



OFFICE OF THE
REGISTRAR

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

ISLAMIC REPUBLIC OF PAKISTAN

NEPRA Tower, Ataturk Avenue (East) G-5/1, Islamabad

No. NEPRA/Advisor(CTBCM)/NCM-12/ 17194-17207

October 24, 2025

Chief Executive Officer,
Independent System and Market Operator (ISMO) of Pakistan,
Pitras Bukhari Road, Sector H-8/1, Islamabad

Subject: Review of the Market Participation Agreement (MPA) and Service Provider Agreement (SPA)

Reference to the draft Market Participation Agreement (MPA), Service Provider Agreement (SPA) and System Operator Agreement (SOA) submitted by the Market Operator for consideration of the Authority.

2. Following completion of the due regulatory process, the Authority has decided that the templates of the MPA and the SPA appended herewith as **Annex-I** and **Annex-II** shall be used by the Market Operator as standard template for signing of the MPA/SPA with the relevant entities. It must be noted that the attached templates are solely for the purpose of providing standardized reference documents for all categories of Market Participants/Service Providers. Each template is of a general nature and shall not, in and of itself, create, confer, or impose any legal rights or obligations upon any person or entity unless and until duly executed, with such modifications as may be necessary given the category of the Market Participant/Service Provider. Furthermore, the Market Operator shall be responsible for ensuring that each template remains consistent and aligned, at all times, with the Market Commercial Code and other applicable documents.

3. The Authority has further decided that the Market Operator shall not have the power to impose any monetary penalty or fine under the MPA at this point in time.

4. In addition, the Authority has accepted the request of Market Operator for withdrawal of the SOA. It is also conveyed that the Authority has decided not to review the SPA with the National Grid Company (NGC), considering it to be entity-specific in nature and similar to the standard SPA template.

5. Proceed to take necessary actions in accordance with the above.

Enclosure: **As above**

(Syed Zawar Haider)

Director

CC:

Chief Executive Officer, Lahore Electric Supply Company (LESCO), 22-A, Queen's Road, Lahore	Chief Executive Officer, Faisalabad Electric Supply Company (FESCO), Abdullahpur, Canal Bank Road, Faisalabad
Chief Executive Officer, Sukkur Electric Power Company Ltd. (SEPCO), Administration Block, Thermal Power Station, Old Sukkur.	Chief Executive Officer, Hyderabad Electric Supply Company (HESCO), Old State Bank Building, G.O.R. Colony Hyderabad
Chief Executive Officer, Tribal Areas Electric Supply Company (TESCO), WAPDA House, Shami Road, Peshawar	Chief Executive Officer, Peshawar Electric Supply Company (PESCO), WAPDA House, Sakhi Chashma, Shami Road, Peshawar
Chief Executive Officer, Quetta Electric Supply Company (QESCO), 14-A Zarghoon Road, Quetta	Chief Executive Officer, Multan Electric Power Company (MEPCO), MEPCO Complex, WAPDA Colony, Khanewal Road, Multan

Chief Executive Officer, Gujranwala Electric Power Company (GEPCO), 565/A, Model Town G.T. Road, Gujranwala	Chief Executive Officer, Islamabad Electric Supply Company (IESCO), Street No. 40, G-7/4, Islamabad
Chief Executive Officer, Hazara Electric Supply Company (HAZECO), 426/A, PMA Link Road, Jinnahabad Abbottabad	Chief Executive Officer, K-Electric Limited (KEL), KE House, 39-B, Sunset Boulevard, DHA Phase-2, Karachi
Managing Director, National Grid Company (NGC) of Pakistan, 414 WAPDA House, Shaharah-e-Quaid-e-Azam, Lahore	

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Template Service Provider Agreement

A handwritten signature in black ink, appearing to be a stylized 'B' or 'P' followed by a dot.

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This Service Provider Agreement (hereinafter called this "Agreement") is made on this----- day of ----- 202 ;

BY AND BETWEEN:

1. The Independent System & Market Operator of Pakistan (Guarantee) Limited (hereinafter called the "**Market Operator**", which expression shall include its successors in interest and assigns), a company having its principal offices at [Shahcen Plaza, Plot No. 73-West, Fazl-e-Haq Road, Blue Area, Islamabad, Pakistan], incorporated under the Companies Act, 2017 (and wholly owned by the Government of Pakistan (the "**GOP**");

AND

2. _____, a company having its principal office at _____ in Pakistan, incorporated under the Companies Act, 2017, (hereinafter called the "**[Distribution Service Provider (DSP), Transmission Service Provider (TSP) or Metering Service Provider (MSP)]**", which expression shall include its successors in interest and permitted assigns);

Each of the parties shall be referred to individually as a "Party" and collectively as "Parties".

RECITALS:

WHEREAS M/s _____ wishes to provide services in the Market organized and administered by the Market Operator;

WHEREAS M/s _____ has submitted an Admission Application for enrolment as a Service Provider to the Market Operator, which is under process, and as a condition precedent for enrolment under the Market Commercial Code, this Service Provider Agreement shall be executed;

WHEREAS the Market Commercial Code shall have the effect of a contract between the Market Operator and the Applicant by virtue of the execution of this Service Provider Agreement;

WHEREAS M/s _____ is registered with the FBR for GST and Income Tax and appearing in the Active Taxpayer List and has acquired the relevant licence(s)/concurrence/registration/approval(s) from the Authority and any other relevant entity as required under the law;

WHEREAS the Applicant and the Market Operator wish to execute this Agreement in part to satisfy the conditions contained in the Market Commercial Code that a service provider agreement be executed prior to the Applicant's enrolment as a Service Provider by the Market Operator;

NOW THEREFORE, in consideration of the mutual covenants contained herein and of



other good and valuable considerations, the receipt and adequacy thereof is hereby acknowledged, the Parties agree as follows:

ARTICLE-I - DEFINITIONS AND INTERPRETATION

1. DEFINITIONS

- (a) When applying the provisions contained in this Agreement, and unless otherwise specified or the context otherwise requires, the following words and expressions shall have the meaning:-
- i. **"Act"** means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 as amended from time to time;
 - ii. **"Admission Application"** means the document which an Applicant is required to submit when applying for enrolment with the Market Operator, in the form set forth in the applicable Market Commercial Code Operational Procedure or such other form as the Market Operator may from time to time determine;
 - iii. **"Applicable Documents"** means the rules, regulations, terms and conditions of any licence, registration, authorisation, determination, any codes, manuals, directions, guidelines, orders, notifications, agreements and documents issued or approved under the Act;
 - iv. **"Applicable Law"** means the laws of Pakistan including federal, provincial, and local laws;
 - v. **"Applicant"** means any person who has initiated the application process to enrol with the Market Operator in accordance with the provisions of Market Commercial Code;
 - vi. **"Authority"** means the National Electric Power Regulatory Authority established under section 3 of the Act;
 - vii. **"Clause"** means a clause of this Agreement;
 - viii. **"Competitive Market Operation Date (CMOD)"** is the competitive market operations date of the Market;
 - ix. **"Confidential Information"** shall have the same meaning as assigned to the term in the Market Commercial Code;
 - x. **"Codes"** means any code approved by the Authority under the Act;
 - xi. **"Effective Date"** means to the date of execution of this Agreement, whereby execution denotes signatures by both the Parties;
 - xii. **"GOP"** means the Government of the Islamic Republic of Pakistan;
 - xiii. **"Grid Code"** means the grid code prepared and maintained by the System Operator pursuant to sections 23G and 23H of the Act and approved by the Authority, as may be amended from time to time;

