

INDIAN OIL CORPORATION LIMITED CONCILIATION RULES, 2014

(Revised: September 2018)

Whereas Indian Oil Corporation Limited (hereinafter referred as **IOCL**) is increasingly focused on Conciliation as a Dispute Resolution Mechanism and hereby frames the present Rules in conformity with Part – III of the Indian Arbitration and Conciliation Act, 1996 for speedier, cost-effective and amicable settlement of disputes through conciliation.

1. TITLE

These Rules shall be called the Indian Oil Corporation Limited Conciliation Rules, 2014.

2. (i) DEFINITIONS

- a) **“Conciliation”** means a process, whereby parties by mutual consent appoint Settlement Advisory Committee (SAC) to assist them in their attempt to reach an amicable settlement of their dispute arising out of a contractual relationship. The SAC does not have the authority to impose upon the parties a solution of or to the dispute.
- b) **“Contract”** means Work Contract (including its Special and General Conditions) covering jobs relating to Engineering, Procurement, Construction etc. / Material Procurement agreements of IOCL , if applicable to the relationship out of which the dispute arise.
- c) **“Contractor”** means the contractor defined under the relevant contract who is a party to the conciliation proceedings.
- d) **“Approving Authority”** means the Director, Chairman, Contracts Committee or Dispute Settlement Committee / Board of Directors as per the financial limit provided in Rule 17 of this Rule.
- e) **“Dispute”** means Notified claims of the Contractor as defined in the Contract or any Claim mutually agreed by IOCL and the Contractor to be referred for settlement through conciliation in terms of these Rules. It shall also include any claim of IOCL arising out of the Contract.
- f) **“IOCL”** means Indian Oil Corporation Limited.
- g) **“Rule(s)”** means these Conciliation Rules.
- h) **“Panel of Conciliators”** means the list of eligible persons selected by the Corporate Affairs Department of IOCL and approved by the Chairman of IOCL to act as Conciliators in Conciliation proceedings under the Rules.
- i) **“Party”** means IOCL and the Contractor individually **and** **“Parties”** mean IOCL and the Contractor collectively.

INDIAN OIL CORPORATION LIMITED CONCILIATION RULES, 2014

(Revised: September 2018)

- j) **“SETTLEMENT ADVISORY COMMITTEE”**: The Conciliators, as and when appointed for a specific Conciliation proceeding, shall constitute and function by the name and style of “Settlement Advisory Committee” (hereinafter also referred as “SAC”) in regard to the dispute referred for Conciliation.
 - k) **“Settlement Agreement”** shall mean the agreement arrived between the parties in settlement of all disputes forming the subject matter of the Conciliation.
 - l) **“Working Day”** means any day between Monday to Friday including both Monday and Friday, between 10.00 A.M. and 5.00 P.M. (Indian Standard Time), excluding Gazetted holidays and all other holidays declared by the Government of India or IOCL.
- (ii) The masculine gender shall include female and neutral genders and vice-versa.
- (iii) The singular shall include the plural and vice-versa.

3. SCOPE AND APPLICABILITY

- a) These Rules shall apply to the Disputes involving claims of not less than Rs. 25,00,000 (Rupees Twenty Five Lakh). However, with proper justification Disputes involving claims of not less than Rs. 10,00,000/- (Rupees Ten Lakh) can also be considered by IOCL for Conciliation under the Rules
- b) These Rules shall be applicable if the works forming the subject matter of the Contract have been successfully completed and the Contractor/ IOCL has requested in writing for Conciliation of specific dispute under the Rules. However, in exceptional cases Dispute(s) under an ongoing Contract may also be referred based on specific approval. For clarity, Disputes pertaining to Contracts which have been abandoned by the Parties would not be covered under the said Rules.
- c) Subject to sub-rule (a) & (b) these Rules shall be applicable to Conciliation of Disputes involving IOCL in domestic or international Contracts.
- d) Conciliation under these Rules shall be applicable only to disputes which the parties have agreed to be referred to for Conciliation in accordance with these Rules and a party shall not during the period of Conciliation raise a claim, counter claim or defense as dispute which the parties had not or do not agree to refer to Conciliation.
- e) With the consent of the Parties, Conciliation under these Rules may be invoked, even if Conciliation is not the prescribed Dispute Resolution Mechanism and/ or these Rules are not the prescribed Conciliation Rules under the relevant Contract/Agreement.
- f) Pendency of Arbitral or Judicial proceedings shall not constitute any bar on

INDIAN OIL CORPORATION LIMITED CONCILIATION RULES, 2014

(Revised: September 2018)

commencement of Conciliation proceedings under the Rules, even if the proceedings under these Rules are on the same dispute as the subject matter of the Arbitral or Judicial proceedings.

