MEMORANDUM OF AGREEMENT dated 23.04.2018

BETWEEN

REC FOUNDATION

AND

THE LEPROSY MISSION TRUST INDIA

Statutory Alert:
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2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.
This Memorandum of Agreement (This “Agreement” or the “Agreement”) is made on the 23rd day of the month of April 2018 between

1. REC Foundation is a registered on 07th day of September, 2009 under Societies Registration Act of 1860 having its registered office at Core-4, Scope Complex, Lodi Road, New Delhi - 110003 (hereinafter referred to as “REC” or the “First Party”), which expression shall, unless excluded by or repugnant to the context, be deemed to include its successor, administrators, assigns of FIRST PARTY.

AND

2. The Leprosy Mission Trust India is registered under Societies Registration Act of 1860 on 4th day of August, 1973 having its head office at CNJ Bhavan, 16 Pandit Pant Marg, New Delhi-110001 (herein after referred to as ‘TLM’ or SECOND PARTY) which shall unless repugnant of the context or meaning thereof be deemed to mean and include his/ her successors and permitted assign.

WHEREAS

A. REC Foundation is an initiative of Rural Electrification Corporation Limited which is one of the leading Public Sector Enterprises of the Government of India under administrative control of the Ministry of Power, is desirous of undertaking the project in accordance with REC Policy on Corporate Social Responsibility (CSR) aligned with Companies Act, 2013.

B. SECOND PARTY is non-governmental organisation working with people affected by leprosy, people with disabilities and other marginalized communities for their inclusive development.

C. TLM vide their mail dated 27.09.2017, has requested REC to grant assistance of Rs. 4.99 crore under CSR for implementing the project, providing better health facilities to leprosy affected and other poor people by constructing and equipping operation theatre and maternity block in The Leprosy Mission hospitals in Chhattisgarh, Uttar Pradesh and Tamil Nadu under CSR assistance by REC Foundation.

D. REC, under its CSR activities, sanctioned financial contribution of Rs. 4.99 crore (Rupees four crore ninety nine lakh only) plus taxes, if applicable, to the TLM for the project, providing better health facilities to leprosy affected and other poor people by constructing and equipping operation theatre and maternity block in The Leprosy Mission hospitals in Chhattisgarh, Uttar Pradesh and Tamil Nadu (herein after referred as ‘the project’).

E. Both the parties pursuant to various discussions have agreed to enter into this Agreement which specifies a broad framework of co-operation and collaboration between REC and TLM.
for implementing the Project and the Schedules along with Appendix/format shall be read as an integral part of this Agreement.

In view of the consideration above, the parties hereto agree as follows:

1. **Construction of the Agreement**

   The Agreement shall be governed by and construed in accordance with the laws of India.

2. **Date of Commencement**

   The date of commencement of the project shall begin from the date of the execution hereof.

3. **Purpose of the Agreement**

   The funds shall be utilized for the implementation of the project in accordance with the implementation schedule set out in **Schedule I** hereto.

4. **Implementation of the project**

   4.1 The project shall be implemented by the TLM in accordance with the scope of work, implementation plan, monitoring and evaluation and terms and conditions as set out in **Schedule I** hereto.

   4.2 No variation in the scope of work and implementation plan as detailed in the **Schedule I**, shall be allowed to the TLM unless otherwise agreed to in writing by REC in the form of amendment to this Agreement.

   4.3 REC shall not provide funds in respect of the project outside the scope of work and time schedule as agreed herein among the parties.

5. **Responsibilities and Obligations of SECOND PARTY**

   5.1 **Preservation of Records**

   TLM shall maintain all the statements (including financial and accounting), records and documents of the funds provided by REC for the project and end use thereof in accordance with the principles of general accepted business practice. TLM non-compliance of the said article will be grounds for termination of the Agreement but REC will have the absolute discretion regarding the same.

   5.2 **Refund of unutilized/unspent funds**

   Any unspent or unutilized amount (disbursed earlier by REC for the project), shall on completion of the project or on termination of this Agreement, be refunded to REC within
30 days of the completion of the project or termination of the Agreement, as the case may be.

5.3 **Equipment/Fixed Assets**

Any non-consumable items/equipment/materials contributed and financed by REC, amounting, for the Project shall be utilized for the purposes mentioned in the Agreement for which it is given and shall not be transferred/disposed charged or encumbered of by the TLM except with express written permission of REC.

5.4 **Maintenance of Project**

5.4.1 TLM shall ensure to maintain the assets created, if any, in the project and shall only use the assets for the purpose of the project.

5.4.2 In case the project being executed by TLM is for a beneficiary organisation, TLM shall obtain and present to REC, a written commitment and undertaking from the beneficiary organisation to the effect that it would use the utilities/facilities provided under the project for the specific purpose that it is intended for and that it would take care of the operation and maintenance of the Project and its rightful use for which it has been established, after the same have been handed over to them, for a period of at least 15 Months.

5.5 **Obligations of SECOND PARTY**

TLM hereby agrees and undertakes:

a. To implement the project as per the terms, conditions and specifications agreed among the parties and to undertake all other related works required for the said project, if any.

b. To complete the project in stipulated period of time, as mentioned in this Agreement.

c. To nominate, immediately on signing of this Agreement, a nodal officer to be in-charge of implementation of the project and for all communication/coordination with REC for the same.

d. To fulfil all other Roles and Responsibilities stated under terms and condition stated under Schedule I.

e. That the project shall not be financed from any other donated funds or any other source, without the prior written approval of REC, except to the extent of meeting any escalation cost beyond the control of TLM.
f. That TLM shall not take/subscribe any budgetary allocation/CSR assistance from any other public sector undertaking or donor in respect of the Project, except to the extent of meeting any escalation of project cost beyond its control.

g. To provide full access to REC or its representative of the books of accounts and all related information to carry out an audit of the project along with the accounts of expenditure.

6. Role of REC

The role of REC shall be to:

a. Bear the funding of the project from its CSR budget as per the cost estimate of the project as detailed in Schedule I.

b. Keep TLM informed of any changes in the instructions or its policies.

c. Disburse funds on satisfactory compliance of prescribed conditions and milestones.

7. Payment Plan

REC shall disburse the funds to the TLM as per the payment plan detailed in Schedule I, on submission of requisition for disbursement by TLM.

8. Funds requisition

TLM shall present requisition application for disbursement of funds to REC which shall contain details of expenditure incurred/to be incurred by the TLM in accordance with the schedule of amount disbursed, and fund utilisation certificate along with the project progress report.

TLM authorised representatives shall sign the Funds Requisition Application. Any requisition if not presented in accordance with the above article shall be liable to be rejected.

9. Disbursements

a. The funds shall be disbursed to TLM in Indian Rupees.

b. REC shall disburse the funds as per Schedule I, only if REC is satisfied with the progress of implementation of the project as per the approved project implementation plan.

c. In the event the implementation of the project is not as per the agreed terms, conditions and specification agreed herein, REC shall reserve the right to withhold or reduce the instalment amount applied for by the TLM in the Funds Requisition Application or stop further disbursements of instalments amount to the TLM. Release of the instalments
amount shall be made upon remedying of the unsatisfactory works and on resolution of the outstanding queries by the TLM to the satisfaction of REC.

d. In the event that accumulative disbursements made to the project are in excess of the expenditure actually incurred in terms of the approved project implementation plan as per Schedule I, REC shall deduct the excess amount from future instalments disbursed to the TLM.

e. Any unspent funds will be carried forward to the next financial year while executing the project within the time stipulated in Schedule I.

10. Termination

10.1 REC may terminate this Agreement on account of unsatisfactory performance after giving due notice of 15 days to the TLM.

10.2 REC may terminate the agreement on ‘breach of applicable law’.

10.3 Unsatisfactory performance means and includes:-

a) An incomplete work done/ no progress in the work found/ work not being implemented as specified under Schedule I of this Agreement or non-performance of any obligation under this Agreement or non-compliance of the notice for improvement given by REC.

b) When the TLM is found involved in any manner or form in corrupt practices or misappropriation of the funds/ Assets, which belongs to, or has been marked for the Project activities and REC has sufficient grounds to believe so.

c) Violation of any of the provisions specified in various clauses of this Agreement and terms of reference that leads to a conflict which may affect the objectives of the program, at any time during the continuance of this Agreement.

10.4 In the event of unsatisfactory performance of the Project by TLM, REC may, at its sole discretion and at any time, terminate this Agreement and inform the TLM of its decision in writing which shall be final and binding on the TLM. This Agreement shall stand terminated on the date as mentioned in the written communication.

10.5 In the event that the TLM is unable to commence the project activities the financial assistance committed for the project by REC is liable to terminated at the sole discretion of REC, not requiring any notice or any reason for the same. In such an event, TLM shall repay/refund the amount already paid by REC for the implementation of the project within stipulated days.
10.6 TLM shall not be entitled to payment of any amount by way of compensation for termination of the Agreement for the causes mentioned herein.

11. **Force Majeure:**

11.1 If the performance of the Agreement by either party is delayed, hindered or prevented or is otherwise frustrated by reason of *force majeure*, which shall mean war/hostilities, riot or civil commotion, fire, flood or earthquake, tempest, lightening or other natural physical disaster; restriction imposed by the Government or other Statutory bodies which prevent or delays the execution of the Agreement by the TLM and any event beyond the control of parties to the Agreement, then the party so affected shall promptly notify the other party in writing specifying the nature of the *Force Majeure* and of the anticipated delay in the performance of the Agreement. In such a case the relative obligations of the party affected by such Force Majeure shall be suspended for the period during which such Force Majeure event lasts/continues.

11.2 Upon the occurrence of such cause and upon its termination, the party alleging that it has been rendered unable to perform its obligation under this Agreement, shall notify the other party in writing, the beginning of the cause amounting to *Force Majeure* as also the ending of the said cause by giving notice to the other party within 72 hours of the beginning of the cause or ending of the cause, as the case may be. If deliveries are suspended by *Force Majeure* conditions lasting for more than 2 (two) months, REC shall have the option of cancelling this Agreement in whole or part at his discretion without any liability on its part.

12. **Dispute Resolution and Jurisdiction**

12.1 Any dispute between the Parties arising out of or in relation to the validity, interpretation, implementation or alleged breach of any of the provisions of this Agreement during its subsistence shall be resolved amicably by the parties. In case of failure to resolve the disputes amicably within 30 days from the date on which the existence of dispute was communicated by one party to the other, the dispute shall be referred to a sole arbitrator to be appointed by CMD, REC, in accordance with the provisions of the Arbitration and Conciliation Act, 1996 reference whereof shall include rules framed thereunder and amendment thereto from time to time. The place of arbitration shall be at New Delhi. The language used in the arbitral proceedings shall be English. The decision of the sole arbitrator shall be final and binding upon the parties. The fees/expenses to be incurred for the arbitrator/arbitration proceedings shall be mutually borne by the parties.

12.2 All disputes arising between the parties herein shall be subject to the jurisdiction of the courts of Delhi only.
13. Indemnity:

The TLM shall keep REC indemnified from and against any and all claims, actions, demands and proceedings, losses, charges, taxes, Disputes etc. whatsoever brought or made against REC arising from any method or process employed or matter or thing done to or in connection with any work executed by TLM under this Agreement and shall, at its own risk and expense defend any suit for infringement of patent or like suit brought against REC (whether with or without TLM being a party thereto) and shall pay any damages and costs awarded in such suit, and keep REC indemnified from and against all consequence thereof.

14. Conflict of Interest

14.1 Neither TLM nor its personnel or agent shall engage in any personal business or professional activities, either during the course of or after the termination of this Agreement, which conflict with or could potentially conflict with the object of the Project.

14.2 Subject to clause 14.1 above, the TLM shall notify REC immediately of any such conflict and suggest/take immediate remedial measures under information to REC to ensure that the Project is completed as per the terms and conditions agreed upon.

15. Disclosure of Information, intellectual Property Rights and Official Securities Act

15.1 All Intellectual Property in any technical/capacity building material provided by TLM to REC under this agreement shall be the property of TLM.

15.2 All Intellectual Property contained in this Agreement or in any reports including baseline study, progress reports, impact assessment report or any other report/information compiled in respect of the project at the request of REC, photographs etc. shall be the property of REC and may not be shared with any third party without prior written approval of REC.

15.3 TLM shall not during or after the termination of the Agreement disclose to any third party confidential information arising from the Agreement (other than in the course of performance of their duties hereunder or as may be required by a court or arbitration panel of competent jurisdiction) except with the prior written permission of REC.

15.4 The Second Party shall be free to publish the articles/research arising from the project in any Journals/Conferences/other modes of publication, only after seeking the written approval from REC and must contain an acknowledgement of support from REC.

16.1 Nothing contained in this Agreement shall be construed or have the effect of
construing or constituting a relationship of employer and employee or principle and
agent between REC and TLM.

16.2 TLM shall be responsible for all acts and omissions of its staff and any persons,
associations, institutions engaged by the TLM whether or not in the course of
implementing the project and for the health, safety and security of such persons or
entities and their property.

17. Amendment
   In case any amendments are required to any part of the Agreement, TLM hereby agrees to
incorporate all such amendments and implement the same in respect of the project. The
Agreement shall be amended only by a written instrument with mutual consent of the parties
to the Agreement.

18. Validity
   This Agreement will remain valid between both parties till the obligations of TLM under the
Agreement are discharged to the satisfaction of REC. REC, at its sole discretion, may agree
to extend the validity of the Agreement for this project or for similar other projects to be
undertaken in future in same or other locations.

19. This Agreement has been executed in two counterparts, each of which when executed by both
parties hereto, shall constitute an original, but all of which shall constitute one and the same
instrument.
20. Address for Communication

<table>
<thead>
<tr>
<th>REC Foundation</th>
<th>The Leprosy Mission Trust India</th>
</tr>
</thead>
</table>
| 1. Shri Rajpal Singh  
Deputy General Manager (F&A/CSR)  
REC Ltd. New Delhi  
P. no. 011 4309 1630  
Email: rajpalsingh@recl.nic.in | 1. Shri George Philips  
Manager- Corporate Partnership  
CNI Bhavan, 16 Pandit Pant Marg, New Delhi 110 001, India  
P. no.: 011-43533300, 8130867777  
Email: george.philips@leprosymission.in |

IN WITNESS WHEREOF, the parties have caused this Memorandum of Agreement to be executed on the date first written hereinabove.

For and on behalf of REC Foundation  
(..........................)

For and on behalf of SECOND PARTY  
(..........................)

| REC | SECOND PARTY |
Schedule I

<table>
<thead>
<tr>
<th>Project name</th>
<th>Providing better health facilities to leprosy affected and other poor people by constructing and equipping operation theatre and maternity block in The Leprosy Mission hospitals in Champa, Chhattisgarh, Faizabad, Uttar Pradesh and Vadathorasalur, Tamil Nadu.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project cost</td>
<td>Rs. 4.99 crore plus taxes, if applicable.</td>
</tr>
<tr>
<td>Project location</td>
<td>For providing better health facilities, the names of the centres is as under: TLM Community hospital, Faizabad, Uttar Pradesh TLM hospital, Vadathorasalur, Vellupuram district, Tamil Nadu TLM hospital, Champa, Jajigir district, Chhattisgarh.</td>
</tr>
<tr>
<td>Project duration</td>
<td>12 months</td>
</tr>
<tr>
<td>Project reach</td>
<td>The people affected by Leprosy as well as people suffering from other diseases. General patients having poor paying capacities. Approx. 2 lakh people receive services from TLM centres every year.</td>
</tr>
</tbody>
</table>

1. Objectives of the Programme
   - To construct an operation theatre for better treatment of needy people.
   - Equip the operation theatre with latest medical equipments.
   - Construct and equip maternity block and Intensive Care Unit (ICU) for better treatment of needy people.

2. Scope of Work/ implementation plan
   a. Preparation of drawing for the construction.
   b. Obtain all the necessary clearances/ NOC.
   c. Procurement of goods and services as per REC Procurement guidelines.
   d. Initiate foundation work and RCC work.
   e. Inspection by TLM civil engineer and submit the report to REC.
   f. Completion of brickwork, roofing and flooring.
   g. Completion of electrical, plumbing and drainage work.
   h. Completion of internal plastering, external plastering and fittings.

   i. TLM community hospital, Faizabad, Uttar Pradesh
      - Site selection for construction of operation theatre in premises of hospital.
      - Procurement of operation theatre equipments.

   j. Leprosy Mission hospital, Vadathorasalur, Tamil Nadu
      - Site selection for construction of advanced in-patients block consisting of 48 beds, each bed to be placed between two windows for excellent ventilation, six bathrooms, eight toilets, minor operation theatre to improve healthcare facilities.
• Procurement of equipments for advanced in-patients block and operation theatre.

k. The Bethesada Leprosy Mission Hospital, Champa, Chhattisgarh
  • Site selection for construction of 20 bed maternity block with delivery room, operation theatre, 10 bed male plus 10 bed female general ward and six bed intensive care unit in premises of hospital.
  • Procurement of equipments for maternity block, operation theatre, general ward and intensive care unit.

l. TLM shall submit baseline report before start of the project and impact assessment report after completion of the project.

m. TLM shall follow REC procurement guidelines for procurement of goods and services under the project.

n. The project shall be executed by TLM.

3. Monitoring and Evaluation
   Formation of Project Implementation Committee (PIC) comprising of one person from REC RO Uttar Pradesh, Chhattisgarh & Tamil Nadu respectively and representative from TLM.
   • Implementation monitoring:
     Progress of the project shall be monitored by REC officials.
   • Impact evaluation:
     Impact evaluation/assessment will be undertaken through third party, the cost will be borne by REC.
   • Progress reporting:
     TLM shall submit periodic progress reports to REC on the progress and achievements vis-à-vis stated objectives and project completion report within three months after completion of the project.

4. Completion period
   The project shall be completed within stipulated time period of 12 months from the date of disbursement of 1st instalment of assistance.

5. Terms and Conditions of Sanction
   i. The amount of assistance to TLM would be restricted to Rs. 4.99 crore (Rupees four crore ninety nine lakh only) plus taxes, if applicable, in line with the proposal submitted for implementing the project, providing better health facilities to leprosy affected and other poor people by constructing and equipping operation theatre and maternity block in The Leprosy Mission hospitals in Champa, Chhattisgarh, Faizabad, Uttar Pradesh and Vadathorasalur, Tamil Nadu.

   ii. REC assistance under CSR shall be suitably acknowledged in reports, published material, web sites, etc. of TLM.
iii. REC nominee shall be invited at the time of launching of the project.

iv. TLM shall submit reports comprising of photographs/CDs /audio/video footage of the activities / media coverage if any.

v. REC shall have right to carryout monitoring, evaluation and impact assessment by REC officials or any third party agency and TLM shall provide all records, documents and information pertaining to project, also co-operate with them for smooth conduct of monitoring and impact evaluation of the project.

vi. TLM shall carry out the project on firm cost basis. Project savings if any, may be ploughed back for increased coverage in consultation with REC.

vii. TLM undertakes that:
- The present CSR project shall not be funded from any other source or donated funds for the proposed project.
- Cost escalation of the total project beyond the amount committed, if any, will have to be borne by TLM.
- The CSR assistance shall not be used for any other purpose other than for project related activities.
- The present CSR project shall be executed on no profit/ no loss basis.
- Board of Directors/ Governors/ Trustees/ Managing/ Executive Committee Members of TLM are not related in any manner, with REC/ Subsidiary/ Management of RECL.

6. Cost Estimate
Total Project Cost: Rs. 4.99 Crores (Rupees four crore and ninety nine lakh only) plus taxes, if applicable.

<table>
<thead>
<tr>
<th>S. no.</th>
<th>Project</th>
<th>Cost (in INR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Construction of OT with equipments at TLM hospital, Faizabad, Uttar Pradesh</td>
<td>4219320/-</td>
</tr>
<tr>
<td>2.</td>
<td>Construction of advanced in-patients block &amp; OT with equipments at TLM hospital, Vadathorasalur, Tamil Nadu</td>
<td>18094782/-</td>
</tr>
<tr>
<td>3.</td>
<td>Construction and equipments for an advanced ICU, OT, Maternity block and general ward at TLM hospital, Champa, Chhattisgarh</td>
<td>27683717/-</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>49997819/-</strong></td>
</tr>
</tbody>
</table>

[Signatures]
7. Payment Plan

**Payment Terms:** Payment against total CSR amount of Rs. 4.99 crore or actual amount, whichever is lower, plus taxes, if applicable, shall be released to TLM in installments on submission of payment requests and on fulfillment of prescribed disbursement conditions as follows:

**First Installment:** 20% of the project cost, or actuals, if lesser, payable on:

i. Signing of MoA.

ii. Submission of baseline report ratified by third party (Govt. agency) and acceptance of the same by REC.

iii. Name, email and contact details of nodal person for the project.

iv. TLM to display project details funded by REC on its website.

v. Certificate from independent CA that REC Procurement Guidelines has been followed along with the evidences like copy of advertisement, minutes of meeting deciding L1, etc.

vi. Certificate from the competent authority indicating that all administrative approvals & clearances have been obtained along with plan approval, detailed costing as per PWD technical specifications and drawings of the proposed construction.

vii. Submission of copy of purchase order/contract agreement signed between TLM and successful contractor/vendor.

viii. Confirmation of formation of PIC at all three locations.

**Second Installment:** 40% of the project cost or actual if lesser, payable on:

i. Completion of 30 % construction activities at all the three locations duly certified by independent civil engineer.

ii. Submission of audited utilization certificate for at least 80% funds released so far. Submission of progress report along with photographs.

iii. Quality assurance report from independent engineer/architect.

iv. TLM to display updated status of the project on its website.

v. PIC confirmation of compliance of the above payment terms and recommendation for the release of payment.

**Third Installment:** 30% of project cost or actual if lesser, payable on:

i. Completion of 100 % construction activities at all the three locations duly certified by independent civil engineer.

ii. Submission of purchase order of equipment in the OT/ICU/maternity block/in-patients block etc.
iii. Submission of audited utilization certificate for at least 80% funds released so far. Submission of progress report along with photographs.

iv. Quality assurance report from independent engineer/architect.

v. TLM to display updated status of the project on its website.

vi. PIC confirmation of compliance of the above payment terms and recommendation for the release of payment.

**Fourth/final installment**: 10% of project cost or actual if lesser, payable on completion of all the activities as per scope of work:

i. Submission of project completion report along with photographs.

ii. Completion certificate from architect that the construction has been done in line with the measurement as indicated in area specifications.

iii. Evidence of display of REC name and logo on stone/metal plaque at constructed OT/maternity block/ICU etc. and at each equipment procured under the project in all the three locations.

iv. Quality assurance report from independent engineer/architect.

v. TLM to display updated status of the project on its website.

i. Submission of video footage detailing the pre and post intervention/ construction & commissioning of equipments and the beneficiaries impacted with the project.

ii. Submission of audited utilization certificate for the funds released so far including interest earned under the project and compliance of all terms and conditions of this sanction/MoA.

iii. TLM shall inform receipt of any interest from bank and the project cost shall be reduced accordingly.

iv. Submission of Impact assessment report by third party and acceptance of the same by REC, the cost shall be borne by REC.

v. PIC confirmation of compliance of the above payment terms and recommendation for the release of payment.

vi. Submission of certificate with regard to the following:

- Undertaking from TLM that the infrastructure created under this project shall be maintained by TLM.
- The present CSR project has not been financed from any other source or donated funds for the proposed project.
- The funds released by REC have not been used for any other purpose other than the intended objectives of the project.
- No further payment shall be due from REC after receiving final instalment.

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Signature: [Signature]

[Stamp: REC Foundation]