- xiv. **"Market"** means the Competitive Trading Bilateral Contract Market (CTBCM) of Pakistan organized for wholesale buying and selling of energy and / or capacity mainly through bilateral contracts;
 - xv. **"Market Commercial Code" or "Commercial Code"** means the code prepared and maintained by the Market Operator and approved by the Authority pursuant to section 23B of the Act, as amended from time to time;
 - xvi. **"Market Operator" or "MO"** means a person licensed by the Authority under section 23A of the Act;
 - xvii. **"Service Provider"** means any person who is enrolled with the Market Operator and has also executed a Service Provider Agreement;
 - xviii. **"System Operator"** means a person licensed under the section 23G of the Act to administer system operations, dispatch and power system planning;
 - xix. **"Termination Date"** means the date on which Applicant's application to cancel its enrolment as Service Provider is approved or the date on which enrolment of a Service Provider is terminated by the Market Operator under the provisions of the Market Commercial Code; and
 - xx. **"Termination Order"** means an order issued by the Market Operator pursuant to the relevant provisions of the Market Commercial Code.
- (b) Words and expressions used but not defined in this Agreement shall have the same meanings as assigned to them in the Market Commercial Code.


2. INTERPRETATION

In this Agreement unless the context otherwise specifies or requires:

- a. Capitalized words used shall have the meanings assigned to them in the definitions of this Agreement and the Market Commercial Code;
- b. references to the masculine include the feminine and references to the singular include plural;
- c. PKR means Pakistani Rupees;
- d. the word "include" shall be construed without limitation;
- e. a reference to a "person" includes any individual, partnership, firm, company, corporation (statutory or otherwise), joint venture, trust, association, organization, or other entity, in each case whether having separate legal personality;
- f. a reference to law or the Act shall be construed to include any amendment, modification, extension, re-enactment, or replacement thereof; and
- g. a derivative term of any defined or interpreted term or expression shall be construed in accordance with the relevant definition or interpretation.

3. INCONSISTENCIES

In the event of any inconsistency between this Agreement and the Market Commercial



Code or the Grid Code, the provisions of the Market Commercial Code or the Grid Code, as applicable, shall prevail to the extent of such inconsistency.

ARTICLE II - COMPLIANCE, SCOPE AND EXTENT OF THIS AGREEMENT

1. COMPLIANCE WITH THE MARKET COMMERCIAL CODE

- a. The Applicant hereby agrees to be bound by and to comply with all of the provisions of the Market Commercial Code so far as they are applicable to the Applicant, including once it has been enrolled by the Market Operator as a Service Provider.
- b. The Market Operator hereby agrees to be bound by and to comply with all the provisions of the Market Commercial Code so far as they are applicable to the Market Operator.
- c. The Applicant acknowledges and agrees that the Market Commercial Code may be amended from time to time in accordance with the procedure specified in the Market Commercial Code and that any such amendment shall be applicable upon the Applicant as a Service Provider from the date of coming into force of such amendment.
- d. The Applicant hereby acknowledges and confirms that it shall following the due procedure as per the applicable documents including Consumer Service Manual, Connection Agreement, etc., disconnect any Market Participant against which a disconnection request, clearly stipulating the cause of issuance of such disconnection request, is issued by the Market Operator failing which it shall be responsible for the direct, and incremental financial obligations of the Market Participant, to the extent that such financial obligations are attributable to the Applicant's failure to comply with the disconnection request issued by the Market Operator;

Applicable to Metering Service Provider (If applicable)

- e. The Applicant as a Metering Service Provider hereby, *inter alia*, also acknowledges and confirms that:
 - i. it shall provide all the information regarding metering data of all Metering and/or Trading Points to the Market Operator in accordance with the Market Commercial Code;
 - ii. it shall calculate the hourly network transmission losses as applicable from time to time and provide the same to the Market Operator;
 - iii. it shall submit all metering incident reports to the Market Operator on timely basis in accordance with the Market Commercial Code;
 - iv. it shall timely submit all relevant information regarding addition of any new Metering and/or Trading Points to the Market Operator as per the provisions of the Market Commercial Code;



- v. if applicable, it shall issue certification of historical data of a prospective Market Participant regarding its maximum value of demand during system peak hours, when approached by such prospective Market Participant;
- vi. it has entered or shall enter into all required agreements with the Market Participants or prospective Market Participants and other Service Providers for the provision of all aspects of the metering services provided or to be provided by the Applicant, and that the metering data provided by the Applicant to the Market Operator shall be the conclusive basis for the Market Operator to execute the settlement as provided for in the Market Commercial Code;
- vii. it shall be solely responsible for collecting any and all fees from the respective Market Participants and Service Providers in relation to its provision of metering services thereto, and shall raise no such claim against the Market Operator;
- viii. it shall be solely responsible for performing the meter reading at each Metering and Trading Point, and shall also perform the validity checks of the metered values, and transfer the information thereof to the Market Operator for settlement purposes;
- ix. it shall timely resolve any issue / disputes related to the metering data with any Market Participant or Service Provider as per the procedures stipulated in their respective agreements and/or other applicable documents and the Market Operator shall not be involved in any such dispute; and
- x. it shall submit a certificate to the Market Operator to the effect that the Commercial Metering System installed at all the Metering and/or Trading Points complies with the requirements of the Market Commercial Code, Grid Code, and other applicable documents. In addition to the aforesaid, it shall also organize and keep complete and accurate record containing all the information regarding the installation, commissioning, and testing of the Commercial Metering System

Applicable to Transmission Service Provider

- f. The Applicant as a Transmission Service Provider hereby, *inter alia*, also acknowledges and confirms that:

