*The original document was written in Turkish. In case of any discrepancies between the original document and the translation, the Turkish version shall prevail.*

**RENEWABLE ENERGY ZONE (YEKA [REZ] GES [SPP]-4) CONTRACT DRAFT**

**CHAPTER 1**

**GENERAL PROVISIONS**

**1. Parties to the Agreement and Definitions**

* 1. **Administration's:**

|  |  |
| --- | --- |
| Title  Address  Phone number  Fax Number  Email Address | : Energy and Natural Resources Ministry  : Nasuh Akar Mah. Turkocagi Cad. No: 2 06500,  Cankaya / Ankara  : + 90 312 215 83 57  : + 90 312 223 69 84  : yeka@enerji.gov.tr |

Hereinafter referred to as the "**Administration".**

1.2. **Auction Winner's :**

Trade name :

Tax Office and Number :

Address for service :

Phone number :

Fax Number :

E-Mail Address :

Registered Electronic Mail :

(REM) Address

Hereinafter referred to as the **"Auction Winner"**.

The Administration and the Winner of the Auction will hereinafter be referred to individually as the **"Party"** and together as the **"Parties"**.

1.3. The parties have accepted the above-mentioned addresses as the notification address. Unless the address changes are notified to the other party by a notary public, the notification to the last notified address shall be deemed to have been made to the relevant party.

1.4. The parties make the notifications in the manner prescribed by the relevant legislation.

**2. Auction Information**

2.1. Auction Name: ………….

2.2. Connection Capacity: ………… MWe

2.3. Unit Electricity Purchase Price: ……. TL Kurus/kWh

2.4. Guarantee Amount: …………………. TL

**3. Definitions**

3.1. In the implementation of this Agreement, the definitions in the Renewable Energy Zones Regulation, the Terms of Reference and the Agreement published in the Official Gazette dated 09/10/2016 and numbered 29852, respectively. In cases where there is no definition in the Agreement, the words, abbreviations and phrases in the text of the Agreement are evaluated with the meanings attributed to them in the Regulation, Terms of Reference or their annexes. In case of conflict between these definitions, the definitions in the Regulation, Terms of Reference and Contract shall be taken as basis, respectively. Definitions that are not in the Regulation, Terms of Reference and Contract are valid with the definitions in the relevant legislation.

3.2. Definitions in the Agreement have the meanings given to them below.

“**Ministry**” Republic of Turkey Ministry of Energy and Natural Resources,

"**Electricity Market License Regulation**", the Electricity Market License Regulation published in the Official Gazette dated 2/11/2013 and numbered 28809 and the amendments made in this regulation,

“**EMRA**” Energy Market Regulatory Authority,

“**General Directorate**” Republic of Turkey Ministry of Energy and Natural Resources General Directorate of Energy Affairs,

"**Parties Related to the Administration**" EPİAŞ, TEİAŞ and EPDK [EMRA],

“**Administrative Failure**” means that the Administration and the Parties Related to the Administration do not fulfill their obligations under this Agreement and/or any REZ Project Documents in accordance with the REZ Project Documents,

“**Work**” means all of the works specified in the Regulation, Terms of Reference and Contract and their annexes regarding the construction / establishment and operation of the SPP for the relevant periods and the work subject to the Contract,

“**Legislation Amendment**” means a change in the legislation and/or incentive mechanisms with the content and result specified in Article 6 of this Agreement, at any time after the contract signing date,

“**Force Majeure**” means the meaning given to it in Article 29 of this Agreement,

“**Market Operator**” Energy Markets Operation Joint Stock Company (EPİAŞ),

“**Project**” means each REZ SPP Project,

“**GES [SPP-Solar Power Plant]**” is the solar energy-based electricity generation facility installed in REZ,

"**Contract**" means this Agreement signed between the Administration and the Winner of the Auction, with all its annexes specified in Article 5,

**“Terms of Reference** (**ToR)**” is the document that is an annex to the Agreement, covering all the annexes including the Works and transactions, the scope, procedures and principles of the Auction, the technical and administrative conditions, the qualifications sought in the Bidders, other information and the replies to the Terms of Reference.

