

Licence No. EMA/DC/001

District Cooling Services Licence

granted under
the District Cooling Act to

Singapore District Cooling Pte Ltd

DISTRICT COOLING SERVICES LICENCE

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DISTRICT COOLING SERVICES LICENCE

PART I: SCOPE OF THE LICENCE

1. The Energy Market Authority of Singapore, in exercise of the powers conferred by Section 10 of the District Cooling Act (“the Act”), hereby grants to Singapore District Cooling Pte Ltd (“the Licensee”), a company incorporated in the Republic of Singapore with Registration Number 200007746K, a licence authorising the Licensee to provide district cooling services to the area declared by the Minister under Section 7 of the Act to be the service area by notification in the Gazette, subject to the provisions of the Act and the conditions of this licence (“the Conditions”).
2. The Conditions are subject to modification in accordance with their terms or with Section 12 of the Act.
3. Subject to paragraphs 4 and 5 below, this licence shall be for a term of 30 (thirty) years commencing on the date set out below. The Licensee may, not later than 3 (three) years prior to the expiry of the licence, apply to the Authority, in writing, for a renewal of the licence. Renewal shall be at the Authority’s absolute discretion. If renewal is granted, the renewal shall be on such terms and conditions as the Authority deems fit, and will be notified to the Licensee, in writing, not later than 2½ (two and a half) years prior to the expiry of the licence.
4. The Authority may at any time during the term of this licence suspend or cancel this licence in accordance with Section 13 of the Act.
5. Any request for the termination of this licence by the Licensee is subject to the approval of the Authority. The Licensee shall continue to be bound by the terms of this licence until such time as the Authority notifies the Licensee in writing of such approval.

1 April 2006

KHOO CHIN HEAN
Chief Executive
Energy Market Authority of Singapore

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PART II: CONDITIONS OF THE LICENCE

Condition 1: Interpretation

1. Unless the context otherwise requires, words and expressions used in this licence shall be construed as if they were in an Act of Parliament and the Interpretation Act (Cap. 1) applied to them and references to an enactment shall include any statutory modification or re-enactment thereof or any legislation substituted therefor after the date when this licence comes into operation. A reference in this licence to a body, whether statutory or not, which ceases to exist or whose functions are transferred to another body includes a reference to the body which replaces it or which substantially succeeds to its functions, powers or duties. A reference in this licence to the word “including” or a grammatical variation thereof means “including but not limited to”.
2. Unless the context otherwise requires or the term is otherwise defined in paragraph 3 of this Condition, all terms defined in the Act shall have the same meaning when used in this licence.
3. In this licence unless the context otherwise requires:-
 - “allowed activity” means an activity other than the authorised business in which the Licensee may engage subject to the provisions of paragraph 2 and 3 of Condition 2;
 - “auditors” means the Licensee’s auditors for the time being holding office in accordance with the requirements of the Companies Act (Cap. 50) and it does not include technical auditors appointed under Condition 18;
 - “authorised business” means, in respect of the Licensee, the provision of district cooling services under this licence;
 - “District Cooling Supply Code” means the Code of Practice required to be drawn up by the Licensee and approved by the Authority that describes the minimum standards of performance in accordance with which the Licensee is required to perform district cooling services;
 - “related enterprise” in relation to the Licensee or its subsidiary means any company or partnership over which the Licensee or its subsidiary, as the case may be, (either directly or through another subsidiary) is able to exercise control, that is, to direct the decision-making process of the company or partnership, whether through holding issued share capital or voting power of the company or partnership;
 - “relevant legislation” means the Act and the Energy Market Authority of Singapore Act, and includes in each case the regulations made thereunder;

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“service area” means any area declared under section 7 of the Act;

“subsidiary” shall be construed in accordance with Section 5 of the Companies Act (Cap. 50);

4. For the purposes of the restriction on the transfer of this licence, the provisions of Section 11 of the Act shall apply and, accordingly this licence shall not be transferable and any purported transfer of this licence shall be void.
5. Any reference in this licence to a numbered paragraph is a reference to the paragraph bearing that number in the condition in which the reference occurs.
6. Where in this licence the Licensee is required to comply with any obligation within a specified time limit, that obligation shall be deemed to continue after that time limit if the Licensee fails to comply with that obligation within that time limit.
7. The provisions of Section 44 of the Act shall apply for the purposes of the service of any document pursuant to this licence.