Interconnection

- i. it has entered or shall enter into all required agreements with the Market Participants or prospective Market Participants and other Service Providers for the provision of all aspects of the transmission and related services provided or to be provided by the Applicant;
- ii. it has entered or shall enter in all required agreements with all relevant Market Participants regarding the treatment of the quantum and financial implication for losses in its network in accordance with the applicable documents;
- iii. it shall be solely responsible for collecting any and all fees from the respective Market Participants and Service Providers in relation to its provision of transmission and related services thereto, and shall raise no such claim against the Market Operator;



Applicable to Distribution Service Provider


- g. The Applicant (Distribution Service Provider) hereby, *inter alia*, also acknowledges and confirms that:
- i. it has entered or shall enter into all required agreements with the Market Participants or prospective Market Participants and other Service Providers for the provision of all aspects of the transmission, distribution and related services provided or to be provided by the Applicant;
 - ii. it has entered or shall enter into all required agreements with all relevant Market Participants regarding the treatment of the quantum and financial implication for losses in its network;
 - iii. it shall be solely responsible for collecting any and all fees from the respective Market Participants and Service Providers in relation to its provision of transmission, distribution and related services thereto, and shall raise no such claim against the Market Operator;
 - iv. it shall verify and certify the data provided by a BPC to the Market Operator about the maximum value of its demand during system peak hours as per the procedure set forth in the Market Commercial Code;
 - v. it shall maintain close coordination with the Market Operator for shifting of the bulk power consumers to the respective SOLR, where applicable, in accordance with the provisions of the Market Commercial Code and the Use of System Agreement.

Applicable to all Service Providers

- vi. it shall submit to the Market Operator in a timely manner the information stipulated in the Market Commercial Code or as may be required by the Market Operator in accordance with the Market Commercial Code;
- vii. it shall inform the Market Operator of any material change related to its business and to the information included in its Admission Application; and
- viii. the applicant confirms that it may be subject to an enforcement action in accordance with the Market Commercial Code for failure to comply with the provisions of Market Commercial Code;
- ix. it shall provide non-discriminatory open access to all the bulk power consumers, generators, and other market participants, as applicable, in accordance with the provisions of the applicable documents to facilitate their participation in the Market.

2. SCOPE

After the execution of this Agreement and thereafter with effect from the date of enrolment of the Applicant by the Market Operator and until the termination of this Agreement, the Applicant shall be granted the status of a Service Provider for the purposes of the Market Commercial Code and shall have the obligation to provide services as stipulated in this Agreement, its Licence/registration, and the relevant provisions of the Act and rules and regulations made thereunder and the Codes approved



by the Authority from time to time.

3. COMMENCEMENT AND TERM

This Agreement shall come into force and become effective on the Effective Date hereof and shall remain in full force and effect until terminated in accordance with clause 4 of Article II of this Agreement.

4. TERMINATION

- a. After the enrolment of the Applicant as a Service Provider by the Market Operator, this Agreement shall automatically terminate on the earlier of:
 - i. the date of suspension, revocation or cancellation of license or registration of the Applicant by the Authority in accordance with the Act or rules and regulations made thereunder; or
 - ii. the date on which the withdrawal of the Applicant is approved by the Market Operator, in accordance with the withdrawal provisions stipulated in the Market Commercial Code.
- b. Notwithstanding Clause (a) above, the Applicant shall remain subject to and liable for all of its obligations and liabilities as a Service Provider which were incurred or arose under the Commercial Code prior to the date referred to in Clause (a) (i) or (a) (ii) above, regardless of the date on which any claim relating thereto may be made.
- c. Notwithstanding any other provision of this Agreement and, for greater certainty, the provisions of Clause (b) above shall survive the termination of this Agreement without limit as to time.

ARTICLE-III - REPRESENTATIONS AND WARRANTIES

1. REPRESENTATIONS AND WARRANTIES OF THE MARKET OPERATOR

The Market Operator hereby represents and warrants as follows to the Applicant, and acknowledges and confirms that the Applicant is relying on such representations and warranties in applying to become enrolled as a Service Provider:

- a. the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate and / or governmental approvals; and
- b. this Agreement constitutes a legal and binding obligation on the Market Operator, enforceable against the Market Operator in accordance with its terms.

2. REPRESENTATIONS AND WARRANTIES OF THE APPLICANT

The Applicant hereby represents and warrants as follows to the Market Operator and acknowledges and confirms that the Market Operator is relying on such representations and warranties without independent inquiry (save and except for any testing or inspection

that the Market Operator may have participated in) (i) to ascertain whether the Applicant satisfies the requirements for enrolment as a Service Provider; and (ii) to enroll the Applicant as a Service Provider under the Market Commercial Code for providing services in the market;

- a. it has all the necessary corporate powers to enter into and perform its obligations under this Agreement;
- b. the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate and / or governmental entities and in the Applicant's good faith belief and after making reasonable inquiries does not result in a violation or a breach of or a default under or give rise to a right of termination, greater rights or increased costs, amendment or cancellation or the acceleration of any obligation under (i) any legal instruments of the Applicant; (ii) any contracts or instruments to which the Applicant is a party or by which the Applicant is bound; or (iii) any laws applicable to it;
- c. the individual(s) executing this Agreement, and any document in connection herewith, on behalf of the Applicant have been duly authorized to execute this Agreement and have the full power and authority to bind the Applicant;
- d. this Agreement constitutes a legal and binding obligation on the Applicant, enforceable against the Applicant in accordance with its terms;
- e. except for its enrolment as a Service Provider, it holds all permits, licenses and other authorizations that may be necessary to enable it to carry on the business and perform the functions and obligations of a Service Provider as described in the Market Commercial Code and in this Agreement;
- f. the information provided in support of its application for enrolment as a Service Provider, is true, accurate and complete in all respects;
- g. the Applicant has or will have prior to the first date that the Applicant participates in the CTBCM, adequate qualified employees and other personnel and organizational and other arrangements that are sufficient to enable it to perform all of the functions and obligations applicable to Service providers.

ARTICLE-IV – MISCELLANEOUS

1. DISPUTE RESOLUTION

- a. All disputes between the Parties shall be resolved as per the dispute resolution mechanism stipulated in the Market Commercial Code.

