

**MODIFIED GAS IMPORTER (LNG) LICENCE  
FOR SHELL GAS MARKETING PTE LTD**

Licence No. EMA/GILNG/001

**Gas Licence  
for Gas Importer Licensee  
(Liquefied Natural Gas)**

granted  
under the Gas Act (Cap. 116A) to

**Shell Gas Marketing Pte Ltd  
(Formerly known as BG Singapore Gas Marketing  
Pte Ltd)**

**GAS LICENCE FOR GAS IMPORTER LICENSEE  
(LIQUEFIED NATURAL GAS)**

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**SCHEDULE A**

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**CONFIDENTIAL**

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## **PART I: SCOPE OF THE LICENCE**

1. The Energy Market Authority of Singapore (the "Authority"), in exercise of the powers conferred by Section 7(3) of the Gas Act (Cap. 116A) (the "Act"), hereby grants to Shell Gas Marketing Pte Ltd (formerly known as BG Singapore Gas Marketing Pte. Ltd.), a company incorporated in the Republic of Singapore with Registration Number 200911492Z (the "Licensee"), a gas licence (the "Licence") authorising the Licensee to import liquefied natural gas into Singapore up to the quantities set out in Schedule A of this Licence subject to the conditions set out herein (the "Conditions").
2. The Conditions are subject to modification in accordance with Sections 14, 15 and 16 of the Act.
3. Subject to paragraphs 4 and 5 below, this Licence shall commence on the date set out below and expire on termination of the last remaining Gas Sales Agreement, such expiry date to be the 20<sup>th</sup> (twentieth) anniversary of the date of commercial operations of the Singapore LNG terminal or such later date as contained in any Gas Sales Agreement approved by the Authority. The Licensee may, no later than 2 (two) years prior to the expiry of this Licence, apply to the Authority, in writing, for the renewal of this Licence. The renewal shall be on such terms and conditions, and for such term, as the Authority deems fit and will be notified to the Licensee, in writing, no later than 1½ (one and a half) years prior to the expiry of the initial term of this Licence.
4. The Authority may at any time during the term of this Licence revoke or suspend this Licence in accordance with Section 18 of the Act.
5. Any request for the termination of this Licence by the Licensee is subject to the approval of the Authority, whose approval shall not be unreasonably delayed or withheld beyond a 90-day period. Notwithstanding such request, 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. The Licensee shall not be released from any obligation arising under this Licence prior to the date of such notification.

30 June 2010

LAWRENCE WONG  
Chief Executive  
Energy Market Authority of Singapore



## PART II: GENERAL CONDITIONS OF THE LICENCE

### Condition 1: Interpretation and Definitions

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 a 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:

<b>"Act"</b>	means the Gas Act (Cap. 116A);
<b>"aggregator's margin"</b>	has the meaning ascribed to that term in paragraph 1 of Condition 20;
<b>"allowed activity"</b>	means (1) those activities permitted by the provisions of any agreement between the Licensee and the Authority as at the date of this Licence, including marketing LNG and/or regasified LNG to potential End Users, procuring and utilising LNG terminalling services, and providing ancillary services in connection with the supply of LNG and/or regasified LNG in Singapore, and (2) in respect of any activities not authorised by the Authority as at the date of this Licence, has the meaning ascribed to that term in paragraph 2 of Condition 2;
<b>"authorised business"</b>	means the Licensee's business of importing LNG into Singapore;
<b>"Authority"</b>	means the Energy Market Authority of Singapore;
<b>"Commencement Date"</b>	means 23 <sup>rd</sup> October 2017;
<b>"Conditions"</b>	means the conditions set out in Part II and Part III;
<b>"confidential information"</b>	means all information, reports, data,

