

Contract Agreement

THIS AGREEMENT made on the 9th day of March, 2021,

BETWEEN

1. **Pakhtunkhwa Energy Development Organization (PEDO)**, a corporation incorporated under the laws of Pakistan and having its principal place of business at PEDO House, Plot No. 38, Sector B2, Phase-V, Hayatabad, Peshawar, Pakistan (hereinafter called "the Employer"),

AND

2. **JV of China Gezhouba Group Company Limited (CGGC) & Ghulam Rasool and Company Pvt. Ltd (GRC)**, a corporation incorporated under the laws of Pakistan and having its principal place of business at House No. 1, F-6/2, Hill Road, Islamabad, Pakistan (hereinafter called "the Contractor").

WHEREAS the Employer desires to engage the Contractor to design, manufacture, test, deliver, install, complete and commission certain Facilities, viz. Design Supply and Installation, Testing and Commissioning of Balakot Hydro Power Project (300MW) including the Related Civil Works for River Diversion ("the Facilities") and the Contractor have agreed to such engagement upon and subject to the terms and conditions hereinafter appearing.

NOW IT IS HEREBY AGREED as follows:

Article 1 Contract Documents

- 1.1 **Contract Documents** (Reference GCC Clause 2)
The following documents shall constitute the Contract between the Employer and the Contractor, and each shall be read and construed as an integral part of the Contract:
 - (a) This Contract Agreement and the Appendixes hereto
 - (b) Minutes of the Contract Negotiation
 - (c) Letter of Bid and Price Schedules submitted by the Contractor
 - (d) Addendums and Clarifications
 - (e) Special Conditions of Contract
 - (f) List of Eligible Countries that was specified in Section 5 of the Bidding Document
 - (g) General Conditions of the Contract
 - (h) Employer's Requirements
 - (i) Specifications
 - (j) Drawings
 - (k) Other completed Bidding Forms submitted with the Letter of Bid
 - (l) Any other documents forming part of the Employer's Requirements
 - (m) Any other documents, if any (Unit Rate Break Down)
- 1.2 **Order of Precedence** (Reference GCC Clause 2)
In the event of any ambiguity or conflict between the Contract Documents listed above, the order of precedence shall be the order in which the Contract Documents are listed in Article 1.1 (Contract Documents) above.
- 1.3 **Definitions** (Reference GCC Clause 1)
Capitalized words and phrases used herein shall have the same meanings as are ascribed to them in the General Conditions.

Article 2
Contract Price
and Terms of
Payment

- 2.1 Contract Price** (Reference GCC Clause 11)
 The Employer hereby agrees to pay to the Contractor the Contract Price in consideration of the performance by the Contractor of its obligations hereunder.

The Contract Price shall be the aggregate of **United States Dollar Three Hundred and Three Million Eighty Five Thousand and Six Hundred Nine point Sixty Five, Only USD 303,085,609.65/-**, as specified in Price Schedule No. 5 (Grand Summary), **Pakistani Rupees Thirty Four Billion Seven Million Nine Hundred and Twenty Thousand Four Hundred and Fifty Two, PKR 34,007,920,452/-**, or such other sums as may be determined in accordance with the terms and conditions of the Contract.

- 2.2 Terms of Payment** (Reference GCC Clause 12)

The terms and procedures of payment according to which the Employer will reimburse the Contractor are given in the Appendix (Terms and Procedures of Payment) hereto.

The Employer shall instruct its bank to issue an irrevocable confirmed documentary credit made available to the Contractor in a bank in the country of the Contractor. The credit shall be for an amount of **United States Dollar Ninety Nine Million Four Hundred and Ten Thousand Thirty Six point Seventy Only, USD 99,410,036.70**; and shall be subject to the Uniform Customs and Practice for Documentary Credits 1993 Revision, ICC Publication No. 500².

In the event that the amount payable under Schedule No. 1 is adjusted in accordance with GCC 11.2 or with any of the other terms of the Contract, the Employer shall arrange for the documentary credit to be amended accordingly.

Article 3
Effective Date

- 3.1 Effective Date** (Reference GCC Clause 1)

The Effective Date upon which the period until the Time for Completion of the Facilities shall be counted from is the date when all of the following conditions have been fulfilled:

- (a) This Contract Agreement has been duly executed for and on behalf of the Employer and the Contractor.
- (b) The Contractor has submitted to the Employer the performance security and the advance payment guarantee.
- (c) The Employer has paid the Contractor the advance payment.

Each party shall use its best efforts to fulfill the above conditions for which it is responsible as soon as practicable.

- 3.2** If the conditions listed under 3.1 are not fulfilled within 2 months from the date of this Contract notification because of reasons not attributable to the Contractor, the parties shall discuss and agree on an equitable adjustment to the Contract Price and the Time for Completion and/or other relevant conditions of the Contract.

²Or Uniform Customs and Practice for Documentary Credits 2007 Revision, ICC Publication No. 600 (or the latest version).

**Article 4
Communications**

- 4.1 The address of the Employer for notice purposes, pursuant to GCC 4.1 is: PEDO House, Plot No. 38, Sector B2, Phase-V, Hayatabad, Peshawar, Pakistan.
- 4.2 The address of the Contractor for notice purposes, pursuant to GCC 4.1 is: House No. 1, F-6/2, Hill Road, Islamabad, Pakistan.

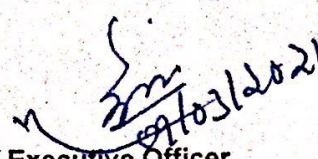
**Article 5.
Appendixes**

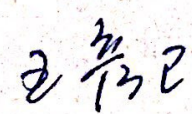
- 5.1 The Appendixes listed in the attached List of Appendixes shall be deemed to form an integral part of this Contract Agreement.
- 5.2 Reference in the Contract to any Appendix shall mean the Appendixes attached hereto, and the Contract shall be read and construed accordingly.

IN WITNESS WHEREOF the Employer and the Contractor have caused this Agreement to be duly executed by their duly authorized representatives the day and year first above written.

Signed by, for and on behalf of the
Employer

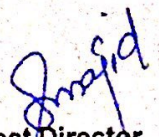
Signed by, for and on behalf of the
Contractor

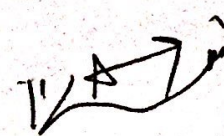

Chief Executive Officer,
Pakhtunkhwa Energy Development
Organization (PEDO)


Authorized Representative
China Gezhouba Group Company
Limited (CGGC) & Ghulam Rasool
and Company Pvt. Ltd (GRC) (JV)

in the presence of

in the presence of


Project Director,
Balakot Hydropower Project,
PEDO


Zain Tariq, Marketing Manager,
China Gezhouba Group Company
Limited (CGGC)

APPENDIXES

- Appendix 1 - Terms and Procedures of Payment
- Appendix 2 - Price Adjustment
- Appendix 3 - Insurance Requirements
- Appendix 4 - Time Schedule
- Appendix 5 - List of Major Items of Plant and Services and List of Approved Subcontractors
- Appendix 6 - Scope of Works and Supply by the Employer
- Appendix 7 - List of Documents for Approval or Review
- Appendix 8 - Functional Guarantees
- Appendix 9 - Environmental Management Plan