2. LIABILITY AND INDEMNIFICATION

Market Operator



- a. Except as may be specifically provided to the contrary elsewhere in this Agreement, the Market Operator shall not be liable for any claims, losses, costs, liabilities, obligations, actions, judgements, suits, expenses, disbursements or damages of the Applicant whatsoever, howsoever arising and whether as claims in contract, claims in tort or otherwise, arising out of any act or omission of the Market Operator in the exercise or performance or the intended exercise or performance thereby of any power or obligation under this Agreement or the Market Commercial Code.
- b. Subject to the above Clause (a), the Market Operator shall indemnify and hold harmless the Applicant and the Applicant's Directors, officers and employees from any and all claims, losses, liabilities, obligations, actions, judgements, suits, costs, expenses, disbursements and damages incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, the Applicant or its directors, officers or employees to the extent that such claims, losses, liabilities, actions, judgements, suits, costs, expenses, disbursements or damages arise out of any willful misconduct by or any act or omission that constitutes negligence of the Market Operator in the exercise or performance or the intended exercise or performance of any power or obligation under the Market Commercial Code or this Agreement.
- c. For the purposes of Clauses (a) and (b) above, an act or omission of the Market Operator effected in compliance with the Market Commercial Code or this Agreement shall be deemed not to constitute willful misconduct or negligence. Further, the Market Operator shall not be liable in respect of any indirect or consequential loss or incidental or special damages including, but not limited to, punitive damages; or any loss of profit, loss of contract, loss of opportunity or loss of goodwill. The Applicant shall have a duty to mitigate damages, losses, liabilities, expenses or costs relating to any claims for indemnification that may be made by the Applicant.

Applicant

- a. The Applicant shall not be liable for any claims, losses, costs, liabilities, obligations, actions, judgements, suits, expenses, disbursements or damages of the Market Operator whatsoever, howsoever arising and whether as claims in contract, claims in tort or otherwise, arising out of any act or omission of the Applicant in the exercise or performance or the intended exercise or performance of any power or obligation under the Market Commercial Code or this Agreement.
- b. Subject to Clause (a) above, the Applicant shall indemnify and hold harmless the Market Operator, the Market Operator's directors, officers and employees from any and all claims, losses, liabilities, obligations, actions, judgements, suits, costs, expenses, disbursements and damages incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, the Market Operator, its directors, officers or employees to the extent that such claims, losses, liabilities, actions, judgements, suits, costs, expenses, disbursements or damages arise out of any willful misconduct by or any negligent act or omission of the



Applicant in the exercise or performance or the intended exercise or performance of any power or obligation under the Market Commercial Code or this Agreement

- c. For the purposes of Clauses (a) and (b) above, an act or omission of the Applicant effected in compliance with the Commercial Code or this Agreement be deemed not to constitute willful misconduct or a negligent act or omission. Further, the Service Provider shall not be held liable in respect of any indirect or consequential loss or incidental or special damages including, but not limited to, punitive damages, or any loss of profit, loss of contract, loss of opportunity or loss of goodwill.

3. DATA PRIVACY

- a. Each Party acknowledges and agrees that, while performing their respective obligations and exercising their respective rights under this Agreement, it may receive or have access to personal or Confidential Information of the other Party, directors, officers, employees, governance committee members and / or authorized representatives;
- b. Each Party represents and warrants that its collection, access, use, storage, disposal, and disclosure of any personal or Confidential Information shall always comply with the Applicable Law.

4. CONFIDENTIALITY

- a. All Confidential Information, including any concepts and related documentation and all other information and materials provided by each Party in relation to this Agreement shall always remain the sole property of said Party.
- b. Each Party shall take all reasonable precautions to protect Confidential Information, but no less than in the same manner as it treats its own confidential and proprietary information.
- c. Each Party shall, at its own expense and without need of notice, deliver to the other Party within thirty (30) days following the termination or expiration of this Agreement, all documents, and all other materials, in whatever form, containing or reflecting any Confidential Information, together with any copies thereof. Each Party shall, upon the request of the other Party destroy such Confidential Information and provide the other Party with a sworn statement attesting to such destruction. Each Party acknowledges that neither the return of any Confidential Information nor the destruction of the same will release the other Party from its obligations under this Agreement.

5. APPLICABLE LAWS

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



6. AMENDMENT TO THIS AGREEMENT

No amendment to this Agreement shall be effective unless it is made in writing by mutual consent and signed by both Parties.

7. SUCCESSORS, ASSIGNS AND NOVATION

This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective heirs, administrators, executors, successors and permitted assigns..

8. DOCUMENTS AND INFORMATION

Each Party shall promptly execute and deliver or cause to be executed and delivered all documents in connection with this Agreement that the other Party may reasonably require for the purposes of giving effect to this Agreement.

9. WAIVERS

Any waiver of any default, breach or non-compliance of or under this Agreement shall not be effective unless mutually agreed upon in writing by the Parties.

10. NOTICES

Any notice, demand, consent, request, or other communication required or permitted to be given or made under this Agreement shall:

- a. be given or made in the manner set forth in the Market Commercial Code or the Grid Code, as applicable; and
- b. be addressed to the Service Provider or the representatives identified in the Admission Application, or to any representative as changed and notified by the Service Provider to the Market Operator.

Either Party may change its address and representative for notice by written notice to the other Party. Such change shall not constitute a modification of this Agreement.

In witness whereof the Parties hereto have, by their respective duly appointed and authorized representatives, executed this Agreement on the date set forth hereinabove.

Signature of Authorized Representative of Service Provider

Name: _____ Title: _____ Date: _____



Signature of Authorized Representative of Market Operator

Name: _____ Title: _____ Date: _____

1.

Witness:

Name:

Designation:

CNIC:

2.

Witness:

Name:

Designation:

CNIC:



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**Template
Market Participation
Agreement**



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This Market Participation Agreement (hereinafter called the "Agreement") is made on this----- day of ----- 202 ;

BY AND BETWEEN:

1. The Independent System & Market Operator of Pakistan (Guarantee) Limited (hereinafter called the "**Market Operator**", which expression shall include its successors in interest and assigns), a company having its principal offices at Independent System & Market Operator of Pakistan Sector H-8/1, Islamabad , Pakistan, incorporated under the Companies Act, 2017 and wholly owned by the Government of Pakistan (the "**GOP**");

AND

2. _____, a company having its principal office at _____ in Pakistan, incorporated under the Companies Act, 2017, (hereinafter called the "**Applicant**", which expression shall include its successors in interest and permitted assigns);

Each of the parties shall be referred to individually as a "Party" and collectively as "Parties"

RECITALS:

Applicable to all types of Market Participants:

WHEREAS M/s _____ wishes to participate in the CTBCM administered by the Market Operator;

WHEREAS M/s _____ submitted an Admission Application for enrolment as a Market Participant to the Market Operator, which is under process and as a condition precedent for enrolment under the Market Commercial Code, this Market Participation Agreement shall be executed;

WHEREAS the Market Commercial Code shall have the effect of a contract between the Market Operator and the Applicant by virtue of the execution of this Market Participation Agreement;

WHEREAS M/s _____ has valid registration with the FBR for GST and Income Tax and has acquired the relevant licence(s) / concurrence from the Authority and any other relevant forum as required under the law;

WHEREAS M/s _____ has the requisite meters installed at the connection points and the meters are integrated with the system of the Metering Service Provider (MSP) / National Grid Company (NGC) and has obtained certification (*i.e., commercial metering system installed at the applicant's metering points complies with the requirements set forth in both the Market Commercial Code and the Grid Code*) from the MSP / NGC in this regard as per the Market Commercial Code.