“**CBRT**” Central Bank of the Republic of Turkey,

“**TEİAŞ**” Turkish Electricity Transmission Joint Stock Company,

“**CPI**” is the consumer price index published monthly by the Turkish Statistical Institute,

“**PPI**” is the monthly domestic producer price index published by the Turkish Statistical Institute,

“**Third Party**” is the person other than the Administration, General Directorate and the Auction Winner,

“**REZ**” Renewable Energy Zone,

“**REZ Project Documents**”, the legislation regarding REZ, in particular the Regulation, the ToR, this Agreement and the questions and answers regarding the ToR published by the Administration during the Auction process,

“**Renewable Energy Resources Support Mechanism (YEKDEM- [RERSM])**” means the support mechanism applied to legal entities performing electricity generation activities without a license, which includes the procedures and principles regarding (i) prices, (ii) provisions and (iii) payments, based on renewable energy sources within the scope of the Regulation on Unlicensed Electricity Production in the Electricity Market published in the Official Gazette dated 12/05/2019 and numbered 30772.

“**Regulation**” Renewable Energy Zones Regulation published in the Official Gazette dated 09/10/2016 and numbered 29852 and the amendments made in this regulation.

**4. Interpretation of the Contract**

4.1. The titles in the contract are not included in the text. The titles do not affect the interpretation, meaning, validity status of the provisions in the Agreement and the rights and obligations of the Parties.

4.2. The singular persons used in the text of the Agreement are interpreted in accordance with the meaning implied in the Agreement, as the plural and the plurals as the singular.

4.3. Each provision of the Agreement is severable and separate from the others. If a provision of the Agreement has become invalid or unenforceable within the framework of any legal rule, all other provisions of the Agreement are fully valid and in effect. The validity, legality or enforceability of the entire contract is not affected by the said part, which has become invalid. By mutual agreement, the Parties may make a written arrangement in addition to this Agreement regarding the invalid part or parts of the Agreement, taking into account the will of the Parties at the stage of signing the Agreement.

4.4. References within the framework of the relevant legal provision or agreement also include secondary legislation such as all statutes and regulations.

4.5. Unless otherwise provided in this Agreement, the other rights arising from the Contract have not been actually applied or demanded for a long or short period of time by any Party during the contract period, or they have not been requested by a valid notification form, don’t mean that the relevant Party has waived/waived its rights (including the penal clause demands of the Administration). Any waiver by any Party under the Contract may be valid only if it is expressly made in writing. The declaration of any Party regarding the express waiver of a right or the provisions envisaging the waiver of a right are subject to narrow interpretation and cannot be interpreted in a way that affects the whole or other provisions of the Agreement, except to the extent it is relevant.

4.6. The fact that an act regulated in the Contract is conditional or that a condition in private or official institutions is expected to be fulfilled while performing the acts does not mean that the entire Contract is conditional on its terms and consequences.

4.7. During the contract period, the expressions used during the communication between the Parties via fax, e-mail, telephone and similar channels cannot be interpreted as changing, repealing or adding new provisions to the Contract. Unless otherwise stated in the Agreement, any amendment to the Agreement shall not be deemed to have entered into force until it is signed in writing by the Parties.

4.8. Signing a Contract between the Administration and the Auction Winner does not result in the Administration's direct or indirect responsibilities to the Employees of the Auction Winner.

**5. Annexes to the Agreement and Order of Priority of Documents**

5.1. Documents submitted by the Auction Winner regarding the ToR, Regulation and ToR are annexes to the Agreement. These are an integral part of the Agreement and bind the Parties. In case of conflict or difference between the provisions of the Agreement and the annexes to the Agreement or between the provisions in the annexes to the Agreement, the provisions in the document above shall prevail, according to the order of priority shown in 5.2.

5.2. The order of priority of REZ Project Documents is as follows:

1. Mandatory provisions in Turkish Law, especially the Regulation, RERSM Regulation and EMRA legislation
2. ToR
3. Answers to the ToR and documents submitted to the Administration together with the proposal
4. 4. Contract

5.3. Addendums have the priority order of the document they belong to.

**6. Legislation Amendment**

6.1. Regarding the changes that may occur in the legislation and/or incentive mechanisms after the contract signature date;

1. If it results in an increase or decrease of more than three percent in the total investment amount during the investment period,
2. If it results in an increase or decrease of more than ten percent in operating expenses in a calendar year from the commissioning of the facility to the end of the contract period,

All supporting information and documents showing the effect of the said changes on the investment amount or operating expenses are submitted to the Administration upon the application of the Auction Winner, with or without the Administration's request.

In case it is determined that there is an increase or decrease in the mentioned rate as a result of the examination made by the Administration;

1. The amount of increase or decrease over 3% (three percent) in the total investment amount during the investment period is paid by the Administration to the Auction Winner in case of an increase, and to the Administration by the Auction Winner in case of a decrease.
2. The amount of increase or decrease of more than 10% (ten percent) in operating expenses from the commissioning of the Facility to the end of the Contract period is paid by the Administration to the Auction Winner in case of an increase, and to the Administration by the Auction Winner in case of a decrease.