	software or other material, whether written or oral, in electronic or magnetic format, and the contents thereof of any reports, digests or summaries created or derived from any of the foregoing provided by or on behalf of the Authority to the Licensee;
<b>“director”</b>	means any person who is a “director” within the meaning of Section 4(1) of the Companies Act (Cap. 50);
<b>“East Asia”</b>	means Japan, Korea, Taiwan, China (including its special administrative regions), the Philippines, Vietnam, Cambodia, Thailand, Malaysia, Singapore, Indonesia, Timor Leste and Brunei;
<b>“Electricity Act”</b>	means the Electricity Act (Cap. 89A);
<b>“electricity licence”</b>	has the meaning ascribed to that term in the Electricity Act;
<b>“End User”</b>	means a person who has entered into a GSA with the Licensee, under which such person purchases (or is obliged to purchase) LNG and/or regasified LNG from the Licensee;
<b>“Gas Sales Agreement” or “GSA”</b>	means any agreement entered into by the Licensee, under which the Licensee sells or has the right to sell LNG and/or regasified LNG in Singapore, including any amendment, alteration or notification thereto in accordance with the terms of such agreement;
<b>“Handling Agreement”</b>	means an agreement entered or to be entered into, as the case may be, between the Licensee and a customer for the Licensee’s handling of LNG imported by such customer who has made arrangements for (i) delivery of such LNG to an LNG terminal by an LNG vessel; and (ii) receiving LNG and/or regasified LNG from the Licensee;
<b>“Licence”</b>	means the gas licence described in paragraph 1 of Part I;
<b>“Licensee”</b>	means the Licensee described in paragraph 1 of Part I;

<b>“liquefied natural gas” or “LNG”</b>	means natural gas in its liquefied state;
<b>“LNG supplier”</b>	means a person who has entered into an LNG SPA with the Licensee, under which such person supplies (or is obliged to supply) LNG into Singapore;
<b>“LNG Sales and Purchase Agreement” or “LNG SPA”</b>	means any agreement entered into by the Licensee, under which the Licensee purchases or has the right to purchase LNG for importation into and use in Singapore, including any amendment, alteration or notification thereto in accordance with the terms of such agreement, provided always that such agreement, amendment, alteration or notification thereto has been approved in writing by the Authority;
<b>“LNG terminalling services”</b>	means the services provided to the Licensee by an LNG terminal pursuant to and in accordance with the provisions of any agreement between the Licensee and the LNG terminal operator;
<b>“related enterprise”</b>	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 company) 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;
<b>“relevant legislation”</b>	means the Act, the Electricity Act and the Energy Market Authority of Singapore Act (Cap. 92B), and includes in each case the regulations made thereunder;
<b>“Shell Eastern Trading (Pte) Ltd”</b>	refers to the company incorporated in the Republic of Singapore with Registration Number 198902087C;
<b>“subsidiary”</b>	shall be construed in accordance with Section 5 of the Companies Act; and
<b>“Term Commitment”</b>	means a Handling Agreement or a GSA entered into, or to be entered into by the

Licensee, (i) for a period of at least one year; and (ii) in a form acceptable to the Authority, provided always that such agreement, amendment, alteration or notification thereto has been approved in writing by the Authority.

4. Without limitation to the application of any other provision of the Act, for the purposes of the restriction on the transfer of this Licence, the provisions of Section 10 of the Act shall apply.
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. Headings are for convenience only and shall not affect the interpretation of this Licence.
7. 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.
8. The provisions of Section 95 of the Act shall apply for the purposes of the service of any document by the Authority on the Licensee pursuant to this Licence.
9. In the case of any conflict between the provisions of this Licence and the provisions of the Act, the provisions of the Act shall prevail.

## **Condition 2: Authorised Activities**

1. The Licensee is hereby authorised to conduct, and shall conduct, the authorised business in accordance with the terms and conditions of this Licence.
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 such approval or at any time thereafter, engage in new activities (the "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 a new allowed activity, the Licensee shall provide an assessment of the extent to which such allowed 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 the earlier of 2 (two) weeks after any such change being anticipated by the Licensee, acting reasonably, or actually taking place.



4. Other than the authorised business and allowed activities, the Licensee:
  - (a) shall not engage directly or indirectly in any other business activities or voluntarily commit to any liability in relation to any other business activities; and
  - (b) shall procure that each of its subsidiaries and related enterprises does not engage in, nor seek to obtain from the Authority an electricity licence or other licence which is not required in connection with the authorised business or allowed activities or an exemption from such licences permitting it to engage, directly or indirectly, in any other business activities or voluntarily commit to any liability in relation to such other business activities.
5. Subject to Condition 6, this Condition shall not prevent the Licensee from making available to its subsidiaries the services of employees of the Licensee in order that such subsidiaries may provide to third parties such 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 to 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;
  - (b) prepare, 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 five (5) 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. In conducting the authorised business, the Licensee may only:
  - (a) give a cross subsidy to; or
  - (b) receive a cross subsidy from,another business or allowed activity of the Licensee or any subsidiary or related enterprise of the Licensee, with the Authority's prior written approval.
2. The Authority may announce any cross-subsidy so approved by the Authority to the Singapore energy industry, such announcement to include such details as the Authority may in its discretion deem necessary.

#### **Condition 5: Dealings with Subsidiaries**

1. The Licensee shall not, without the 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 in the applicable geographic market, 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 to such agreement or arrangement are contracting freely and independently of each other;
- (c) there is any special relationship between those 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 6: Non-discriminatory Access**

1. Unless expressly authorised by the Authority, for so long as the Licensee has the exclusive right to supply regasified LNG to potential End Users in Singapore, the Licensee shall conduct itself without undue preference or undue discrimination with respect to the terms and conditions of sales or service offered to its End Users and potential End Users, and pricing for new Gas Sales Agreements shall be based on prevailing LNG market conditions for LNG supplies into East Asia, and shall otherwise be determined in accordance with the provisions of any agreement between the Licensee and the Authority.

#### **Condition 7: Composition of Board of Directors**

1. The Licensee shall procure that at all times its directors shall not be employed by, nor hold any office or engagement with:
  - (a) except to the extent that the Licensee itself performs such a role in accordance with its authorised business, any other person authorised by a gas licence to engage in an activity referred to in subsection (h) of Section 6(1) of the Act or exempted from the obligation to hold a gas licence in respect of such activity (other than Shell Eastern Trading (Pte) Ltd);
  - (b) any person authorised by a gas licence to engage in an activity referred to in one or more of subsections (a), (b), or (f) of Section 6(1) of the Act or exempted from the obligation to hold a gas licence in respect of such activity; or
  - (c) any person authorised by an electricity licence to engage in an activity referred to in one or more of subsections (b), (ba), (e) or (g) of Section 6(1) of the Electricity Act or exempted from the obligation to hold an electricity licence in respect of such activity.
2. The Authority may, on such terms as it may specify in writing and notified to the Licensee, waive or vary any of the requirements of this Condition for such period as the Authority may determine.

### **Condition 8: Prohibition on Acquisition of Shares**

1. The Licensee shall not directly or indirectly through its related enterprises acquire or hold any shares in:
  - (a) except to the extent that the Licensee itself performs such a role in accordance with its authorised business, any other person authorised by a gas licence to engage in an activity referred to in subsection (h) of Section 6(1) of the Act or exempted from the obligation to hold a gas licence in respect of such activity (other than Shell Eastern Trading (Pte) Ltd);
  - (b) any person authorised by a gas licence to engage in an activity referred to in one or more of subsections (a), (b), or (f) of Section 6(1) of the Act or exempted from the obligation to hold a gas licence in respect of such activity; or
  - (c) any person authorised by an electricity licence to engage in an activity referred to in one or more of subsections (b), (ba), (e) or (g) of Section 6(1) of the Electricity Act or exempted from the obligation to hold an electricity licence in respect of such activity.
2. The Authority may, on such terms as it may specify in writing and notified to the Licensee, waive or vary any of the requirements of this Condition for such period as the Authority may determine.

### **Condition 9: Codes of Practice**

1. Where applicable, the Licensee shall be subject to and shall comply with:
  - (a) the Terminal Access Code;
  - (b) the Gas Metering Code;
  - (c) the Gas Supply Code; and
  - (d) any relevant codes of practice as the Authority notifies the Licensee in writing.
2. In conjunction with paragraph 1 of this Condition, the Licensee may participate in the development of any code of practice if such code will directly or indirectly affect the authorised business of the Licensee.
3. If any new code of practice exceeds any of the Licensee's contractual agreements pre-dating this Licence, the Licensee shall be given reasonable time to comply with such code of practice.
4. Notwithstanding paragraph 1 of this Condition, the Authority may by written notification, exempt the Licensee from compliance with any code of practice, in whole or in part, and subject to such terms and conditions as the Authority may determine.
5. The Licensee may propose modifications to a code of practice that is in force at the relevant time by notifying the Authority in writing of the proposed modification. The Authority shall review the proposed modification to a code of practice and determine whether the proposed modification should be made, in accordance with the code modification process set out in the relevant code.

6. (1) The Licensee shall not:
  - (a) with regard to its authorised business, allowed activities or Singapore's gas 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
  - (b) mislead or confuse any 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) above, 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 representations, 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 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 10: Standards of Performance**

1. The Licensee shall be subject to and shall comply with the standards of performance contained in any agreement between the Licensee and the Authority and each other agreement entered into by the Licensee in connection with the authorised business and allowed activities, including the Gas Sales Agreements.
2. Notwithstanding paragraph 1 of this Condition, the Authority may by written notification, exempt the Licensee from compliance with any standard of performance, in whole or in part, and subject to such terms and conditions as the Authority may determine.

#### **Condition 11: Risk Management and Insurance**

1. The Licensee shall adopt and implement reasonable and prudent policies in relation to the management and insurance of risks associated with its authorised business and any allowed activity.

#### **Condition 12: 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 an emergency.

**Condition 13: Confidential Information**

1. The Licensee shall take reasonable measures to ensure that all confidential information received by it:
  - (a) is kept confidential by the Licensee except as otherwise permitted by the Authority, this Licence, the provisions of any agreement between the Licensee and the Authority, any applicable code of practice or the Gas Network Code 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 its legal advisors, 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 the Authority, this Licence, the provisions of any agreement between the Licensee and the Authority, any applicable code of practice or the Gas Network Code; 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 confidential information acquired by it in connection with the authorised business is, except as otherwise permitted by the Authority, this Licence, the provisions of any agreement between the Licensee and the Authority, any applicable code of practice or the Gas Network Code, 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.
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 confidential 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 14: 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.

#### **Condition 15: Investigation of Offences**

1. The Licensee shall monitor its activities with respect to compliance with this Licence or with the relevant legislation and shall report any suspected non-compliance to the Authority. The Licensee shall also submit quarterly, or at such other frequency as notified by the Authority in writing, a compliance statement to the Authority that it has complied with the requirements in this Licence or describing any cases of any suspected non-compliance.
2. Where it comes to the attention of the Licensee that another gas licensee has breached its gas licence or relevant legislation or any other person has breached the relevant legislation, the Licensee shall promptly report any suspected non-compliance to the Authority.
3. Where the Licensee reports suspected non-compliance by itself, another gas licensee or any other person pursuant to paragraph 2 above, or requests the Authority to institute a prosecution against any person for contravening a provision of relevant legislation in relation to a gas licensee's authorised business, the Licensee shall furnish to the Authority as soon as reasonably practicable:
  - (a) a written report on the suspected non-compliance or contravention; and
  - (b) any relevant information and evidence in the possession or control of the Licensee for the prosecution and conviction of the suspect.
4. 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 or property belonging to or managed by the Licensee, the Authority may, subject to Section 5 of the Act, inform the Licensee of such information and the Licensee shall furnish to the Authority as soon as reasonably practicable:

- (a) a written report on the suspected offence; and
  - (b) any relevant information and evidence in the possession or control of the Licensee for the prosecution and conviction of the suspect.
5. The Licensee and its directors, officers, employees and agents shall give full assistance and cooperation to the Authority and its prosecuting officer or counsel in connection with any prosecution proceedings arising from paragraphs 1 through 4 of this Condition.

**Condition 16: 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 any information provided by the Licensee 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 the relevant legislation, the Licensee shall, at its own cost, furnish to the Authority such information as the Authority requires pursuant to Section 4 of the Act and in such form as the Authority requires.

**Condition 17: Payment of Fees**

- 1. The Licensee shall, at the times stated hereunder, pay to the Authority fees in the amount specified in, or determined under, paragraphs 2 to 5 of this Condition.
- 2. The Authority shall, after the issuance 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 thirty (30) calendar 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 of April of each such subsequent year.
- 4. Without prejudice to any other powers of the Authority under this Licence or the Act, if the Licensee fails 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 DBS Bank Limited, Overseas-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.



### **PART III: SPECIAL CONDITIONS APPLICABLE TO THE IMPORTATION OF LIQUEFIED NATURAL GAS**

#### **Condition 18: LNG Sales and Purchase Agreements for Import of LNG and Term Commitments**

1. The Licensee shall not enter into any new LNG Sales and Purchase Agreement without the prior written approval of the Authority. The Licensee shall not amend or alter any existing or new LNG Sales and Purchase Agreement without the prior written approval of the Authority, such approval not to be unreasonably withheld or delayed.
2. The Licensee shall not, with effect from the Commencement Date, enter into any Term Commitment without the prior written approval of the Authority. The Licensee shall not amend or alter any Term Commitment without the prior written approval of the Authority, such approval not to be unreasonably withheld or delayed.
3. Any approval granted by the Authority under paragraphs 1 or 2 above shall be subject to such terms and conditions as the Authority may reasonably determine. The Licensee shall at all times ensure that the liquefied natural gas imported under any LNG Sales and Purchase Agreement approved by the Authority is only for such purposes and on such terms and conditions as contained in such LNG Sales and Purchase Agreements. The Licensee shall at all times ensure that the LNG and/or regasified liquefied natural gas sold under Gas Sales Agreements approved by the Authority is sold on such terms and conditions as contained in such Gas Sales Agreements.
4. The Licensee shall not prevent, restrict or distort competition in any LNG and/or gas market in Singapore.
5. The Licensee shall not enter into nor be a party to any agreement or decision or engage in any concerted practice that:
  - (a) seeks to limit the number of suppliers that an End User may procure LNG, regasified liquefied natural gas and/or gas from, without the prior written approval of the Authority;
  - (b) imposes adverse consequences on an End User if the End User or the Licensee contracts with any other counterparty for the supply of LNG, regasified liquefied natural gas and/or gas in Singapore, without the prior written approval of the Authority;
  - (c) prevents, restricts or imposes adverse consequences on an End User if the End User on-sells LNG, regasified liquefied natural gas and/or gas to other parties, without the prior written approval of the Authority; or
  - (d) prevents or restricts the on-selling of LNG, regasified liquefied natural gas and/or gas to or by the Licensee in Singapore, without the prior written approval of the Authority.

Nothing in this paragraph shall apply to any agreement which the Licensee was already a party to and which was already in effect prior to the Commencement Date.

### **Condition 19: Provision of Information and Data of the Authorised Business**

1. The Licensee shall submit to the Authority, monthly or at such other intervals as may be notified by the Authority to the Licensee in writing, a statement showing:
  - (a) the actual quantity of LNG imported during that period under each LNG Sales and Purchase Agreement;
  - (b) the total actual quantity of LNG imported by the Licensee during that year;
  - (c) the actual quantity of LNG and/or regasified LNG delivered to each of its End Users during that period under each Gas Sales Agreement; and
  - (d) the total actual quantity of LNG and/or regasified LNG delivered by the Licensee to its End Users during that year.
2. The Licensee shall, at its own cost (such cost to be included in the aggregator's margin), as soon as reasonably practicable and in any event no later than two (2) weeks after the Authority's notification in writing, provide information reasonably required by the Authority for the purpose of verification of the statement submitted under paragraph 1. The information required may include an auditors' report certifying the accuracy of the respective quantities, independent surveyor's reports, gas metering data, gas sales invoices and such other information as may be reasonably required by the Authority from time to time to verify the actual quantity of LNG imported by the Licensee under each LNG Sales and Purchase Agreement and the actual quantity of LNG and/or regasified LNG delivered by the Licensee to each of its End Users.
3. The Licensee shall, at its own cost (such cost to be included in the aggregator's margin), collect and report statistics in such form and with such frequency as may be reasonably requested by the Authority in writing.
4. The Licensee shall submit to the Authority a quarterly report providing details of the performance of the Licensee in respect of the authorised business during the previous calendar quarter.

### **Condition 20: Aggregator's Margin**

1. The Licensee shall set the charges payable by End Users under the Gas Sales Agreements and the Licensee's other customers under agreements for ancillary services in connection with the authorised business and allowed activities (the "aggregator's margin") in accordance with the methodology agreed between the Licensee and the Authority.
2. The Licensee shall not make any revisions to the aggregator's margin without the prior written approval of the Authority. The aggregator's margin and any revisions thereto shall be submitted by the Licensee to the Authority for approval no less than 60 days prior to the date on which the aggregator's margin or revision thereto is proposed to be first levied.
3. The Authority may, on such terms as it may specify in writing and notified to the Licensee, waive or vary any of the requirements of this Condition for such period, as the Authority may determine.

**Condition 21: Import Quantity**

1. The Licensee shall at all times ensure that the quantity of LNG imported is:
  - (a) limited to the import quantities set out in Schedule A; and
  - (b) only for such purposes and subject to such terms and conditions as approved by the Authority pursuant to Condition 18.
2. The Licensee may apply for the approval of the Authority to revise the import quantities in Schedule A. Upon the written approval of the Authority, the revised import quantities as approved by the Authority shall be deemed to form part of Schedule A with effect from such date as specified by the Authority in its approval.