WHEREAS the Applicant and the Market Operator wish to execute this Agreement in part to satisfy the conditions contained in the Market Commercial Code that a market participation agreement be executed prior to the Applicant's enrolment as a Market Participant by the Market Operator.

Applicable to Generators and BPCs

WHEREAS M/s _____ has signed a valid Connection Agreement with the distribution / transmission licensee or in the case of M/s _____ having an existing connection, has provided an undertaking to the Market Operator that it shall sign a Connection Agreement with concerned Distribution / Transmission licensee within a period as provided in Market Commercial Code, the execution of said Connection Agreement being a mandatory condition for the effectiveness of this Agreement;

Applicable to Generators:

WHEREAS M/s _____ has acquired the requisite Firm Capacity Certificates from the Market Operator, if applicable, and has received the requisite certification from the System Operator or Distribution Licensee as required under the Market Commercial Code approved by Authority;

Applicable to Competitive Supplier, BPCs and Captive Generator when opting for open access:

WHEREAS M/s _____ has signed a valid Use of System Agreement with the respective Distribution Licensee / Supplier of Last Resort;

NOW THEREFORE, in consideration of the mutual covenants contained herein and of other good and valuable consideration, the receipt and adequacy thereof is hereby acknowledged, the Parties agree as follows:

ARTICLE-I - DEFINITIONS AND INTERPRETATION

1. DEFINITIONS

- (a) When applying the provisions contained in this Agreement, and unless otherwise specified or the context otherwise requires, the following words and expressions shall have the meaning:-
- i "Act" means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 as amended from time to time;
 - ii. "Admission Application" means the document which an Applicant is required to submit when applying for enrolment with the Market Operator, in the form set forth in the applicable Commercial Code Operational Procedure;
 - iii. "Applicable Documents" means the rules, regulations, terms and conditions of any licence, registration, authorisation, determination, any codes, manuals, directions, guidelines, orders, notifications, agreements and documents issued or approved under the Act;

- iv. **"Applicable Law"** means the laws of Pakistan including federal, provincial, and local laws;
- v. **"Applicant"** means any person who has initiated the application process to enrol with the Market Operator in accordance with the provisions of Market Commercial Code;
- vi. **"Authority"** means the National Electric Power Regulatory Authority established under section 3 of the Act;
- vii. **"Clause"** means a clause of this Agreement;
- viii. **"Competitive Market Operation Date (CMOD)"** is the competitive market operations date of the Market;
- ix. **"Confidential Information"** shall have the same meaning as assigned to the term in the Market Commercial Code;
- x. **"Effective Date"** means the means the date of execution of this Agreement, whereby execution denotes signatures by both the Parties;
- xi. **"GOP"** means the Government of the Islamic Republic of Pakistan;
- xii. **"Grid Code"** means the grid code prepared and maintained by the System Operator pursuant to sections 23G and 23H of the Act and approved by the Authority, as may be amended from time to time;
- xiii. **"Market"** means the Competitive Trading Bilateral Contract Market (CTBCM) of Pakistan organized for wholesale buying and selling of energy and/or capacity mainly through bilateral contracts and ;
- xiv. **"Market Commercial Code" or "Commercial Code"** means a code prepared and maintained by the Market Operator and approved by the Authority pursuant to section 23B of the Act, as amended from time to time;
- xv. **"Market Operator" or "MO"** means a person licenced by the Authority under section 23A of the Act;
- xvi. **"Market Participant" or "Participant"** means any person who is enrolled with the Market Operator pursuant to the Market Commercial Code and has also executed a Market Participation Agreement;
- xvii. **"System Operator"** means a person licensed under the section 23G of the Act to administer system operations, dispatch and power system planning;
- xviii. **"Termination Date"** means the date on which the Applicant's application to cancel its enrolment as Market Participant is approved or the date on which enrolment of a Market Participant is terminated by the Market Operator under the provisions of the Market Commercial Code; and
- xix. **"Termination Order"** means an order issued by the Market Operator pursuant to the relevant provisions of the Market Commercial Code.

- (b) Words and expressions used but not defined in this Agreement shall have the same meanings as assigned to them in the Market Commercial Code.

2. INTERPRETATION

In this Agreement unless the context otherwise specifies or requires:

- a. Capitalized words used shall have the meanings assigned to them in the definitions of this Agreement and the Market Commercial Code;
- b. references to the masculine include the feminine and references to the singular include plural;
- c. PKR means Pakistani Rupees;
- d. the word "include" shall be construed without limitation;
- e. a reference to a "person" includes any individual, partnership, firm, company, corporation (statutory or otherwise), joint venture, trust, association, organization, or other entity, in each case whether having separate legal personality;
- f. a reference to a law or the Act shall be construed to include any amendment, modification, extension, re-enactment, or replacement thereof; and
- g. a derivative term of any defined or interpreted term or expression shall be construed in accordance with the relevant definition or interpretation.

3. INCONSISTENCIES

In the event of any inconsistency between this Agreement and the Market Commercial Code or the Grid Code, the provisions of the Market Commercial Code or the Grid Code, as applicable, shall prevail to the extent of such inconsistency.

ARTICLE-II - COMPLIANCE, SCOPE AND EXTENT OF THIS AGREEMENT

1. COMPLIANCE WITH THE MARKET COMMERCIAL CODE

- a. The Applicant hereby agrees to be bound by and to comply with all of the provisions of the Market Commercial Code as far as they are applicable to the Applicant, including once it has been enrolled by the Market Operator as a Market Participant.
- b. The Market Operator hereby agrees to be bound by and to comply with all the provisions of the Market Commercial Code so far as they are applicable to the Market Operator.
- c. The Applicant acknowledges and agrees that the Market Commercial Code may be amended from time to time and that any such amendment shall be applicable upon the Applicant as a Market Participant from the date of coming into force of such amendment.
- d. The Applicant hereby also, *inter alia*, acknowledges and confirms that:

Interconnection, Metering Services and System Operations

Applicable to All Market Participants

- i. it has already secured the requisite interconnection arrangements with the NGC and / or with the relevant distribution licensee pursuant to the Connection Agreement and the Market Commercial Code, and it shall resolve any issues related to said interconnection directly with NGC and / or the relevant distribution licensee;
- ii. it has already secured the requisite metering service arrangements with the MSP as per the provisions of the approved Market Commercial Code. It shall resolve any issues related to the metered values directly with the MSP. The Market Operator shall prepare Settlement Statements and perform calculations thereof based on the metered values provided by the MSP. The Market Operator shall entertain only such issues raised by the Applicant as are related to the calculations based on the metered values already provided to it by the MSP;
- iii. all other necessary certification issued by the transmission/ distribution licensee and MSP in compliance with the Grid Code, Commercial Code or Distribution Code which ever is applicable.

