

Strictly Confidential

Draft MOU

To Be Executed On A Non-Judicial Stamp Paper Having Value Of Rs-100/-

SUI NORTHERN GAS PIPELINES LIMITED

AND

M/S XYZ COMPANY

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made on the day of _____
2019

BY AND BETWEEN:

Sui Northern Gas Pipelines Limited (hereinafter referred to as "**SNGPL**"), a Public Limited Company incorporated under the laws of Pakistan and having its registered office at Gas House, 21 Kashmir Road, Lahore which expression shall, where the context so admits, include its successors and assigns. **Party of the First Part**

AND

M/S XYZ COMPANY Limited (hereinafter referred to as "**XYZ**"), a ----- Limited Company incorporated under the law of ----- and having its registered office at -----which expression shall, where the context so admits, include its successors in interest and permitted assigns. **Party of the Second Part**

SNGPL and M/s XYZ are referred to herein collectively as the "**Parties**" or individually as a "**Party**".

WHEREAS:

- (A) Whereas SNGPL is authorized and licensed for the transmission and distribution of natural gas in the north of Pakistan.
- (B) Whereas M/s XYZ is a Company engaged in -----

- (C) Whereas M/s XYZ is desirous to obtain the services of SNGPL for transportation of its gas from the designated entry points to designated exit points;
- (D) Whereas SNGPL may provide the requisite services in accordance with the Third Party Access (TPA) Rules, 2018 read with Pakistan Gas Network Code, subject to M/s XYZ being allocated capacity in accordance with the said TPA Rules and Pakistan Gas Network Code and subject to the Parties entering into a binding and formal Gas Transportation Agreement.

NOW THEREFORE THIS MEMORANDUM OF UNDERSTANDING (MOU) SETS FORTH THE UNDERSTANDING BETWEEN THE PARTIES AS FOLLOWS:

1. SCOPE

The scope of this MOU is restricted to the purpose of recording the understanding between the Parties regarding initiation of negotiation of transportation of gas in accordance with the relevant provisions of the TPA Rules, 2018 together with the applicable rules of Pakistan Gas Network Code.

2. NON-BINDING NATURE OF MOU

This MOU shall be non binding on the Parties and shall have no legal effect. Nothing contained in this MOU shall confer any legal right or entitlement whatsoever in favour of M/s XYZ.

3. CAPACITY ALLOCATION

SNGPL shall follow the provisions in respect of capacity allocation contained in the TPA Rules and Pakistan Gas Network Code including advertisement of available capacity. M/s XYZ acknowledges that SNGPL is required to allocate capacity on a “first come first serve basis”. In case M/s XYZ is allocated capacity by SNGPL, the Parties shall enter into a binding Gas Transportation Agreement on mutually agreed terms and conditions subject to completion of all codal and legal formalities.

4- This MOU shall be executed in two (2) counterparts; one to be retained by each Party and the each instrument shall be considered as original and duly executed by the Parties.

IN WITNESS whereof the Parties have signed this MOU on the day and year first above written.

**SUI NORTHERN GAS PIPELINES
LIMITED**

M/s XYZ COMPANY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____ in _____

Date: _____ in _____