- g) The Rules embody a broad standard Conciliation Procedures for a flexible, systematic, expedient and amicable settlement of disputes and Parties. Any departure or deviation from the Rules shall not however render a Conciliation Proceeding void or defect or affect the validity or any Settlement Agreement reached pursuant thereto. However, such departure or deviation shall be in writing.

4. PANEL OF CONCILIATORS

- a) The Corporate Affairs Department of IOCL shall with the approval of the Chairman, IOCL prepare and maintain a Panel of Conciliators consisting of persons having good standing in the field of Technical or Finance/Commerce or Law. The note in this regard would be put up by Corporate Affairs Department through Director (HR) and Director (Finance) for approval of the Chairman. The Chairman may add any name to or delete any name from the panel of Conciliators.
- b) Following persons shall be eligible for consideration for empanelment in the Panel of Conciliators:
- i) Retired Civil Servants of Govt. of India not below the rank of Additional Secretary.
 - ii) Retired Directors/Chairman of any “Maharatna” / “Navratna” Company in India other than Indian Oil Corporation Limited.
 - iii) Retired Independent Directors who have served on the Board of any “Maharatna” / “Navratna” Company in India other than Indian Oil Corporation Limited.
 - iv) Independent Experts in their respective fields preferably registered with the Indian Council of Arbitration or Delhi International Arbitration Centre or Federation of Indian Chambers of Commerce and Industry or SCOPE Arbitration Forum.
 - v) Serving and Retired Independent External Monitors of Maharatna and Navratna Companies in India.

Explanation: In the sub-rule (b) in regard to Conciliators from legal field Director shall be read as Executive Director.

- c) In preparing the Panel of Conciliators the appointing authority shall have regard to such considerations as are likely to secure the appointment of independent and impartial conciliators who are neither Employees nor Consultants nor Professionals or Advisors of IOCL including its subsidiaries and Joint Ventures.

INDIAN OIL CORPORATION LIMITED CONCILIATION RULES, 2014

(Revised: September 2018)

- d) A person shall be empanelled as a conciliator only after obtaining his consent to be so empanelled.
- e) The Panel of Conciliators shall contain an Annexure, giving details of the qualifications of the conciliator and his professional or technical experience and qualifications.
- f) When a person is approached in connection with his possible appointment as Conciliator, he shall disclose any circumstances likely to give rise to justifiable doubts as to his impartiality or independence. A Conciliator, from the time of his appointment and throughout the conciliation proceedings, shall without delay disclose any such circumstances to the Parties unless they have already been informed of such circumstances. Such person shall not act or continue to act as Conciliator if a party objects to his so acting or continuing to act. Such circumstances shall include:
 - (i) An interest in or connection with the subject matter of the dispute;
 - (ii) A relationship with a party or his representative, including a relationship of lawyer and client.
- g) An appointment on the panel of Conciliators under sub-rule (a) shall ordinarily be for a period of 3 (Three) years from the date of appointment. Such period may be extended or curtailed at the discretion of the Chairman, IOCL. The panel shall be reviewed on year to year basis by the Chairman. Conciliator exceeding the age limit of 75 years shall cease to exist on the Panel of Conciliators and/or to be empanelled/appointed as Conciliator, notwithstanding the date of said appointment. However, Conciliators already appointed to a SAC shall continue as Conciliators up to the conclusion of the conciliation by a Settlement Agreement or otherwise in terms of these Rules, notwithstanding the fact that they have attained the age of 75 years.
- h) A person shall not cease to act as Conciliator in an existing SAC by virtue only of ceasing to be on the Panel of Conciliators.
- i) The following persons shall be disqualified for being empanelled as Conciliators:
 - i) A person who has been declared insolvent.
 - ii) A person against whom criminal charges involving moral turpitude are framed by a criminal court and the same are pending for final disposal.
 - iii) A person who has been convicted by a criminal court for an offence involving moral turpitude.
 - iv) A person against whom disciplinary proceedings initiated by the appropriate disciplinary authority are pending or have resulted in the imposition of a punishment.

INDIAN OIL CORPORATION LIMITED CONCILIATION RULES, 2014

(Revised: September 2018)

- j) A person appointed as a Conciliator shall give an undertaking in the manner prescribed in the **Schedule A** to the Rules.
- k) A person in the Panel of Conciliators shall not be entitled to any monetary benefit or remuneration or fees or other facilities only by virtue of his name being in the Panel of Conciliators.

5. APPOINTMENT & NUMBER OF CONCILIATORS

- a) Conciliators will be appointed to constitute the SAC from the Panel of Conciliators maintained by IOCL and endeavor shall be made to appoint local Conciliators in order to minimize the cost of the Conciliation proceedings. In each conciliation, the number of Conciliators to be appointed to constitute the SAC shall be determined on the following basis :
 - i) One Conciliator shall be appointed in case the amount of the disputed claim is or less than Rs. 1,00,00,000/- (Rupees One Crore).
 - ii) Two Conciliators shall be appointed in case the amount of the disputed claim is more than Rs. 1,00,00,000/- (Rupees One Crore) but less than Rs. 10,00,00,000/- (Rupees Ten Crore).
 - iii) Three Conciliators shall be appointed in case the amount of the disputed claim is Rs. Rs. 10,00,00,000/- (Rupees Ten Crore) or more.
- b) In Conciliation proceedings with one Conciliator, the same may be from Technical or Financial/Commercial or Legal field shall be appointed by IOCL from the Panel of Conciliators.
- c) In Conciliation proceedings with two Conciliators, one each from Technical and Financial or Commercial field shall be appointed by IOCL from the Panel of Conciliators.
- d) In Conciliation proceedings with three Conciliators, preferably one each from Technical, Financial or Commercial field and Legal fields shall be appointed by IOCL from the Panel of Conciliators.
- e) If a Conciliator withdraws himself from the SAC or is otherwise unavailable for the Conciliation proceeding or is removed by the Parties from the SAC on the ground of continued absence in at least two scheduled meetings/hearings or cannot act further because of the objection of a party pursuant to Rule 4(f) hereof, the vacancy shall be filled by the appointment of an alternative Conciliator appointed in the same manner as the outgoing Conciliator.
- f) No person shall be appointed as Conciliator in more than two matters at a time.

6. COMMENCEMENT OF CONCILIATION PROCEEDINGS

- a) A Contractor willing to settle a dispute with IOCL, shall give written notice to the Owner as defined under the Contract of its proposal to settle all the disputes and requesting for initiation of Conciliation Proceedings under the Rules preferably after exhausting the normal official avenues of communication for resolving the dispute proposed to be referred to conciliation. Such notice can be accepted or rejected by the IOCL with the approval of Functional Director. Any written notice partly to settle the dispute through Conciliation and partly through Arbitration shall not be entertained.
- b) If IOCL is willing to settle such dispute by Conciliation, with any Contractor, Owner shall, with the prior approval of the Functional Director, give written notice of such willingness to the Contractor for initiation of Conciliation Proceedings under these Rules.
- c) IOCL may, if it so deems fit, accept the request for Conciliation conditional upon the disputed claims of IOCL being also settled through Conciliation in accordance with these Rules, or may accept the proposal for settlement by Conciliation of only some of the disputed claims referred to in the proposal for Conciliation and not in respect of the rest of the disputed claims specified in the proposal. Such conditional or limited acceptance shall constitute a counter proposal by IOCL for the settlement of the disputed claims mentioned therein by Conciliation in accordance with these Rules, and shall be subject to acceptance by the Contractor.
- d) A proposal or counter proposal by a Party expressing its desire to initiate Conciliation proceedings shall, inter alia, contain the following details:
 - i. Identity of the Party)– Name, Official Address, Contact & E-Mail Address, Telephone Number(s), Official Representative etc.
 - ii. Details of dispute sought to be settled through Conciliation with details of the amount(s) claimed and consequently the party serving the notice of shall not raise any fresh issue thereafter.
 - iii. Specific consent for Conciliation under these Rules.
 - iv. An undertaking that:
 - No interest shall be claimed before any court, arbitration or other forum including the SAC for the period commencing from the request for conciliation upto the conclusion of the conciliation by a Settlement Agreement or otherwise in terms of these Rules;
 - Not to claim at any time in any proceedings before any Court or arbitrator(s) or before the SAC any other than that or those specified in the notice, waiving without reservation or condition the right to raise or pursue any such claim(s) if the request/invitation for Conciliation is accepted.

INDIAN OIL CORPORATION LIMITED CONCILIATION RULES, 2014

(Revised: September 2018)

- During the pendency of the conciliation proceedings, not to initiate any arbitral or judicial proceedings in respect of the dispute which is the subject matter of the request to conciliation, and if any such proceedings have been initiated to maintain status quo in respect thereof as long as conciliation proceedings are pending.
- e) The Party receiving a written proposal for Conciliation under Sub-rule (a) & (b) hereof above shall, within 30 (Thirty) days of receipt of such written proposal for Conciliation, intimate the other its acceptance or rejection of the proposal. However, if IOCL desires to give any counter proposal as mentioned in sub-rule (c) it may do so in writing within the said 30 (Thirty) days period and if the IOCL gives such counter-proposal, the Contractor shall, within 15 (Fifteen) days of receipt of such counter proposal, intimate to the IOCL its acceptance or rejection of the counter proposal. Within 15 (Fifteen) days of acceptance of the Contractor' proposal or receipt of acceptance of proposal or counter proposal from the Contractor, the IOCL shall formally appoint Conciliators under intimation to the Contractors.
- f) If no reply to a proposal or counter proposal for conciliation under sub-rule (a) or (b) or (c) hereof above is received from the other Party within the stipulated time as mentioned in Sub-Rule (e) the proposal/counter-proposal for Conciliation may be treated as having been rejected.
- g) Conciliation proceedings under these Rules shall be deemed to commence on the day of receipt of the proposal/counter-proposal for conciliation by the Party, in the event that the proposal/counter-proposal is accepted.
- h) If the Parties fail to agree on appointment of Conciliators and constitution of SAC within the stipulated time as mentioned in sub-rule (e) the efforts at dispute settlement through Conciliation shall be treated as 'failed' and the dispute can be referred for Arbitration as per agreement between the parties or parties shall be free to recommence the arbitration or Judicial proceedings, if any pending.

7. PROCEDURE TO BE FOLLOWED BY THE SAC

- a) The SAC shall, within 6 (six) working days of its constitution, request the Parties to file a brief Written Statement for the disputed claims, describing the general nature of the dispute and the amount claimed. Each Party shall also file along with its Written Statement, the salient documents which it considers vital to the disputed claim and its opening proposal for the settlement of the disputes.
- b) The SAC may, if it so considers necessary, permit or request the Parties or any of them to submit further Written Statements of the concerned Party's position explaining the facts and grounds in support thereof, supplemented by any further document necessary to support its position.

INDIAN OIL CORPORATION LIMITED CONCILIATION RULES, 2014

(Revised: September 2018)

- c) All statements, documents and proposals presented by a Party to the SAC, shall be submitted in such number of copies as the members constituting the SAC. Simultaneously, a copy of the presentation shall be given to the other Party.
- d) The first meeting of the Parties shall be called by the SAC, after consulting the Parties within 10 working days of receipt of documents mentioned in the sub-rule (a) or sub-rule (b), as the case may be. It is anticipated that before this meeting the SAC would have met to consider the prima facie merits and de-merits of the respective positions of the Parties on the disputed claims.
- e) At the first meeting, the Parties shall state their respective positions and will identify the points of divergence which would have to be addressed by them to achieve a settlement of the dispute. During the first meeting, the Parties and the SAC shall work out a tentative time-frame and broad work-Schedule for the further conduct of the Conciliation proceedings.
- f) It is envisaged that at subsequent conciliation meetings it shall be the endeavor of the SAC to narrow the divergence between the proposals of the Parties and to bridge the gap between the perceptions of the Parties. To this end, the SAC may request the Parties to submit fresh and/or revised proposals for the settlement of the dispute, and may guide the parties to the possible direction and content of the proposal to be submitted by each party to achieve a settlement of the dispute.
- g) To this end, and with a view to assist the Parties, the SAC shall prepare and distribute to the Parties within 7 (seven) days of the conclusion of each conciliation hearing a minutes summarizing the proceedings and setting out the further steps suggested and/or discussed with a view to achieving a settlement of the disputed claims.
- h) Advocates shall not be permitted to participate in the Conciliation Proceedings and Parties shall be expected to present their respective positions themselves. Parties shall, however, be free to appoint their duly authorized in-house Legal Officials to present their case.
- i) Opportunity shall be given to the Parties during conciliation proceedings to openly and fearlessly express their views so as to enable the Parties to better understand and appreciate each other's view points.
- j) The official language of Conciliation proceedings under these Rules shall be English.

8. ROLE OF THE SAC

- a) The SAC shall act as honest interlocutor and facilitators of a settlement by the Parties of their disputes. To this end the SAC shall encourage the Parties to meet and discuss amongst themselves to possible solutions.

INDIAN OIL CORPORATION LIMITED CONCILIATION RULES, 2014

(Revised: September 2018)

- b) The SAC may express its views on the merits of the dispute and/or of the defense thereto by a party, provided that the SAC shall on no count be entitled to impose its Will on the Parties or on a party or determines or decides any matter or dispute between the Parties.
- c) The SAC may suggest to the Parties or any of them for their consideration the possible terms of a proposal for a settlement.
- d) The SAC shall be guided by the principles of objectivity, fairness and justice and shall assist the Parties in an independent, impartial and dignified manner to reach an amicable settlement of the dispute.
- e) The SAC may meet or communicate with Parties together or with each of them separately.

9. CO-OPERATION OF PARTIES

- a) The Parties shall in good faith co-operate with the SAC and, in particular, shall endeavor to comply with any request of the SAC to submit written materials, provide evidence, give clarification, attend meetings/hearings etc.
- b) Conciliation being an amicable Dispute Settlement Mechanism, the Parties shall not take adversarial roles, but instead make every reasonable effort to accommodate the other Party's viewpoint, without, however, diluting the correct legal position.
- c) The Parties shall make every reasonable effort to render optimum co-operation for a speedy, efficient and yet mutually acceptable & amicable resolution of the disputes.
- d) The Parties shall not in any manner make any attempt to unduly influence the Conciliation process or the SAC or the Conciliator(s) by way of inducement in any form or manner and shall conduct themselves with full dignity, honesty and integrity.

10. VENUE FOR CONCILIATION PROCEEDINGS

Conciliation Proceedings may be held at the concerned Local office of IOCL situated at New Delhi, Mumbai, Chennai or Kolkata or at any other place where State Office of Marketing Division, or at any place where an office of Refinery/Pipeline Division of IOCL is situated.

11. TIME FRAME

- a) The total number of meetings of the SAC in a Conciliation proceeding shall be not more than 6 (Six) unless in exceptional cases the Parties and the SAC agree for further meetings.

INDIAN OIL CORPORATION LIMITED CONCILIATION RULES, 2014

(Revised: September 2018)

- b) The SAC shall attempt to complete the entire Conciliation process on its part (except for finalization of Settlement Agreement) within a time-frame of 6 (Six) months from the date of appointment of the SAC, which period may be extended by the SAC in consultation and with the consent of the Parties, upto a further period of 2 (two) months and not further, and the Conciliation shall be deemed to have failed if a draft Settlement Agreement cannot be prepared within the said period / extended period. This shall not, however, prevent the Parties from independently agreeing to a draft Settlement Agreement and/or in finalizing and/or entering into a Settlement Agreement covering the disputes.
- c) IOCL shall give its final consent/dissent on the draft Settlement Agreement within 3 (three) months from the date of draft Settlement Agreement. IOCL may request an extension of time for a further period of upto 1 (one) month for reasons to be stated in writing to convey the approval.
- d) Notwithstanding the provisions of Sub-rule (b) hereof above, the SAC may earlier terminate the Conciliation process or proceedings if it is of the view that because of the vastly divergent, extreme and/or rigid views of the Parties or for any other substantial reason it is no longer possible or practicable to meaningfully conduct conciliation proceedings.

12. REMUNERATION & COST

Each conciliator constituting the SAC shall be entitled to a reading fee of Rs.20,000/- (Rupees Twenty thousand).

- a) Each conciliator would be entitled to facilitation fee of Rs. 20,000/- (Rupees Twenty Thousand) if they prepare and finalise the draft Settlement Agreement.
- b) In addition to the above, each Conciliator shall be paid a fee of Rs. 20,000/- (Rupees Twenty Thousand) for each hearing/meeting.
- c) The fee under Sub-rule (a) and (b) hereof above shall on no account exceed a maximum of Rs. 2,50,000/- (Rupees Two Lac Fifty Thousand) per case per Conciliator excluding service tax.
- d) The concerned office or department of IOCL shall act as the Coordinator for the SAC through whom Parties may communicate with the SAC and the SAC may communicate with the Parties and through whom the parties may do all filing and present all statements, documents and submissions to be presented to the SAC. For this purpose by appointing the Conciliator to be appointed by the IOCL will intimate the name of the person who will act as the Coordinator of the SAC.
- e) The SAC will make its own arrangements for secretarial services. For Secretarial Services, a lump sum amount of Rs.10,000/- (Rupees Ten Thousand) shall be jointly paid by the Parties to the SAC for the whole Conciliation proceedings.

INDIAN OIL CORPORATION LIMITED CONCILIATION RULES, 2014

(Revised: September 2018)

- f) Apart from fees and payment for Secretarial Services fees, the Conciliator(s) will also be entitled to payment or re-imbusement of the expenses incurred for attending the conciliation proceedings including Railway/Air fare, accommodation, and local travel. The accommodation to Conciliators shall be provided at Guest House wherever available.
- g) Conciliators' Fees, payment for Secretarial Services and expenses incurred by the SAC relating to a Conciliation proceeding and the Settlement Agreement, shall be equally borne by the Parties, to which end once the SAC is appointed the Contractors shall deposit with the Coordinator, who will be responsible for the payments/disbursements, Rs. 2.50 Lacs (Rupees Five Lacs) in case of 1(one) Conciliators, Rs. 5.00 Lacs (Rupees Five Lacs) in case of 2(two) Conciliators and Rs. 7.5 Lacs (Rupees Seven Lacs Fifty Thousand) in case of 3(three) Conciliators, on or prior to first meeting with SAC towards the fee and cost of Conciliators and Conciliation proceedings. Any disbursement made from this deposit shall be matched by an equal contribution by IOCL. In the event that the amount of the deposit is insufficient to defray the Contractor's share of the deposit, the Contractor shall make such further deposit as may be specified by the Coordinator.
- h) Final accounts towards Fees, payment for Secretarial Services and expenses of the Conciliation shall be reconciled and settled between the parties on the termination of the conciliation proceedings.

13. NON DISCLOSURE OF INFORMATION BY THE SAC

When a Party to a Conciliation proceeding provides any information concerning any issue of dispute to the SAC, subject to a specific condition that such an information is to be treated confidential, the SAC shall not disclose that information to the other Party.

14. SETTLEMENT AGREEMENT

- a) After discussing with and hearing the Parties involved, if the SAC is of the view that it is possible for the parties to settle the disputed claims the SAC shall formulate and prepare the draft terms of settlement and submit the same to the Parties for their consideration and comments.
- b) If any part of the draft terms of settlement is not acceptable to any of the Party, further meetings/hearings shall be held for possible resolution till mutually acceptable terms of Settlement are arrived.

Once the parties agree on the settlement of the dispute, the SAC shall cause a draft Settlement Agreement to be prepared and initialed by the parties and by members of the SAC. Such draft Settlement Agreement shall be binding on the Contractor but shall be subject to the approval of Approving Authority of IOCL which shall convey such approval within 3 (three) months of the draft Settlement Agreement being initialed in the manner aforesaid. Should IOCL fail to convey the approval to the draft Settlement Agreement within the said 3 (three) months

INDIAN OIL CORPORATION LIMITED CONCILIATION RULES, 2014

(Revised: September 2018)

period or extension thereof sought by IOCL, the approval shall be deemed to have been declined. It is the intent of the Corporation that the disputes are resolved in line with the Settlement Agreements arrived, as much as possible, unless there are reasonable grounds not to approve the Settlement Agreement in which case such grounds shall be duly recorded by the Corporation.