Applicable to Generators

- iv. if technically capable, it shall provide the necessary services to the System Operator as and when required in accordance with the provisions of the Grid Code. The Applicant shall be compensated for its provision of such services in accordance with the provisions of the Market Commercial Code;
- v. it shall resolve any issues related to the calculation of Marginal Price, other services and availability of Generators directly with the System Operator. The Market Operator shall perform calculations based on the data provided by the System Operator and shall entertain only issues related to those calculations;
- vi. it shall abide by the instructions of the System Operator or the distribution licensee as the case may be;
- vii. it shall obtain the necessary Firm Capacity Certificates from the Market Operator to trade in the Market according to the provisions of the Market Commercial Code.

Financial Obligations:

Applicable to All Market Participants

- viii. it has fully read and understood the Market Commercial Code and that all payments shall be made to and from the Market Operator according to the mechanism established in the Market Commercial Code;
- ix. it acknowledges that energy and capacity imbalances and charges thereof, as well as other charges for services from service providers, shall always remain with the relevant Market Participant / Service Provider and such shall never pass on to the Market Operator while settling payments for imbalances and other charges, and that the Market Operator shall act as an independent entity without assuming any payment liability, and the obligation of payment shall always remain with the relevant Market Participants, as set forth in the Market Commercial Code;

- x. it shall be liable to make and receive monthly and yearly payments for imbalances, Market Operator fee and other market charges from and / or to the Market Operator calculated by the Market Operator on the basis of metering data received from the MSP and system operation data from the System Operator in accordance with the Market Commercial Code;
- xi. it has already deposited or shall deposit, as the case may be, the amounts of the Security Cover and the Settlement Guarantee Cover with the Market Operator in advance as determined by the Market Operator as per the procedure set forth in the Market Commercial Code against its expected imbalances and other market charges, and accordingly for handling these deposits the Market Operator shall open and maintain bank accounts as per provisions of the Market Commercial Code;
- xii. it shall maintain at all times the amount of the Security Cover and the Settlement Guarantee Cover with the Market Operator, which shall be updated from time to time as per the procedure laid down in the Market Commercial Code, failing which shall be liable to enforcement / remedial action including disconnection as provided in the Market Commercial Code;
- xiii. it shall make and receive all payments according to the monthly and yearly Settlement Statements prepared by the Market Operator in accordance with the Market Commercial Code. Further, in case of a default by the Applicant in making its monthly payments due under the Commercial Code, the requisite payment may be made by the Market Operator to the relevant Market Participant from the Settlement Guarantee Cover, provided however that the Applicant shall remain liable to make the outstanding payments under the monthly and yearly Settlement Statements to the Market Operator and in case of a continuing default, the Market Operator, in addition to other actions available thereto under this Agreement and the Market Commercial Code, shall also have the right to take all legal actions against the Applicant available to the Market Operator under the laws of Pakistan for recovery of the outstanding amounts;
- xiv. in addition to charging the Applicant default interest for late payments, the Market Operator shall also have the right to request the relevant Service Provider (distribution or transmission licensee) to disconnect the Applicant due to the latter's default in making payments as required under the Market Commercial Code or for other violations of this Agreement or the Market Commercial Code, and upon issuance of such disconnection request by the Market Operator the Applicant shall wherever applicable, either (a) not draw electric power from the grid (b) not inject electric power to the grid; and in case of any unauthorized drawing or injection of electric power the Applicant shall be liable at its sole risk and cost towards the relevant Service Provider for any such unauthorized drawing or injection of electric power from the grid;

- xv. it shall pay or receive any amount to / from the Market Operator as per the Final or Extraordinary Settlement Statements, regardless of any dispute. Any disputes shall be resolved in accordance with the provisions of the Market Commercial Code after the due amount is paid / received in full;
- xvi. it has opened a bank account which shall be used for making / receiving payments to / from the Market Operator as per the procedure set forth in the Market Commercial Code;
- xvii. it shall be liable to pay all surcharges as well as all applicable taxes on Market transactions arising out of Settlement Statements, whether federal, local or provincial including but not limited to withholding tax, income tax, sales tax, excise tax or any other tax as applicable in Pakistan at present or as may be imposed in future. Further, the Applicant shall also facilitate the Market Operator to discharge the latter's responsibility with regard to the filing of tax returns and for fulfilling all other codal formalities under the tax laws of Pakistan;
- xviii. the Market Operator regarding the designation of the relevant Market Participant(s) for sales tax purposes for adjustment of input / output tax shall be bound the applicable sales tax laws of Pakistan (and the relevant rules and regulations) and the Applicant shall pay the requisite amount of tax within the time period prescribed under the sales tax laws.

Applicable to Electric Power Suppliers/BPCs

- xix the Market Operator shall also have the right to request the relevant Service Provider (distribution or transmission licensee) to disconnect the BPC(s) of Competitive Supplier or the BPC (if it is enrolled as Market Participant) or due to the latter's default in making payments as required under the Market Commercial Code or for other violations of this Agreement or the Market Commercial Code, and upon issuance of such disconnection request by the Market Operator the Applicant shall not withdraw electric power from the grid and in case of any unauthorized withdrawal of electric power the Applicant shall be liable at its sole risk and cost towards the relevant Service Provider for any such unauthorized withdrawal of electric power from the grid.

General Provisions: Applicable to All Market Participants

- xx. it has already registered / shall register all of its bilateral contracts and provide all the requisite information as required by the Market Operator in order to properly register those contracts;
- xxi. in the event of non-compliance by the Applicant with the Market Commercial Code, the Market Operator has the right to take, without prejudice, any necessary enforcement action including but not limited to the suspension of enrolment or contracts, disconnection (permanent or temporary), termination of registration, as per the provisions of the Market Commercial Code;



- xxii. it is hereby acknowledged that, notwithstanding the above, it shall be liable to disconnection from the Grid for failing on any of its financial obligations under the Market Commercial Code in accordance with the procedure laid down therein in accordance with the Applicable Documents.

Applicable to Electric Power Suppliers, Electric Power Trader and BPCs:

- xxiii. it shall comply with the Capacity Obligations, if any, as determined by the Market Operator pursuant to the Market Commercial Code.

Applicable to XWDISCOs and K-Electric as suppliers of last resort:

- xxiv. The commercial allocation mechanism applicable to the Market Participant and the settlement thereof shall be as per Market Commercial Code.

