



NAME OF LICENSEE: [Company name] Limited/Ltd.

ADDRESS OF LICENSEE: c/o [Address]
Nassau, The Bahamas

**Liquefied Natural Gas (LNG) Terminal Operator
Licence**

Commencement Date: [day] [month] [year]

Licence Number: LTOL – [XX]-[XXXX]

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PART A

1 GRANT OF THE LICENCE

- 1) The Utilities Regulation and Competition Authority (URCA) in exercise of its powers conferred by section 17(1) of the Natural Gas Act, 2024,

HEREBY GRANTS to [insert company name], a company incorporated in the Commonwealth of The Bahamas with Registration Number [xxx] (the "Licensee"), a Liquefied Natural Gas Terminal Operator Licence authorising the Licensee to manage and operate the LNG Terminal in The Bahamas ("the Licence"), subject to the conditions of this Licence (the "Licence Conditions").

- 2) This Licence shall be cited as the [insert company name] LNG Terminal Operator Licence.
- 3) This Licence shall come into effect on the [insert date] ("the Commencement Date") and shall continue in full force and effect until termination or expiry unless amended, revoked or terminated pursuant to the terms and conditions set out herein.
- 4) The Conditions of this Licence are subject to amendment or modification in accordance with their terms or in accordance with the Natural Gas Act, 2024.
- 5) This Licence shall be governed by and construed, enforced and performed in accordance with the laws of the Commonwealth of The Bahamas.

Executed on behalf of the Utilities Regulation and Competition Authority on the [insert date].

Chief Executive Officer

2 ACCEPTANCE OF TERMS AND CONDITIONS OF LICENCE

- 6) We, [XXX] Ltd., the named Licensee hereby accept the terms and conditions of this Licence on our behalf and on behalf of any Subsidiary Undertaking authorised in accordance with Section 32 of the Natural Gas Act, 2024 and jointly named above or endorsed below.

SIGNED this day of2024

Signature

[XXX]

[Title]

3 ENDORSEMENT OF AUTHORISED SUBSIDIARIES

- 7) URCA grants this Licence jointly to the following Subsidiary Undertakings of the Licensee named in Condition 1) that have been notified to URCA in accordance with Section 32 of the Natural Gas Act, 2024.
- 8) Notwithstanding the inclusion of its name on this licence, such Subsidiary Undertaking shall cease to be licensed for the purposes of Condition 1) in the following circumstances:
- a) fourteen (14) calendar days after URCA receives notice in writing from the named Licensee or the relevant Subsidiary Undertaking excluding the Subsidiary Undertaking from the licence; or
 - b) immediately subsequent to a determination by URCA excluding the Subsidiary Undertaking from the licence.

4 DEFINITIONS AND INTERPRETATION

- 9) In this Licence, except in so far as the context otherwise requires:

“Act” means the Natural Gas Act, 2024;

“Allowed Activities” means activities, other than the Authorised Business, which the Licensee may engage in, subject to the provisions of Condition 32;

“Allowed Activity” means any one of the Allowed Activities;

"Assets" mean the material assets and facilities owned, operated or leased by the Licensee, including real estate and resources of economic value that the Licensee owns or controls with the expectation of future benefit. This includes, where applicable but not limited to, the marine facilities (jetties, berths, mooring

and unloading arms); the LNG storage tanks; the regasification facilities (including the vaporization units and the booster pumps); the pipeline infrastructure (pipelines connecting the terminal to natural gas grids or other infrastructure for the transfer of natural gas to and from the terminal; and the gas handling and metering systems); the utilities and support systems (including the electrical systems to provide power to the terminal operations; and firefighting and safety systems; and control rooms and automation systems to monitor and control the operations of the terminal).

“Authorised Business” means the Licensee’s construction, operation, maintenance and repair of the LNG Terminal. The Licensee has the right to supply regasified natural gas to third parties for public and private purposes in the Bahamas for which the Licensee is entitled to bill customers at the rates and charges approved in accordance with the Natural Gas Act, 2024;

“Catastrophic Failure” means a sudden and total failure of a system, equipment, or process that leads to its complete and immediate inability to function;

“Close relation” means a spouse, parent, child or sibling;

“Constitution” means the Constitution of the Commonwealth of The Bahamas;

“Customers” means all persons who have entered into a Terminal Use Agreement or any similar agreements to purchase services from the Licensee, and **“Customer”** means any of them;

“End Users” means buyers of gas that is regasified at the Licensee’s LNG Terminal and (a) a person who, otherwise than as a Licensee, is a customer for that service; (b) a person who makes use of the service otherwise than as a Licensee; or (c) a person who may be authorized, by a person falling into subparagraph (a), so to make use of the service;]

"Fair Market Value" means the market value of the Licensee when evaluated as an ongoing business concern including this Licence and all lands, buildings, works, materials, plant and property of all kinds whatsoever suitable to or intended for the purposes of the undertaking and shall be the price, expressed in cash equivalents, at which the Shares would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm’s length in an open unrestricted market when neither is under any compulsion to buy or sell and when both have reasonable knowledge of the relevant facts. Fair market value shall be the average value as determined by a panel of three (3) independent valuation experts, one to be selected by URCA, one by the Licensee and one, who shall be Chairman of the panel, to be selected by the two other members. In the event that the nominees cannot agree on the selection, the Chairman shall be appointed by URCA;

"Financial Year" means the twelve (12) month period at the end of which the Licensee’s annual accounts are closed;

“Force Majeure” means an event or circumstance which prevents the Licensee from performing its obligations under this Licence, which event or circumstance is not within the reasonable control of, or the

result of the negligence of, the Licensee, and which the Licensee is unable to overcome or avoid or cause to be avoided through the exercise of due diligence. Events of Force Majeure may include, but are not limited to:

- a) acts of God;
- b) pandemics,
- c) fire including fire resulting from an earthquake;
- d) flood including flood caused by an earthquake or hurricane;
- e) volcanic eruption;
- f) earthquake;
- g) hurricane, cyclone, tornado or windstorm;
- h) overflow of the sea caused by hurricane, cyclone, tornado or windstorm the elements listed above;
- i) war, riots or acts of terrorism;
- j) strikes, walkouts, lockouts and other labour disputes;
- k) requirements, actions or failure to act on the part of governmental authorities;
- l) adoption or change in any law, regulation, statute, rule or regulation imposed by governmental bodies, including, without limitation, a change in the interpretation thereof; or
- m) any lawful order by any court or administrative agency (so long as the Licensee has not applied for or assisted in the application for such court or governmental action);

"Gas Metering Code" means the code of practice that sets out the obligations of meter owners, gas shippers and the Licensee with regards to meter installations and metering data;

"Gas Network Code" means the Gas Network Code issued by URCA in accordance with the Act;

"Gas Supply Code" means the code of practice that sets out the obligations of gas licensees to comply with the standards and procedures for the safe operation of the gas supply system;

"Gas Transporter" means the gas transporter licensed in accordance with section 17(1) of the Act who transports gas to the premises of that consumer

"Government" means the Government of the Commonwealth of The Bahamas;

"Licensee" means [XXX] and includes any entity exercising step-in rights on a named Licensee;

"LNG" means liquefied natural gas;

"LNG Terminal" means the LNG receiving terminal facility more particularly described in Schedule 1;

"LPO Charge" means the charge to be imposed by the Licensee when injecting Regasified LNG into the gas supply system to stabilize the pressure level (i) in the event the pressure level falls below the level prescribed in the Standing instructions; or (i) in circumstances where the Gas Transporter declares a system emergency;

"Major Technical Incident" means an event or situation that significantly disrupts normal operations which leads to an unintended reduction of Throughput Services by more than 20% for more than 24 hours.

"Major Safety Incident" is defined in accordance with Condition 166);

"Minister" means the Minister with portfolio responsibility for the Energy Sector;

"Named Licensee" means the person whose name appears in the grant and issuance of a licence by URCA;

"Other Regulated Services" means in respect of the Licensee, the other regulated services in respect of the LNG Terminal as described in Schedule 3;

"Person" means any individual, partnership, joint venture, association, trust company, or corporation;

"Port Liability Agreement" is a contract that outlines the rights, responsibilities, obligations, and liabilities of the parties involved in the operation and use of a port.

"Price Regulated Services" means in respect of the Licensee, the price regulated services of the LNG Terminal as described in Schedule 2;

"Regasified LNG" means gas derived from the conversion of LNG received by the Licensee from its liquefied state to a gaseous state;

"Regulatory Accounts" means the reports on the financial and operating performance of the Licensee in such detail and format as designated by URCA;

"Related Enterprise" in relation to the Licensee or its Subsidiary Undertaking means any corporation or partnership over which the Licensee or its Subsidiary Undertaking, as the case may be (either directly or through another Subsidiary Undertaking) is able to exercise control, that is, to direct the decision-making process of the corporation or partnership, whether through holding issued share capital or voting power of the company or partnership;

"Relevant Legislation" means the Act and the Utilities Regulation and Competition Authority (URCA) Act

and includes in each case the regulations made thereunder;

“Relevant Turnover” has the meaning specified in the Act;

“Standing Instructions” means the Standing instructions For The Response To Downstream Pipeline Network Low Pressure issued by URCA in accordance with Condition 48;

“Step-in-Event” has the meaning specified in Condition 18;

“Service Territory” means, for the purpose of this Licence, within, into, from and through the islands and cays within the Commonwealth of The Bahamas;

“System Entry Agreement” means a contract between the Transporter and the LNG Terminal Operator containing, without limitation, provisions for the injection of gas from the Terminal in the transmission network;

“Subsidiary Undertaking” shall the meaning specified under the Act;

“URCA Fees” mean the Fees prescribed by URCA pursuant to the Act.

“Utilities Appeal Tribunal” or **“UAT”** means the Utilities Appeal Tribunal established under the Utilities Appeal Tribunal Act, 2009.

For the purpose of interpreting the Conditions in this Licence:

10) except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in:

- a) the Licence, and otherwise;
- b) the Natural Gas Act, 2024 and otherwise;
- c) the URCA Act, and otherwise; and
- d) the UAT Act;

11) for ease of reference, in this Licence terms defined in the Natural Gas Act have been capitalised;

12) subject to Condition 10) above, where there is any conflict between the provisions of this Licence and the Act, the provisions of the Act shall prevail;

13) references to Conditions, paragraphs, schedules, subparagraphs and appendices are to Conditions, paragraphs, subparagraphs of and to the appendices to the Licence, as modified from time to time in accordance with this Licence and the Act;

- 14) a Document will be incorporated into and form part of the Licence if it is referred to in this Licence and a reference to a Document is to a Document as modified from time to time;
- 15) headings and titles used in this Licence are for reference only and shall not affect its interpretation or construction;
- 16) references to any law or statutory instrument include any modification re-enactment or legislative provisions substituted for the same;
- 17) reference 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;
- 18) 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;
- 19) use of the word “include” or “including” is to be construed as being without limitation;
- 20) expressions cognate with those referred to in this Licence shall be construed accordingly;
- 21) words importing: (i) the singular only shall include the plural and vice versa; (ii) the whole shall be treated as including a reference to any part; and (iii) any gender shall include all other genders; and
- 22) reference to persons shall include firms or companies.
- 23) cross references are marked with an open parenthesis. It is expressly stated that the use of an open parenthesis in these cross references bears no legal interpretation. The sole legally pertinent element is the reference number.

5 ROLE AND DUTIES OF URCA

- 24) The Licensee shall be subject to the regulatory supervision of URCA. URCA shall perform its functions and carry out its duties pursuant to the URCA Act, the Act and any other relevant laws, this Licence and have regard to relevant Government policy.
- 25) In carrying out its functions URCA shall act proportionately and non-discriminatorily balancing the interests of consumers with those of the Licensee.

6 NATURE AND SCOPE OF THE LICENCE

- 26) This Licence authorizes and gives the Licensee the right to manage and operate the LNG Terminal in The Bahamas described in Schedule 1, subject to the Licence Conditions, the Act, regulatory measures issued by URCA from time to time and any other relevant law for the time being in force.

7 DURATION AND RENEWAL OF LICENCE

- 27) Subject to the provisions herein contained, the duration of this Licence shall be for a period not exceeding 15 years from the Commencement Date.
- 28) The Licensee may, no later than two (2) years prior to the expiry of the Licence, apply to URCA, in writing, for a renewal of the Licence. URCA's decision on the renewal application will be notified to the Licensee, in writing, no later than one and a half years prior to the expiry of the Licence. Where approved, the renewal shall be on such terms and conditions as URCA deems fit
- 29) This Licence shall be renewed by URCA in accordance with the procedure prescribed under section 33 of the Act.
- 30) Any request for the termination of this Licence by the Licensee is subject to the approval of URCA, whose approval shall not be unreasonably delayed or withheld beyond a ninety (90) calendar day period. The Licensee shall continue to be bound by the terms of this Licence until such time as URCA notifies the Licensee in writing of such approval. The Licensee shall not be released from any obligation arising under the Licence prior to such date.

8 CHANGE IN CONTROL

- 31) The Licensee shall obtain URCA's written approval of any change in control of the Named Licensee or any notified licensee prior to the change in control occurring.
- 32) Without limiting URCA's ability and duty to apply the merger control provisions in Part VI of the Act, URCA may object to a change in control if in URCA's view the acquirer would not meet any of the criteria referred to in, or set by URCA pursuant to, section 24 of the Act.

9 ASSIGNMENT OR TRANSFER OF LICENCE

- 33) The Licensee shall not, without the prior written approval of URCA, transfer, sub-license, assign or grant any right, interest or entitlement in the Licence to any person or transfer or dispose of any of its assets that are necessary to provide the Authorised Business that the Licensee is obliged to provide under this Licence save in the ordinary course of replacement of such assets necessary to provide the Authorised Business. Such approval shall not be unreasonably withheld.
- 34) URCA shall approve an application for the assignment or transfer of the Licence where URCA is satisfied that the proposed assignee or transferee satisfies the criteria set out under the Act and any other criteria established by URCA.
- 35) Should the Licensee wish to assign or transfer the Licence, it shall request, in writing, the approval of URCA and URCA shall reply in writing within sixty (60) calendar days of the receipt of such request informing of its decision on the application.

36) URCA shall publish its decision regarding a request to assign or transfer the Licence and its decision on its website.

37) Where URCA refuses to give its approval it shall give reasons in writing for such refusal to the Licensee.

38) The Licensee may apply to URCA within seven (7) calendar days of the notification of refusal by URCA in accordance with condition 37) for a reconsideration of its decision not to approve the assignment or transfer its Licence and may appeal any decision made by URCA to the UAT following any such reconsideration by URCA.

39) Any purported transfer of this Licence without the approval in writing of URCA shall be void.

10 AMENDMENT, MODIFICATION AND REVOCATION OF LICENCE

40) URCA may amend, modify or revoke this Licence in accordance with the procedures set out in section 40 of the Act.

11 COMMUNICATIONS AND NOTICES

41) Notices, orders and other documents under this Licence may be in writing or in print or in electronic format (permitting confirmation of receipt) and shall, if served on:

- a) URCA be addressed to:
the Chief Executive Officer; and
- b) the Licensee, be addressed to:
the Chief Executive Officer/Managing Director.

42) Any notice, order or document required or authorized to be served upon a body or person under this Licence may be served by the same being addressed to such body or person and being left at or transmitted by electronic mail or facsimile or by registered post to the address of such body or to the usual or last known place of abode of such person. If served by post it shall be deemed to have been served at the time when the containing letter would be delivered in the ordinary course of post and in proving such service it shall be sufficient to prove that such letter was properly addressed, registered and put into the post. If served by electronic mail or facsimile it shall be deemed to have been served when the electronic mail or facsimile shall have been transmitted by the sender.

43) Notwithstanding the above, the Licensee shall designate a person that will act as a primary contact with URCA on matters related to this Licence and shall notify URCA promptly should the contact details change.

44) URCA may designate the Director of Utilities and Energy as the primary contact on matters related to this Licence.

45) Notwithstanding conditions 41) through 43), publication on URCA's website of any communication shall be deemed sufficient notice to the Licensee.

PART B – GENERAL OBLIGATIONS

12 OBLIGATIONS TO COMPLY WITH LAWS, REGULATIONS AND LICENCE CONDITIONS

46) The Licensee shall comply with the Act and any other Act of the Commonwealth of The Bahamas that has application to it in the discharge of its performance under this Licence.

47) The Licensee shall comply with regulatory and other measures including any directive, order, rule, decision or approval issued, made or granted by URCA in accordance with its duties and functions under the Act or this Licence.

48) Without limiting the foregoing, the Licensee shall be subject to and shall comply with:

- a) the Gas Metering Regulation;
- b) the Gas Supply Code; and;
- c) any other relevant regulations, codes of practice as URCA notifies the Licensee in writing,

13 BREACH OF OBLIGATION TO COMPLY WITH LAWS, REGULATIONS AND LICENCE CONDITIONS

49) Where URCA has reason to believe that the Licensee has failed to comply with any relevant law, regulation or condition of this licence, URCA may exercise all such powers and duties as are afforded to or required of it under the Act or any other relevant law and may take all such action as is permitted to it thereunder against either the Licensee or its Subsidiary Undertaking.

50) The Licensee shall be liable for all the acts and omissions of each of its Subsidiary Undertakings in respect of its obligations under this Licence.

51) Without prejudice to the Licensee's other obligations under this Licence, where its Subsidiary Undertaking has done something which would if done by the Licensee:

- a) be prohibited or not authorised by any relevant law, regulation and condition of this Licence; or
- b) require the Licensee to take or refrain from taking a particular action under any relevant law, regulation and condition of this Licence and that no Licensee, including the Subsidiary Undertaking, has met that further requirement,

then, where URCA is not satisfied that the Licensee has taken all reasonable steps to prevent its Subsidiary Undertaking from acting in that manner, URCA may direct the Licensee to take such steps as URCA deems appropriate for the purpose of remedying the matter, including restraining the defaulting Subsidiary Undertaking from carrying on with such activities connected with the Authorised Business as URCA may determine.

14 INTERNATIONAL OBLIGATIONS

52) 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 international 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 Condition 53).

53) URCA shall notify the Licensee from time to time of any membership or agreement to which Condition 52) applies.

15 COMPOSITION OF THE BOARD OF DIRECTORS

54) The Licensee shall procure that at all times its directors or their close relations shall not be employed by nor hold any office or engagement with:

- a) any person (other than the Licensee) authorised by a gas licence or exempted from the obligation to hold a gas licence to engage in gas retailing; or
- b) any person (other than the Licensee) authorised by an electricity licence or exempted from the obligation to hold an electricity licence to engage in electricity generation.

55) URCA 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 URCA may determine.

16 PROHIBITION ON ACQUISITION OF SHARES

56) The Licensee shall not directly or indirectly through its Subsidiaries or Related Enterprises acquire or hold any shares in:

- a) any person (other than the Licensee) authorised by a gas licence or exempted from the obligation

to hold a gas licence to engage in gas retailing; or

- b) any person (other than the Licensee) authorised by an electricity licence or exempted from the obligation to hold an electricity licence to engage in electricity generation.

57) URCA 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 URCA may determine.

17 OBLIGATION TO PERFORM

58) The Licensee shall provide an adequate, safe and efficient service based on modern standards, to the Service Territory at reasonable rates so as to contribute to national economic development.

59) Subject to the Licence Conditions and directions of URCA, the Licensee shall ensure that the development of the gas supply system is implemented based on agreed long term planning procedures and methodologies and that investments are made consistent with such plans and in conformity with prudent utility practice so as to ensure adequacy and continuity of supply at the least economic cost while at the same time ensuring that the Licensee earns a reasonable return on its investment.

60) The Licensee shall provide terminal access and service, and interconnection access and service, on a non-discriminatory basis to the facilities that it operates as soon as practically possible in response to service requests by customers, other licensees and end users.

61) The Licensee shall, to the extent that it is technically feasible and economically reasonable employ modern and leading edge technological solutions to secure optimal efficiencies in its operations.

62) The Licensee shall take all reasonable steps to prevent and resolve unplanned interruptions to the provision of its Authorised Business.

63) The Licensee shall take all reasonably practicable steps to maintain, to the greatest extent possible, the proper and effective functioning of the LNG Terminal.

64) The Licensee shall inform URCA about measures taken to resolve unplanned interruptions as required by URCA.

18 STEP-IN EVENT

65) A Step-in Event occurs in the following circumstances:

- a) Where the Licensee ceases to operate all, or any substantial part of the LNG Terminal for a period of forty-eight (48) consecutive hours (the Initial Period) or some other period as URCA may decide without the prior written consent of URCA; or

b) URCA revokes or suspends this Licence.

66) The following are not Step-in Events:

a) Force Majeure; and

b) A Scheduled Outage.

67) In the case of a Step-in Event, URCA shall designate a third party to carry out the functions of the Licensee that are authorised under this Licence.

68) For the purpose of Condition 67), the third party may enter, take possession of and operate the LNG Terminal used in the carrying out of the activities authorised under this Licence.

69) The third party may take action in court for recovery of costs and damages incurred by the failure of the Licensee to perform its obligations to the public in accordance with the terms of this Licence.

70) The third party shall stop carrying out the functions of the Licensee as soon as practicable after URCA advises that the Licensee has demonstrated its capability to resume its functions under this licence.

19 FORCE MAJEURE

71) The Licensee shall give notice and details of Force Majeure events to URCA as soon as reasonably practicable. URCA may issue a notice excusing the Licensee from its performance obligations during the period of Force Majeure.

20 COMPLIANCE AND RISK MANAGEMENT

72) The Licensee shall adopt and implement reasonable and prudent policies in relation to the management risks associated with its Authorised Business.

73) The Licensee shall adopt and implement reasonable and prudent policies in relation to ensure compliance with this Licence, the provisions of the Act and all regulatory and other measures issued by URCA.

74) The Licensee must have a Compliance Officer:

a) physically present in The Bahamas;

b) who must, at least once per year, make and present compliance reports directly to the board of the directors of the Licensee.

- 75) The Licensee must ensure that a person appointed as the Compliance Officer is sufficiently senior and independent to:
- a) exercise sound judgment;
 - b) carry out the functions and duties of a Compliance Officer objectively; and
 - c) interact effectively with senior management and board members when carrying out the functions and duties regarding compliance with the Natural Gas Act, licence conditions and policies and practices of the Licensee.
- 76) A Licensee must not, directly or indirectly, take any action to coerce, manipulate, mislead, bribe or influence or otherwise engage in activity that threatens the independence of the Compliance Officer when carrying out their compliance functions and duties.
- 77) A person designated as the Compliance Officer of a Licensee must not do so while designated –
- a) function as Chief Executive Officer of the Licensee;
 - b) act in any capacity other than that of Compliance Officer; or
 - c) assume any duties and responsibilities which may cause a conflict of interest with the persons' functions and duties as Compliance Officer within the Licensee's Authorised Business.
- 78) A Licensee must prior to appointing a Compliance Officer must:
- a) notify URCA in writing:
 - b) of the name and address of the proposed Compliance Officer;
 - c) whether the proposed Compliance Officer is an employee of a parent company a company affiliated with the Licensee;
 - d) the regulatory status of the Compliance Officer;
 - e) satisfy URCA that the proposed Compliance Officer has:
 - i) the requisite knowledge to be a Compliance Officer; and
 - ii) the requisite experience to be a Compliance Officer.

21 INSURANCE

- 79) The Licensee shall obtain and maintain insurance (including self-insurance) for:

- a) physical damage to the LNG Terminal;
- b) increase in Fuel Costs that result from unplanned fuel consumption due to Forced Outages; and
- c) third-party liabilities.

80) The Licensee must ensure that the insurance policy guarantees the insurer will notify URCA of lapses, cancellation, or changes to the policy thirty (30) calendar days prior to the changes taking effect.

81) URCA shall notify the Licensee of required modifications to the insurance policy and the Licensee should procure that such modifications are made no later than sixty (60) calendar days from the notice date, or any date agreed with URCA.

82) The Licensee may have reduced obligations to maintain insurance policies, if the following alternatives are approved by URCA:

- a) self-insurance, where the Licensee has the financial capacity to meet any liabilities to a third party; and
- b) special tariff factor, applied after a disaster and until Facilities affected are re-built and ready to operate.

22 PREPARATION FOR EMERGENCIES AND SECURITY ARRANGEMENTS

83) The Licensee shall take such action as URCA may reasonably require, to plan and prepare for emergencies, including taking part in tests and exercises.

84) The Licensee shall develop and implement such arrangements as are prudent to ensure the safety and, where reasonably practicable, the continuity or restoration of its operations in the event of an emergency.

23 INVESTIGATION OF OFFENCES

85) The Licensee shall monitor its activities with respect to compliance with this Licence and with the Relevant Legislation and shall report any suspected non-compliance to URCA. The Licensee shall also submit quarterly, or at such other frequency as notified by URCA in writing, a compliance statement to URCA that it has complied with the requirements in this Licence or describing any cases of any suspected non-compliance.

86) Where it comes to the attention of the Licensee that another gas licensee has breached its gas licence or the Relevant Legislation or any other person has breached the Relevant Legislation, the Licensee shall report such non-compliance to URCA.

87) Where the Licensee reports suspected non-compliance by itself, another gas licensee or any other

person pursuant to paragraph 22.2 above, or requests URCA to institute a prosecution against any person for contravening a provision of the Relevant Legislation in relation to the Licensee's Authorised Business, the Licensee shall furnish to URCA 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 and any relevant information and evidence requested by URCA.

88) Where URCA 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, URCA may inform the Licensee of such information and the Licensee shall furnish to URCA 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 and any relevant information and evidence requested by URCA.

89) The Licensee and its directors and officers shall give full assistance and cooperation to URCA and its prosecuting officer or counsel in connection with any prosecution proceedings arising from paragraphs 85) through 88) of this Condition.

24 PAYMENT OF FEES AND CONTRIBUTIONS

90) The Licensee shall pay to URCA the following fees and contributions as notified by URCA from time to time in accordance with the Act:

- a) annual URCA Fee pursuant to section 16(2)d of the Act;
- b) the Tribunal Fee payable pursuant to Schedule 3 of the Utilities Appeal Tribunal Act, 2009; and
- c) any other applicable fees and charges.

91) For each Financial Year of the Licence, any annual fees payable by the Licensee under section 16(2)d of the Act shall be based upon the following accounts in relation to the Authorised Business or, where appropriate, business plan for the Licensee and each of the Subsidiary Undertaking (or, where these are consolidated, the Licensee's consolidated accounts showing the turnover and revenue for the Licensee and each of the Subsidiary Undertakings):

- a) the last available audited accounts; or
- b) where the audited accounts are not available or those accounts do not include any Relevant Turnover as defined in the Act, accounts certified by an accountant in possession of a practising certificate issued by The Bahamas Institute of Chartered Accountants; or

c) where the Licensee does not have any available accounts certified by an accountant in possession of a practising certificate issued by The Bahamas Institute of Chartered Accountants, the expected Relevant Turnover in the Licensee's business plan.

92) The annual fees calculated in accordance with Condition 91) herein shall be paid in advance on the first day of the Financial Year, with any adjustment due as a result of the audited accounts for that Financial Year becoming available being paid to URCA (or deducted from any other payment due to URCA) on the first day of the next Financial Year.

93) Without prejudice to Condition 13 herein, in the event of a default by the Licensee in the payment of any fees when due under this Licence:

a) the Licensee shall pay to URCA interest under Section 16(5) of the Act; and

b) URCA may revoke this Licence in accordance with Condition 10 herein.

94) Interest on outstanding fees due to URCA under Section 16 of the Act is not recoverable in tariffs to customers.

25 REPORTING OBLIGATIONS

95) The Licensee shall submit its audited financial statements, with certificate of the external auditors, for the Authorised Business and the accompanying annual report to URCA (which shall provide operating and financial statistics for the last 10 years in which the Licensee has been providing the Authorised Business) as required by URCA having regard to the Licensee's requirements for its annual report and audited financial statements.

96) URCA may require the Licensee to maintain a system of separate regulatory accounts for regulatory reporting and tariff analysis.

97) The Licensee shall furnish to URCA without undue delay such information, documents and details related to the Authorised Business, as URCA may reasonably require in order for it to fulfil its functions and discharge its obligations under the Act.

98) The Licensee shall furnish to URCA without undue delay, or such other timeframe as URCA may from time to time notify, such information, documents and details related to the Authorised Business that have or is likely to have a significant impact its functions assigned to it by or under the Licence and the Act.

99) The Licensee shall provide such other specified and relevant reports to URCA as may be reasonably required from time to time.

26 CONFIDENTIAL INFORMATION

- 100) The Licensee shall take reasonable measures to ensure that all confidential information received by it from gas retailers and users of the terminal (including individual demand information) in relation to the Authorised Business:
- a) is kept confidential by the Licensee except as otherwise permitted by URCA, this Licence, 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, 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 and Allowed Activities.
- 101) The Licensee shall take such other action, including complying with restrictions upon the transfer, engagement, or re-engagement of employees, as URCA 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 URCA, 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.
- 102) The Licensee shall, if requested by URCA, procure that a certificate is issued by its auditors, in such form as URCA may require, which confirms that the Licensee is complying with the requirements of this Condition.
- 103) 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 100) or 101) of this Condition.

27 ENGAGING IN OTHER BUSINESS

- 104) The Licensee may engage in other business activities and shall keep separate accounts for its different activities. The Licensee's profits and losses from such other business activities shall not be considered for the purpose of setting tariffs.
- 105) At URCA's approval, the Licensee may allow third parties to have access to and use its facilities on an arm's length basis where such access and use allow the Licensee to operate more efficiently.

106) The leasing or use of the Licensee's Assets is subject to prior written approval by URCA. Such approval shall not be unreasonably withheld.

107) The Licensee may charge a third party a fee for access and use of its Facilities. Such fee shall be determined on an arm's length commercial basis determined by the value of the access or use.

28 RELATED PARTY TRANSACTIONS

108) In the case of a Related Party, transactions shall be at arm's length and the Licensee shall apply the same tests for economic choice and financial probity as if the related party were an unrelated third party.

29 INFORMATION, AUDIT, INSPECTION AND ACCESS OBLIGATIONS

109) URCA may require:

- a) an inspection and/or audit of any aspect of the business of the Licensee and the Licensee shall assist or shall procure assistance to URCA as it may reasonably require;
- b) the Licensee or any of its Subsidiary Undertakings to provide URCA with such information, documents, accounts, returns, estimates, reports or other information required by URCA in the manner and at the times specified by URCA. URCA may use this information for, but not limited to, purposes of compiling statistics and publishing periodical reviews of the Electricity Sector, and as required or permitted by the Act or other laws or legal process;
- c) the Licensee to notify URCA of the details of all Subsidiary Undertakings providing a Authorised Business under this Licence; and
- d) the Licensee to permit a person authorised by URCA to carry out such inspection and/or audit;

110) The Licensee shall at the request of URCA furnish URCA, at the Licensee's expense, with copies (in such format as URCA may specify) of any book, register, record or accounts as URCA may reasonably require.

111) In relation to the Authorised Business, the Licensee shall not:

- a) 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
- b) 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
- c) mislead or confuse any person about its Authorised Business.

112) Where URCA is satisfied that the Licensee is contravening or has contravened any provision of Condition 111) above, URCA 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 but not limited to 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 URCA.

113) URCA 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 URCA issued under Condition 112).

114) The Licensee shall promptly inform URCA of any circumstances that result, or are likely to result, in a change in the information provided by the Licensee to URCA and shall provide updated information to URCA in a timely manner.

30 APPROPRIATE RESOURCES

115) The Licensee shall ensure that at all times it has appropriate physical, financial and human resources and arrangements in place to enable the Licensee to comply with the Licence Conditions.

116) The Licensee shall, in connection with the conduct of its Authorised Business ensure that its employees are appropriately trained and qualified.

31 APPEALS TO UAT

117) Appeals of regulatory or other measures taken by URCA in relation to this Licence shall be made to the Utilities Appeal Tribunal as provided for in the Act and the URCA Act.

32 AUTHORISED BUSINESS AND ALLOWED ACTIVITIES

118) The Licensee shall conduct the Authorised Business.

119) The Licensee may, upon approval of URCA in writing and subject to such conditions as may be imposed by URCA at the time of approval or at any time thereafter, engage in any Allowed Activity that:

- a) the Licensee is already competent in; and
- b) provides synergies with the activities comprised in the Authorised Business.

120) In making an application to URCA for approval to engage in an Allowed Activity, the Licensee shall provide an assessment of the extent to which its engagement in such activity complies with the criteria mentioned in Condition 119). The Licensee shall not change the nature or scope of such Allowed Activity or cease such Allowed Activity without URCA's prior approval in writing.

- 121) 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 such other business activities; and:
 - b) shall procure that each of its Subsidiaries and Related Enterprises do not engage, or seek to obtain from URCA a gas licence permitting it to engage, directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such business activities.
- 122) This Condition shall not prevent the Licensee from:
- a) engaging in any business, undertaking or activity incidental to the performance of its Authorised Business, Allowed Activities or any of the businesses, undertakings or activities that were already performed by the Licensee on the date that this Licence comes into effect; or,
 - b) subject to Condition 121), 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, advice and assistance in respect of the services comprised within the Authorised Business or any Allowed Activity.
- 123) URCA may, upon the application of the Licensee, relieve the Licensee from its obligations under Conditions 121) and 122) of this Condition in relation to any particular case to such extent and subject to such terms and conditions as URCA shall specify in writing.

33 SEPARATE ACCOUNTS FOR PRICE REGULATED SERVICES

- 124) 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 Price Regulated Services; and;
 - b) the businesses of the Licensee in aggregate.
- 125) The Licensee shall, in respect of the Price Regulated Services and the businesses of the Licensee in aggregate;
- a) prepare, on a consistent basis from such accounting records, accounting statements which conform to generally accepted accounting practices in The Bahamas, stating the accounting policies adopted, and in such form and substance as URCA may from time to time require;
 - b) procure, in respect of the accounting statements prepared in accordance with this Condition, a report by the auditors of the Licensee addressed to URCA 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 Price Regulated Services and the business of the Licensee in aggregate; and;

- c) deliver to URCA a copy of the accounting statements required to be prepared by this Condition together with the auditors' report referred to in Condition b) 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.

126) 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 to be kept by the Licensee if the Licensee were a company which were not a Subsidiary Undertaking 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 URCA, and deliver a copy of such accounting statements together with the auditor's report to URCA, in conformity with the requirements of Conditions 125)b) and 125)c), which shall apply mutatis mutandis to this paragraph.

127) URCA 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 URCA may determine.

34 DEALINGS WITH SUBSIDIARIES OR RELATED ENTERPRISES

128) The Licensee shall not, without the written consent of URCA, enter into any agreement or arrangement for the supply of goods or services in connection with the Price Regulated Services and Other Regulated Services 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.

129) In determining whether any such agreement or arrangement is on an arm's length basis, URCA 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 Fair 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 URCA;
- 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.

35 REGULATORY CONTRACTS

- 130) The Licensee shall be required to enter into Regulatory Contracts for the provision of Price Regulated Services.
- 131) The Licensee shall be required to participate in the preparation of any Regulatory Contract to which the Licensee will be a party.
- 132) Where after a period which appears to URCA to be reasonable, or such period agreed to between the parties to the regulatory contract and approved by URCA, or such other period as stipulated by URCA from time to time, the Licensee has failed to enter into a Regulatory Contract, URCA may, at the request of the Licensee or of the person aggrieved by such failure, determine any terms of the Regulatory Contract in such manner as appears to URCA to be reasonable. The Licensee shall thereafter enter into the Regulatory Contract on the terms as determined by URCA.
- 133) URCA 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 URCA may decide.

36 TARIFFS FOR PRICE REGULATED SERVICES

- 134) The Licensee shall develop a tariff methodology (the "Tariff Methodology") setting out the basis upon which the tariffs shall be derived for the provision of the Price Regulated Services. The Tariff Methodology and any proposed revisions thereto shall be submitted to URCA for approval together with a schedule of proposed tariffs (the "Tariff Schedule") applicable to the Licensee's Customers and their respective customers in such detail as URCA may reasonably require.
- 135) The information referred to in Condition 134) shall be submitted by the Licensee to URCA for approval no less than sixty (60) calendar days, or any such period as stipulated by URCA, prior to the date on which the proposed tariffs set forth in the Tariff Schedule are proposed to be first levied.
- 136) The Tariff Methodology and any proposed revisions thereto shall be developed taking into consideration the following guidelines:
- a) the recovery of costs, together with a reasonable return to be determined by URCA having regard for the capital and operating costs incurred by the Licensee and any inherent risks associated with providing the applicable services; and
 - b) the tariffs set forth in the Tariff Schedule or in any revision thereto for the provision of the Price Regulated Services do not give any cross-subsidy to, or receive any cross-subsidy from, any other business of the Licensee or of any Subsidiary Undertaking or Related Enterprises of the Licensee nor discriminate between any persons or class or classes of persons similarly situated.
 - c) Cost allocation based on separate regulatory accounts that URCA may require the Licensee to

maintain for regulatory reporting and tariff analysis.

- 137) The Licensee shall publish statements, in a form approved by URCA, setting out the basis upon which the tariffs for the Price Regulated Services will be levied with such detail as shall be necessary to enable any person to ascertain the tariffs to which he would become liable for the receipt of the Price Regulated Services.
- 138) URCA 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 URCA may determine.

37 NATIONAL INTEREST MATTERS

- 139) In accordance with Section 120 of the Act, the Government may directly or indirectly manage the affairs, business and property of the Licensee during any period in which Article 29 of the Constitution applies. In such an event, the Licensee shall allow the Government such access to or control of its property as required to permit the Government to meet its obligations under the special administration order during the period for which the order is in force.

PART C – SPECIAL PROVISIONS APPLICABLE TO THE OPERATION OF LNG TERMINAL

38 STANDARDS OF PERFORMANCE

- 140) The Licensee shall, no later than ninety (90) calendar days or such other period stipulated by URCA prior to the commencement of the operation of the LNG Terminal, submit to URCA its proposed standards of performance relating to its Price Regulated Services.
- 141) The Licensee shall be subject to and shall comply with the agreed standards of performance, and any other standards of performance as URCA may notify the Licensee in writing.
- 142) The Licensee shall within ninety (90) calendar days after the end of the first financial year following the commencement of the operation of the LNG Terminal, and for each financial year thereafter, or within thirty (30) calendar days of such other date as stipulated by URCA, submit to URCA a report indicating the performance of the Licensee during that financial year compared with the agreed standards of performance established pursuant to this Condition.
- 143) The Licensee shall, if required by URCA, publish the details required under Condition 142) details in a manner to be decided by URCA.
- 144) Notwithstanding Condition 141), URCA 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 URCA may determine.

39 PLANNING, DEVELOPMENT, OPERATION, MAINTENANCE AND REPAIR OF THE LNG TERMINAL

- 145) The Licensee shall plan, develop, operate, maintain and repair its LNG Terminal, including the Licensee's injection metering facilities, for the provision of the Authorised Business in a reasonable, efficient, economic, safe and prudent manner.
- 146) The Licensee shall carry its Authorised Business and all refurbishments, replacements, modifications and new investments in the LNG Terminal in accordance with the Relevant Legislation, the Conditions of the Licence, relevant international LNG Terminal standards, relevant codes of practice and relevant standards of performance.
- 147) In the event of a disruption to the operation of the LNG Terminal or where the level of reliability falls below the level which the LNG Terminal is designed, the Licensee shall:
- a) ensure that the operation of the LNG Terminal can be restored as soon as reasonably practicable; and
 - b) conduct an investigation at its own expense to establish the cause of the incident and shall furnish to URCA, as soon as reasonably practicable, a written report on the incident and any other information as may be requested by URCA.
- 148) The Licensee shall develop and review periodically appropriate plans, processes and procedures for preventing possible disruptions to the operation of the LNG Terminal. The Licensee shall comply with the aforesaid plans, processes and procedures.
- 149) Following any disruption to the operation of the LNG Terminal, the Licensee shall review and revise such plans, processes and procedures referred to in Condition 145), as may be appropriate or as may be directed by URCA at its sole discretion.

40 CONSTRUCTION OR MODIFICATION OF LNG TERMINAL

- 150) Without prejudice to applicable laws, before commencing any construction works that may modify or impact materially on the LNG Terminal, the Licensee shall give URCA, any other gas licensees and persons who may be directly and materially affected by such construction works, notice of the intended construction works, including as appropriate the following details:
- a) the nature of the proposed construction works, and their impact on existing LNG Terminal;
 - b) the impact on the facilities of other gas licensees;
 - c) the relevant international LNG Terminal standards to be used for the construction works; and
 - d) the timeline for completion of the construction works.

151) The Licensee shall not commence any material construction works on the LNG Terminal without the prior written approval of URCA.

152) The Licensee shall give reasonable notice under condition 150) such period of notice to be no less than thirty (30) calendar days prior to the proposed commencement of any material construction.

41 COMPLIANCE WITH GAS NETWORK CODE, SYSTEM ENTRY AGREEMENT

153) Where applicable, the Licensee shall comply with and perform its obligations in accordance with the Gas Network Code.

154) The Licensee shall be required, where applicable and upon a request or a notification by URCA:

- a) to participate in the development and subsequent modifications of the Gas Network Code; and
- b) to participate in market trials or any other activity as required or commissioned by URCA for:
 - i) the purpose of implementing the Gas Network Code at a date to be specified by URCA;
 - ii) the purpose of complying with the provisions of the Gas Network Code applicable to the Licensee upon implementation of such provisions;
 - iii) the purpose of complying with any proposed modifications which may materially change the operation of the Gas Network Code upon their implementation; or;
 - iv) any other purpose related to the development and subsequent modification of the Gas Network Code to be specified by URCA.

155) The Licensee shall, where applicable and by such date as URCA may specify to the Licensee, enter into and comply with a System Entry Agreement with the Gas Transporter pursuant to the Gas Network Code.

156) Where the Licensee and the Gas Transporter do not agree on the terms of the System Entry Agreement required under Condition 155) of this Condition, URCA may on its own initiative or at the request of an affected party issue a determination on those terms. the Licensee must:

- a) accept the decision of URCA; and;
- b) comply with any directions regarding costs made by URCA.

42 LNG TERMINAL TECHNICAL AND SAFETY AUDITS

157) The Licensee shall, at its own cost, conduct or have conducted by such independent third party as URCA may, after consultation with the Licensee, specify, technical audits and safety audits of the key

processes and procedures within its LNG Terminal in order to ensure compliance with the conditions set out below.

- 158) The technical audits shall be undertaken to measure the technical performance of the LNG Terminal facilities:
- a) at such intervals and on such terms as URCA may direct and such intervals shall not be less than one year;
 - b) after significant changes in the configuration of the LNG Terminal facilities;
 - c) at the direction of URCA, following the occurrence of any Major Technical Incident; and;
 - d) in accordance with any regulation or regulatory measure issued by URCA pursuant to Section 123 of the Act.
- 159) The Licensee shall develop a process and methodology for the technical audits and shall submit the process and methodology to URCA for approval.
- 160) URCA may approve the proposed process and methodology for the technical audits or may direct reasonable changes with which the Licensee must comply at its own cost.
- 161) The safety audits shall be undertaken, at the Licensee's own cost, to measure the safety risks and vulnerabilities of the administration, operation and maintenance of the Licensee's LNG Terminal facilities to the general public and for any other purposes as prescribed by URCA:
- a) at such intervals and on such terms as URCA may direct (and as set out in URCA's gas safety regulatory framework when issued), and such intervals shall not be less than one year; and
 - b) at the direction of URCA, following the occurrence of any Major Safety Incident.
- 162) Upon completion and in any event no later than seven (7) calendar days of each technical audit or safety audit, the Licensee shall provide to URCA a copy of the audit report and details of any actions to rectify any identified shortcomings.

43 LNG TERMINAL SAFETY AND SECURITY PROCEDURES

- 163) The Licensee shall prepare prior to the commencement of the operation of the LNG Terminal, or by such other date as URCA may approve, its:
- a) proposed LNG Terminal Safety Procedures;
 - b) proposed LNG Terminal Security Procedures; and
 - c) proposed LNG Terminal Emergency Response Plan.

- 164) URCA may approve the proposed procedures and plan or may direct reasonable changes with which the Licensee must comply.
- 165) The Licensee shall review the agreed LNG Terminal Safety Procedures, LNG Terminal Security Procedures and LNG Terminal Emergency Response Plan at least once every 3 years or when directed by URCA.
- 166) The LNG Terminal Safety and Security Procedures as set out in paragraph 163) in this Condition shall set out;
- a) procedures for the safety and security of all persons at the LNG Terminal;
 - b) advice on the potential dangers arising from the operation of the LNG Terminal and safety and security measures to minimise such dangers;
 - c) a definition of Major Safety Incident; and
 - d) such other information as may be specified by URCA.
- 167) The LNG Terminal Emergency Response Plan as set out in paragraph 163) in this Condition shall set out how the Licensee;
- a) will monitor its LNG Terminal and respond in the event of a Major Safety Incident affecting its LNG Terminal in a reasonable and prudent manner, to ensure the restoration of Price Regulated Services and Other Regulated Services as soon as practicable;
 - b) will advise URCA in a timely manner of any Major Safety Incident and the actions being undertaken to restore normal operating conditions
 - c) will manage information and communication protocols with URCA, and such other persons as specified by URCA; and
 - d) will provide such other information as specified by URCA.
- 168) The Licensee shall in consultation with URCA and such other persons as specified by URCA prepare a timetable for regular drills for the purpose of testing the LNG Terminal Emergency Response Plan.
- 169) The Licensee shall, at its own cost, carry out (or cause to have carried out by an independent third party) investigations into all Major Safety Incidents related to its LNG Terminal, either upon its own accord or upon request by URCA, and submit a written report to URCA in such detail and within such period as URCA may reasonably require.

44 ATTENDANCE TO GAS ESCAPES

- 170) This Condition shall apply in the case of a gas supply system emergency resulting from an escape,

or suspected escape, of natural gas occurring at the LNG Terminal operated by the Licensee or occurring elsewhere in the gas supply system where the circumstances are such that:

- a) the safety of the LNG Terminal, or any part of the LNG Terminal is significantly at risk;
- b) the safety of the gas supply system or any part of the gas supply system is significantly at risk;
- c) the safe conveyance of gas by the gas supply system is significantly at risk; or
- d) the gas conveyed by the LNG Terminal is at such a pressure or of such a quality as to constitute, when supplied to the gas supply system, a danger to life, property or to the environment.

171) Where the Licensee notifies URCA, the Gas Transporter, or is notified by them that this Condition applies, the Licensee shall make best endeavours to take the appropriate actions and comply immediately with all requests made by URCA, the Gas Transporter (provided such requests are not unreasonable) for the purpose of, as may be appropriate to:

- a) avert or reduce any danger to life, property or the environment;
- b) secure the safety of the LNG Terminal; and/or
- c) secure the safety of the gas supply system.

45 PROVISION OF REAL-TIME INFORMATION AND DATA

172) The Licensee, shall at its own cost, provide real-time information to URCA in a manner and according to the arrangements reasonably required by URCA for the purpose of real-time monitoring of the Licensee's LNG Terminal and associated equipment.

173) Such information provided under Condition 172) shall include:

- a) valve and equipment status of the LNG Terminal,
- b) quantity/inventory of the LNG tank storage,
- c) pressure, flow, temperature and quality of the re-gasified LNG; and
- d) such other information as may be reasonably required by URCA from time to time.

174) The Licensee must provide to URCA, promptly upon its becoming aware, any information critical to maintaining the integrity of the LNG Terminal and the gas supply system, including but not limited to information relating to:

- a) whether the projected (over the next thirty (30) calendar days) and actual quantities of LNG in the LNG Terminal are sufficient to meet the nominations of End Users (over the same period);

and/or

- b) planned or unplanned maintenance activities or circumstances at the LNG Terminal facility that may cause a disruption of gas supply to End Users.

175) The Licensee shall, at its own cost, provide the plans, drawings and other details of and the respective parameters for the LNG Terminal and associated equipment as may be required by URCA from time to time for the modelling of the Licensee's LNG Terminal.

46 PROVISION OF INFORMATION TO THE GAS TRANSPORTER AND CUSTOMERS

176) The Licensee shall provide to the Gas Transporter information reasonably requested by the Gas Transporter or URCA:

- a) for the purpose of enabling the Gas Transporter to fulfil its Licence obligations for the safe operation, development or maintenance of its gas supply system;
- b) for the purpose, as the Gas Transporter may reasonably request, of preventing or detecting theft of natural gas, fraud in relation to gas trading or gas escapes; or;
- c) as required pursuant to the Gas Network Code, the Gas Supply Code and/or the Gas Metering Code.

177) The Licensee shall forthwith inform its Customers, the Gas Transporter, after becoming aware of any information related to the LNG Terminal, including but not limited to planned or unplanned interruptions to LNG Terminal operations, which may cause disruptions to the gas supplies and which may affect the integrity of the gas supply system.

178) This Condition shall not require the Licensee to produce any documents or give any information which it could not be compelled to produce or give in civil proceedings before any court in The Bahamas.

47 PORT LIABILITY REGIME

179) The Licensee shall not permit the berthing of any LNG vessels unless it has entered into the necessary port liability agreement(s), as determined by The Bahamas Port Department, with the owner(s) of the LNG vessel or other equivalent liability apportionment arrangements.

48 LOW PRESSURE OVERRIDE

180) The Licensee shall comply with the Standing Instructions For The Response To Downstream Pipeline Network Low Pressure (the "Standing Instructions") issued by URCA in consultation with the Licensee that set out the circumstances and procedures under which the Licensee shall inject

Regasified LNG into the gas supply system to stabilize the pressure level:

- a) in the event that the pressure level falls below the level prescribed in the Standing Instructions;
or
- b) in circumstances where the Gas Transporter declares a system emergency.

181) Where Condition 180) applies, the Licensee shall inject sufficient Regasified LNG into the gas supply system to stabilize pressure levels at the level prescribed in the Standing Instructions in accordance to the Standing Instructions.

182) The Licensee shall make arrangements with the Gas Transporter to obtain real-time information on the pressure levels of the gas supply system, or such other information specified by URCA, for the purposes of complying with the Standing Instructions.

183) The Licensee shall ensure that at all times it has appropriate resources and arrangements in place to gain access to onsite LNG inventory for the purposes of regasification and injection of Regasified LNG into the gas supply system in accordance to the Standing Instructions.

184) The Licensee shall develop, in consultation with URCA, and such other persons as specified by URCA, a LPO Charge Methodology (the "LPO Charge Methodology") setting out the basis upon which the LPO Charge shall be derived for regasification and injection of Regasified LNG into the gas supply system in accordance to the Standing Instructions. The LPO Charge Methodology and any proposed revisions thereto shall be submitted to URCA for approval in such detail as URCA may reasonably require.

185) URCA 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 URCA may determine.

49 EARLY RETIREMENT OF ASSETS

186) The Licensee shall not retire Assets early that are used for gas regasification without the prior written approval of URCA. Such approval shall not be unreasonably withheld.

187) Where such approval is granted, the Licensee shall only recover the net book value of the Assets irrespective of whether:

- a) the Assets are on the Licensee's books at the Commencement Date of this Licence or are additions to Rate Base during the term of this Licence; or
- b) the retirement results from an economic evaluation, change in government policy or regulatory action.

188) URCA, in consultation with the Licensee, shall specify the timeline and process for the recovery of

Assets.

50 CATASTROPHIC FAILURE

189) In the event of Catastrophic Failure the Licensee may replace the failing installation or facility with written approval from URCA. Such approval shall not be unreasonably withheld.

PART D - TRANSITIONAL CONDITION

47.1 On the Commencement Date, in order to enable a smooth transition to the full force and effect of this Licence, all rates, tariffs, codes and standards applicable to the Licensee existing and in force prior and up to the grant of this Licence which would normally have effect under the Act shall remain in effect and force until such time as they are logically and practically superseded by the actions taken by URCA under this Licence, the Act or any other relevant law.

Schedule 1

Description of the Licensee's LNG Terminal

The LNG Terminal

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Schedule 2

Price Regulated Services of the LNG Terminal

Price Regulated Services means:

- (i) the Throughput Services; and/or
- (ii) any other Price Regulated Services as introduced by the Licensee and approved by URCA:

“Throughput Services” means:-

- a) the unloading of an LNG Vessel;
- b) temporary storage of unloaded LNG at the LNG Terminal; and
- c) the subsequent vaporization and send-out of such unloaded LNG (in the form of Regasified LNG) into downstream pipeline(s).

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Schedule 3

Other Regulated Services of the LNG Terminal

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