The said payments are paid to the relevant Party (Auction Winner or Administration) within 3 (three) months following the notification of the decision at once regarding the increase or decrease. However, no other payment is made under the name of interest or similar other than the amount paid.

The financial values in the documents proving the total investment amount in the investment period and the financial values in the documents proving the increase or decrease in the total investment amount are determined as of the date the entire SPP is put into operation. Expenditures in foreign currency in the documents are converted into Turkish Lira based on the CBRT's foreign exchange selling rates on the same date.

If the first and last years are not full calendar years in the calculation of the amount of increase or decrease exceeding the amount of the calendar year, the monthly basis for the months in which the operating expenses of these years will be taken into account is determined.

6.2. Regarding all kinds of taxes, duties, charges, tariffs, amounts, etc., “Increases” to be made in the revaluation rate determined by the Ministry of Treasury and Finance within the framework of all other tax-related legislation, including the Tax Procedure Law, shall not be considered as a legislative amendment and such increases shall not be considered within the scope of this article.

**7. Transfer of Rights and Obligations Arising from the Contract and Transfer of Shares**

7.1. The Agreement can be transferred to Third Parties with the same rights and obligations, with the approval of the Ministry, with the transfer agreement to be signed, after the Pre-license has been obtained. The conditions sought in the application for the Auction are sought for the Third Parties to be transferred.

7.2. The Administration agrees that in case the Agreement is transferred under this article, it will cooperate with the Winner or the transferee of the Auction in good faith in order to take the necessary actions before EMRA in order to transfer the Pre-licenses obtained by the Auction Winner to the Third Parties.

7.3. The Auction Winner - Auction Winner may transfer shares within the scope of Ministry Approval and Electricity Market License Regulation.

**8. Term of Contract**

This Agreement shall remain in effect until the end of the Purchase Period set out in the ToR, provided that the Auction Winner has fulfilled all its obligations.

**9. The Rule of Writing**

According to the Contract, when a permission, approval, document, consent or determination, notification, call or invitation to one of the Parties regarding the execution of the work is required, these or similar transactions are carried out as specified in Article 1.4, unless the Parties decide otherwise.

**CHAPTER 2**

**PROVISIONS RELATED TO WORK**

**10. Subject of Work**

It is the establishment of a SPP with the features specified in the ToR and its operation within the period specified in the Contract, in return for the allocation of the Connection Capacity in Article 2 and the relevant REZ, which is won as a result of the auction and in accordance with the procedures specified in the ToR.

**11. Duration of Work**

11.1. SPP is installed within a maximum of 36 (thirty-six) months from the date of receipt of the Generation License and is operated in accordance with the provisions of the ToR, Contract and relevant legislation.

11.2. The Auction Winner agrees and undertakes that he will not claim any compensation from the Administration if the Work is not completed for any reason within the periods specified in the ToR and Contract.

**12. Conditions for which Extension of Time Can Be Granted**

12.1. The deadlines for the Auction Winner's obligations under the ToRand Contract may be extended in accordance with the provisions of the REZ Project Documents.

12.2. Without prejudice to the provisions of this Agreement, granting a time extension to the Auction Winner for any reason does not mean that the Auction Winner is entitled under any name other than the time extension, compensation payment or price difference will be given to the Auction Winner.

12.3. The parties shall endeavor to minimize the delays that may occur by fulfilling their obligations in cases requiring an extension of time.

12.4. Since the periods when the weather is not suitable for work, public holidays and the periods required to fulfill the obligations under the ToR and Contract are taken into account in the calculation of the periods, and since the time required for obtaining the necessary permits and licenses is taken into account, no additional time extension is given to the Winner for these reasons. The provisions of the Regulation and ToR regarding the extension of time are reserved.

12.5. Without prejudice to the provisions of this Agreement, Auction Winner accepts and undertakes that it has carried out the necessary feasibility studies, that it has obtained information about the seasonal and geological conditions, technical and administrative conditions of Turkey, the time to fulfill the obligations arising from the relevant legislation, and the procedures to be carried out to continue the work. Auction Winner accepts and undertakes that it has foresight and that it will take the necessary measures to consummate its obligations completely and perfectly, within the periods stipulated in the ToR and Contract.