2. SCOPE

After the execution of this Agreement and thereafter with effect from the date of enrolment with the Market Operator and until termination of this Agreement, the Applicant shall be granted the status of a Market Participant for the purposes of the Market Commercial Code and shall have the right to participate in the Market subject to its fulfilment of all applicable legal and contractual requirements.

3. COMMENCEMENT AND TERM

This Agreement shall come into force and become effective on the Effective Date hereof and shall remain in full force and effect until terminated in accordance with clause 4 of Article II of this Agreement.

4. TERMINATION

- a. After the enrolment of the Applicant as a Market Participant by the Market Operator, this Agreement shall automatically terminate on the earlier of:
- i. the date of issuance by the Market Operator to the Applicant of a Termination Order in accordance with the Market Commercial Code; or
 - ii. the date on which the withdrawal of the Applicant is approved by the Market Operator, in accordance with the withdrawal provisions stipulated in the Market Commercial Code.
- b. Notwithstanding Clause (a) above, the Applicant shall remain subject to and liable for all of its obligations and liabilities as a Market Participant which were incurred or arose under the Market Commercial Code prior to the date referred to in Clause (a) (i) or (a) (ii) above, regardless of the date on which any claim relating thereto may be made
- c. Notwithstanding any other provision of this Agreement and, for greater certainty, the provisions of Clause (b) above shall survive the termination of this Agreement without any time limit.



ARTICLE-III - REPRESENTATIONS AND WARRANTIES

1. REPRESENTATIONS AND WARRANTIES OF THE MARKET OPERATOR

The Market Operator hereby represents and warrants as follows to the Applicant, and acknowledges and confirms that the Applicant is relying on such representations and warranties in applying to become enrolled as a Market Participant:

- a. the execution, delivery, and performance of this Agreement by it has been duly authorized by all necessary corporate and / or governmental approvals; and
- b. this Agreement constitutes a legal and binding obligation on the Market Operator, enforceable against the Market Operator in accordance with its terms.

2. REPRESENTATIONS AND WARRANTIES OF THE APPLICANT

The Applicant hereby represents and warrants as follows to the Market Operator and acknowledges and confirms that the Market Operator is relying on such representations and warranties without independent inquiry (save and except for any testing or inspection that the Market Operator may have participated in) (i) to ascertain whether the Applicant satisfies the requirements for enrolment as a Market Participant; and (ii) to enroll the Applicant as a Market Participant under the Market Commercial Code for carrying out trade in the market:

- a. it has all the necessary corporate powers to enter into and perform its obligations under this Agreement;
- b. it possesses all due and necessary authorizations and approvals for the execution, delivery and performance of this Agreement as required by law and contract and in the Applicant's good faith belief and after making reasonable inquiry such execution, delivery and performance of this Agreement does not result in a violation or a breach of or a default under or give rise to a right of termination, greater rights or increased costs, amendment or cancellation or the acceleration of any obligation under (i) any legal instruments of the Applicant; (ii) any contracts or instruments to which the Applicant is a party or by which the Applicant is bound; or (iii) any laws applicable to it;
- c. the individual(s) executing this Agreement, and any document in connection herewith, on behalf of the Applicant have been duly authorized to execute this Agreement and have the full power and authority to bind the Applicant;
- d. this Agreement constitutes a legal and binding obligation on the Applicant, enforceable against the Applicant in accordance with its terms;
- e. except for its enrolment as a Market Participant and registration of its Contracts by the Market Operator pursuant to the Market Commercial Code, as applicable, it holds all permits, licences and other authorizations that may be necessary to enable it to carry on the business and perform the functions and obligations of a Market Participant as described in the Market Commercial Code and in this Agreement;

- f. the information provided in support of its application for enrolment as a Market Participant, is true, accurate and complete in all respects;
- g. the Applicant has or will have prior to the first date that the Applicant participates in the CTBCM, adequate qualified employees and other personnel and organizational and other arrangements that are sufficient to enable it to perform all of the functions and obligations applicable to Market Participants.

ARTICLE IV – REMEDIAL ACTION

- 1. The Applicant accepts and agrees that the Market Operator may issue non-compliance warning letters and / or take other remedial actions against the Applicant once it is enrolled as a Market Participant for breaches of this Agreement and / or the Market Commercial Code. The Market Operator shall determine the level of non-compliance in accordance with the provisions of the Market Commercial Code and submit a report to NEPRA detailing its findings.
 - a. Level “L1” shall be determined where the Market Participant has complied in part, but not in whole, with all the requirements of a Clause or a provision of this Agreement or the Market Commercial Code and where the Market Participant has, on its own initiative, informed the Market Operator on a timely basis of the non-compliance, the reasons for said non-compliance, and the manner in and the time within which such non-compliance will be remedied;
 - b. Level “L2” shall be determined where the Market Participant has failed to comply with all of the requirements of a Clause or a provision of this Agreement or Market Commercial Code and where the Market Participant has, on its own initiative, informed the Market Operator on a timely basis of the non-compliance, the reasons for said non-compliance and the manner in which and the time within which such non-compliance will be remedied;
 - c. Level “L3” shall be determined where the Market Participant has failed to comply, in whole or in part, with all of the requirements of a Clause or a provision of this Agreement or the Market Commercial Code and has failed to inform the Market Operator of the non-compliance on its own initiative and on a timely basis but, at the Market Operator’s notice and within the time specified in the notice, informs the Market Operator of the reasons for non-compliance and the manner in which and the time within which such non-compliance will be remedied; and
 - d. Level “L4” shall be determined where the Market Participant has failed to comply, in whole or in part, with all of the requirements of a Clause or provision of this Agreement and the Market Commercial Code and has failed to inform the Market Operator of the non-compliance on its own initiative, and on a timely basis, and has failed to respond to the Market Operator’s notice, within the time specified in the notice, for a statement of the reasons for such non-compliance and of the manner in which and the time within which such non-compliance will be remedied.

2. The Market Operator may issue a written warning letter to the Market Participant in cases of non-compliance.

Table 1: Remedial Actions

Level of Non-Compliance	Range of Sanctions
L1	Non-Compliance warning letter by MO
L2	Non-Compliance warning letter by MO and report to the Authority for regulatory proceedings pursuant to Act and Applicable Documents
L3	Non-Compliance warning letter by MO and report to the Authority for regulatory proceedings pursuant to Act and Applicable Documents
L4	Non-Compliance warning letter by MO and report to the Authority for regulatory proceedings pursuant to Act and Applicable Documents

ARTICLE-V – MISCELLANEOUS

1. DISPUTE RESOLUTION

- a. All disputes between the Parties shall be resolved as per the dispute resolution mechanism stipulated in the Market Commercial Code.
- b. Notwithstanding the above:
 - i. Any disputes related to the metering values reported by the MSP to the Market Operator shall not be raised by the Applicant with the Market Operator and shall instead be bilaterally settled between the MSP and the Applicant.
 - ii. Any disputes related to the data provided by the System Operator regarding the Marginal Prices and other services shall not be raised with the Market Operator and shall instead be settled bilaterally between the System Operator and the Applicant.
 - iii. The Applicant may only raise issues with the Market Operator related to the functions performed by the Market Operator in accordance with the provisions of the Market Commercial Code.

