escrow Account such amount, or any portion thereof which has not been transferred by STELCO to the Escrow Account, in accordance with Article 4.8 of the Escrow Agreement.

[Note: The following clause will be included only if the bidder offers a bid with convertibility coverage and such bid is selected.]

[Availability of foreign exchange: The Government undertakes to the Seller to make available to the Seller all Permits and Approvals necessary and as reasonably requested by the Seller to the Government, to enable the Seller to repatriate the revenues generated by the Seller from the Project, subject to compliance by the Seller with Applicable Laws relating to taxation.]

4.3. Upon Termination of the PPA

- (a) If the PPA is terminated in accordance with its terms (whether in respect of a Facility or the entire Project) and STELCO opts, or is required, to purchase any one or more Facilities and/or the Project in accordance with Articles 13.3(d), 13.4(e), 13.5(b), 13.6(b) or 13.6(d) of the PPA and STELCO does not dispute the same, the Government shall pay the consideration payable for purchase of the Facilities or the Project or the assets constituting the Facilities, in the manner and the amount as provided in the PPA, to the extent the same has not been paid by STELCO, to the Seller within ninety (90) Days from the date of termination of the PPA.
- (b) If upon termination of the PPA (whether in respect of a Facility or the entire Project), STELCO refers either the termination or any matter connected with its obligation to purchase the Facilities or the Project, to dispute resolution in accordance with Article 16 of the PPA, the Government shall pay to the Seller, the balance of the consideration payable by STELCO to the Seller, if and as determined by arbitral panel, which has not been paid by the STELCO to the Seller, within the period stipulated by the arbitral panel.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of Seller

The Seller represents and warrants as of the date hereof as follows:

- (a) Seller is a [corporation] duly organized and validly existing under the laws of [●], is duly qualified to conduct business in Maldives, and has full legal right, power and authority under the Applicable Laws to enter into and perform its obligations under this Agreement.
- (b) Seller has duly authorized the execution and delivery of this Agreement in accordance with its Applicable Laws. This Agreement has been duly executed and delivered by Seller and constitutes the legal, valid and binding obligation of Seller in accordance with its terms except insofar as such enforcement may be affected by bankruptcy, insolvency, moratorium, and other Applicable Laws affecting creditors rights generally.
- (c) Neither the execution nor the delivery by Seller of this Agreement nor the performance by Seller of its obligations hereunder:
 - (i) will conflict with, violate, or result in a breach of any Applicable Law applicable to Seller; or
 - (ii) conflicts with, violates or results in a breach of any term or condition of any judgment, decree, franchise, agreement (including the certificate of [incorporation/ registration] of Seller) or instrument to which Seller is a party or by which Seller or any of its properties or assets are bound, or constitutes a default under any such judgment, decree, agreement or installment.
- (d) There is no action, suit, or other proceeding as of the date hereof at law or in equity, before or by any Governmental Authority, pending or, to its knowledge, threatened against Seller, which is likely to result in an unfavorable decision, ruling, or finding which would materially and adversely affect the validity or enforceability of this Agreement or any agreement or instrument entered into by Seller in connection with the transaction contemplated hereby, or which would materially and adversely affect the performance by Seller of its obligations hereunder or under any such other agreement or instrument.

5.2 Representations and Warranties of the Government

The Government represents and warrants as of the date hereof as follows:

- (a) The Government has duly authorized the execution and delivery of this Agreement. This Agreement has been duly executed and delivered by the Government and will constitute a legal, valid and binding obligation of the Government.

- (b) Neither the execution nor the delivery by the Government of this Agreement nor the performance by the Government of its obligations hereunder: (i) conflict with, violate, or result in a breach of any Applicable Law applicable to the Government; or (ii) conflicts with, violates, or results in a breach of any term or condition of any judgment, decree, franchise, agreement or instrument to which the Government is a party or by which the Government or any of its properties or assets are bound, or constitutes a default under any such judgment, decree, agreement or instrument.

ARTICLE 6 DISPUTE RESOLUTION

6.1 Continued Performance

Each Party shall continue to perform its obligations under this Agreement (including any payment obligations) pending resolution of any dispute pursuant to this Article 6. Provided that, if the dispute is with respect to any payments, neither Party shall be required to make such disputed payment(s) to the other Party so long as such dispute has been referred to the process for resolution pursuant to this Article 6; provided, that to the extent any amounts owed to either Party by the other Party are not disputed and can be segregated from amounts with respect to which there is a dispute, such undisputed amounts shall, in good faith, be identified by the Parties and paid as required by this Agreement. To the extent that any disputed amount was withheld from a Party, and such Party is ultimately found to be entitled to all or any portion of such disputed amount pursuant to this Article 6, then such Party shall be entitled to the payment of interest on any withheld amount, at an annual rate equal to Reference Rate plus two percent (2%), from the original due date for payment of such amount until the payment of such disputed amount.

6.2 Negotiations

If any dispute, controversy or claim arises under or relates to this Agreement or the breach, termination or validity thereof (the “Dispute”), such Dispute shall be referred by each Party to its designated senior officer for resolution upon five (5) Days written notice from either Party (the “Dispute Notice”). The Parties agree to attempt to resolve all Disputes promptly and equitably and to provide each other with reasonable access during regular business hours to any and all non-privileged records, information and data pertaining to any such Dispute.

6.3 Expert Determination

- (a) A dispute may be referred to an expert (the “Expert”) in accordance with this Article 6.3 if:
 - (i) the Parties are not able to agree under Article 6.2 (*Negotiation*) on an amicable resolution to such dispute; and
 - (ii) this Agreement expressly provides that such dispute shall be referred to an Expert or the Parties agree in writing that such dispute shall be referred to an Expert.
- (b) Any Party to such a dispute may initiate an Expert reference under this Article 6.3 by proposing to the other Party to the dispute the name of the Expert. If the other Party does not agree to the name suggested by the Party making the reference, and the Parties are otherwise unable to agree on the name of an Expert, either Party may apply to *Federation Internationale des Ingenieurs-Conseil (FIDIC) of Lausanne, Switzerland* for a list of not fewer than five (5) nominees and, on receipt of such list, the Parties shall alternately strike names therefrom, and the last remaining nominee on the list shall be the Expert for the matter in dispute. If the last remaining nominee has not been determined in this manner within sixty (60) Days of the date of receipt of the list, *Federation Internationale des Ingenieurs-Conseil (FIDIC) of Lausanne*,

Switzerland shall appoint, upon the request of either Party and from such list or otherwise, an Expert for the matter in dispute.

- (c) The Parties shall request that the Expert determine the referred dispute, within thirty (30) Days of receiving the reference, , or in such additional time as may be reasonably required by the Expert to determine the Dispute, which shall not be more than one hundred and eighty (180) Days of receiving the reference. Provided that, the Expert shall determine the matters referred to in Article 4.2(x) of this Agreement within thirty (30) Days of receipt of the list of alternative Sites from the Government in accordance with Article 4.2 (b)(viii).
- (d) The Expert shall act as an expert and not as an arbitrator.
- (e) The Parties shall have the right to make representations and submissions to the Expert. There shall be no formal hearing.
- (f) The Expert shall have power to request any Party to provide him/her with such statements (which shall be written unless otherwise specifically required) or documents or information within their control as the Expert may determine necessary and the Parties shall comply with any such request in accordance with the timeframes set out by the Expert or in the absence of such timeframes, in a timely manner as required to enable the Expert to determine the dispute within thirty (30) Days of receiving the reference or as otherwise provided herein.
- (g) The Expert shall give his/her decision to the Parties to the dispute in writing and his/her decision, which shall promptly be given effect to by such Parties, shall be final and binding (save in the case of fraud or manifest error) on them.
- (h) If the Expert decides that a sum is due and payable by one Party to another Party then:
 - (i) any such sum shall be due and payable within seven (7) Days of receipt by the Parties of written notice of such decision, unless the Expert decides otherwise; and
 - (ii) interest shall accrue at the rate of Reference Rate plus two per cent (2%), compounded annually, from the date expiry of the period mentioned in Article 6.3(h)(i). Provided that if the sum specified in Article 6.3(h)(i) includes any interest, no interest shall be payable on such interest.
- (i) The fees of the Expert and any other costs of and incidental to the reference to Expert determination shall be payable by such Party to the dispute as the Expert may determine but, in the absence of any such determination, by the Parties to the dispute in equal shares.

6.4 Arbitration

(a) Selection of Arbitrators

If the Parties are unable to resolve their Disputes through negotiation within thirty (30) Days of the Dispute Notice or if the Dispute is not resolved through an Expert in accordance with Article 6.3, either Party may initiate proceedings to submit the Dispute for arbitration.

Each Dispute submitted by a Party to arbitration shall be heard by a sole arbitrator or an arbitration panel composed of three (3) arbitrators, in accordance with the following provisions:

- (i) Where the Parties agree that the Dispute concerns a technical matter, they may agree to appoint a sole arbitrator or, failing agreement on the identity of such sole arbitrator within thirty (30) Days after receipt by the other Party of the proposal of a name for such an appointment by the Party who initiated the proceedings, either Party may apply to *Federation Internationale des Ingenieurs-Conseil (FIDIC) of Lausanne, Switzerland* for a list of not fewer than five (5) nominees and, on receipt of such list, the Parties shall alternately strike names therefrom, and the last remaining nominee on the list shall be the sole arbitrator for the matter in dispute. If the last remaining nominee has not been determined in this manner within sixty (60) Days of the date of the list, *Federation Internationale des Ingenieurs-Conseil (FIDIC) of Lausanne, Switzerland* shall appoint, upon the request of either Party and from such list or otherwise, a sole arbitrator for the matter in dispute.
- (ii) Where the Parties do not agree that the Dispute concerns a technical matter, the Parties may agree to appoint a sole arbitrator mutually agreed by them or, failing agreement on the identity of such sole arbitrator within thirty (30) Days after receipt by the other Party of the proposal of a name for such an appointment by the Party who initiated the proceedings, each Party shall appoint one (1) arbitrator, and these two arbitrators shall jointly appoint a third arbitrator, who shall chair the arbitration panel. If the arbitrators named by the Parties do not succeed in appointing a third arbitrator within thirty (30) Days after the latter of the two (2) arbitrators named by the Parties has been appointed, the third arbitrator shall, at the request of either Party, be appointed by the International Chamber of Commerce, Paris.
- (iii) If, in a Dispute subject to Article 6.4(a)(ii) above, one Party fails to appoint its arbitrator within thirty (30) Days after the other Party has appointed its arbitrator, the Party which has named an arbitrator may apply to the International Chamber of Commerce, Paris to appoint a sole arbitrator for the matter in dispute, and the arbitrator appointed pursuant to such application shall be the sole arbitrator for that Dispute.

(b) Rules of Procedure

Except as otherwise stated herein, arbitration proceedings shall be conducted in accordance with the rules of procedure for arbitration of the United Nations Commission on International Trade Law (UNCITRAL) as in force on the date of this Contract.

(c) Substitute Arbitrators

If for any reason an arbitrator is unable to perform his/her function, a substitute shall be appointed in the same manner as the original arbitrator.

(d) Nationality and Qualifications of Arbitrators

Each arbitrator appointed pursuant to Article 6.4(a)(i) to (iii) shall be an internationally recognized legal or technical expert with extensive experience in relation to the matter in dispute and shall not be a national of Maldives or the home country of the Seller. For the purposes of this Clause, “home country” means any of:

- (i) the country of incorporation of the Seller or their parent companies;
- (ii) the country in which Seller’s principal place of business is located;
- (iii) the country of nationality of a majority of the Seller’s shareholders; or
- (iv) where the Seller is a joint venture between two or more Persons, the country of incorporation, nationality or principal place of business of the partners or shareholders of such joint venture.

(e) Miscellaneous

In any arbitration proceeding hereunder:

- (i) proceedings shall, unless otherwise agreed by the Parties, be held in Singapore;
- (ii) the English language shall be the official language for all purposes; and
- (iii) the decision of the sole arbitrator or of a majority of the arbitrators shall be final and binding and shall be enforceable in any court of competent jurisdiction, and the Parties hereby waive any objections to or claims of immunity in respect of such enforcement.

6.5 Governing Law, Jurisdiction and Service of Process

(a) Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of Maldives.

(b) Jurisdiction

Subject to Article 6.3 and Article 6.4, each of the Parties consents to submit itself to the non-exclusive jurisdiction of the courts located in the Maldives in relation to recognition of any arbitral award, with respect to any Dispute that arises under this Agreement.

(c) Service of Process

Subject to the rules of ICC for the purposes of arbitration, each Party agrees that service of any process, summons, notice or document hand delivered or sent by certified mail, return receipt requested, to such Party's respective address set forth in Article 7.5 will be effective service of process for any action, suit or proceeding with respect to any matters to which it has submitted to arbitration as set forth in Article 6.4.

6.6 Waiver of Sovereign Immunity

The Government hereby irrevocably and unconditionally agrees that to the extent permitted by Applicable Laws, (a) should any proceedings be brought against Government or its assets (other than assets protected by diplomatic and consular privileges legislation (the "Protected Assets")) in any jurisdiction in connection with this Agreement or any of the transactions contemplated by this Agreement, no claim of immunity from such proceedings shall be claimed by or on behalf of the Government on behalf of itself or any of its assets (other than Protected Assets); (b) it waives any right of immunity which it or any of its assets (other than Protected Assets) now has or may in the future have in any jurisdiction in connection with any such proceedings; and (c) consents generally in respect of the enforcement of any judgment against it in any such proceedings in any jurisdiction, to the giving of any relief or the issuance of any process in connection with such proceedings, including, without limitation, the making, enforcement or execution against or in respect of any of its assets (other than Protected Assets).

ARTICLE 7

MISCELLANEOUS

7.1 Assignment

(a) Assignment by the Government

This Agreement and the rights and obligations of the Government hereunder shall not be capable of being assigned, by the Government.

(b) Assignment by the Seller

The Seller may assign this Agreement including its rights and obligations hereunder only to the Person who, (i) is a *bona fide* transferee of the PPA, in accordance with Article 18.1(a) of the PPA, and (ii) undertakes to comply with the obligations of the Seller under the PPA, this Agreement and the Roof Lease Agreement(s).

7.2 Currency for payment

All amounts reflected in this Agreement in Dollars shall be paid in their Ruffiya equivalent calculated on the date such payments are made at the applicable Dollars - Ruffiya exchange rate of the immediately preceding Day notified by the Maldives Monetary Authority (or such other Governmental Authority authorized to administer exchange rates in Maldives).

7.3 Further Assurances

Each Party agrees to, and shall use all reasonable efforts to, provide such information, execute and deliver any instruments and documents and take such action as may be necessary or reasonably requested or required by the other Party which are not inconsistent with the provisions of this Agreement and which do not involve the assumption of obligations other than those provided for in this Agreement in order to give full force and effect to this Agreement and to carry out its intent.

7.4 Relationship of Parties

Except as otherwise explicitly provided herein, neither Party to this Agreement shall have any responsibility whatsoever with respect to services provided or contractual obligations assumed by the other Party and nothing in this Agreement shall be deemed to constitute either Party a partner, agent or legal representative of the other Party or to create any fiduciary relationship between or among the Parties.

7.5 Notices

Any notices required to be given hereunder shall be deemed delivered when (a) sent by facsimile with electronic confirmation of successful transmission; (b) deposited with a nationally recognized express courier service that provides a receipt of delivery; (c) sent by email, upon dispatch and the receipt of a delivery confirmation, provided that email shall be used as a mode of notice and communication only for non-material day-to-day matters; or (d)

delivered by personal delivery, in each case addressed to the following persons or such other persons as the Parties may designate in writing:

(i) If to the Government:

Name: [●]
Designation: [●]
Attn: [●]
Address: [●]
Email: [●]
Fax: [●]

with a copy to STELCO:

Name: [●]
Designation: [●]
Attn: [●]
Address: [●]
Email: [●]
Fax: [●]

(ii) If to Seller:

Name: [●]
Designation: [●]
Attn: [●]
Address: [●]
Email: [●]
Fax: [●]

7.6 Waiver

No waiver of any provision of this Agreement shall be effective against a Party except as expressly set forth in a writing signed by such Party. The waiver by either Party of a default or a breach by the other Party of any provision of this Agreement shall not operate or be construed to operate as a waiver of any subsequent default or breach. The making or the acceptance of a payment by either Party with knowledge of the existence of a default or breach shall not operate or be construed to operate as a waiver of any subsequent default or breach.

7.7 Survival

Notwithstanding anything provided herein to the contrary, Article 6 (Dispute Resolution), and Article 7 (Miscellaneous) (and, to the extent referenced in such provisions, the Exhibits and Schedules hereto) shall survive the termination of this Agreement.

7.8 Third Party Rights

Nothing herein is intended to or should be construed to create any rights of any kind whatsoever in third persons not parties to this Agreement, except any rights created in favor of the World Bank, STELCO, a lessor under a Roof Lease Agreement or the Escrow Agent.

7.9 Counterparts

This Agreement and any amendment hereto may be executed and delivered in one or more counterparts and by different Parties in separate counterparts. All of such counterparts shall constitute one and the same agreement and shall become effective (unless otherwise therein provided) when one or more counterparts have been signed by each Party and delivered to the other Party. Delivery of this Agreement by facsimile transmission or electronic email shall be as effective as delivery of a manually executed counterpart.

7.10 Severability

In the event that any provision of this Agreement shall, for any reason, be determined to be invalid, illegal, or unenforceable in any respect, the Parties shall negotiate in good faith and agree to such amendments, modifications, or supplements to this Agreement, or such other appropriate actions, as shall, to the maximum extent practicable in light of such determination, implement and give effect to the intentions of the Parties as reflected herein, and the other provisions of this Agreement shall, as so amended, modified, supplemented, or otherwise affected by such action, remain in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives as of the date first set forth above.

For and on behalf of [Republic of Maldives, Ministry of Environment and Energy]

[Name]

[Designation]

For and on behalf of [Seller]

[Name]

[Designation]

Witnessed by:

[Name]

[Address]

[Organisation]

[Designation]

[Name]

[Address]

[Organisation]

[Designation]