Condition 2: Authorised Activities

1. The Licensee shall conduct the authorised business.
2. The Licensee may, upon approval in writing of the Authority and subject to such conditions as may be imposed by the Authority at the time of approval or at any time thereafter, engage in allowed activities that:
 - (a) use an existing competency of the Licensee; and
 - (b) provide synergies with the activities comprised in the authorised business.
3. In making an application to the Authority for approval to engage in such an activity, the Licensee shall provide an assessment of the extent to which such activity complies with the criteria mentioned in paragraph 2 of this Condition. The Licensee shall inform the Authority of any change in the nature of an allowed activity if such change could reasonably be expected to cause such allowed activity to fail to comply with the criteria listed in paragraph 2 of this Condition, and shall provide such information no later than 2 (two) weeks after any such change being anticipated or taking place.
4. Other than the authorised business and allowed activities, the Licensee:

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- (a) shall not engage directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such other business activities; and
 - (b) shall procure that each of its subsidiaries and related enterprises do not engage, directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such other business activities.
5. This Condition shall not prevent the Licensee from:
- (a) engaging in any business, undertaking or activity incidental to the performance of its authorised business; or
 - (b) subject to Condition 5 making available to its subsidiaries the services of employees of the Licensee in order that such subsidiaries may provide to third parties technical services and advice and assistance in respect of the services comprised within the authorised business or allowed activities.
6. The Authority may upon the application of the Licensee, relieve the Licensee from its obligations under paragraph 4 of this Condition in relation to any particular case to such extent and subject to such terms and conditions as the Authority shall specify in writing.

Condition 3: Separate Accounts for Authorised Business

1. The Licensee shall maintain accounting and reporting arrangements that enable separate accounts to be prepared for and show the financial affairs of:
- (a) the authorised business; and
 - (b) the businesses of the Licensee in aggregate.
2. The Licensee shall, in respect of the authorised business:
- (a) keep or cause to be kept for the period referred to in Section 199 of the Companies Act (Cap. 50) and in the manner referred to in that section such accounting records in respect of the authorised business:
 - (i) as would by Section 199 of the Companies Act (Cap. 50) be required to be kept in respect of such business; and
 - (ii) in accordance with such reasonable accounting policies as the Authority may from time to time prescribe or impose;

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- (b) prepare, on a consistent basis from such accounting records, accounting statements which conform to generally accepted accounting practices in Singapore, stating the accounting policies adopted, and in such form and substance as the Authority may from time to time require;
 - (c) procure, in respect of the accounting statements prepared in accordance with this Condition, a report by the auditors of the Licensee addressed to the Authority stating whether in their opinion those statements have been properly prepared in accordance with this Condition and give a true and fair view of revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, the authorised business; and
 - (d) deliver to the Authority a copy of the accounting statements required to be prepared by this Condition together with the auditors' report referred to in sub-paragraph (c) above as soon as reasonably practicable and in any event no later than 5 (five) months after the end of the period to which they relate.
3. The Licensee shall:
- (a) in respect of its financial affairs keep and prepare such accounts and accounting statements for, and as at the end of, each financial year as would be required by the Companies Act (Cap. 50) to be kept by the Licensee if the Licensee were a company which were not a subsidiary of any other company and which did not have any subsidiaries or related enterprises; and
 - (b) procure, in relation to such accounting statements, a report of the auditors of the Licensee addressed to the Authority, and deliver a copy of such accounting statements together with the auditor's report to the Authority, in conformity with the requirements of sub-paragraphs (c) and (d) of paragraph 2 of this Condition, which shall apply *mutatis mutandis* to this paragraph.

Condition 4: Prohibition of Cross-subsidy

1. The Licensee shall, except as the Authority may otherwise approve in writing, procure that the authorised business shall not give any cross-subsidy to or receive any cross-subsidy from any other business of the Licensee or any subsidiary or related enterprise of the Licensee.

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Condition 5: Change in Shareholding Structure

1. The Licensee shall not effect any change in its shareholding structure or the voting rights attaching to any of its shares, without the Authority's prior written consent.

Condition 6: Dealing with Subsidiaries

1. The Licensee shall not, without the prior written consent of the Authority, enter into any agreement or arrangement for the supply of goods or services or otherwise deal with any of its subsidiaries or related enterprises except where such agreement or arrangement is entered into on an arm's length basis. The Licensee shall also not unduly discriminate in favour of its subsidiaries or related enterprises.
2. In determining whether any such agreement or arrangement is on an arm's length basis, the Authority shall have regard to whether:
 - (a) the price and other terms affecting the financial value of the agreement or arrangement are in accordance with the market value based on the then current trends and practices to be ascertained by an independent qualified person to be appointed by the Licensee at its own cost and approved by the Authority;
 - (b) the parties are contracting freely and independently of each other;
 - (c) there is any special relationship between the parties; and
 - (d) the terms are made on a "willing buyer and willing seller" basis given the circumstances surrounding the agreement or arrangement , as the case may be.

Condition 7: Abuse of Monopoly Power or Dominant Market Position

1. The Licensee shall not take or omit to take any action or otherwise conduct itself in a manner, which is an abuse of its monopoly power or dominant market position.

Condition 8: Purchase of Goods and Services

1. The Licensee shall, in the conduct of the authorised business:

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- (a) purchase goods and services as may be reasonably required by the Licensee upon the most economically advantageous terms reasonably obtainable by the Licensee at the relevant time having regard to all relevant business criteria including an assessment of the performance, reliability, quality, terms of delivery, price, and ongoing cost (if applicable) of such goods and/or services; and
- (b) not unduly discriminate between suppliers of goods or services.

Condition 9: District Cooling System Development Plan

1. The Licensee shall conduct the authorised business and provide district cooling services in accordance with the District Cooling Supply Code and any applicable codes of practice or standard of performance as may be approved or issued by the Authority under Section 14 of the Act.
2. The Licensee shall no later than 30 (thirty) days after this licence has come into force and thereafter periodically as required by the Authority, submit to the Authority its District Cooling System Development Plan including :
 - i. an implementation schedule; and
 - ii. forecasted demand
3. In the performance of its obligations under this condition, the Licensee shall:
 - (a) have regard to the most recent District Cooling System Development Plan prepared under paragraph 2; and
 - (b) aim to comply with generally accepted industry practice.
4. The Licensee shall provide non-discriminatory access to persons similarly situated for services comprised within the authorised business.
5. The Authority may, following consultation with the Licensee and, where appropriate, any other relevant party likely to be affected, issue directions relieving the Licensee of its obligations under paragraphs 1 and 3 in respect of such parts of the Licensee's district cooling system and to such extent as may be specified in the directions.

Condition 10: Codes of Practice

1. The Licensee shall be subject to and shall comply with:
 - (a) the District Cooling Supply Code; and

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- (b) any other codes of practice and standards of performance issued or approved under Section 14 of the Act.
- 2. The Licensee shall prepare, for the approval of the Authority, the District Cooling Supply Code and standards of performance for the activities authorised by this licence, within 3 (three) months of the issue of licence in consultation with Urban Redevelopment Authority (URA) or such other relevant parties. Such District Cooling Supply Code and standards of performance shall be drafted sufficiently to prevent any abuse by the Licensee of any monopoly power or dominant market position it may enjoy.
- 3. If the Licensee shall fail to comply with its obligations under paragraph 2 with due expedition, the Authority shall be entitled to cause such District Cooling Supply Code and standards of performance to be prepared and the Licensee shall pay to the Authority any costs incurred by the Authority in connection therewith.
- 4. The Licensee shall be required to participate in the development of any code of practice and standard of performance to be issued by the Authority if such code of practice or standard of performance will directly or indirectly affect the authorised business of the Licensee.
- 5. The Licensee shall, at the Authority's request and in any event, periodically review a code of practice and standard of performance. The Licensee shall keep the Authority fully informed of any review process and of any proposals for revision, and any change to any applicable code of practice or performance standards shall be subject to the approval of the Authority and any other relevant government agencies/ authorities.
- 6. The Authority may issue directions relieving the Licensee of its obligations under paragraph 1, to such extent and on such conditions as may be specified in those directions.
- 7. (1) The Licensee shall not:
 - (a) with regard to its authorised business or the district cooling industry,
 - (i) make, prepare, attest to or certify, orally or in writing, any representation or statement that is false, incorrect or misleading or open to misconstruction by any person; or
 - (ii) make any representation or statement, orally or in writing, or give any answer, orally or in writing, or otherwise conduct itself in a manner that is likely to mislead any person; or

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- (b) mislead or otherwise create any confusion in the mind of a person about its authorised business.
- (2) If the Authority is satisfied that the Licensee is contravening or has contravened any provision of sub-paragraph (1), the Authority may, by notice in writing to the Licensee, direct the Licensee to take such steps, as are specified in such direction, to correct such false, incorrect or misleading representation, statement or answer or to correct such confusion, including without limitation, by requiring the Licensee to publish a correction or to write to such persons to set out the correct facts within a specified period of time as directed by the Authority.
- (3) The Authority may take enforcement action against the Licensee in accordance with the provisions of the Act if the Licensee fails to comply with the direction of the Authority issued under sub-paragraph (2) above.

Condition 11: Information, Access and Audit Rights of the Authority

- 1. The Licensee shall promptly inform the Authority of any circumstances that result, or are likely to result, in a change in the information provided to the Authority and shall provide updated information to the Authority in a timely manner.
- 2. Without prejudice to the powers of the Authority to call for information under or pursuant to any other conditions in this licence or relevant legislation, the Licensee shall, at its own cost, furnish to the Authority such information as the Authority requires pursuant to Section 5 of the Act and in such form as the Authority requires, including but not limited to:
 - (a) statements of charges to consumers for the reporting period since the end of the period covered by the last information memorandum;
 - (b) details of any interruption or curtailment of the provision of district cooling services, if any, including a summary of all breakdowns and repair work for the reporting period;
 - (c) reports on performance of the district cooling system with regard to availability and quality of service; and
 - (d) details on the safety and security measures implemented.

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3. The Licensee shall conduct, or have conducted by such independent third party as the Authority may specify, at its own cost, such audits of the Licensee's financial records, systems or procedures pertaining to the authorised business as the Authority may from time to time require and shall submit to the Authority such reports as the Authority may direct in respect of such audits.

Condition 12: Prices for Services

1. The Licensee shall ensure that the prices charged for provision of district cooling services, in the service area, shall not be more than the cost of chilled water produced by conventional air-conditioning system.
2. The Licensee shall develop a cost recovery methodology (the "methodology") setting out the basis upon which the charges for the provision of district cooling services shall be made. The methodology and any proposed revisions thereto shall be submitted to the Authority for approval together with:
 - (a) a schedule of proposed fees and charges (the "schedule"); and
 - (b) a report showing the effects of the application of the methodology and schedule on users of the Licensee's services.
3. The information referred to in paragraph 2 of this Condition shall be submitted by the Licensee to the Authority for approval no less than 60 (sixty) days prior to the date on which the proposed fees and charges set forth in the schedule are proposed to be first levied.
4. The methodology and any proposed revisions thereto shall be developed in accordance with, including in particular, but not limited to, the following objectives or considerations:
 - (a) the establishment of equal prices for the same services; and
 - (b) the fees and charges for the provision of district cooling services do not discriminate between any persons or classes of persons similarly situated.
5. The Licensee shall not apply the proposed fees and charges if the Authority has objected to the proposed fees and charges. The Authority shall inform the Licensee in writing of its objection to the proposed fees and charges within 30 (thirty) days upon the Licensee submitting its proposed fees and charges. The Licensee shall then consult with the Authority on its submission. The Licensee shall not apply the proposed fees and charges unless the Authority withdraws its objection in writing.

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6. The Licensee shall publish statements, in a form approved by the Authority, setting out the basis upon which the fees and charges for district cooling services will be levied with such detail as shall be necessary to enable any person to ascertain the fees and charges to which he would become liable for the provision of such district cooling services.

Condition 13: Economic Regulation

1. The Licensee shall, in respect of each relevant year ensure that the revenue from the provision of district cooling services in the service area does not exceed the maximum average revenue per kW_rh calculated in accordance with the following formula (the “Economic Regulation Formula”):

$$M_t = [(1 + CPI_t / 100) * FC_{B,t-1} * Q_{cap,t} / Q_{l,t}] + C_{BE,t} + C_{BW,t} + K_t - S_t$$

Where:

M_t means the maximum average revenue per kW_rh in relevant year t

CPI_t means the percentage change in the Consumer Price Index between that published with respect to January in relevant year t and that published with respect to January in relevant year t-1

$FC_{B,t-1}$ means the fixed cost component of benchmark cost of chilled water produced by conventional air-conditioning system in relevant year t-1, which has a value equal to an amount in \$/kW_r, which is derived from the following formula:

$$FC_{B,t-1} = (1 + CPI_{t-1} / 100) FC_{B,t-2}$$

but in relation to the first relevant year, $FC_{B,t-1}$ (i.e. $FC_{B,0}$) shall have a value to be determined by the Authority.

$Q_{cap,t}$ means the sum of intake or contracted capacity (kW_r), whichever is higher, of all the consumers in the service area in relevant year t, calculated using agreed estimation procedures.

$Q_{l,t}$ means the total cooling load (kW_rh) of all the consumers in the service area in relevant year t, calculated using agreed estimation procedures.

$C_{BE,t}$ means the electricity cost component of benchmark cost of chilled water produced by conventional air-conditioning system in year t, which has a value equal to an amount in \$/kW_rh, calculated using estimation procedures to be determined by the Authority.

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$C_{BW,t}$ means the water cost component of benchmark cost of chilled water produced by conventional air-conditioning system in year t, which has a value equal to an amount in \$/kW_rh, calculated using estimation procedures to be determined by the Authority.

K_t means the correction factor (per kW_rh) for under-recovery (positive value) or over-recovery (negative value) in year t, to be applied to the average revenue per kW_rh, which is derived from the following formula:

$$K_t = [(M_{t-1} * Q_{l,t-1} - R_{t-1}) / Q_{l,t}] * (1 + I_{t-1}/100)$$

Where

R_{t-1} means the total revenue derived from provision of district cooling services in service area in year t-1.

I_{t-1} means the interest rate in relevant year t-1 which is equal to the average of the daily Singapore Dollar Inter-Bank Offer Rate (SIBOR) for one month during relevant year t-1 plus a number to be determined by the Authority.

S_t means the sharing of economic efficiency contribution in year t, where

$$S_t = FS_t \text{ if } FS_t > 0; \text{ and}$$

$$S_t = 0 \text{ if } FS_t \leq 0$$

Where

$$FS_t =$$

$$\left\{ \left[(FC_{B,t-1} * Q_{cap,t-1}) + (C_{BE,t-1} + C_{BW,t-1}) * Q_{l,t-1} \right] - \left(\sum FC_{D,t-1} + \sum VC_{D,t-1} \right) - L_{t-2} \right\} * \phi / Q_{l,t}$$

Where

$\sum FC_{D,t-1}$ means total fixed operating costs of the Licensee (*according to audited accounts*) for the purpose of providing district cooling services in the service area in relevant year t-1 including a return based on the investment made by the Licensee for the provision of district cooling services in the service area.

$\sum VC_{D,t-1}$ means total variable operating costs of the Licensee (*according to audited account*) for the purpose of providing services in the service area in relevant year t-1.

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φ means sharing ratio for economic efficiency contribution by the Licensee between consumers and the Licensee.

L_{t-2} means net cumulative losses at end of year t-2, if applicable, where

$$L_{t-2} = 0 \quad \text{if } FL_{t-2} \leq 0$$

$$L_{t-2} = FL_{t-2} \quad \text{if } FL_{t-2} > 0$$

Where

$$FL_{t-2} = L_{t-3} + (\sum FC_{D,t-2} + \sum VC_{D,t-2}) - (M_{t-2} * Q_{l,t-2}), \text{ where}$$

L_{t-3} means net cumulative losses at end of year t-3.

2. For the purposes of paragraph 1 of this Condition:

“kW_rh” means kilowatt-hour (refrigeration)

“kW_r” means kilowatt (refrigeration)

“relevant year” means a financial year commencing on or after a date as notified in writing by the Authority

“relevant year t” means that relevant year for the purposes of which any calculation falls to be made; “relevant year t-1” means the relevant year preceding relevant year t and similar expressions shall be construed accordingly

3. The Authority shall within a reasonable time period prior to the start of each regulatory period, review the parameters of the Economic Regulation Formula to take effect at the start of that regulatory period. The duration of each regulatory period shall be determined by the Authority after consultation with the Licensee.

4. For each regulatory period, the Authority shall determine the parameters to be used in the Economic Regulation Formula in consultation with the Licensee.

Condition 14: Risk Management and Insurance

1. The Licensee shall adopt and implement reasonable and prudent policies in relation to the management and insurance (including self-insurance) of risks associated with the authorised business.

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Condition 15: Preparation for Emergencies and Security Arrangements

1. The Licensee shall take such action as the Authority may reasonably require to plan and prepare for emergencies, including taking part in tests and exercises.
2. The Licensee shall develop and implement such arrangements as are prudent to ensure the safety and, where reasonably practicable, the continuity of its operations in the event of any emergency.

Condition 16: Qualified Personnel

1. The Licensee shall ensure that all personnel involved in the operation of the district cooling system are suitably trained and qualified to competently carry out the functions to which each personnel is assigned.

Condition 17: Confidential Information

1. The Licensee shall take reasonable measures to ensure that all information received by it relating to the authorised business:
 - (a) is kept confidential by the Licensee except as otherwise permitted by the Authority, this licence, or any applicable code of practice, and that access to such confidential information is provided only, and as is necessary for the due performance of their lawful functions, to directors, officers and employees of the Licensee, or to an agent of the Licensee that has agreed in writing to observe this requirement of confidentiality;
 - (b) is not used by the Licensee for any purpose other than that for which it was provided or for a purpose permitted by this licence, or any applicable code of practice; and
 - (c) is not used by the Licensee for any commercial advantage in the provision of any service other than a service comprised in the authorised business.
2. The Licensee shall take such other action, including complying with restrictions upon the transfer, engagement, or re-engagement of employees, as the Authority may from time to time require to ensure the information acquired by it in connection with the authorised business is, except as otherwise permitted by the Authority, this licence, or any applicable code of practice, kept confidential by the Licensee and not dealt with in a manner which may restrict, distort or prevent competition in any of the industries to which it provides its services.

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3. The Licensee shall, if requested by the Authority, procure that a certificate is issued by its auditors, in such form as the Authority may require, which confirms that the Licensee is complying with the requirements of this Condition.
4. Nothing in this Condition shall be construed as requiring the Licensee to keep confidential any information that is or becomes generally and publicly available other than as a result of a breach by the Licensee of paragraph 1 or 2 of this Condition.

Condition 18: Appointment of Technical Auditors

1. The Authority may from time to time require the Licensee to appoint independent technical auditors to conduct audits of its compliance with its obligations under this licence, including its obligation to comply with the District Cooling Supply Code, any applicable code of practice or standard of performance.

Condition 19: International Obligations

1. The Licensee shall exercise its rights and powers and perform its duties and obligations under this licence in a manner which is consistent with the Government's obligations:
 - (a) by virtue of the Government being a member of an international organisation or a party to an international agreement; or
 - (b) to attain or facilitate the attainment of that which is requisite and expedient in view of the Government being a member of such an organisation or a party to such an agreement,to the extent that the Licensee has notice of such membership or agreement pursuant to paragraph 2 of this Condition.
2. The Authority shall notify the Licensee from time to time of any membership or agreement to which paragraph 1 of this Condition applies.
3. The Licensee may apply to the Government for compensation or grant to offset any loss or damage sustained as a result of complying with paragraph 1 of this Condition based on an audited claim submitted by the Licensee for such loss or damage.

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Condition 20: Research and Development

1. The Authority may from time to time give directions to the Licensee requiring the Licensee to perform research and development activities, and to co-operate with other licensees to perform research and development activities in relation to the conduct of the authorised business, and the Licensee shall comply with any such directions.
2. Where the Authority gives directions to the Licensee pursuant to paragraph 1 of this Condition for major research and development work, or the Licensee, on its own volition initiates major research and development work, the Licensee shall prepare a fully developed business case for the approval of the Authority prior to commencing any research and development activity.
3. Such a business case shall fully detail the nature of the research and development work to be undertaken, the benefits being sought from the research and development activity along with the economic costs and benefits of the proposed research and development work, the proposed sources of funding and cost recovery mechanism, and the proposed arrangements for the handling of any intellectual property developed during the course of the approved work.

Condition 21: Investigation of Offences

1. The Licensee shall monitor its activities with respect to compliance with this licence and shall report any suspected non-compliance to the Authority.
2. Where the Licensee reports a suspected non-compliance by itself or requests the Authority to institute a prosecution against any person for contravening a provision of relevant legislation in relation to the authorised business, the Licensee shall furnish the Authority as soon as reasonably practicable:
 - (a) a full investigation report on the suspected non-compliance or contravention; and
 - (b) all relevant information and evidence in the possession or control of the Licensee for the prosecution and conviction of the suspect (if any).
3. Where the Authority receives any information from any person other than the Licensee indicating that an offence under relevant legislation may have been committed in respect of activities of, or property belonging to or managed by the Licensee, the Authority may inform the Licensee of such information and the Licensee shall furnish to the Authority as soon as reasonably practicable:
 - (a) a full investigation report on the suspected offence; and

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- (b) all relevant information and evidence in the possession or control of the Licensee for the prosecution and conviction of the suspect.
4. The Licensee and its directors and officers shall give full assistance and co-operation to the Authority and its prosecuting officer or counsel in connection with any prosecution proceedings arising from paragraphs 1 through 3 of this Condition.

Condition 22: Transfer of Effective Management or Control

1. The Licensee shall not relinquish or encumber its ability to exercise effective management or control of the authorised business.

Condition 23: Special Administration Order

1. In accordance with any special administration order made by the Minister under Section 22 of the Act, the Authority may directly or indirectly manage the affairs, business and property of the Licensee in accordance with Section 21 of the Act. In such an event, the Licensee shall allow the Authority such access to or control of its property as required to permit the Authority to meet its obligations under the special administration order during the period for which the order is in force.

Condition 24: Payment of Fees

1. The Licensee shall, at the times stated hereunder, pay to the Authority fees of the amount specified in, or determined under, paragraphs 2 to 5 of this Condition.
2. The Authority shall, after the issue of this licence, notify the Licensee in writing of the initial fee to be paid and the Licensee shall pay such fee to the Authority within 30 (thirty) days.
3. The Authority shall notify the Licensee on or before the 1st of April of each subsequent year in which this licence is in effect of the fee to be paid and the Licensee shall pay such fee to the Authority on or before 30th April of each such subsequent year.

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4. Without prejudice to any other powers of the Authority under this licence or the Act, if the Licensee shall fail to pay in full any fee due pursuant to this Condition on or before the due date for payment thereof the Licensee shall pay to the Authority interest at the Prescribed Rate described in paragraph 5 below, which interest shall accrue daily on the amount unpaid on and from such due date to the date of actual payment and shall be compounded monthly at the end of each calendar month.
5. The Prescribed Rate shall be the rate which is four percentage points (4%) above the arithmetic average of the rates quoted in Singapore by The Development Bank of Singapore Limited, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited (or such other banks as the Authority may specify in writing from time to time) as being the respective prime lending rates of such banks for each day of the period for which interest accrues, and in respect of any day during such period which is not a day for which such a rate is quoted the last preceding rate quoted shall apply.

Condition 25: Expiry of Licence

1. The Licensee shall notify its consumers of the expiration of this licence not later than 24 months prior to the expiry of the licence.