- c) The final Settlement Agreement shall be signed by the parties and authenticated by the SAC within 15 (fifteen) days of the approval being communicated by the IOCL.
- d) The Settlement Agreement shall contain a statement to the effect that each of the persons signing thereto (i) is fully authorized by the respective Party he/she represents, (ii) has fully understood the contents of the same, (iii) is signing on the same out of complete free will and consent, without any pressure, undue influence, and (iv) the same shall be final and binding on and enforceable against the Party and the persons claiming under/through him.
- e) The Settlement Agreement shall be signed by the parties and authenticated by the SAC. The SAC shall make as many original copies of the Settlement Agreement as there are parties and every Party shall be given an original copy of the Agreement.

15. CONFIDENTIALITY AND ADMISSIBILITY IN EVIDENCE IN OTHER PROCEEDINGS

- a) The Conciliators and the Parties and their representatives shall keep confidential all information furnished, documents filed, evidence or opinions produced and proposals and submissions whatsoever exchanged during the course of Conciliation proceedings and the contents of any Terms of Settlement, draft Settlement Agreement except where its disclosure is necessary for purposes of implementation and enforcement of the Settlement Agreement.
- b) A Conciliator, a Party or the representative of a Party unless required by applicable law or unless all the Parties agree otherwise in writing, shall not give testimony in any judicial, arbitration or similar proceedings concerning any aspect of the conciliation proceedings.
- c) A Party to the Conciliation proceedings, the Conciliator and any third person, representing a Party in any conciliation proceedings shall not in arbitral, judicial or similar proceedings rely on, introduce as evidence or give testimony or evidence regarding any of the following:
 - i. An invitation by a Party or counter proposal by a Party to engage in conciliation proceedings or the fact that a Party was willing to participate in conciliation proceedings;
 - ii. Views expressed or suggestions or proposals made by a party in the Conciliation in respect of a possible settlement of a dispute or the terms of a possible settlement;

INDIAN OIL CORPORATION LIMITED CONCILIATION RULES, 2014

(Revised: September 2018)

- iii. Statements or admissions made by a party in the course of the Conciliation proceedings;
 - iv. Proposals or suggestions made or views expressed by a Conciliator;
 - v. The fact that a Party had indicated its willingness to accept a proposal for settlement made by a Conciliator or by a Party;
 - vi. A document prepared solely for purposes of the Conciliation proceedings.
- d) Sub-rule (a) to (c) herein above applies irrespective of the form of the information or evidence referred to therein.
- e) The provisions of sub-rule (a) to (d) herein above will apply whether or not the arbitral, judicial or similar proceedings relate to the dispute(s) that is, was or were the subject matter of the conciliation proceedings.
- f) Subject to the limitations of sub-rule (a) to (e) herein above, evidence that is otherwise admissible in arbitral or judicial or similar proceedings does not become inadmissible as a consequence of having been used in conciliation.
- g) Any Invitation or proposal or counter proposal for Conciliation by a Party of any dispute in terms of these Rules and any acceptance by a party of any invitation or proposal or counter-proposal to any dispute for settlement by conciliation in terms of this Rule and the acceptance of an appointment to act as a Conciliator shall be deemed to carry with it the unconditional undertaking of the Party or the Conciliator, as the case may be, to be bound by and to abide by the provisions of these Rules.

16. PERSONAL EXEMPTION OF CONCILIATORS

- a) A Conciliator shall neither be held liable for anything done or omitted to be done by him during the course of conciliation proceedings in civil or criminal action nor shall he be summoned by any Party as witness in any arbitration or Judicial proceedings in regard to any information received or action taken by him or in respect of or during the course of conciliation proceedings.
- b) No Conciliator shall be engaged by the parties in any arbitral or judicial proceedings in respect of a dispute which is the subject matter of the conciliation proceedings.

17. APPROVING AUTHORITY OF IOCL

- a) Once the Parties come to a consensus and the draft Settlement Agreement is prepared by the SAC, the draft Settlement Agreement shall be placed by the Functional Head for the approval of Approving Authority. The Agenda for the draft Settlement Agreement

INDIAN OIL CORPORATION LIMITED CONCILIATION RULES, 2014

(Revised: September 2018)

required to be approved by the Chairman shall be moved by the Functional Director with the concurrence of Director (Finance) . Further, the draft Settlement Agreement required to be approved by Contracts Committee / Board of Directors shall be moved by the Concerned Director through Chairman with the concurrence of Director (Finance).

- b) The Dispute Settlement Committee shall consist of the following members:
- i. Independent Director (Chairperson)
 - ii. Independent Director
 - iii. Concerned Functional Director
 - iv. Director (Finance)
 - v. Co-opt additional Director (as additional member), if required.

The Dispute Settlement Committee (DSC) of IndianOil shall be the final authority for examining and giving its recommendations on the settlement proposals wherein financial implication is above Rs. 25 Crore. The Concerned Functional Director would be the Convener for Dispute Settlement Committee. However, the Settlement Agreement shall be approved as per the approved Delegation of Authority by the Board.

- c) The primary Role of Approving Authority shall be ensuring that disputes are resolved through Conciliation, as much as possible.
- d) In line with the existing DoA, Draft Settlement Agreement containing the financial implication shall be approved as under: -

Authority	Financial implication
Functional Director	Upto Rs. 2 Crore
Chairman	Above Rs. 2 Crore & upto Rs. 5 Crore
Contracts Committee	Above Rs. 5 Crore & upto Rs. 25 Crore
Board of Directors	Above Rs. 25 Crore

All the settlement claim proposals placed before the Board shall be first considered by the Dispute Settlement Committee and only after its recommendations, the Board shall consider for its approval. The decision of the Approving Authority shall be final regarding the terms of Settlement Agreement in so far as IOCL is concerned.

18. TERMINATION OF CONCILIATION PROCEEDINGS

The conciliation proceedings are terminated on the occurrence of any one of the following:

- a) On the date of the signing of the Settlement Agreement by the Parties.

INDIAN OIL CORPORATION LIMITED CONCILIATION RULES, 2014

(Revised: September 2018)

- b) On the date of written declaration by the SAC, after consulting with the Parties that no further efforts at Conciliation are justified.
- c) On the date of written declaration by the Parties, addressed to the SAC to the effect that the conciliation proceedings are terminated.
- d) On the date of written declaration of a Party to the other Party and the SAC, if appointed, to the effect that the conciliation proceedings are terminated.
- e) On the expiration of any time set for the completion of conciliation proceedings, or any extension thereof by the Parties.
- f) On the non-payment of deposit by a Party as required to be made under these Rules.
- g) On the failure of a Party to appoint a Conciliator to constitute the SAC in accordance with these Rules.

19. MISCELLANEOUS

These Rules shall be subordinate to and supplementary to Part-III of the Indian Arbitration and Conciliation Act, 1996 and the later would prevail over the former to the extent of any inconsistency.

INDIAN OIL CORPORATION LIMITED CONCILIATION RULES, 2014
(Revised: September 2018)

SCHEDULE - A

**DECLARATION OF ACCEPTANCE AND INDEPENDENCE BY MEMBERS OF
SETTLEMENT ADVISORY COMMITTEE**

REF: Conciliation Between _____ **and _____ **arising out of Contract**
No. _____ **dated _____****

I, the undersigned, do hereby agree to serve as a member of the Settlement Advisory Committee in the instant case and hereby make the following declarations:

- i. I am familiar with requirements of law, particularly the Arbitration and Conciliation Act of 1996 and Indian Oil Corporation Ltd. Conciliation Rules.
- ii. I am available to serve as a Member of the Settlement Advisory Committee and I am independent of any of the Parties involved in the instant Conciliation proceeding and have no interest – financial or otherwise - in any part of the Contract under reference or subject matter of the Conciliation proceeding.
- iii. I have not dealt earlier with the Contract under reference or the subject matter of the conciliation proceeding in any manner or capacity, which could compromise my ability, independence or impartially. .
- iv. In future I will not act as an arbitrator or as a representative or Counsel of any party in any arbitral or judicial proceedings in respect of a dispute which is the subject matter of the conciliation proceedings.
- v. The fees and other facilities for conciliation offered to and accepted by me, will remain fixed and under no circumstances will there be any demand from me for any alteration or change therein.

(Signature)

Name:
Address:

Date: