

For Licence No. EMA/GILNG/003

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

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

**Pavilion Energy Singapore Pte. Ltd.
(Formerly known as Pavilion Gas Pte. Ltd.)**

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

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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 Pavilion Gas Pte. Ltd, a company incorporated in the Republic of Singapore with Registration Number 201211671M (the "**Licensee**") a gas licence (the "**Licence**") authorising the Licensee to import liquefied natural gas into Singapore (the "**Authorised Business**") 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 (the "**Effective Date**") and expire on the termination or expiry of the last remaining Downstream Commitment approved by the Authority.
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.

23 Oct 2017



NG WAI CHOONG
Chief Executive
Energy Market Authority of Singapore

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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:

"Act"	means the Gas Act (Cap. 116A);
"Affected Source"	Any source of LNG supply that is not reasonably expected to be able to supply LNG at the time that it would be required to supply LNG for the purposes of delivery to an LNG Terminal;
"Affiliate"	with reference to the entity in question, means one or more of the following: <ol style="list-style-type: none">(a) an entity which directly or indirectly Controls the entity in question;(b) an entity which the entity (which directly or indirectly Controls the entity in question) also Controls;(c) an entity which is Controlled by the entity in question, provided however that the term "Affiliate" shall not apply to Temasek Holdings (Private) Limited, or any other entity that Controls, or is Controlled by, or is under the common Control of, Temasek Holdings (Private) Limited;

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“Annual Contract Quantity” or “ACQ”	means the quantity of LNG or regasified LNG committed by the Licensee under a Term Commitment in a particular Licence Year;
“Authorised Business”	has the meaning ascribed to that term in paragraph 1 of Part I;
“Authority”	means the Energy Market Authority of Singapore;
“Baseline GSA”	means the form attached as Schedule C;
“Basic Conditions”	means a temperature of fifteen and six-tenths degrees Celsius (15.6°C) (measured with a mercury thermometer) and an absolute pressure of one point zero one three two five (1.01325) bar or seven hundred and sixty (760) millimetres of mercury column (measured by Fortin type barometer and corrected to zero degrees Celsius (0°C) with the standard gravity acceleration value), the equivalents of which in the Anglo-Saxon system are sixty degrees Fahrenheit (60°F) and fourteen and six hundred ninety-six thousandths (14.696) psia, respectively;
“Bespoke Term GSA”	means any Term GSA other than a Baseline GSA;
“Btu”	means the amount of heat required to raise the temperature of one (1) avoirdupois pound of pure water from fifty-nine (59) degrees Fahrenheit to sixty (60) degrees Fahrenheit at an absolute pressure of fourteen and six hundred ninety-six thousandths (14.696) psia;
“BBtu”	means one billion Btu;
“Conditions”	has the meaning ascribed to that term in paragraph 1 of Part I;
“Confidential Information”	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,

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	digests or summaries created or derived from any of the foregoing provided by or on behalf of the Authority to the Licensee;
“Control”	in relation to control over any entity or company, shall be construed in accordance with Section 5(1)(a) and 5(2) of the Companies Act (Cap. 50);
“Director”	has the meaning ascribed to that term in Section 4(1) of the Companies Act (Cap. 50);
“Domestic Consumption”	means the intended use (at the time of entering into the relevant Downstream Commitment) of LNG and/or regasified LNG within Singapore (i) for the purposes of power generation, industrial fuel or feedstock, household uses, and/or (ii) as a liquid fuel or feedstock, provided that the use of LNG as a fuel for marine vessels, the use of LNG or regasified LNG to cool down the LNG tanks of marine vessels or road tankers and the re-export of LNG for consumption outside Singapore shall not be Domestic Consumption;
“Downstream Commitment”	means a contract for the delivery of LNG and/or regasified LNG in Singapore. For the avoidance of doubt, Downstream Commitments are GSAs and Handling Agreements approved by the Authority pursuant to Condition 13;
“Effective Date”	has the meaning ascribed to that term in paragraph 3 of Part I;
“Electricity Act”	means the Electricity Act (Cap. 89A);
“Electricity Licence”	has the meaning ascribed to that term in the Electricity Act;
“End User”	means a Person who has entered into a Downstream Commitment with the Licensee;
“Exclusive Period”	means the period from the Effective Date to the Threshold Date;

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“Firm Offer”	has the meaning ascribed to that term in paragraph 1 of Condition 20;
“Gas”	means any hydrocarbon or mixture of hydrocarbons (including regasified LNG) consisting principally of methane, other hydrocarbons and non-combustible gases (but is not required to contain ethane, butane or propane), all of which are in a gaseous phase under Basic Conditions;
“Gas Importer Licensee (LNG)”	means a Person holding a Gas Licence for the import of Liquefied Natural Gas, including the Licensee;
“Gas Licence”	has the meaning ascribed to that term in the Act;
“Gas Licensee”	means a Person holding a Gas Licence;
“Gas Network Code”	has the meaning ascribed to that term in the Act;
“Gas Sales Agreement” or “GSA”	means any agreement entered or to be entered into, as the case may be, by the Licensee, under which the Licensee sells LNG and/or regasified LNG imported under this Licence for Domestic Consumption, including any amendment, alteration or notification thereto in accordance with the terms of such agreement, whether or not the Gas sold under such agreement may include Gas imported to Singapore via subsea pipeline;
“Gas Supply Pte Ltd”	refers to a company incorporated in the Republic of Singapore with Registration Number 200007431Z;
“Handling Agreement”	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;

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“Licence”	means the Gas Licence described in paragraph 1 of Part I;
“Licensee”	means the Licensee described in paragraph 1 of Part I;
“Licensee Services”	means the following: <ul style="list-style-type: none">(a) procurement of LNG for supply to End Users as LNG and/or regasified LNG pursuant to any GSA;(b) procurement and utilisation of services pursuant to any TUA; and(c) provision of services to End Users pursuant to any Downstream Commitment;
“Licence Year”	means (i) for the first Licence Year, the period beginning on the Effective Date and ending on the next occurring December 31; (ii) for the last Licence Year, the period beginning on January 1 and ending on the date of expiration of this Licence; and (iii) for all other Licence Years, the twelve (12) month period beginning on January 1 and ending on the next occurring December 31;
“Liquefied Natural Gas” or “LNG”	means Gas in its liquid state at or below its boiling point at or near atmospheric pressure;
“LNG Supplier”	means a Person who has entered into an LNG SPA, under which such Person supplies LNG to the Licensee in Singapore;
“LNG Supply Sources”	means the list of sources of LNG supply and/or LNG supply projects as set out in Schedule B;
“LNG Sales and Purchase Agreement” or “LNG SPA”	means any agreement entered into by the Licensee, under which the Licensee purchases LNG for Domestic Consumption, including any amendment, alteration or notification thereto in accordance with the terms of such agreement;

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“LNG Terminal”	has the meaning ascribed to that term in the Act;
“million tonnes”	means fifty-two thousand, six hundred and sixty-seven (52,667) BBtu;
“million tonnes per annum” or “Mtpa”	means fifty-two thousand, six hundred and sixty-seven (52,667) BBtu per annum;
“Person”	means any individual, corporation, partnership, trust, unincorporated organisation, institution, government authority or any other legal entity;
“Potential End User”	means a Person with bona fide demand for LNG and/or regasified LNG who is interested in entering into a Term Commitment, including an existing End User interested in entering into a Term Commitment;
“Prescribed Rate”	shall have the meaning ascribed to it in paragraph 5 of Condition 11;
“Reasonable and Prudent Operator”	means a Person seeking in good faith to perform its contractual obligations and, in so doing and in the general conduct of its undertaking, exercising that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from time to time from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances and conditions;
“Relevant Legislation”	means the Act and the Energy Market Authority of Singapore Act (Cap. 92B), and includes in each case the regulations made thereunder;
“Spot GSA”	means a GSA for the delivery of LNG and/or regasified LNG for a period of less than one year;
“Subsidiary”	shall be construed in accordance with Section 5 of the Companies Act;
“Term Commitment”	means (i) a Handling Agreement for a term of at least one year or a Term GSA entered into, or to be entered into, by the Licensee

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in a form acceptable to the Authority, or (ii) an agreement that was a Term Commitment which has been terminated by the End User due to the failure of the Licensee to perform its obligations thereunder;

“Term GSA”

means a GSA for the delivery of LNG and/or regasified LNG for (i) a period of at least one year, or (ii) any other GSA mutually agreed between the Authority and the Licensee to be deemed as a Term GSA;

“Term LNG”

means LNG and/or regasified LNG delivered under a Term GSA;

“Terminal Operator”

means the operator of an LNG Terminal;

**“Terminal Use Agreement” or
“TUA”**

means the Terminal Use Agreement between the Licensee and a Terminal Operator in respect of Throughput Services to be provided at an LNG Terminal;

“Threshold Date”

means the earlier of (i) a date notified by the Authority to the Licensee, or (ii) the first date on which both of the Gas Importer Licensees (LNG) licensed on the Effective Date have entered into one or more Term Commitments to deliver a quantity of LNG and/or regasified LNG equal to or greater than the Threshold Quantity for any Licence Year.

For the avoidance of doubt the Threshold Date shall occur only once;

“Threshold Quantity”

means a quantity of LNG and/or regasified LNG sold under one or more Term Commitments, equal in aggregate to one million tonnes per annum (1 Mtpa) for any Licence Year. Such quantity to be calculated by adding,

(i) the ACQ that the Licensee is obliged to deliver under each Term Commitment submitted to the Authority before the Effective Date; and

(ii) in respect of each Term Commitment submitted to the Authority on or after the

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Effective Date, the ACQ that the Licensee is obliged to deliver, plus any quantity deemed to have been sold by the Licensee pursuant to paragraph 2 of Condition 21.

To the extent that the ACQ of LNG and/or regasified LNG under a Term Commitment is not expressly specified as such in such Term Commitment, the ACQ for such Term Commitment shall be reasonably determined by the Authority as the quantity of LNG and/or regasified LNG which the Licensee is likely to deliver under such Term Commitment in a particular Licence Year.

For the avoidance of doubt, (i) any quantities which are conditional or otherwise subject to the exercise of any option by an End User shall not be included in the calculation of the Threshold Quantity until such option is exercised or any such conditionality has been satisfied or waived (other than conditions which the Licensee is solely responsible for satisfying), and (ii) in the event that a Term Commitment is terminated by the End User prior to the Threshold Date due to the failure of the Licensee to perform its obligations thereunder, the ACQ of such Term Commitment shall remain included in the calculation of the Threshold Quantity notwithstanding that such obligation has been terminated;

“Throughput Services”

means the unloading of an LNG vessel and temporary storage of unloaded LNG at an LNG Terminal, and the subsequent send-out of such delivered LNG or regasified LNG from such LNG Terminal for Domestic Consumption;

“Transaction Agreement”

means:

- (a) any GSA;
- (b) any Terminal Use Agreement;
- (c) any Handling Agreement;



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- (d) any agreement with End Users to swap or divert LNG under the End User's GSA; and
- (e) any other agreements ancillary to the agreements stated in (a), (b), (c) and (d) of this definition (excluding any LNG sale and purchase agreements) whose performance has a material impact on such agreements;

"Umbrella Arbitration Agreement" or "UAA" means an agreement dated 11 March 2010 as amended and restated from time to time, among Shell Gas Marketing Pte Ltd, BG LNG Trading LLC and EMA (as original signatories) and such other Persons (including the Licensee) that become parties thereto from time to time by accession;

"Validity Period" has the meaning ascribed to it in paragraph 3(b) of Condition 20.

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. Unless the context otherwise requires, 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.

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10. Where any Condition of this Licence refers to an approval or a notice, such approval or notice must be in writing.

Condition 2: 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 Gas Supply 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 notify to the Licensee, waive or vary any of the requirements of this Condition for such period as the Authority may determine.

Condition 3: Prohibition on Acquisition of Shares

1. The Licensee shall not directly or indirectly through its Subsidiaries 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 Gas Supply 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

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- (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 4: Codes of Practice and Standards of Performance

1. 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 other relevant codes of practice and standards of performance as the Authority may notify the Licensee from time to time.
2. In conjunction with paragraph 1 of this Condition, the Licensee shall be given the opportunity to participate in the development or modification of any code of practice or standard of performance if such code or standard will directly or indirectly affect the Authorised Business of the Licensee.
3. If any new or modified code of practice or standard of performance exceeds the performance obligations imposed by any of the Licensee's contractual agreements pre-dating the coming into effect of that code or standard (as applicable), the Licensee shall be given reasonable time to comply with such new code of practice or standard of performance.
4. Notwithstanding paragraph 1 of this Condition, the Authority may by written notification, exempt the Licensee from compliance with any code of practice or standard of performance, 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 or standard of performance that is in force at the relevant time by notifying the Authority in writing of the proposed modification. The Authority shall:
- (a) 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; or

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- (b) review the proposed modification to a standard of performance and determine whether the proposed modification should be made.
6. (1) The Licensee shall not:
- (a) with regard to the Licensee Services 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;
 - (b) mislead or confuse any Person about the Licensee Services.
- (2) If the Authority is satisfied that the Licensee is contravening or has contravened any provision of sub-paragraph 6(1) of this Condition, the Authority may, by notice 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 5: Risk Management and Insurance

1. The Licensee shall adopt and implement reasonable and prudent policies in relation to the management of risk and insurance of risks associated with the Licensee Services.

Condition 6: 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.

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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 7: 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 Licensee Services.
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 Licensee Services is, except as otherwise permitted by the Authority, this Licence, the provisions of any agreement between 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 a reputable professional services firm, in such form as the Authority may require, which confirms that the Licensee is complying with the requirements of this Condition.

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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 paragraphs 1 or 2 of this Condition.

Condition 8: 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 9: Investigation of Offences

1. The Licensee shall monitor its activities with respect to compliance with this Licence or with the Relevant Legislation and shall promptly report any suspected non-compliance to the Authority. The Licensee shall also submit half-yearly, or at such other frequency as notified by the Authority, 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.

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3. Where the Licensee reports suspected non-compliance by itself, another Gas Licensee or any other Person pursuant to paragraph 2 of this Condition, or requests the Authority to institute a prosecution against any Person for contravening a provision of Relevant Legislation in relation to the Licensee Services, 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 (inclusive) of this Condition.

Condition 10: Information and Access 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 11: Payment of Fees

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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 (inclusive) of this Condition.
2. The Authority shall, after the issuance of this Licence, notify the Licensee of the initial fee to be paid and the Licensee shall pay such fee to the Authority within thirty (30) calendar days of notification.
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 of this Condition 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.

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**PART III: SPECIAL CONDITIONS APPLICABLE TO THE IMPORTATION OF
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Condition 12: Obligation to Provide Licensee Services

1. In undertaking the Authorised Business, the Licensee shall provide or conduct (as applicable) the Licensee Services.
2. The Licensee shall not sub-contract or assign the Licensee Services (other than ancillary and support services which are not directly related to the marketing of LNG and/or regasified LNG, such as external accounting, information technology, administrative and office maintenance services) or any part thereof without the Authority's prior written approval.
3. In addition to the Licensee Services, the Licensee shall also ensure that it remains bound by the terms of the relevant or applicable UAA from the Effective Date to the expiry of this Licence.

Condition 13: Authority's Approval for Agreements

1. The Licensee shall ensure that any new Transaction Agreement, or any amendment or alteration of any previously approved Transaction Agreement, will only become effective after the Authority's written approval has been obtained.
2. Notwithstanding paragraph 1 of this Condition, the Authority may determine at any time that its approval is no longer required for any agreements falling within paragraph 1 of this Condition and the Authority shall notify the Licensee in writing if this is the case.
3. Any approval granted by the Authority under paragraph 1 above shall be subject to terms and conditions as the Authority may reasonably determine. The Licensee shall at all times ensure that it complies with such terms and conditions.
4. The Licensee shall at all times ensure that it complies with the Licensee's material obligations under any Transaction Agreement in accordance with the terms as approved by the Authority under paragraph 1 of this Condition.
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 Gas and/or LNG from, without the prior written approval of the Authority;
 - (b) imposes adverse consequences on an End User if the End User or

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Licensee contracts with any other counterparty for the supply of Gas and/or LNG 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 Gas and/or LNG to other parties; without the prior written approval of the Authority;
- (d) prevents or restricts the on-selling of Gas and/or LNG to or by the Licensee in Singapore, without the prior written approval of the Authority; or
- (e) prevents, restricts or distorts competition in any Gas and/or LNG market in Singapore.

Condition 14: 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 13.
2. The Licensee may apply for the approval of the Authority to revise the import quantities in Schedule A. Upon the 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.

Condition 15: Supply Reliability

1. The Licensee shall at all times ensure that it has firm contractual supply or offtake rights (whether through equity or purchase agreements) from the LNG Supply Sources.
2. The Licensee may apply for the approval of the Authority to update or revise the LNG Supply Sources by providing the necessary documentation to support its application. Upon the written approval of the Authority, the revised LNG Supply Sources shall be deemed to form part of Schedule B with effect from such date as specified by the Authority in its approval. The Authority may, following consultation with the Licensee, direct the Licensee to make revisions to the LNG Supply Sources for reasons such as sanctions, embargoes or prolonged force majeure.

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3. The Licensee shall not nominate in its LNG delivery schedule to an LNG Terminal any source of LNG supply that is reasonably expected to be an Affected Source.
4. Where a source of LNG supply to the Licensee becomes an Affected Source, and such Affected Source:
 - (a) is part of the LNG Supply Sources, notwithstanding the Licensee's ability to declare force majeure, the Licensee shall use reasonable endeavours to substitute it with an alternative source of LNG supply that is able to supply LNG at the relevant time for the purposes of delivery to the LNG Terminal; or
 - (b) is not part of the LNG Supply Sources, the Licensee shall use reasonable endeavours to substitute it with an alternative source of LNG supply that is able to supply LNG at the relevant time for the purposes of delivery to the LNG Terminal and the Licensee shall not be entitled to declare force majeure under its Transaction Agreements for any period of more than sixty (60) days due to such Affected Source.

Condition 16: Force Majeure Mitigation

1. The Licensee shall, in the event that the Licensee declares force majeure under any Transaction Agreement, notify the Authority in writing of the same promptly and in any event no later than five (5) working days after such event, and provide the following information, including but not limited to the following:
 - (a) reason for declaring force majeure;
 - (b) the estimated duration of force majeure and quantity of Gas and/or LNG affected;
 - (c) if applicable, alternative source(s) of replacement Gas and/or LNG;
 - (d) if applicable, a plan to allocate unaffected Gas and/or LNG between End Users; and
 - (e) the Licensee's plans to resume normal performance of any Transaction Agreement or to alleviate or mitigate the effects of force majeure including, where applicable, measures to (i) cause the LNG Supplier (pursuant to an LNG SPA) or the Terminal Operator (pursuant to a TUA) to use reasonable endeavours to mitigate the effect of the force majeure event, and (ii) minimise the impact on End Users and the cost of delivering replacement Gas and/or LNG.

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2. Following the notification under paragraph 1 of this Condition, the Licensee shall, from time to time to the best of its knowledge or where required, supplement and update all information provided to the Authority under paragraph 1 of this Condition until such time that normal performance under the Transaction Agreement has resumed.

Condition 17: Provision of Information and Data Relating to the Licensee Services

1. The Licensee shall submit to the Authority, at quarterly or such other intervals as may be notified by the Authority to the Licensee, in such format as may be approved by the Authority, a statement including but not limited to the following:
 - (a) the actual quantity of LNG imported by the Licensee for Domestic Consumption in the Licence Year under each LNG SPA or from each source of LNG supply;
 - (b) the total actual quantity of LNG imported by the Licensee for Domestic Consumption in the Licence Year as of the date of each statement;
 - (c) the actual quantity of LNG and regasified LNG delivered to each of its End Users in the Licence Year under each GSA;
 - (d) the total actual quantity of LNG and regasified LNG delivered by the Licensee to its End Users in the Licence Year;
 - (e) all requests for Term Commitments from Potential End Users and all Firm Offers provided in response thereto;
 - (f) the Licensee's current good faith estimate of when it expects to have entered into Term Commitments that reach the Threshold Quantity;
 - (g) until the Threshold Date, a general summary of the Licensee's significant marketing and operational activities undertaken in performance of the Licensee Services; and
 - (h) any reasonably expected event or circumstance which could adversely affect the Licensee's performance of the Licensee Services or any Transaction Agreement.
2. The Licensee shall use reasonable endeavours to notify the Authority prior to (but in any event no later than concurrently with) the taking of any of the following actions under a Transaction Agreement:
 - (a) waiving any material rights or obligations;

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- (b) exercising any material contractual option;
 - (c) declaring or acknowledging the occurrence of an event of force majeure; or
 - (d) exercising any termination rights.
3. The Licensee shall use reasonable endeavours to notify the Authority concurrently with, but in any event no later than immediately after, receiving any notice of the occurrence of an event of force majeure or taking any of the following actions under a Transaction Agreement:
- (a) instituting or responding to legal, arbitral or expert proceedings;
 - (b) agreeing the terms of settlement of a material dispute; or
 - (c) declaring a breach or default.
4. The Licensee shall promptly notify the Authority if it becomes aware of any counterparty to a Transaction Agreement taking any action referred to in paragraphs 2 or 3 of this Condition. To the extent that it may affect LNG supply to Singapore, the Licensee shall promptly notify the Authority if it becomes aware of any action referred to in paragraphs 2 or 3 of this Condition taken by any counterparty to an agreement that entitles the Licensee to receive LNG.
5. The Licensee shall, at its own cost, as soon as reasonably practicable and in any event no later than two (2) weeks after the Authority's notice in writing, provide information reasonably required by the Authority for the purpose of verification of the statement submitted under paragraph 1 of this Condition. The information required may include a report prepared by an independent, reputable professional services firm 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 for the purpose of verifying the actual quantity of LNG imported by the Licensee and the actual quantity of LNG and regasified LNG delivered by the Licensee to each of its End Users.
6. The Licensee shall, at its own cost, collect and report statistics in such form and at such frequency as may be reasonably requested by the Authority in writing.

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Condition 18: Obligation to Develop Gas Trading Market & Local Expertise

1. The Licensee shall, through its activities in the Gas market and role as a Gas market participant, work with the relevant government bodies and private entities in Singapore to create an environment where Gas trading can develop and to develop local expertise.
2. The Licensee shall, in consultation with the Authority, relevant government bodies and organisations, develop a proposal on how it intends to contribute to creating an environment where Singapore can develop as a Gas trading hub, and grow local expertise. The Licensee shall submit a proposal with clear objectives and implementation details to the Authority for approval no later than twelve (12) months from the Effective Date or such later date as may be notified to the Licensee by the Authority.
3. Upon the Authority's approval, the Licensee shall implement the approved proposal in collaboration with the Authority, relevant government bodies and organisations.

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PART IV: SPECIAL CONDITIONS APPLICABLE DURING THE EXCLUSIVE PERIOD

Condition 19: Exclusive Right to Meet New Term LNG Demand for Domestic Consumption during Exclusive Period

1. During the Exclusive Period, the Authority (i) shall grant to the Licensee and the other Gas Importer Licensee (LNG) who is licensed on the Effective Date the right to import LNG into Singapore for the purpose of selling such imported LNG as Term LNG to End Users for Domestic Consumption and (ii) shall not allow, except as provided under paragraph 2 of this Condition and Condition 21, any other Person to import LNG into Singapore for the purpose of selling such imported LNG as Term LNG to End Users for Domestic Consumption.
2. Paragraph 1 of this Condition shall not prevent:
 - (a) any Gas Importer Licensee (LNG) who is already licensed immediately prior to the Effective Date from continuing to import LNG and to sell such imported LNG as LNG and/or regasified LNG in accordance with the terms of its Gas Licence (and any related arrangements with the Authority);
 - (b) any Person from being permitted by the Authority to import, store and re-export LNG;
 - (c) any Person from importing Gas through pipelines and selling such Gas;
 - (d) any Person from re-selling LNG and/or regasified LNG purchased in Singapore to any other Person;
 - (e) the Licensee or any other Person from importing LNG for sale as LNG and/or regasified LNG under a Spot GSA; or
 - (f) any Person from being permitted by the Authority to import LNG for uses other than for Domestic Consumption (including, for the avoidance of doubt, for use as fuel for marine vessels).
3. The Licensee shall act as a Reasonable and Prudent Operator in seeking to enter into Term Commitments to reach the Threshold Quantity as early as possible.

Condition 20: Obligation to Offer Term GSA During Exclusive Period

1. Unless otherwise approved by the Authority, if any Potential End User so requests during the Exclusive Period, the Licensee shall make an offer

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capable of immediate acceptance by such Potential End User for a Term GSA (a "**Firm Offer**") in accordance with paragraph 2 of this Condition, provided that the Licensee shall not be obliged to make an offer to the other Gas Importer Licensee (LNG) who is licensed on the Effective Date or any of its Affiliates unless directed by the Authority.

2. Each Firm Offer made pursuant to paragraph 1 of this Condition shall be in the form of the Baseline GSA duly executed by the Licensee which has been completed to reflect the specifics of (A) the Potential End User; (B) where an option in the Baseline GSA is for determination at the Potential End User's election, reflecting the choice of option that the Potential End User has taken; and (C) includes correct and complete copies of all schedules and exhibits;

Each Baseline GSA between the Licensee and Potential End User shall include:

- (a) the offered price, which, unless otherwise agreed with the Potential End User, shall be lower than or equivalent to the price in the Baseline GSA and;
 - (b) the forms of any other documents that the Potential End User would be required to enter into in order to receive Term LNG.
3. Unless otherwise approved by the Authority, the Licensee shall during the Exclusive Period:
 - (a) make a Firm Offer to any Potential End User requesting a Firm Offer within ten (10) days of such request; and
 - (b) provide the Potential End User a period of at least ten (10) days from receipt of the Firm Offer during which the Firm Offer is capable of acceptance (the "**Validity Period**").
 4. A Firm Offer shall remain irrevocable for the Validity Period. Following the expiry of the Validity Period, the Licensee shall have the right to revoke the Firm Offer if it has not been accepted.
 5. The Licensee shall not amend or alter any terms of the Baseline GSA without the prior written approval of the Authority.
 6. The Authority and the Licensee may mutually agree to vary the time taken by the Licensee to make a Firm Offer and/or the Validity Period of a Firm Offer as stated in paragraph 3 of this Condition, if so warranted by LNG market conditions.
 7. Nothing in this Condition precludes a Potential End User from requesting for an offer for a Bespoke Term GSA from the Licensee. Where a Potential End

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User requests for an offer for a Bespoke Term GSA, then for the avoidance of doubt, such offer shall not be subject to the requirements in this Condition.

Condition 21: Exceptions During the Exclusive Period

1. During the Exclusive Period, the Authority may, after considering all relevant circumstances, permit a Potential End User or End User to purchase, for delivery during any period, imported LNG as LNG and/or regasified LNG from any Person other than the Licensee in the circumstances set out in this paragraph 1 of this Condition. To the extent that the Authority permits such purchase in accordance with this Condition, the Authority shall not be subject to the restrictions set forth in paragraph 1 of Condition 19.

(a) Failure to make Firm Offer

If the Licensee, upon request by any Potential End User, fails to provide a Firm Offer to a Potential End User in accordance with Condition 20, the Authority may permit such Potential End User to purchase from any other Person the quantity of Term LNG which such Potential End User had requested from the Licensee.

(b) Licensee's failure to negotiate in Good Faith

If the Licensee fails to negotiate in good faith with a Potential End User, the Authority may permit such Potential End User to purchase from any other Person the quantity of Term LNG which the Potential End User requested.

(c) Force Majeure

To the extent that an event of force majeure affects the Licensee's ability to perform its delivery obligations pursuant to a Term Commitment, the Authority may permit the affected End User to purchase from any other Person up to the quantity of Term LNG affected, until such time as the Authority notifies the Licensee and the End User that the Authority is satisfied that the Licensee is able to resume performance of its delivery obligations under the relevant Term Commitment.

(d) Failure to supply

To the extent that the Licensee has failed, or notifies any End User in advance that it will fail, to fulfil a delivery obligation in full or in part under a Term Commitment, the Authority may permit the affected End User to purchase from any other Person up to the quantity of Term LNG affected, until such time as the Authority notifies the Licensee

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and the End User that the Authority is satisfied that the Licensee is able to resume performance of its delivery obligations under the relevant Term Commitment.

(e) Termination of a Term Commitment

If an End User exercises its rights to terminate a Term Commitment arising as a result of an act or omission by the Licensee, then the Authority may permit the End User to purchase from any other Person up to a quantity of Term LNG that the End User would have received if not for the termination of the Term Commitment.

(f) Forced Send-out of Gas by Terminal Operator

The Authority may permit a Terminal Operator to sell LNG and/or regasified LNG to any other Person to the extent permitted under a Terminal Use Agreement as a result of the Licensee's failure to offtake LNG and/or regasified LNG from an LNG Terminal.

2. Volumes failed to be made available by the Licensee under paragraph 1(a) and 1(b) of this Condition will, for the purposes of determining the Threshold Date only, be deemed to have been sold by the Licensee under a Term Commitment.
3. For the avoidance of doubt, none of the circumstances set out in paragraph 1 of this Condition shall have the effect of delaying the occurrence of the Threshold Date.