12.6. Auction Winner is responsible for all kinds of negative results that may occur in the future in terms of meteorological, hydrological, geological, technical, environmental, social and economic aspects due to insufficient studies and evaluations.

12.7. The following cases, which are not due to the Auction Winner's negligence or fault, entitle the Auction Winner to request an extension of time:

a) Legislation Change,

b) Force Majeure,

c) The Contract becomes partially or completely invalid, invalid or unenforceable by the Administration or for a reason attributable to the Administration, or its implementation is suspended, or the construction or operating activities of the Project are suspended.

12.8. Auction Winner, without prejudice to the provisions of Article 6 of this Agreement, irrevocably accepts and undertakes that it has completely released the Administration for any reason other than the violations arising from Administrative Fault. And for this reason, Auction Winner irrevocably agrees and undertakes that it will not claim any rights other than the time extension it will be entitled to within the framework of the REZ Project Documents, and that it will release the Administration from any legal sanction or in case of such a risk, from these risks. Auction Winner is responsible for the damages it has caused to the Administration due to its default within the scope of REZ Project Documents. Auction Winner pays such damages to the Administration immediately, in cash and in advance, as of the date of their occurrence.

**13. Place of Work**

13.1. SPP is installed and operated in accordance with the provisions of the ToR and relevant legislation in the area declared as REZ by the General Directorate.

**14. Work Schedule**

14.1. The Work program regarding the SPP is submitted to the Administration in accordance with the ToR.

14.2. The work program is prepared in a way and in detail, including the work items, parts of the work, the distribution of the work by months, deadlines, construction periods and work completion dates, and the SPP capacity to be put into operation every month.

14.3. The Administration examines the Work program submitted to it and notifies Auction Winner with its opinions and correction requests, if any. In order for Auction Winner to complete its obligations in accordance with the provisions of the REZ Project Documents, the necessary revisions are made in the Work program within the specified period.

14.4. The provisions of the ToR are applied in other matters related to the preparation and implementation of the work program.

**15. Commissioning of Work**

15.1. The commissioning of the SPP is carried out in accordance with the ToR and the provisions of the relevant legislation.

15.2. The Administration accepts and declares that upon the commissioning of the entire SPP, the SPP will be deemed to have been installed and put into operation within the framework of the REZ Project Documents and the purposes of this Agreement.

16. **Works that do not comply with the Agreement and its Annexes**

16.1. Without prejudice to the provisions of this Agreement, the Work that does not comply with the REZ Project Documents and the relevant legislation, is found to be incomplete and defective, until the completion of the commissioning procedures of the entire SPP, must be replaced or corrected free of charge by Auction Winner.

16.2. The works proposed by Auction Winner different from the terms of the Contract can only be accepted if it is approved by the Administration that it complies with the rules of science and art and the required features and has better features than the existing ones. However, even in this case, Auction Winner cannot ask for additional costs.

**CHAPTER 3**

**OBLIGATIONS OF THE PARTIES**

**17. Obligations of the Administration**

17.1. The Administration is obliged to carry out the works and transactions specified in the Regulation, ToR and Contract and under its responsibility in accordance with the provisions of the REZ Project Documents.

17.2. The Administration cooperates with Auction Winner in good faith so that all permits and approval letters required to be obtained from public institutions and organizations in accordance with the relevant legislation in order to make REZ ready for SPP investment, establishment and operation.

17.3. The Administration undertakes to evaluate the electrical energy to be produced in the SPP in accordance with Article 19.1.

17.4. The Administration provides the necessary coordination regarding the energy transmission/distribution facilities and transmission lines to be built in accordance with the relevant legislation.

**18. Obligations of Auction Winner**

18.1. Auction Winner performs its obligations under the Contract in accordance with international law rules, international agreements and standards, REZ Project Documents and legislation provisions.

18.2. Auction Winner allows the Administration and/or the surveillance company to conduct technical inspections and site visits during the installation and operation of the SPP.

18.3. Auction Winner is obliged to produce electricity and supply it to the electricity transmission/distribution system until the end of the contract period.

18.4. Without prejudice to the provisions of this Agreement, the case that the SPP was made under the supervision of inspection officers and other similar inspection institutions, does not relieve Auction Winner from its obligation and responsibility to perform the Work undertaken in full in accordance with the ToR and Contract, its projects and the provisions of the relevant legislation.

18.5. Auction Winner is responsible for the non-fulfillment of the obligations set forth in the ToR, Contract, their annexes and the relevant legislation regarding SPP, Auction Winner is responsible for the use of non-technical and/or fraudulent materials as shown in these regulations, and for any loss or damage caused by these reasons.

18.6. Auction Winner takes the necessary measures to prevent any damage to the public, real and legal persons, movables and real estates, all kinds of structures and facilities, and the environment during the performance of the Work. All responsibility arising from this belongs to Auction Winner.

18.7. Auction Winner accepts and undertakes that he has carefully and diligently examined the REZ Project Documents and is aware of their contents, that he is aware of the obligations contained in these regulations, and that he has the ability, experience and skill to perform the Contract accordingly.

**CHAPTER 4**

**PROVISIONS ON FINANCIAL ISSUES**

**19. Electricity Purchase Time, Cost and Payments**

19.1. For the electrical energy produced in the SPP, the provisions of the Regulation and ToR regarding the extension of time are reserved, The Administration undertakes to pay the unit electrical energy purchase price, which is formed as a result of the Auction and which is formed by updating the unit electrical energy purchase price in Article 2 of this Contract as specified in the ToR, within the scope of RESSM during the Purchase Period specified in the ToR. Auction Winner cannot benefit from any other payment system other than this payment system and cannot demand payment under any name. The Administration undertakes to pay the current unit electrical energy purchase price in case of any change in RESSM.

19.2. In case the CPI or PPI disappears, the new index value that is used instead of the said index value is taken into account.

19.3. The Administration notifies Market Operator to sign the market participation agreements.

19.4. Domestic product support is not applied to Auction Winner within the scope of Law No. 5346.

19.5. Auction Winner cannot demand a price increase for any reason within the scope of the REZ Project Documents and cannot request the adaptation of the Contract, without prejudice to the provision of Article 19.1.

**20. License Term**

20.1. Without prejudice to the provisions regarding the termination of this Agreement for any reason, the license period to be granted for each SPP to be installed under the Agreement is 30 (thirty) years.

**21. Guarantee and Return of Guarantee**

21.1. Auction Winner, to the Administration as a guarantee of its obligations arising from the ToR, Contract, their annexes and the relevant legislation, In accordance with Annex-5/Appendix-2 of the ToR, a letter of guarantee has been given in the amount specified in Article 2, with a term of 10 (ten) years, which is final, non-limited, fully and partially convertible into cash. The provisions regarding the guarantees that Auction Winner has to give before EMRA and other administrative authorities in accordance with the relevant legislation are reserved and are independent of this Agreement.

21.2. In the event that Auction Winner breaches its obligations under the REZ Project Documents, the security is partially or fully recognized as income pursuant to the REZ Project Documents. In case the letter of guarantee is recorded as a partial income for any reason, Auction Winner is obliged to complete the missing guarantee amount to the current guarantee amount within 1 (one) month at the latest.

21.3. The Administration may convert the letter of guarantee into cash in order to compensate for the losses incurred within the scope of the Work and to collect the penalties. If, for any reason, fines and damages cannot be collected, the Administration collects this receivable from Auction Winner's income.

21.4. In case Auction Winner performs its obligations in accordance with the REZ Project Documents, the letter of guarantee is returned in accordance with the relevant provisions of the ToR.

**22. Taxes, Duties, Fees and Other Expenses**

22.1. The following expenses regarding the fulfillment of the obligations arising from the ToR, Contract, their annexes and the relevant legislation belong to Auction Winner: Responsibility for all kinds of direct or indirect taxes, duties, fees, liens, deductions, rates, fees, customs duties, additional fees, concession fees, other mandatory expenses of any nature stipulated by the legislation (transportation, rent, right of use, accommodation, stamp, permit, approval, insurance, etc.).

22.2. All kinds of expenses due to the establishment of the SPP will be covered by Auction Winner only and the Administration will not make any advance payments to Auction Winner under any circumstances.

22.3. All costs related to establishing the right of use for the area where the SPP will be installed are the responsibility of Auction Winner.

**23. Penal Clause**

23.1. In the event that Auction Winner does not fulfill its obligations in accordance with the provisions of the ToR, Contract, their annexes and relevant legislation or does not complete the Work on time, the penalties determined in the Regulation, ToR and Contract are applied.

23.2. The application of any penal clause set in the ToR, Contract and Regulation to Auction Winner is not conditional on the Administration incurring a loss.

23.3. All fines to be collected from Auction Winner are paid by Auction Winner to the bank account to be notified by the Administration within 15 (fifteen) days following the written notice to be made by the Administration, in cash and in advance.

23.4. Penalties specified in this article may be demanded together with the performance of the Contract, depending on the will of the Administration, or even after the possibility of performance of the Contract disappears.

23.5. The penal clause request of the Administration is reserved by the provision of this article without the need for a separate notification or reservation.

23.6. In addition to the penalty conditions specified in the Regulation and ToR, Auction Winner is obliged to pay the following penalty to the Administration in the following cases:

1. In case the following documents belonging to the Parts requested within the scope of the contract are not submitted to the Administration in due time: 5,000 (five thousand) Turkish Liras for each day until the first 30 (thirty) days of delay, 10,000 (ten thousand) Turkish Liras for each day after 30 (thirty) days, Domestic Goods Documents, documents proving that they meet the domesticity requirement requested by the General Directorate, information form (ToR/Appendix-6), procurement plan, procurement agreement and work program (except those that may be within the scope of Intellectual Property Rights and Confidentiality).
2. If the installation of all SPPs is not done within the period specified in the ToR, 50,000 (fifty thousand) Turkish Liras for each day of delay,
3. In case the missing guarantee amount is not completed according to Article 21.2, 10,000 (ten thousand) Turkish Liras for each day of delay.

**CHAPTER 5**

**TERMINATION OF THE AGREEMENT**

**24. Termination of Contract**

24.1. In case the contract is terminated in accordance with the provisions of the Regulation and ToR, the provisions of the Regulation and ToR shall apply. In case the obligations other than the termination reasons specified in the Regulation and ToR are not fulfilled, the Administration notifies the rectification of the contradictions with a notarized notice and gives a period of not less than 60 (sixty) days for the rectification of the contradiction.

If this violation is not partially or completely remedied within the period specified in the notice and the violation continues, the Administration sends a notarized notice to Auction Winner stating that the violation will be corrected within 30 (thirty) days, otherwise the Contract will be terminated. If the situation contrary to the principles of the contract is not remedied despite this warning, the Administration terminates the contract and records the guarantee as income.

24.2. In the following cases, the Administration has the right to terminate the Agreement without the need to give a separate period. According to this; In the following situations, the Administration has the right to terminate the Agreement without the need to give an additional period.

1. Notifying the Administration in writing, together with the documents, that Auction Winner will not be able to fulfill the contractual commitment partially or completely due to financial insolvency,

b) Auction Winner's direct or indirect partners submit false documents regarding the Auction or the Contract during the Auction process or the performance of the Contract, Auction Winner commits fraudulent acts, threatens, exploits or bribes, or tampers with the Auction in any way, or attempts to do so,

1. Auction Winner is convicted of crimes within the scope of the Anti-Terrorism Law dated 12/4/1991 and numbered 3713, or of organized crimes or of bribing public officials,

24.3. In case of any financing provided to Auction Winner regarding the Project;

24.3.1. Auction Winner's receivables can be transferred, its movable and immovable assets and accounts can be pledged, and its shares can be pledged to finance providers and other Third Parties with the approval of the Ministry. Auction Winner can transfer shares within the scope of Ministry Approval and Electricity Market License Regulation.

24.3.2. (i) despite the occurrence of a default under the relevant loan agreements and notification by the finance providers to Auction Winner of the settlement of such default, Finance providers, if there are correction periods determined in favor of the borrower in the loan agreement in order to eliminate the said default situation, based on the fact that the relevant default situation could not be resolved during these periods; or Finance providers (ii) upon sending them a notice of termination under this Agreement by the Administration, may apply to the Administration with justification and request that the Contract and the Work be transferred to another legal entity that they will propose in accordance with the conditions stipulated by the Regulation, ToR and Contract regarding the Bidders.

The Administration gives an additional period of not less than 60 (sixty) days to the finance providers regarding the said period. This period may be extended with the request of the finance providers and the approval of the Administration. If the Administration finds the legal entity proposed by the finance providers to be suitable within 15 (fifteen) days, it signs a new Contract with the said legal entity as a continuation of the Contract it signed with Auction Winner and with the same conditions and content.

**25. Consequences of Termination of the Contract**

25.1. The provisions of Article 25.2 shall apply, without prejudice to the provisions of the Regulation and ToR regarding the termination of the Contract.

25.2. In case of termination of the Agreement under Article 24:

1) The current status of the works is determined by a committee to be appointed by the Administration on the termination date of the Contract or as soon as possible after this date, together with the Authorized Representative of Auction Winner, and a "Due Diligence Report" is drawn up. If the Authorized Representative of Auction Winner is not present, the determination is made by the Administration and a report is taken.

2) The letter of guarantee and, if any, additional guarantees are recorded as income by the Administration, regardless of whether the Administration has suffered a loss or not.

3) All proprietary or unregistered rights granted to Auction Winner on REZ automatically expire. EMRA is notified for the cancellation of Auction Winner's Pre-license/License. Auction Winner is obliged to fulfill the necessary procedures for the expiration of the rights as soon as possible.

4) Auction Winner irrevocably accepts and undertakes that it will indemnify the Administration for any and all damages and losses incurred or to be incurred against the Administration due to the Work.

5) The Administration has no legal or financial responsibility for the termination of contractor contracts with Auction Winner's personnel.

25.3. In the event that the contractual relationship is terminated, the provisions in the article of resolution of disputes, confidentiality and the consequences of termination-dissolution continue to have legal consequences between the Parties.

**CHAPTER 6**

**OTHER PROVISIONS**

**26. Staff**

26.1. The Agreement can in no way be interpreted as the conclusion of a service contract between the Parties. Auction Winner irrevocably accepts that the Administration does not have the qualifications of the principal employer in terms of both its own personnel, contractors and personnel.

**27. Intellectual and Industrial Property Rights**

27.1. During or due to Auction Winner's fulfillment of its obligations set forth in the ToR, the Contract, their annexes and the relevant legislation, In case of violation of the intellectual or industrial property rights of the Third Parties, all administrative, legal, criminal and financial responsibilities arising from this belong to Auction Winner. Auction Winner cannot make any request from the Administration in this regard. Despite this, if the Administration is faced with a legal sanction, its recourse to Auction Winner, without prejudice to its other rights.

27.2. Auction Winner acknowledges that the work obtained during the declaration of REZ and the installation of the SPP can be used free of charge by the Administration.

**28. Subcontractors, Occupational Health and Safety**

28.1. The works within the scope of the Contract Work may be given to subcontractors.

28.2. All kinds of negativities caused by subcontractors are the responsibility of Auction Winner. No time extension is given for reasons arising from subcontractors.

28.3. Auction Winner and its subcontractors are obliged to take all necessary occupational health and safety measures within the scope of the relevant legislation, at their own expense.

28.4. In the event that the work is partially subcontracted, Auction Winner and the subcontractor are jointly responsible for all kinds of administrative, financial, legal, penal and other consequences of the failure to take the occupational health and safety measures as required and for this reason to the property and life of the Third Parties. Persons who directly or indirectly provide services to Auction Winner, such as workers, consultants, subcontractors, employed by Auction Winner are not considered as Third Parties in terms of the Administration and the Administration has no legal responsibility towards these persons. Auction Winner is directly, unconditionally and definitively liable to its own personnel, Administration, Third Parties and related institutions and organizations for work accidents that may occur despite taking the necessary precautions during the execution of the Work and for the compensations related to them. And Auction Winner has no right of recourse to the Administration due to this responsibility.

**29. Force Majeure**

29.1. **Force Majeure Definition and Scope**

29.1.1. Without prejudice to the provisions regarding Force Majeure in the Regulation, the following delayed periods, which are not caused by the negligence or fault of Auction Winner, are added to the relevant period;

1) Explosion, fire, chemical and other hazardous wastes,

2) Delayed periods in case of an embargo imposed by the Republic of Turkey or an embargo against the Republic of Turkey that will directly affect the performance of the Project or the delayed periods in case a sanction decision is taken that will result in not allowing the export of the material, system, equipment and installation to be procured within the scope of the Project to Turkey.,

3) Delayed periods in case the meteorological conditions during the installation phase of the SPP are unusual in a way that hinders the work and this situation lasts for more than 15 (fifteen) days without interruption, except for seasonal normal,

1. In the event of a stay of execution or annulment decisions made by the administrative judiciary, which causes the work to be stopped permanently, the periods delayed due to these decisions,

29.1.2. Regarding the consequences of Force Majeure, the provisions of the Regulation regarding Force Majeure shall apply.

**30. Insurance**

30.1. Auction Winner takes out liability insurance against third parties.

30.2. Auction Winner takes out the necessary insurances within the scope of the current legislation.

30.3. If Auction Winner is entitled to insurance indemnity, the Administration, in the event that guarantees are established on insurance policies made for SPP to finance providers and guarantees are executed under loan agreements, insurance revenues to be paid within the scope of the relevant insurances, in any case subject to the Reconstruction Test specified below, agrees that it must first be paid to the finance providers before it can be used in any rebuilding or repair.

30.4. Upon the occurrence of any loss or damage to the SPP at any time, Auction Winner will use the relevant insurance revenues for the repair or reconstruction of the SPP, as the case may be, if Auction Winner proves the following matters objectively:

1. Auction Winner's ability to repair or re-make the lost or damaged part or parts of the SPP, as the case may be, in accordance with the technical requirement and qualification provisions of the REZ Project Documents regarding the SPP,
2. Auction Winner must have fully fulfilled its payment obligations scheduled and due up to that date under the loan agreements and be able to pay the debt service defined in the loan agreements in full and on the stipulated terms until the final maturity. (including coverage of Auction Winner's actual and projected cash flow and account balances, as well as delay in commencement or work interruption when making this assessment) [but not limited to] the extent that Auction Winner can prove objectively, taking into account the additional financing provided or to be provided),

(c) It has received as insurance income sufficient to make the necessary payments in respect of the amounts specified in (b), or the insurance company has accepted responsibility for paying such amount, or there is additional funding for the portion of such amount not covered by the insurance company.

(a), (b) and (c) are collectively referred to as the “Rebuild Test”.

In case the related insurance income is less than the total amount to be determined by the finance providers, these insurance proceeds provided that the Rebuild Test requirements are met, but without the requirement to obtain confirmation from the finance providers that the Rebuild Test requirements are met. Auction Winner will be able to use it to repair or rebuild any relevant loss or damage that has occurred in the SPP.

30.5. In the event that all the requirements of the Reconstruction Test are not met, the said insurance revenues received by Auction Winner will be used to pay the balance payment obligations of Auction Winner's contracts with the finance providers.

**31. Protection of REZ’s**

31.1. The Administration undertakes that zoning plans that affect the use and efficiency of these immovable as REZ will not be drawn up for public and treasury immovable and subject to private ownership in REZ.

31.2. The Administration undertakes that it will not give a positive opinion for other constructions that will affect the resource efficiency of REZ’s and the performance of SPP.

32. **Applicable Law and Dispute Resolution**

32.1. This Contract is a private law contract subject to Turkish Law.

32.2. Any dispute that may arise from the application of this Agreement, ToR and Annexes will be resolved within the scope of Istanbul Arbitration Center (ISTAC) Arbitration Rules, in accordance with the aforementioned rules. In matters related to the merits of disputes, the substantive law rules of Turkish Law are strictly applied.

32.3. The place of arbitration is Istanbul/Turkey. The judicial language is Turkish.

**33. Confidentiality**

33.1. Information and documents shared by the parties by stating that they are confidential are considered confidential information. Along with the delivery of confidential information and documents, storage and return conditions are also specified.

33.2. The following information and documents are not considered confidential information:

1) When it is deemed necessary to disclose confidential information by a Regulation, ToR, law or a binding court order or order, or by a competent public authority,

2) Confidential information is required to be securely provided to employees or professional consultants of a party or its affiliate for a justifiable reason in relation to the matters stipulated in the Contract,

3) In case the confidential information becomes public without the fault of the party receiving the confidential information,

4) In case the confidential information has been received from another Third Party before without any confidentiality obligation by the party receiving the confidential information,

5) In case the confidential information has been disclosed to the persons who have no confidentiality obligation towards him/her by the party having the confidential information before,

6) If the confidential information is not included in the confidential information received between the Parties within the scope of the Agreement, if it is obtained independently,

7) In case the party receiving the confidential information already knows the confidential information before it is disclosed and proves this with a written document.

Since Auction Winner declares and undertakes that he is an experienced and prudent trader in the capacity to perform the Work under the Contract in accordance with the conditions set forth in the Regulation, ToR and Contract and their annexes; Due to the fact that Auction Winner submitted its offer regarding the performance, completion and guarantee of the Work to the Administration after reading and understanding the Contract and the provisions of the relevant legislation referred to in these documents in all technical details, Since The Administration has accepted Auction Winner's financial offer for the performance, completion and guarantee of the Works; Since Auction Winner accepts that it will be responsible for the performance of the Work subject to the Contract in accordance with the provisions of the Contract,

This “**Renewable Energy Zone (REZ SPP-4) Contract”** consisting of **33 (thirty-three)** articles and its annexes; This contract has been concluded with a full agreement between the Administration and Auction Winner, in two copies, the contract language being Turkish, on .../.../20... to be kept in the Administration and the Auction Winner. This Agreement enters into force on the date it is signed by the parties.

**ADMINISTRATION AUCTION WINNER**