2. LIABILITY AND INDEMNIFICATION

Market Operator

- a. Except as may be specifically provided to the contrary elsewhere in this Agreement, the Market Operator shall not be liable for any claims, losses, costs, liabilities, obligations, actions, judgements, suits, expenses, disbursements or damages of the Applicant whatsoever and howsoever arising and whether as claims in contract, claims in tort or otherwise, arising out of any act or omission of the Market Operator in the exercise or performance or the intended exercise or performance of any power or obligation under this Agreement or the Market Commercial Code.
- b. Subject to the above Clause (a), the Market Operator shall indemnify and hold harmless the Applicant and the Applicant's Directors, officers and employees from any and all claims, losses, liabilities, obligations, actions, judgements, suits, costs, expenses, disbursements and damages incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, the Applicant or its directors, officers or employees to the extent that such claims, losses, liabilities, actions, judgements, suits, costs, expenses, disbursements or damages arise out of any willful misconduct by or any act or omission that constitutes negligence of the Market Operator in the exercise or performance or the intended exercise or performance of any power or obligation under the Market Commercial Code or this Agreement.
- c. For the purposes of Clauses (a) and (b) above, an act or omission of the Market Operator effected in compliance with the Market Commercial Code or this Agreement shall be deemed not to constitute willful misconduct or negligence. Further, the Market Operator shall not be liable in respect of any indirect or consequential loss or incidental or special damages including, but not limited to, punitive damages; or any loss of profit, loss of contract, loss of opportunity or loss of goodwill. The Applicant shall have a duty to mitigate damages, losses, liabilities, expenses or costs relating to any claims for indemnification that may be made by the Applicant.

Applicant

- a. The Applicant shall not be liable for any claims, losses, costs, liabilities, obligations, actions, judgements, suits, expenses, disbursements or damages of the Market Operator whatsoever, howsoever arising and whether as claims in contract, claims in tort or otherwise, arising out of any act or omission of the Applicant in the exercise or performance or the intended exercise or performance of any power or obligation under the Market Commercial Code or this Agreement.
- b. Subject to Clause (a) above, the Applicant shall indemnify and hold harmless the Market Operator, the Market Operator's directors, officers and employees from any and all claims, losses, liabilities, obligations, actions, judgements, suits, costs, expenses, disbursements and damages incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, the Market Operator, its directors, officers or employees to the extent that such claims, losses, liabilities, actions, judgements, suits, costs, expenses, disbursements or damages

arise out of any willful misconduct by or any negligent act or omission of the Applicant in the exercise or performance or the intended exercise or performance of any power or obligation under the Market Commercial Code or this Agreement

- c. For the purposes of Clauses (a) and (b) above, an act or omission of the Applicant effected in compliance with the Market Commercial Code or this Agreement be deemed not to constitute willful misconduct or a negligent act or omission. Further, the Applicant shall not be held liable in respect of any indirect or consequential loss or incidental or special damages including, but not limited to, punitive damages, or any loss of profit, loss of contract, loss of opportunity or loss of goodwill. Nothing in this Article shall be read as limiting the right of the Market Operator to impose a financial penalty or other sanction including, but not limited to, the issuance of a suspension order, a disconnection order or a termination order, on the Applicant in accordance with the provisions of the Market Commercial Code and this Agreement. The Market Operator shall have a duty to mitigate damages, losses, liabilities, expenses or costs relating to any claims for indemnification that may be made by the Market Operator, including but not limited to, seeking recovery under any applicable policies of insurance to which the Market Operator or the Applicant, as the case may be, is a beneficiary.

3. DATA PRIVACY

- a. Each Party acknowledges and agrees that, while performing their respective obligations and exercising their respective rights under this Agreement, it may receive or have access to personal or Confidential Information of the other Party, its directors, officers, employees, governance committee members and / or authorized representatives;
- b. Each Party represents and warrants that its collection, access, use, storage, disposal, and disclosure of any personal or Confidential Information shall always comply with the Applicable Law.

4. CONFIDENTIALITY

- a. All Confidential Information, including any concepts and related documentation and all other information and materials provided by each Party in relation to this Agreement shall remain its respective intellectual property and shall always remain the sole property of said Party.
- b. Each Party shall take all reasonable precautions to protect Confidential Information, but no less than in the same manner as it treats its own confidential and proprietary information.
- c. Each Party shall, at its own expense and without need of notice, deliver to the other Party within thirty (30) days following the termination or expiration of this Agreement, all documents, and all other materials, in whatever form, containing or reflecting any Confidential Information, together with any copies thereof. Each Party shall, upon the request of the other Party destroy such Confidential Information and provide the other Party with a sworn statement attesting to such destruction. Each Party acknowledges that neither the return of any Confidential

Information nor the destruction of the same will release the other Party from its obligations under this Agreement.

5. APPLICABLE LAWS

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

6. AMENDMENT TO THIS AGREEMENT

No amendment to this Agreement shall be effective unless it is made in writing by mutual consent and signed by both Parties.

7. SUCCESSORS, ASSIGNS AND NOVATION

This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective heirs, administrators, executors, successors and permitted assigns.

8. DOCUMENTS AND INFORMATION

Each Party shall promptly execute and deliver or cause to be executed and delivered all documents in connection with this Agreement that the other Party may reasonably require for the purposes of giving effect to this Agreement.

9. WAIVERS

A waiver of any default, breach or non-compliance under this Agreement is not effective unless in writing and signed by the Party to be bound by the waiver.

10. NOTICES

Any notice, demand, consent, request, or other communication required or permitted to be given or made under this Agreement shall:

- a. be given or made in the manner set forth in the Market Commercial Code or the Grid Code, as applicable: and
- b. be addressed to the Market Participant or the representatives identified in the Admission Application, or to any representative as changed and notified by the Market Participant to the Market Operator.

Either Party may change its address and representative for notice by written notice to the other Party. Such change shall not constitute a modification of this Agreement.

In witness whereof the Parties hereto have, by their respective duly appointed and authorized representatives, executed this Agreement on the date set forth hereinabove.

Signature of Authorized Representative of Market Participant



Name: _____ Title: _____ Date: _____

Signature of Authorized Representative of Market Operator

Name: _____ Title: _____ Date: _____

1.

Witness:

Name:

Designation:

CNIC:

2.

Witness:

Name:

Designation:

CNIC: