

PRIVATE & CONFIDENTIAL
SUBJECT TO CONTRACT

PAKISTAN LNG LIMITED
as Buyer

and

[●]
as Seller

MASTER (DELIVERED EX-SHIP) LNG SALE AND PURCHASE AGREEMENT



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THIS MASTER (DELIVERED EX-SHIP) LNG SALE AND PURCHASE AGREEMENT (hereinafter referred to as “Master Agreement”) is entered into on [●]

PARTIES

- (1) **PAKISTAN LNG LIMITED**, (hereinafter referred to as “**PLL**” or “**Buyer**”) a public limited company incorporated under the laws of Pakistan and having its office at 6th Floor, Petroleum House, G-5/2, 44000, Islamabad (;
- (2) [●] a company incorporated under the laws of [●] whose registered office is at [●] (hereinafter referred to as “[●]” or “**Seller**”).

In this Master Agreement, Buyer and Seller may individually be referred to as a “**Party**” and collectively as the “**Parties**”.

RECITALS

- (A) Buyer may, from time to time, wish to purchase certain quantities of LNG from Seller.
- (B) Seller may, from time to time, have certain quantities of LNG available for sale and wish to sell such quantities to Buyer.
- (C) In this Master Agreement, the Parties wish to record, in writing, the general terms and conditions under which each such sale and purchase shall take place and the special terms and conditions regarding a specific transaction, substantially in the form of the confirmation notice contained in Annex A.

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Master Agreement the words and expressions below shall, unless the context requires otherwise, have the meanings respectively assigned to them:

“Adverse Weather Conditions” means weather and/or sea conditions actually experienced that are sufficiently severe to:

- (a) prevent a LNG Carrier from proceeding to berth, remaining at berth with loading arms connected, remaining at berth with loading arms unconnected, unloading or departing from berth in accordance with the weather standards prescribed in published regulations in effect at the Discharge Port; or
- (b) cause an actual determination by the master of the LNG Carrier or by order of the harbour master at the Discharge Port that it is unsafe for the LNG Carrier to berth, discharge or depart from berth.

“Affiliate” means, with respect to any Person, any other Person (other than an individual) that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, such Person. For this purpose, “**control**” means the beneficial ownership, either directly or indirectly of more than fifty percent (50%) of the voting rights in



a corporation, partnership or other legal entity, or (whether alone or acting in concert with others, and whether by the ownership of share capital, the possession of voting power, contract or otherwise) the right to appoint the majority of the board of directors or equivalent management body in respect of such corporation, partnership or other legal entity.

"**Allowed Laytime**" means the laytime set out in the Confirmation Notice that is allowed for Buyer to unload an approved LNG Carrier.

"**ASTM**" means the American Society for Testing and Materials.

"**bar**" has the meaning given in ISO 1000-1981(E).

"**Blue Card**" means the Civil Liability Certificate issued by the International Maritime Organisation (IMO) guaranteeing that the relevant LNG Carrier has sufficient insurance cover or other financial security to compensate for pollution damage in compliance with the International Convention on Civil Liability for Oil Pollution Damage (1969) as amended, and the International Convention on Civil Liability for Bunker Oil Pollution Damage (2001).

"**Boil-off Rate**" means the percentage rate of boil-off of the relevant LNG Carrier as set out in the relevant Confirmation Notice.

"**Btu**" means a British thermal unit being equal to one thousand fifty five decimal zero five six (1055.056) Joules.

"**Business Day**" means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are ordinarily open (i) with respect to a payment obligation of a Party under the relevant Transaction, in the country in which that Party's bank is located (as specified in the relevant Confirmation Notice), and (ii) with respect to a notice provision, in the country specified in the Confirmation Notice for the Party providing such notice.

"**Buyer**" means PLL.

"**Buyer Force Majeure**" has the meaning specified in Clause 16.2.

"**Buyer's Deficiency Quantity**" has the meaning specified in Clause 4.2.2.

"**Buyer's Liability Amount**" has the meaning specified in Clause 4.2.3.

"**Cargo**" means the volume of LNG (in m³) contained in a shipment to be sold by Seller and to be purchased by Buyer pursuant to a Transaction.

"**Competent Authority**" means any governmental, judicial, regulatory or administrative authority (including any Pakistani and any international maritime or other applicable authority (including Port Authority)), agency, department, inspectorate, minister, ministry or other public or statutory Person (whether autonomous or not) of, or of the government of, the country of the Loading Port or of Pakistan (or any other relevant country) or any political sub-division in or of that state or country having jurisdiction over the whole or any part of Seller's or Buyer's activities under a Transaction.

"**Completion of Unloading**" means the time (after the unloading of the relevant Cargo at the Receiving Facilities) at which the last transfer pump has been stopped, the liquid manifolds

closed so as to prevent any further LNG transfer taking place and the LNG unloading and vapour return lines have been fully disconnected.

"**Confidential Information**" has the meaning specified in Clause 19.5.1.

"**Confirmation Date**" means the date on which a particular Transaction is entered into as evidenced by the execution by both Parties of a particular Confirmation Notice and the Integrity Pact.

"**Confirmation Notice**" means the document executed by both Parties substantially in the form set out in Annex A and reflecting the specific terms and conditions on which the Parties have agreed a sale and purchase of LNG in addition to and, where applicable, modifying the terms and conditions contained in this Master Agreement.

"**Contract Price**" means, in respect of each Confirmation Notice, the price in US\$ per MMBtu as set out in the relevant Confirmation Notice, to be paid by Buyer to Seller for the purchase of LNG unloaded or scheduled to be unloaded at the Receiving Facilities pursuant to such Confirmation Notice.

"**degree Celsius**" means the particular interval between the temperature in Kelvin and the temperature two hundred and seventy three decimal one five (273.15) Kelvin as defined in ISO 1000-1981(E).

"**Defaulting Party**" has the meaning specified in Clause 17.1.

"**Delivery Point**" means the junction point where the flange coupling of the LNG discharge manifold on the relevant LNG Carrier connects with the flange coupling of the receiving lines at the Receiving Facilities.

"**Delivery Window**" means the period specified in the relevant Confirmation Notice, within which the LNG Carrier is scheduled to arrive at the Discharge Port and issue a Notice of Readiness.

"**Demurrage**" means the amount specified in the relevant Confirmation Notice which is payable by Buyer to Seller in accordance with Clause 12.5.

"**Discharge Port**" means Port Qasim in Karachi, Pakistan, or such other port within Pakistan as may be set out in the relevant Confirmation Notice or communicated to the Seller by the Buyer in accordance with the provisions of the relevant Confirmation Notice.

"**Dispute**" has the meaning specified in Clause 18.2.1.

"**Energy Institute**" means the Energy Institute, formerly known as the Petroleum Institute, which is based in London, United Kingdom.

"**Estimated Contract Quantity**" means the estimated quantity of LNG in MMBtu specified in the relevant Confirmation Notice in respect of each Cargo that Seller agrees to sell and deliver to, or cause to be delivered to, Buyer, and that Buyer agrees to purchase and receive, or cause to be received, from Seller, pursuant to that Confirmation Notice.

"**Estimated Time of Arrival**" or "**ETA**" has the meaning specified in Clause 10.1.1(a)(iv).

"**Event of Default**" has the meaning specified in Clause 17.1.

"**Expert**" means an independent Person or body appointed pursuant to Clause 18.1 to resolve technical disputes between the Parties as designated therein.

"**Force Majeure**" means Seller Force Majeure or Buyer Force Majeure, as appropriate.

"**gauge**" means, when used in relation to pressure, the pressure in excess of one (1) standard atmosphere or one decimal zero one three two five (1.01325) bar.

"**GIIGNL**" means the International Group of Liquefied Natural Gas Importers.

"**GPA**" means the Gas Processor Association.

"**Gross Heating Value (Mass)**" means the quantity of heat which would be released by the complete combustion in air of a specified quantity of gas in such a way that the pressure P1 at which the reaction takes place remains constant, and all the products of combustion are returned to the same specified temperature T1 as that of the reactants, all of these products being in the gaseous state except for water formed by combustion, which is condensed to the liquid state at T1. The quantity of gas taken into account in this definition shall be one (1) kilogram of anhydrous real gas; the combustion reference absolute pressure P1 and the combustion reference temperature T1 shall be the Reference Conditions. The Gross Heating Value (Mass) shall be expressed in Btu per kilogram or in Megajoules per kilogram.

"**Gross Heating Value (Volumetric)**" means the quantity of heat which would be released by the complete combustion in air of a specified quantity of gas in such a way that the pressure P1 at which the reaction takes place remains constant, and all the products of combustion are returned to the same specified temperature T1 as that of the reactants, all of these products being in the gaseous state except for water formed by combustion, which is condensed to the liquid state at T1. The quantity of gas taken into account in this definition shall be one (1) Standard Cubic Foot of anhydrous real gas; the combustion reference absolute pressure P1 and the combustion reference temperature T1 shall be the Reference Conditions. The Gross Heating Value (Volumetric) shall be expressed in Megajoules per Standard Cubic Metre or in BTU per Standard Cubic Foot.

"**Income Tax**" means any tax imposed on income.

"**Independent Surveyor**" means the independent surveyor appointed for the purposes of Clause 13 and Annex C in accordance with Clause 13.13.

"**Insolvency Event**" means with respect to a Party when such Party:

- (a) is unable to pay its debts as they fall due as determined by a court of competent jurisdiction;
- (b) enters into any composition or other arrangement for the benefit of its creditors generally or any class of creditors;
- (c) is finally and validly declared and adjudged to be liquidated, bankrupt or insolvent; or
- (d) becomes subject to an order or appointment (which is not in the nature of an interlocutory order) under or in relation to any of the proceedings referred to above, or becomes subject to or the subject of any event or proceedings (by whatever name known) under the laws of any applicable jurisdiction which has an effect equivalent or similar to any of the events specified above.

"**Integrity Pact**" means the document under that name as set out in the public procurement Laws of Pakistan, the current version of which is attached as Annex D to this Master Agreement.

"**Interest Rate**" means interest calculated at the rate per annum of two percent (2%) above the London Inter Bank Offered Rate administered by the Intercontinental Exchange Benchmark Administration Limited (or any other person that takes over the administration of that rate) rate for US\$ for a three (3) month period, determined at 11:00a.m. in London, UK, as quoted on the date when payment was due. Interest should be calculated on the basis of a three hundred and sixty (360) day year and shall accrue daily.

"**International Standards**" means the international standards and practices applicable as at the date the relevant Confirmation Notice is entered into to the ownership, design, equipment, operation or maintenance of LNG carriers (in Seller's case) and LNG receiving terminals (in Buyer's case) established by:

- (a) the International Maritime Organisation (IMO), the Oil Companies International Marine Forum (OCIMF), and/or the Society of International Gas Tankers and Terminal Operators (SIGTTO) or any successor body of the same; and/or
- (b) any other internationally recognised agency or organisation with whose standards and practices it is customary for reasonable and prudent owners or operators of such vessels or of such facilities and terminals to comply.

"**ISO**" means the International Organisation for Standardisation.

"**Joule**" has the meaning specified in ISO 1000:1981(E).

"**kilogram**" has the meaning specified in ISO 1000-1981(E).

"**LCIA**" means the London Court of International Arbitration.

"**Liquefied Natural Gas**" or "**LNG**" means Natural Gas in a liquid state at or below its point of boiling and at or near atmospheric pressure.

"**LNG Carrier**" has the meaning specified in Clause 8.2.1.

"**LNG Heel**" means the quantity of LNG to be retained by the LNG Carrier after unloading each Cargo at the Receiving Facilities as notified from Seller to Buyer in accordance with the relevant Confirmation Notice.

"**Loading Port**" means in relation to each Confirmation Notice the port where the relevant Cargo is to be loaded, as specified in the relevant Confirmation Notice.

"**Master Agreement**" means this Master (Delivered Ex-ship) LNG Sale and Purchase Agreement, including Annexes A to D.

"**mbar**" means millibar or zero decimal zero zero one (0.001) bar.

"**Megajoule**" means one million (1,000,000) Joules.

"**MMBtu**" means one million (1,000,000) Btu.

"Moody's" means Moody's Investor's Service, a division of Moody's Corporation.

"Natural Gas" means any hydrocarbon or mixture of hydrocarbons consisting predominantly of methane, which may contain other hydrocarbons and non-combustible gases, all of which are substantially in the gaseous phase at a pressure of one thousand thirteen decimal two five (1,013.25) millibar absolute and at a temperature of fifteen (15) degrees Celsius.

"Net Proceeds" has the meaning specified in Clause 4.2.5.

"Non-Defaulting Party" has the meaning specified in Clause 17.2.1.

"Notice of Readiness" has the meaning specified in Clause 10.1.1(h).

"Off-spec LNG" has the meaning specified in Clause 5.2.

"Operating Manual" means the operating manual applicable at the Receiving Facilities, setting out detailed technical requirements and operating procedures relating to the use of, including vetting and approval procedures of LNG Carriers and the technical and operational interface between LNG Carriers and the unloading facilities at, the Receiving Facilities.

"Pakistan" means the Islamic Republic of Pakistan.

"Pakistan Gas Utilities" means Sui Southern Gas Company Limited and Sui Northern Gas Pipelines Limited.

"Party" and **"Parties"** have the meanings specified in the preamble to this Master Agreement.

"PBS" means the pilot boarding station or other customary waiting or outer anchorage area at the Discharge Port.

"Person" means any natural person, corporation, company, partnership (general or limited), limited liability company, business trust, governmental authority or other entity or association.

"PLTL" means Pakistan LNG Terminals Limited.

"Port Authority" means the relevant port authority at the Discharge Port, including the Port Qasim Authority in relation to Port Qasim.

"Port Authority Regulations" means regulations issued, and from time to time amended, by the relevant Port Authority relating to the operation of the Discharge Port, including with respect to the handling of LNG including the safe manoeuvring of LNG Carriers within port limits.

"Port Qasim Authority" means the statutory body that owns and operates Port Qasim established under the Port Qasim Authority Act 1973 of Pakistan.

"Quantity Delivered" means the quantity of LNG expressed in MMBtu in any Cargo actually delivered by Seller and taken by Buyer at the Delivery Point, as determined in accordance with Clause 13 and Annex C.

"Reasonable and Prudent Operator" means a Person seeking in good faith to perform its contractual obligations and comply with the applicable laws and regulations, and in so doing, and in the general conduct of its undertaking, exercising that degree of skill, diligence, prudence and foresight which would reasonably or ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances or conditions.

"Receiving Facilities" means those facilities at the Discharge Port necessary for the safe berthing of LNG Carrier(s) and the receipt, unloading, storage, treatment (to the extent available) and regasification of LNG and associated facilities (including the two high pressure pipeline segments linking the tailgate of the regasification terminal to the point of interconnection with the SSGC Pipeline Network) whether or not owned by Buyer and whether operated directly by Buyer or by the Terminal Operator.

"Reference Conditions" means the temperature for volumetric and combustion reference temperature and the absolute pressure for reference pressure specified in this Master Agreement.

"Relative Density" means the mass of a volume of dry gas divided by the mass (expressed in the same units) of an equal volume of dry standard air as defined in ISO 6976:1995 both such gases being at a temperature of fifteen (15) degrees Celsius and an absolute pressure of one decimal zero one three two five (1.01325) bar; and for the avoidance of doubt, Relative Density (REAL) shall be REAL as defined in ISO 6976:1995.

"Rules" means the rules of arbitration of the LCIA.

"Scheduled Bank" means any commercial and any specialised bank operating in Pakistan.

"Seller" means [●].

"Seller Force Majeure" has the meaning specified in Clause 16.1.

"Seller's Deficiency Quantity" has the meaning specified in Clause 4.3.2.

"Seller's Facilities" means the transmission, compression, processing, treatment and liquefaction facilities, gas inlet facilities, gas pre-treatment facilities, LNG storage tanks and loading facilities and LNG Carrier berthing facilities, including LNG trains, infrastructure and utilities together with all its associated facilities, whether or not owned or operated by Seller, at the Loading Port at which the LNG to be sold pursuant to the applicable Confirmation Notice is to be loaded.

"Seller's Liability Amount" has the meaning specified in Clause 4.3.2.

"Seller's Operator" means the operator of Seller's Facilities.

"Specifications" has the meaning specified in Clause 5.1.

"SSGC Pipeline Network" means the high pressure natural gas pipeline transmission network in Pakistan, which is owned and operated by Sui Southern Gas Company Limited of Pakistan.

"Standard & Poor's" or **"S&P's"** means Standard and Poor's Financial Services LLC (a division of The McGraw Hill Companies, Inc.).

"**Standard Cubic Metre**" or "**Sm³**" means a quantity of Natural Gas which at fifteen degrees Celsius (15°C) and at an absolute pressure of one decimal zero one three two five (1.01325) bar and when free of water vapour occupies the volume of one (1) cubic metre.

"**Standard Cubic Foot**" or "**SCF**" means a quantity of Natural Gas which at sixty degrees Fahrenheit (60°F) and at an absolute pressure of fourteen decimal six nine six (14.696) pound per square inch ("**psi**") and when free of water vapour occupies the volume of one (1) cubic foot.

"**Substitute LNG Carrier**" has the meaning specified in Clause 8.3.2.

"**Taxes**" means all forms of taxation and statutory, governmental, supra-governmental, state, principal, local governmental or municipal impositions, duties, contributions and levies, imposts, tariffs, royalties, fees and rates (including without limitation all employment taxes and national insurance contributions), in each case, wherever imposed, and all penalties, charges, costs and interest payable in connection with any failure to pay or delay in paying them and any deductions or withholdings of any sort, and the term "**Taxable**" shall be construed accordingly.

"**Terminal Operator**" means the operator of the Receiving Facilities.

"**Terminal Rules**" means all the rules and regulations applicable to the delivery of LNG at the Discharge Port, either issued by the Terminal Operator or by any Competent Authority, including the Operating Manual and the Port Authority Regulations.

"**Transaction**" has the meaning specified in Clause 2.1.2.

"**Transporter**" means any Person who owns, operates and or contracts with Seller for the purposes of providing or operating any of the LNG Carrier(s).

"**Tribunal**" has the meaning specified in Clause 18.2.4.

"**US\$**" or "**US Dollars**" means the lawful currency of the United States of America.

"**Used Laytime**" has the meaning specified in Clause 12.1.

"**Wobbe Index**" means when applied to gas, the Gross Heating Value (Volume Based) divided by the square root of the Relative Density.

1.2 Interpretation

In this Master Agreement unless the context requires otherwise:

- (a) References to this Master Agreement include its Annexes. References to Clauses or the Preamble are references to such provisions of this Master Agreement. References to paragraphs are references to paragraphs in the Annexes to this Master Agreement.
- (b) References in the singular shall include references in the plural and vice versa, words denoting gender shall include any other gender and words denoting natural persons shall include any other Persons.
- (c) Headings shall be ignored in construing this Master Agreement.

- (d) The language which governs the interpretation of this Master Agreement is the English language. All notices to be given by any Party and all other communications and documentation which are in any way relevant to this Master Agreement or the performance or termination of this Master Agreement, including any dispute resolution proceedings, shall be in the English language.
- (e) The words "**include**" and "**including**" are to be construed without limitation.
- (f) A reference to a "**law**" includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty, or other legislative measure, in each case of any jurisdiction whatever (and "**lawful**" and "**unlawful**" shall be construed accordingly).
- (g) All references to a time in this Master Agreement shall be references to Pakistan Standard Time or PST except where otherwise stated and, where applicable, to a twenty-four (24) hour clock.
- (h) All references to a particular entity shall include such entity's successor and permitted assigns.

2 TRANSACTIONS

2.1 Procedures

- 2.1.1 The Parties may from time to time, by executing a Confirmation Notice and the Integrity Pact, agree to the sale and purchase of specific quantities of LNG on the terms and conditions contained in this Master Agreement and such other terms and conditions as are set out in the relevant Confirmation Notice, including the quantity of LNG sold and purchased, the price applicable to such LNG and any other terms and conditions relevant to such sale and purchase as well as any variation of the terms and conditions contained in this Master Agreement.
- 2.1.2 Each executed Confirmation Notice and Integrity Pact shall together with the terms of this Master Agreement constitute a separate and independent contract (each a "**Transaction**") governed by the terms of the relevant Confirmation Notice, Integrity Pact and this Master Agreement for the sale and purchase of the relevant quantity of LNG.
- 2.1.3 Although it is the intention of the Parties to enter into Transactions from time to time, the Parties agree that there shall be no binding commitment to sell and purchase LNG under this Master Agreement unless and until a Confirmation Notice and the Integrity Pact have been executed by both Parties and thereby a Transaction entered into.

2.2 Confirmation Notices

- 2.2.1 Each Confirmation Notice shall incorporate, supplement and be read and construed together with the terms and conditions of this Master Agreement.
- 2.2.2 In the event of any inconsistency between the provisions of this Master Agreement and the terms contained in a Confirmation Notice, the Confirmation Notice shall prevail to the extent matters are specifically addressed in the Confirmation Notice for the purposes of the relevant sale and purchase of a Cargo.

2.3 Representations

2.3.1 On each Confirmation Date, each Party represents and warrants to the other that:

- (a) the execution, delivery and performance of this Master Agreement and the relevant Confirmation Notice have been duly authorised by all necessary corporate or other organisational action on its part and do not violate or conflict with any law applicable to it, its organisational documents or any order or judgment of a court or other agency of government applicable to it or its assets;
- (b) its obligations under this Master Agreement and the relevant Confirmation Notice are (subject to applicable insolvency and bankruptcy laws and general principles of equity) legally valid and binding obligations, enforceable in accordance with their terms; and
- (c) it has all necessary governmental and other third party permits, approvals, authorisations and licences required in connection with the execution, delivery and performance of this Master Agreement and the relevant Confirmation Notice except to the extent that such permits, approvals, authorisations and/or licences can only be obtained by Seller or its Transporter at the time the relevant LNG Carrier arrives at the Discharge Port, in which case such permits, authorisations, approvals and/or licences shall be obtained by Seller, or Seller shall cause them to be obtained, as soon as possible upon arrival at the Discharge Port.

2.3.2 On each Confirmation Date, Seller warrants to Buyer that it will not deliver any LNG from a gas supply source:

- (a) within a country that is the subject of country-wide or territory-wide resolutions, trade or economic sanctions, laws, regulations, embargoes or restrictive measures that may be applicable to the sale and purchase or delivery and receipt of LNG as contemplated hereunder administered, enacted or enforced by; or
- (b) where receipt of such LNG by the Buyer would result in a violation of any sanctions, prohibitions, restrictions or asset freeze orders under any resolutions, trade or economic sanctions, laws, regulations, embargoes or restrictive measures of,

the governments of the Islamic Republic of Pakistan and the United States of America, the United Nations, the European Union or any of its member states, or the respective governmental institutions and agencies of any of the foregoing, including the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of States, and her Majesty's Treasury of the United Kingdom.

2.4 Corrupt Practices

2.4.1 Each Party hereby acknowledges that certain laws of the United States of America, the European Union and Pakistan, as well as the laws of the jurisdiction where Seller is incorporated or which the LNG Carrier may transit en route to the Discharge Port, prohibit any Person from offering to make or making any payment of money or anything of value, directly or indirectly, to any government official, political party, candidate for political office, or official of a public international organisation for the purpose of obtaining or retaining business or providing an improper advantage.

2.4.2 On the date of execution of this Master Agreement and on each Confirmation Date, each Party represents, warrants and covenants to the other Party that, in the performance of its obligations hereunder and under any Confirmation Notice:

- (a) it has not made or offered to make, and will not make or offer to make, any prohibited payment referred to under Clause 2.4.1; and
- (b) it has not acted in violation or is otherwise in breach of the terms of the Integrity Pact.

3 TERM AND TERMINATION

3.1 Term

Subject to the other terms hereof:

- (a) this Master Agreement shall commence on the date of its execution by both Parties and shall remain in full force and effect until terminated by either Party in accordance with Clauses 3.2 and 17.2.1; and
- (b) a Confirmation Notice shall become effective on the relevant Confirmation Date and shall remain in full force and effect until the earlier of the date of:
 - (i) subject to Clause 3.2.2, its termination pursuant to this Master Agreement;
 - (ii) subject to Clause 3.2.3, the termination of this Master Agreement in accordance with its terms; and
 - (iii) full performance of Buyer's and Seller's respective obligations pursuant to the relevant Transaction.

3.2 Termination

3.2.1 Each Party may terminate this Master Agreement upon giving the other Party sixty (60) days' written notice, given in accordance with Clause 19.4.

3.2.2 Subject to any rights to terminate a Confirmation Notice pursuant to this Master Agreement, if a Confirmation Notice has been executed by the Parties and not been fully performed, any notice to terminate shall only be effective in respect of such Confirmation Notice once all obligations set forth in such Confirmation Notice (and in this Master Agreement to the extent they relate to such Confirmation Notice) have been satisfied, unless excused under Clause 16.

3.2.3 Termination of this Master Agreement, howsoever caused or occurring, shall be without prejudice to any rights or remedies that may have accrued to either Party prior to the date of such termination (including any antecedent breaches), and any provisions of this Master Agreement or any Confirmation Notice necessary for the exercise of such accrued rights or remedies shall survive termination of this Master Agreement and/or any applicable Confirmation Notice to the extent so required.

4 OBLIGATIONS

4.1 Seller's and Buyer's Obligations to Sell and Purchase

- 4.1.1 If the Parties execute a Confirmation Notice, subject to the terms and conditions set forth in the relevant Transaction, Seller shall sell and deliver ex-ship to Buyer at the Delivery Point, and Buyer shall purchase from Seller, take and pay for, LNG at the Delivery Point in accordance with this Master Agreement and the relevant Confirmation Notice.
- 4.1.2 In case of a conflict between any of the provisions set out in the relevant Transaction and the applicable Terminal Rules, the provisions of the applicable Terminal Rules shall prevail.
- 4.1.3 Buyer shall have no obligations to receive a quantity of LNG in excess of, and the LNG Heel shall not serve to increase or reduce, the quantity of LNG in a Cargo to be sold and purchased in accordance with the relevant Confirmation Notice, subject to Seller's operational tolerance of plus or minus two percent (2%).
- 4.1.4 Each Party shall provide, maintain and operate (or cause to be provided, maintained and operated) all facilities necessary to fulfil its obligations under this Master Agreement and any Confirmation Notice, which may include LNG Carriers, ship berthing and LNG unloading facilities, LNG storage tanks, utilities, regasification facilities and gas transmission pipelines.

4.2 Buyer's Failure to Take Delivery

- 4.2.1 If Buyer encounters or expects to encounter technical or operational difficulties that may result in a delay in berthing the LNG Carrier or taking delivery of all or any part of the Cargo scheduled for delivery under the relevant Confirmation Notice, or that may otherwise prevent Buyer from taking timely delivery of such Cargo, Buyer shall promptly notify Seller and the Parties shall use reasonable endeavours to reschedule the relevant Cargo.
- 4.2.2 If, for any reason other than Buyer Force Majeure, Adverse Weather Conditions, Buyer's rejection of the relevant Cargo in accordance with Clause 5.3 or reasons attributable to Seller, Seller's Operator, or the Transporter or master of the LNG Carrier, Buyer fails, subject to Clause 4.1.3, to take all or any part of the relevant Cargo ("**Buyer's Deficiency Quantity**") within the period of forty-eight (48) hours from the end of the Delivery Window (or such different period as the Parties may agree in the relevant Confirmation Notice) and the Parties were unable to reschedule the relevant Cargo under Clause 4.2.1, then Seller shall be entitled (upon notifying Buyer in writing to that respect) not to deliver such Cargo to Buyer and cause the LNG Carrier to depart the berth, if applicable.
- 4.2.3 If Clause 4.2.2 applies, Buyer shall pay Seller an amount ("**Buyer's Liability Amount**") determined as follows:

$$BLA = BDQ \times CP$$

Where:

BLA is Buyer's Liability Amount;

BDQ is Buyer's Deficiency Quantity which is determined as:

$$BDQ = ECQ - QD$$

Where:

ECQ is the Estimated Contract Quantity

QD is the Quantity Delivered

CP is the Contract Price payable in respect of the relevant Cargo,

and (from the receipt of Seller's notice) neither Party shall be liable to the other for amounts arising under Clauses 12.5 and 12.6, if applicable, with respect to such Cargo after the earliest time (following such notice) at which the LNG Carrier could have reasonably departed the berth.

4.2.4 Upon Buyer's failure to take Buyer's Deficiency Quantity, Seller shall issue to Buyer an invoice for:

- (a) the Quantity Delivered, if any, at the Contract Price pursuant to Clause 15.1; and
- (b) Buyer's Liability Amount pursuant to Clause 15.2,

and Buyer shall pay for such invoice(s) in accordance with Clause 15.4.

4.2.5 Seller shall use all reasonable endeavours to mitigate its losses by locating a third party purchaser for the quantity of LNG equal to Buyer's Deficiency Quantity at a price that is commercially reasonable under the circumstances. In the event Seller is able to complete such sale and Buyer has paid Seller the amount described in Clause 4.2.3, then, subject to Clause 4.2.6, Buyer shall be entitled to receive the net proceeds of such sale realised by Seller from such third party (the "**Net Proceeds**") determined as follows:

$$NP = (TP + CS) - OCI$$

Where:

NP are the Net Proceeds;

TP are the total proceeds actually received by Seller from the sale to a third party of the quantity of LNG equal to Buyer's Deficiency Quantity;

CS are any costs saved, including savings related to transportation and third party costs;

OCI are any costs incurred, such costs being any reasonable, properly incurred and verifiable documented transportation costs (including charter hire for the LNG Carrier, cost of bunker and other costs of the LNG Carrier), capacity reservation and port costs, fees, duties, commissions and expenses, costs of resale and Taxes incurred by Seller in connection with the sale and delivery of the relevant quantity of LNG to the third party purchaser over and above those Seller would have paid had Buyer taken Buyer's Deficiency Quantity at the Receiving Facilities.

4.2.6 Any positive amount by which the Net Proceeds exceed Buyer's Liability Amount shall be retained by Seller for its own account.

4.2.7 Promptly upon completing such sale, Seller shall issue a statement to Buyer showing the calculation of the Net Proceeds in accordance with Clause 4.2.5. As soon as reasonably practicable after receipt by Buyer of such statement, Buyer shall issue an invoice for the Net

Proceeds pursuant to Clause 15.2 which shall become payable by Seller in accordance with Clause 15.4.

- 4.2.8 Buyer's payment of Buyer's Liability Amount, in addition to amounts due under Clauses 12.5 and 12.6, if applicable, shall be Seller's sole and exclusive remedy in damages or otherwise for failure by Buyer to take all or part of such Cargo or to take it in a timely manner and each of Buyer and Seller acknowledge and agree that such payment(s) shall be by way of liquidated damages and that the same constitutes a genuine pre-estimate of losses incurred by Seller.

4.3 Seller's Failure to Deliver

- 4.3.1 If Seller encounters or expects to encounter technical or operational difficulties that may result in a delay in berthing the LNG Carrier or delivering the Cargo scheduled for delivery under the relevant Confirmation Notice, or that may otherwise prevent Seller from making timely delivery of such Cargo, Seller shall promptly notify Buyer and the Parties shall use reasonable endeavours to reschedule the relevant Cargo.

- 4.3.2 If, for any reason other than Seller Force Majeure, Adverse Weather Conditions or reasons attributable to Buyer or the Terminal Operator, Seller fails, subject to Clause 4.1.3, to deliver all or any part of the relevant Cargo ("**Seller's Deficiency Quantity**") within the period of forty-eight (48) hours from the end of the Delivery Window and the Parties were unable to reschedule the relevant Cargo under Clause 4.3.1, then Buyer shall be entitled (upon notifying Seller in writing to that respect) to require Seller not to deliver such Cargo and cause the LNG Carrier to depart the berth, if applicable. In such event, subject to Clause 4.3.3, Seller shall pay to Buyer an amount ("**Seller's Liability Amount**") equal to:

- (a) where Buyer was able to procure replacement Natural Gas, LNG or alternative fuel, including diesel, an amount, if positive, determined as follows:

$$SLA = BPC - (SDQ \times CP)$$

Where:

SLA is Seller's Liability Amount;

BPC are Buyer's procurement costs, which comprise Buyer's documented costs incurred using reasonable efforts in procuring replacement Natural Gas, LNG or alternative fuel (including diesel) in volume and, where applicable, energy content equal to Seller's Deficiency Quantity and at a cost that is commercially reasonable under the circumstances;

SDQ is Seller's Deficiency Quantity;

CP is the Contract Price payable in respect of the relevant Cargo; or

- (b) where Buyer was unable for any reason to procure replacement Natural Gas, LNG or any alternative fuel (including diesel):

(i)

- (A) any reasonable verifiable documented direct costs, charges, losses, damages, expenses and liabilities associated with terminating or

breaching its onward sale arrangements (for regasified LNG) that are incurred by Buyer; and

- (B) costs, charges, losses, damages, expenses and liabilities associated with terminating or breaching the regasification arrangements with PLTL as are claimed by PLTL; and

(ii)

- (A) Buyer's reasonable verifiable documented direct costs, fees, charges or expenses which Buyer was not reasonably able to avoid (including any reservation fee or charge and any administrative costs incurred, paid or payable by Buyer to the Discharge Port, the Pakistan Gas Utilities and the Receiving Facilities, if applicable); and
- (B) costs, fees, charges or expenses which PLTL was not reasonably able to avoid (including any reservation fee or charge and any administrative costs incurred, paid or payable by Buyer to the Discharge Port and the Receiving Facilities, if applicable).

4.3.3 Seller's Liability Amount shall not exceed an amount equal to thirty per cent (30%) of the value of the relevant Cargo, that is Seller's Deficiency Quantity multiplied by the relevant Contract Price all as set out in the applicable Confirmation Notice. For the avoidance of doubt, when calculating Seller's Liability Amount there shall be no double counting of any amounts incurred by Buyer and PLTL as referred to in Clause 4.3.2(b).

4.3.4 For the avoidance of doubt, PLTL and the Terminal Operator will be obliged to use reasonable endeavours to mitigate any liability, loss, damage or claim incurred by it as may be recoverable under this Clause 4.3.

4.3.5 Upon Seller's failure to deliver Seller's Deficiency Quantity, Buyer shall issue to Seller an invoice for Seller's Liability Amount pursuant to Clause 15.2, and Seller shall pay for such invoice in accordance with Clause 15.4. For the avoidance of doubt, Seller shall issue to Buyer an invoice pursuant to Clause 15.1 for any Quantity Delivered and Buyer shall pay for such invoice in accordance with Clause 15.4.

4.3.6 Seller's payment of Seller's Liability Amount, in addition to amounts due under Clause 12.7, if applicable, shall be Buyer's sole and exclusive remedy in damages or otherwise for failure by Seller to deliver any LNG or to deliver it in a timely manner and each of Buyer and Seller acknowledge and agree that any such payment(s) shall be by way of liquidated damages and that the same constitutes a genuine pre-estimate of losses incurred by Buyer.

5 QUALITY

5.1 Specifications

LNG unloaded at the Receiving Facilities in accordance with the relevant Transaction shall, when delivered at the Delivery Point:

- (a) comply with the quality specifications as set out in Annex B which shall form an integral part of this Master Agreement; and

- (b) not contain any material amounts of active bacteria or bacterial agents (including but not limited to sulphate reducing bacteria or acid producing bacteria) or hazardous, toxic substances or any other contaminants or foreign matters,

together the "**Specifications**".

5.2 Notice of Off-Spec LNG

Seller shall, as soon as it becomes aware of the same, notify Buyer, if the quality of the LNG to be delivered pursuant to a Confirmation Notice is likely to fall outside the relevant Specifications ("**Off-spec LNG**"), including details of the extent to which such LNG fails to meet the Specifications, in which case the Parties shall consult on what actions to take. In such case, the Parties shall discuss such variance and possible mitigation actions, subject to the provisions of Clauses 5.3, 5.4 and 5.5.

5.3 Rejection of Off-Spec LNG

- 5.3.1 If the LNG delivered or to be delivered under the relevant Transaction is Off-spec LNG, Buyer may reject the Cargo by giving notice to Seller to that effect. Seller shall be deemed to have failed to deliver the quantity of Off-spec LNG rejected by Buyer and be liable to Buyer for such failure to deliver in accordance with Clause 4.3.
- 5.3.2 Without prejudice to Buyer's right under Clause 5.3.1 to reject the Off-spec LNG, Buyer shall use reasonable endeavours to accept, and cause the Terminal Operator to accept, the Off-spec LNG.
- 5.3.3 Buyer shall notify Seller of its decisions on whether or not it accepts the Off-Spec LNG as soon as reasonably practicable but in any case no later than thirty-six (36) hours of it being made aware by Seller pursuant to Clause 5.2 that the LNG fails to comply with the Specifications.

5.4 Acceptance of Off-Spec LNG

- 5.4.1 If the LNG delivered is Off-spec LNG, and Buyer knowingly accepts such Off-spec LNG by notifying Seller that Buyer expressly accepts the Off-spec LNG as set out in Clause 5.3.3, then Seller shall reimburse Buyer for all reasonable documented verifiable costs incurred by Buyer or billed by PLTL in the acceptance (including such costs incurred in respect of services provided by third parties associated with its adaptation, acceptance or treatment, as applicable) or disposal of such Off-spec LNG whether the LNG is intended for Buyer's own use or to meet Buyer's obligations to third parties, such amount not to exceed twenty percent (20%) of the Contract Price multiplied by the Estimated Contract Quantity.
- 5.4.2 If the LNG delivered is Off-spec LNG, and Buyer unknowingly accepts such Off-spec LNG or Buyer knowingly accepts Off-spec LNG but discovers that the extent to which the LNG in the relevant Cargo fails to comply with the Specifications is greater than that notified by Seller under Clause 5.2, then:
 - (a) Buyer shall promptly notify Seller thereof;
 - (b) the Parties may suspend the unloading of any remaining Off-spec LNG in the relevant Cargo;

- (c) Buyer shall accept any Off-spec LNG already unloaded at the time of the notice referred to under Clause 5.4.2(a), in which case Seller shall reimburse Buyer for any reasonable incremental costs incurred by Buyer or billed by PLTL in the acceptance (including such costs incurred in respect of services provided by third parties associated with its adaptation, acceptance or treatment, as applicable) and/or for any liability, loss, costs and damages reasonably incurred by Buyer or billed by one or both, as applicable, Pakistan Gas Utilities in connection with the acceptance, adaptation, treatment and/or disposal of such accepted Off-spec LNG whether the LNG is intended for Buyer's own use or to meet Buyer's obligations to third parties; provided that Seller's liability to reimburse Buyer under this Clause 5.4.2(c) shall not exceed an amount equal to the product of the Quantity Delivered and the relevant Contract Price;
- (d) Buyer may reject any Off-spec LNG not yet unloaded at the time of the notice under Clause 5.4.2(a), in which case the provisions of Clause 4.3 shall apply in respect of such rejected Off-spec LNG.

5.5 Exclusive Remedy

Payment of damages under this Clause 5 shall be Buyer's sole and exclusive remedy for Seller's failure to deliver LNG in compliance with the Specifications and each of Buyer and Seller acknowledge and agree that such payment shall be by way of liquidated damages and that the same constitutes a genuine pre-estimate of losses incurred by Seller.

6 TRANSFER OF TITLE AND RISK AND TITLE WARRANTY

6.1 Point of title transfer

The Parties shall agree, by marking a cross against the relevant Confirmation Notice election at paragraph 16 of that document, which of the following two title transfer provisions shall apply and, in the absence of any such election, Election B shall be deemed to apply:

Election A

- (a) title to such quantities of LNG aboard a LNG Carrier as are sold and purchased under a Transaction shall pass from Seller to Buyer in international waters at the point which is the last point where the LNG Carrier is outside the territorial waters of Pakistan ("**Title Transfer Point**"). For the avoidance of doubt, title to such LNG aboard a LNG Carrier as may reasonably be required to enable the LNG Carrier to continue its voyage from the Title Transfer Point inward bound to the Discharge Port and from the Discharge Port outward bound until the LNG Carrier exits the territorial waters of Pakistan (including the heel and any Natural Gas vapour) will continue to vest with the Seller;
- (b) notwithstanding Clause 6.1(a), risk of loss for the LNG the title of which has passed to Buyer under Clause 6.1(a) shall pass from Seller to Buyer only after delivery of the LNG at the Delivery Point. Risk of loss for any LNG the title of which has not passed to Buyer under Clause 6.1(a) (including the heel) shall remain with Seller;
- (c) if, following transfer of title from Seller to Buyer under Clause 6.1(a), Buyer does not receive such Cargo or if such Cargo is rejected by Buyer under Clause 5.3, title to all LNG comprised in such Cargo will revert from Buyer to Seller at either:

- (i) the first point where the LNG Carrier exits the territorial waters of Pakistan following the effectiveness of such failure to receive or such rejection; or
 - (ii) if the LNG Carrier does not exit the territorial waters of Pakistan prior to discharging its Cargo, then immediately upon notice from Seller to Buyer of such alternative discharge but in no event later than actual discharge of the Cargo;
- (d) nothing in this Clause 6.1 with respect to the transfer of title shall affect the calculation of the quantity of LNG made available to, or taken by, Buyer, or the price to be paid by Buyer for such LNG pursuant to this Master Agreement;
 - (e) Buyer shall obtain, or cause to be obtained, any import licence or other official authorisation it may require and carry out, or assist the LNG Carrier in carrying out, as applicable, all customs formalities necessary for the import of the LNG into Pakistan; and
 - (f) the risk of loss and any liabilities resulting from Natural Gas vapour returned to the LNG Carrier during the discharge of the LNG shall pass from Buyer to Seller as it passes the point at which the outlet flange of the vapour return line of Receiving Facilities connects with the inlet flange of the vapour return line of the LNG Carrier.

Election B

- (a) LNG to be sold by Seller and purchased by Buyer pursuant to the relevant Transaction shall be delivered to Buyer at Receiving Facilities;
- (b) title to and risk of loss of LNG sold under the relevant Transaction shall pass from Seller to Buyer at the Delivery Point; and
- (c) title to, risk of loss and any liabilities resulting from Natural Gas vapour returned to the LNG Carrier during the discharge of the LNG shall pass from Buyer to Seller as it passes the point at which the outlet flange of the vapour return line of Buyer's Facilities connects with the inlet flange of the vapour return line of the LNG Carrier.

6.2 Title and indemnity

Seller represents and warrants that at the Delivery Point it has title to all LNG under this Master Agreement and each Confirmation Notice, and all LNG will at the Delivery Point be free and clear of all liens (other than liens arising under any applicable laws, of which Seller shall procure the release immediately upon delivery of the LNG at the Delivery Point), charges, assessments, security interests, privileges, encumbrances and adverse claims of every description.

7 TAXES

7.1 Seller's Taxes

Seller shall pay all Taxes (excluding any Income Tax imposed on Buyer as a result of Buyer's activities causing Buyer to have a permanent establishment in the country where the Loading Port is situated) imposed or levied upstream of the Delivery Point by any Competent Authority on the sale, transportation and/or export of LNG sold under an Agreement, including all port charges, duties, fees, royalties, assessments, and any other charges or



levies levied or imposed on the LNG Carrier in the country where the Loading Port is situated and in Pakistan, and shall reimburse Buyer for and hold Buyer harmless from and against any such Taxes and/or port charges, duties, fees, royalties, assessments, and any other charges or levies levied or imposed on the LNG Carrier, paid (or borne indirectly in the form of a withholding tax or otherwise) by Buyer (except those incurred solely due to the wilful misconduct of Buyer or the Terminal Operator).

7.2 Buyer's Taxes

Buyer shall pay all Taxes (excluding any Income Tax imposed on Seller as a result of Seller's activities causing Seller to have a permanent establishment in Pakistan) imposed or levied downstream of the Delivery Point by any Competent Authority on the purchase, transportation and/or import of LNG sold under an Agreement (and any returned Natural Gas vapour) and shall reimburse Seller for and hold Seller harmless from and against any such Taxes paid (or borne indirectly in the form of a withholding tax or otherwise) by Seller (except those incurred solely due to the wilful misconduct of Seller or Seller's Operator). Buyer shall also pay all charges which are payable by reason of the LNG Carrier having to shift berth at the Discharge Port, unless such shifting is a result of Seller's action or inaction.

7.3 Reimbursement of Refunds

Where a Party has been reimbursed by the other Party under Clause 7.1 or 7.2, as the case may be, for payments of any Taxes made and the recipient of such reimbursement receives or is entitled to receive a refund in respect of the same Taxes (whether by way of actual receipt, credit, set-off or otherwise), the recipient of such reimbursement shall repay, or cause to be repaid, to the other Party a part of the reimbursement of such Taxes equal to the amount of the refund in respect of the same Taxes effectively received or enjoyed, less any reasonable costs incurred in obtaining the refund, and less any Taxes levied or leviable in respect of that refund and, if such refunds are held by the recipient, plus any interest at the Interest Rate for the time it is held in this way.

7.4 Liability to pay Taxes

- 7.4.1 If either Buyer or Seller becomes aware of a potential or actual liability or claim to make any payment of Taxes under this Clause 7, it shall give notice of the circumstances to the other Party as soon as reasonably practicable.
- 7.4.2 Each Party shall give to the other Party such assistance as is reasonable in the circumstances in this regard, and Buyer or Seller (as appropriate) shall not make any payment of such Taxes until the date on which such Taxes are due and payable in accordance with the relevant tax regulations unless an early payment could result in a reduction of the liability to pay such Taxes.
- 7.4.3 In order to allow the Parties to make payments of Taxes in full and without neglecting compliance with any tax, royalty, duty or other impost levied, each Party agrees that if requested by the other Party, it will assist in completing, executing and arranging for any required certification and/or document in a manner reasonably satisfactory to the other Party, and will deliver to the other Party and/or to any government or taxing authority as the other Party reasonably directs, copies of any such certification and/or document.

7.5 Importer of record

For the avoidance of doubt, Buyer shall be the importer of record and as such responsible for managing the customs duties and related processing activities.

8 TRANSPORTATION

8.1 Seller's obligation to transport

Seller shall be responsible, at its sole expense, for the transportation from the Loading Port to the Discharge Port of the LNG to be sold and delivered ex-ship pursuant to the relevant Transaction.

8.2 LNG Carrier specifications

8.2.1 Each Cargo shall be delivered at the Discharge Port by the LNG carrier(s) named in the relevant Confirmation Notice, which shall comply with the provisions of this Clause 8 (each such LNG carrier a "**LNG Carrier**").

8.2.2 Seller shall, at its sole expense, at all times throughout the period of supply of the relevant LNG quantity pursuant to a Confirmation Notice provide, maintain, and operate, or cause to be provided, maintained or operated, in good working order each LNG Carrier, to enable it to fulfil its obligations under the relevant Transaction. In particular, each LNG Carrier shall (unless otherwise specified in the relevant Confirmation Notice):

- (a) comply with the applicable Terminal Rules and be compatible with the Discharge Port and the berthing and unloading facilities at the Discharge Port;
- (b) be able to unload at an average rate equal to or greater than eight thousand (8,000) cubic metres per hour at a maximum discharge pressure of four decimal five (4.5) bar gauge at the Delivery Point;
- (c) be of the dimensions and technical specification set out in the relevant Confirmation Notice;
- (d) be constructed, equipped, operated and maintained in accordance with:
 - (i) the rules and regulations of, and maintained in class with, a member of the International Association of Classification Societies which has prior experience in classifying LNG carriers;
 - (ii) all applicable laws, treaties, conventions, rules and regulations of the country of vessel registry, with the Terminal Rules and with such other laws, rules, regulations, recommendations and guidelines of any Competent Authority with jurisdiction over the LNG Carrier which a Reasonable and Prudent Operator would comply with; and
 - (iii) International Standards;
- (e) be entered with a member of the International Group of P&I Clubs and carrying that level of P&I coverage and other insurance coverage customary in the LNG trade and to a level and extent not less than would generally be taken out by a Reasonable and Prudent Operator on LNG carriers of its type, including hull and

machinery, protection and indemnity, pollution and such other coverage as is customary and usual in the LNG shipping industry or required by operation of applicable law. Upon request of Buyer, Seller shall provide to Buyer (and the Terminal Operator on behalf of Buyer) satisfactory evidence that the insurance required pursuant to this Clause 8.2.2(e) is in effect;

- (f) be in possession of a current OCIMF Ship Inspection Report (SIRE report) of no more than six (6) months old;
- (g) be in compliance with all applicable requirements of the International Convention for the Safety at Sea of 1974 (SOLAS), as amended from time to time, and the related protocol of 1978, including the Code for the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk (IGC Code), the International Safety and Management (ISM) Code and Chapter XI of SOLAS, and the ISPS (International Ship and Port Facilities Security) Code;
- (h) have discharge and emission levels within MARPOL guidelines;
- (i) be equipped with appropriate systems for communications with the Discharge Port facilities and the Terminal Operator that comply with SIGTTO recommendations regarding Emergency Shut Down Systems & Linked Ship/Shore Systems on Liquefied Gas Carriers;
- (j) be operated in accordance with International Standards by, and manned with, operators, officers and crews who have been suitably qualified and trained in international LNG carrier operations. All officers who are or may be involved in the berthing, un-berthing, and handling operations of an LNG Carrier shall be fluent in the English language, and all communications between an LNG Carrier and Buyer or the Terminal Operator shall be in English; and
- (k) at all times carry a Blue Card.

8.3 LNG Carrier approval

- 8.3.1 Buyer reserves the right to inspect or approve, or cause the Terminal Operator to inspect or approve, each LNG Carrier named in a Confirmation Notice, such approval not to be unreasonably withheld; PROVIDED HOWEVER (subject to Clause 8.4.1 below) that Buyer's execution of the relevant Confirmation Notice shall constitute Buyer's approval of such LNG Carrier.
- 8.3.2 If it is necessary for the delivery of a Cargo/es under this Master Agreement and the applicable Confirmation Notice, Seller may (but be under no obligation to do so), use a substitute LNG Carrier ("**Substitute LNG Carrier**") of similar cargo capacity to the LNG Carrier being so substituted. Seller's use of such a Substitute LNG Carrier shall not be permitted until Buyer has inspected and approved such LNG carrier (such approval not to be unreasonably withheld or delayed) and notified Seller thereof. Such approved Substitute LNG Carrier shall be included within the definition of "LNG Carrier" for the purposes of the relevant Transaction.

8.4 Compatibility

- 8.4.1 Seller acknowledges that it has satisfied itself that the LNG Carrier as at the applicable Confirmation Date is compatible with the Receiving Facilities and Seller's Facilities.

- 8.4.2 If at any time after executing the relevant Confirmation Notice Buyer reasonably believes that the LNG Carrier is in such a condition that it will materially jeopardise the safety and/or normal operation of the Receiving Facilities, or that it is not compliant with the applicable Terminal Rules, Buyer shall have the right to inspect the LNG Carrier, or cause the LNG Carrier to be inspected by the Terminal Operator, to assure itself that such LNG Carrier is compatible with the Receiving Facilities.
- 8.4.3 Any such inspection shall not relieve Seller of any obligations it has to Buyer pursuant to Clause 8.6.
- 8.4.4 If such inspection should prove that the approved LNG Carrier and the Receiving Facilities are not compatible or that the LNG Carrier is likely to materially jeopardise the safety and/or normal operation of the Receiving Facilities, or is not compliant with the relevant Terminal Rules, then the Parties shall consult and cooperate with a view to agreeing upon a course of action which will permit this Master Agreement and the applicable Confirmation Notice to be performed, subject always to Buyer's right to notify Seller that it does not approve the use of the LNG Carrier until such time as it has been demonstrated to Buyer's reasonable satisfaction that the LNG Carrier has been brought into compliance with all provisions of the relevant Transaction such that it can operate safely and in conformance with the normal operations of the Receiving Facilities.
- 8.4.5 If Clause 8.4.4 applies, Buyer shall not be liable for any costs and expenses incurred from Buyer's failure to accept, pursuant to this Clause 8.4, the use of the relevant LNG Carrier, including costs of delays to the LNG Carrier and Seller shall reimburse Buyer for any costs incurred in inspecting the LNG Carrier in accordance with Clause 8.4.4.

8.5 Modifications

- 8.5.1 Following the relevant Confirmation Date, neither Party shall take any action that would render the LNG Carrier and the Receiving Facilities incompatible with each other and in particular but without limiting the foregoing:
- (a) except pursuant to any change in International Standards, applicable laws, regulations, directives or orders of any Competent Authority in the countries in which the LNG Carrier will call and with which the LNG Carrier is required to comply, Seller shall not permit or make any modification to the LNG Carrier without Buyer's prior written consent, such consent not to be unreasonably withheld taking into account the compatibility of the Receiving Facilities with the LNG Carrier; and
 - (b) except pursuant to any change in International Standards, applicable laws, regulations, directives or orders of any Competent Authority of Pakistan and with which the Receiving Facilities are required to comply, Buyer shall not permit or make any modification to the Receiving Facilities in a manner that would render the LNG Carrier incompatible with the Receiving Facilities.
- 8.5.2 Seller shall take full responsibility for any and all costs and expenses in respect of modifications or changes required to be made to the LNG Carrier for the following reasons:
- (a) incompatibility of the LNG Carrier with the berthing and unloading facilities of the Receiving Facilities to the extent that Buyer has complied with the provisions of Clause 8.5.1(b); and

- (b) safety or other requirements of any Competent Authority in the countries in which the LNG Carrier will call, regardless of whether such requirements differ from International Standards.

8.6 Seller's representation

Seller represents and warrants that as at the relevant Confirmation Date the LNG Carrier will meet (or has obtained valid waivers in respect of) all applicable governmental or port authority requirements and has obtained or will obtain all necessary approvals for entering, operating in and exiting the territorial waters of Pakistan as well as all applicable international requirements which are in force at the relevant Confirmation Date.

8.7 Assistance

If the LNG Carrier requires assistance from, or the use in any manner of, tugs, pilots, escort vessels or other support vessels in connection with the safe berthing of the LNG Carrier, such assistance or use shall be at the sole risk and expense of Seller.

9 RECEIVING FACILITIES

9.1 Buyer's obligations regarding the Receiving Facilities

9.1.1 The Receiving Facilities shall be of appropriate design and sufficient capacity to enable the receipt, storage and unloading of LNG in accordance with this Master Agreement and any applicable Confirmation Notice.

9.1.2 Buyer shall:

- (a) subject always to Clause 8.7, provide, or cause to be provided, a safe berth and unloading facilities at the Discharge Port in accordance with this Clause 9, free of charge, save for port charges, dues, taxes or other governmental imposts; and
- (b) provide, maintain and operate, or cause to be provided, maintained and operated, the Receiving Facilities so as to permit unloading of the LNG Carrier as quickly and efficiently as reasonably possible, and shall cooperate in the prompt servicing and departure of the LNG Carrier pursuant to the relevant Transaction.

9.1.3 During unloading of each Cargo, the Receiving Facilities shall return to the LNG Carrier Natural Gas in such quantities as are necessary for the safe unloading of the LNG at such rates, pressures and temperatures as may be required by the LNG Carrier.

9.2 Specification of the Receiving Facilities

Unless otherwise specified in the relevant Confirmation Notice, the Receiving Facilities shall include the following:

- (a) berthing facilities that comply with OCIMF, ISPS and SIGTTO guidelines, but only to the extent the recommendations of SIGTTO are applicable to the berthing facilities, and other International Standards and are capable of receiving the relevant LNG Carrier, having the specifications set forth in the applicable Confirmation Notice and which the LNG Carrier can safely reach, fully laden and from which it can safely depart, and at which the LNG Carrier can lie safely berthed and unload safely afloat at all times;

- (b) facilities and equipment, where applicable, enabling the transfer of LNG between an LNG Carrier and the Receiving Facilities;
- (c) unloading facilities capable of receiving LNG from the relevant LNG Carrier at an average rate equal to or greater than eight thousand (8,000) cubic metres per hour at a maximum discharge pressure at the LNG Carrier's manifold of four decimal five (4.5) bar gauge;
- (d) a vapour return line system of sufficient capacity to transfer to the relevant LNG Carrier quantities of Natural Gas necessary for the safe unloading of the LNG at such rates, pressures and temperatures required by the LNG Carrier's design and/or good operating practice with respect to such LNG Carrier;
- (e) regasification facilities;
- (f) lighting and mooring facilities, including access to such facilities and appropriate systems for communication with the relevant LNG Carrier;
- (g) facilities enabling access and egress for personnel to and from the relevant LNG Carrier and the shore, where applicable;
- (h) qualified and competent personnel, fluent in spoken and written English, to coordinate, with the LNG Carrier during unloading operations; and
- (i) emergency shutdown systems.

9.3 Buyer's warranty

Buyer warrants that the Receiving Facilities meet all applicable requirements and regulations, which are in force at the relevant Confirmation Date, for reception of the relevant LNG Carrier and the unloading of LNG in accordance with this Master Agreement and applicable Confirmation Notice.

9.4 Seller's obligations

Seller shall ensure that the LNG Carrier utilises the Discharge Port and the Receiving Facilities subject to the observance of all relevant rules and regulations in force at the Discharge Port and the Receiving Facilities and sign or ensure that the master of the LNG Carrier signs and/or otherwise makes binding upon the Transporter the conditions of use applicable at the Receiving Facilities.

10 ARRIVAL AT DISCHARGE PORT

10.1 Notices of LNG Carrier movements

10.1.1 With respect to each Cargo to be delivered to Buyer pursuant to a Transaction, Seller shall give, or cause the master of the LNG Carrier to give, to Buyer, the following notices:

- (a) a first notice, which shall be sent either upon the departure (for the Discharge Port) of the LNG Carrier from the Loading Port, or as early as reasonably possible and which shall set forth:
- (i) the time and date of departure from the Loading Port, the volume (expressed in cubic metres) of LNG loaded on the LNG Carrier;
 - (ii) the estimated quality and energy content of the relevant Cargo (if different from the Estimated Contract Quantity);
 - (iii) any operational deficiencies of the LNG Carrier that may affect its performance at the Discharge Port; and
 - (iv) the estimated time of arrival of the LNG Carrier at the Discharge Port (the "ETA").

If at any time this ETA changes by more than twelve (12) hours, then the LNG Carrier's master shall promptly give notice of the corrected ETA to Buyer;

- (b) a second notice, updating or confirming the ETA, which shall be sent ninety-six (96) hours prior to arrival at the Discharge Port. If at any time this ETA changes by more than six (6) hours, then the LNG Carrier's master shall promptly give notice of the corrected ETA to Buyer;
- (c) a third notice, updating or confirming the ETA, which shall be sent seventy-two (72) hours prior to arrival at the Discharge Port. If at any time this ETA changes by more than six (6) hours, then the LNG Carrier's master shall promptly give notice of the corrected ETA to Buyer;
- (d) a fourth notice, updating or confirming the ETA, which shall be sent forty-eight (48) hours prior to arrival at the Discharge Port. If at any time this ETA changes by more than six (6) hours, then the LNG Carrier's master shall promptly give notice of the corrected ETA;
- (e) a fifth notice, updating or confirming the ETA, which shall be sent twenty-four (24) hours prior to the ETA. This notice shall include a statement of:
- (i) the estimated quantity and quality of LNG to be discharged (if different from the Estimated Contract Quantity); and
 - (ii) any operational deficiency of the LNG Carrier that may affect its performance at the Discharge Port.

If at any time this ETA changes by more than two (2) hours, then the LNG Carrier's master shall promptly give notice of the corrected ETA to Buyer;

- (f) a sixth notice, updating or confirming the ETA and notifying of any other change, which shall be sent five (5) hours prior to arrival at the Discharge Port; and
- (g) a final notice, updating or confirming the ETA and notifying of any other change, which shall be sent two (2) hours prior to arrival at the Discharge Port;

- (h) a notice of arrival when the LNG Carrier has arrived at the PBS or customary anchorage at the Discharge Port and has received all necessary port clearances to enter and manoeuvre in the Discharge Port and the LNG Carrier is ready to berth in all respects (hereinafter referred to as "**Notice of Readiness**"); and
- (i) any additional notice that may be specified in the relevant Terminal Rules.

10.1.2 All notices to be sent to Buyer in accordance with this Clause 10.1 shall also be sent to the Terminal Operator, provided that Buyer shall have supplied the appropriate contact details to Seller, and Seller's agent at the Discharge Port.

10.1.3 The notices referred to above shall be sent by electronic mail or facsimile.

10.1.4 The timing, frequency and overall number of the notices referred to in this Clause 10.1 shall be amended in a Confirmation Notice to reflect the actual geographical distance between the relevant Loading Port and Discharge Port for the relevant Transaction.

11 BERTHING ASSIGNMENTS

11.1 Seller's clearances

Upon arrival of the LNG Carrier at the Discharge Port, Seller shall obtain or cause to be obtained at its cost all clearances and necessary formalities with the relevant authorities to allow the LNG Carrier to complete harbour manoeuvres and berthing operations during the Delivery Window and Buyer shall provide all reasonable assistance in connection therewith.

11.2 Berthing and unloading

11.2.1 After Notice of Readiness has been given in accordance with Clause 10.1.1(h) and the Terminal Operator has given clearance for the LNG Carrier to proceed to berth, Seller shall berth the LNG Carrier or cause it to be berthed as safely and expeditiously as reasonably possible in cooperation with Buyer and in accordance with all relevant Terminal Rules, at the berth designated by Buyer.

11.2.2 In accordance with the relevant Transaction, Buyer and Seller shall cooperate to commence unloading or cause it to be commenced upon completion of berthing and complete unloading or cause it to be completed safely and as expeditiously as reasonably possible.

11.3 Berthing priority

11.3.1 Buyer and Seller shall use all reasonable endeavours to avoid any conflict between LNG carriers (including the LNG Carrier) at the Discharge Port and, if applicable, shall discuss the situation with the Terminal Operator and the relevant Port Authority with a view to determine the berthing sequence of such LNG carriers at the Discharge Port.

11.3.2 In determining such berthing sequence, regard shall be had to the following priority:

- (a) the LNG Carrier arriving at the Discharge Port and giving Notice of Readiness during the Delivery Window;
- (b) between LNG carriers (including the LNG Carrier) arriving at the Discharge Port or giving Notice of Readiness during their respective delivery windows but one of these LNG carriers was previously delayed in berthing or unloading due to adverse

weather conditions, force majeure, the delivery of off-spec LNG or an emergency, the LNG carrier which was so delayed;

- (c) between LNG carriers (including the LNG Carrier) arriving at the Discharge Port or giving Notice of Readiness not within their respective delivery windows, the normal industry practice of "first come, first served" shall be applied, subject to Clause 11.3.3.

11.3.3 If the LNG Carrier does not give Notice of Readiness by the end of the Delivery Window but does thereafter give Notice of Readiness, Buyer shall use all reasonable endeavours to cause the Terminal Operator to berth and unload the LNG Carrier as soon as reasonably practicable after such Notice of Readiness is given.

11.3.4 Buyer shall notify the master of the LNG Carrier of its berthing priority upon Buyer's receipt of Notice of Readiness from the relevant LNG Carrier in the event that the LNG Carrier cannot be berthed upon arrival.

11.4 Departure

Seller shall cause the LNG Carrier to depart as safely and expeditiously as reasonably possible and in accordance with the relevant Terminal Rules and Buyer shall cooperate, or use reasonable efforts to cause the Terminal Operator to cooperate, with such safe and expeditious departure of the LNG Carrier from the berth.

12 UNLOADING

12.1 Used Laytime

Unless otherwise agreed by the Parties in the relevant Confirmation Notice, laytime used in unloading the LNG Carrier shall begin to count at the earlier of:

- (a) the time which is six (6) hours after the time at which the Notice of Readiness is tendered; or
- (b) when the LNG Carrier is all fast at berth,

and shall end at Completion of Unloading ("**Used Laytime**"); PROVIDED HOWEVER that:

- (i) if the LNG Carrier tenders its Notice of Readiness before the Delivery Window, Used Laytime shall begin to count on the earlier of:
 - (A) 06:00 hours on the first Day of the Delivery Window; and
 - (B) when the LNG Carrier is all fast at berth; or
- (ii) if the LNG Carrier tenders its Notice of Readiness after the Delivery Window, Used Laytime shall begin to count when the LNG Carrier is all fast at berth.

12.2 Allowed Laytime

Subject to Clause 12.3, Allowed Laytime shall commence at the start of Used Laytime as determined in accordance with Clause 12.1.

12.3 Extension of Allowed Laytime

For computation of Demurrage to be paid by Buyer, Allowed Laytime shall be extended by any time of delay that is directly or indirectly caused by one or more of the following:

- (a) reasons attributable to Seller, the LNG Carrier or its master, crew or the Transporter;
- (b) Force Majeure;
- (c) Adverse Weather Conditions; and
- (d) compliance by the LNG Carrier with the Terminal Rules, including awaiting daylight operations.

12.4 Notification of Unloading Delays

Without prejudice to Seller's right to receive Demurrage in accordance with Clause 12.5 and compensation under Clause 12.6, if any problem occurs or is foreseen to occur so as to cause delay to an LNG Carrier in berthing, unloading or departing resulting in such operations extending beyond the Allowed Laytime, Buyer and Seller shall discuss the problem in good faith and use their reasonable endeavours to minimise such delay, and at the same time cooperate with each other to identify measures which can be adopted to minimise or to avoid the occurrence of any similar delay in the future.

12.5 Demurrage

12.5.1 In the event Used Laytime exceeds Allowed Laytime (as extended in accordance with Clause 12.3) for unloading the LNG Carrier, Buyer shall pay to Seller, or to Seller's Transporter's account if so directed by Seller, Demurrage at the daily rate set forth in the applicable Confirmation Notice for full days or pro rata for any partial days.

12.5.2 Subject to Clauses 12.5.3 and 12.6, the Parties agree that Demurrage is the sole and exclusive remedy payable by Buyer, if Used Laytime exceeds Allowed Laytime (as extended) and each of Buyer and Seller acknowledge and agree that such payment(s) shall be by way of liquidated damages and that the same constitutes a genuine pre-estimate of losses incurred by Seller.

12.5.3 Notwithstanding the provisions of Clause 12.5.2, if such delay also affects the delivery of subsequent Cargoes to Buyer scheduled in accordance with the applicable Confirmation Notice or any other Confirmation Notice entered into pursuant to this Master Agreement, Seller and Buyer shall consult in good faith to modify the Delivery Window in respect of such subsequent Cargoes so as to allow Buyer to take delivery of such scheduled Cargoes.

12.6 Additional Boil-Off

If the LNG Carrier is delayed in the commencement of unloading (for reasons attributable to Buyer or the Terminal Operator) and if as a result thereof Used Laytime exceeds Allowed Laytime (ignoring any extension under Clause 12.3), then Buyer shall pay to Seller an amount, to compensate Seller for additional boil-off from the approved LNG Carrier, equal to the Contract Price for the relevant Cargo multiplied by the amount (in MMBtu) of such additional boil-off. The amount of additional boil-off shall be calculated by multiplying the Estimated Contract Quantity with the daily Boil-off Rate and the number of days (or partial days)

between the commencement of unloading and the point in time when the calculation of additional boil-off commenced in accordance with this Clause 12.6.

12.7 LNG Carrier causing delay

If the unloading of the LNG Carrier is not completed within the Allowed Laytime and such delay is attributable to Seller, the LNG Carrier or its master, crew, owner or operator and as a result another LNG carrier (which would have been unloaded, if this delay had not occurred) is prevented from or delayed in unloading, then Seller shall reimburse Buyer for the demurrage and, if applicable, additional boil-off incurred by Buyer in respect of such LNG carrier.

12.8 Invoicing

12.8.1 A Party shall invoice the other Party pursuant to Clause 15.2 for amounts due under this Clause 12, along with the relevant documents and calculations in support of such amount, and the other Party shall pay such invoice in accordance with the terms of Clause 15.4.

12.8.2 Buyer or (as the case may be) Seller shall be discharged and released from all liabilities in respect of any claim for Demurrage or additional boil-off under Clauses 12.5 and 12.6 or (as the case may be) reimbursement under Clause 12.7, unless a claim in writing has been presented:

- (a) in the case of Clauses 12.5 and 12.6, to Buyer, within sixty (60) days after Completion of Unloading of the relevant LNG Carrier;
- (b) in the case of Clause 12.7, to Seller, within sixty (60) days after the claim (by another seller, in respect of which the compensation is payable) was presented, or (if sooner) one hundred and twenty (120) days after Completion of Unloading of the relevant LNG Carrier.

13 DETERMINATION OF QUANTITY AND QUALITY

13.1 Seller shall supply, operate and maintain, or cause to be supplied, operated and maintained, suitable gauging devices for the LNG tanks of the LNG Carrier, as well as pressure and temperature measuring devices and all other measurement or testing devices that are incorporated in the structure of such LNG Carrier or customarily maintained on board ship. Such supply, operation and maintenance shall comply with the provisions of Annex C which shall form an integral part of this Master Agreement, and in the event of any inconsistency between this Clause 13 and Annex C with regard to the subject matter hereof, Annex C shall prevail.

13.2 Buyer shall supply, operate and maintain, or cause to be supplied, operated and maintained, devices required for collecting continuous samples and for determining quality and composition of the delivered LNG and all other measurement or testing devices that are necessary to perform the measurement and testing required hereunder at the Receiving Facilities. Such supply, operation and maintenance shall comply with the provisions of Annex C, and in the event of any inconsistency between this Clause 13 and Annex C with regard to the subject matter hereof, Annex C shall prevail.

13.3 Each device provided for in this Clause 13 shall be of a design that has been proven in service in an existing LNG trade, unless otherwise agreed by the Parties as provided below. Any devices provided for in Clause 13 not previously used in an existing LNG trade shall be chosen

by agreement of the Parties and shall be such as are, at the time of selection, the most accurate and reliable in their practical application. The required degree of accuracy of such devices shall be agreed upon and verified by the Parties in advance of their use, and such degree of accuracy shall be verified by the Independent Surveyor. All such devices shall be subject to approval by the relevant classification societies. Seller shall ensure that each tank on the LNG Carrier is equipped with two level-measuring devices of different types.

- 13.4** The Parties shall co-operate closely in the design, selection and acquisition of devices to be used for measurements and tests under this Clause 13. The Parties shall establish mutually agreed conversion tables between units of measurement, if necessary.
- 13.5** Seller shall furnish to Buyer or cause Buyer to be furnished with, a certified copy of tank gauge tables as well as correction charts (including list, trim and contractions) for each tank of the LNG Carrier.
- 13.6** Volumes of LNG delivered at the Delivery Point under the relevant Transaction shall be determined by gauging the LNG in the tanks of the LNG Carrier immediately before and after unloading. Gauging the liquid in the tanks of the LNG Carrier and the measuring of liquid temperature, vapour temperature and vapour pressure in each LNG tank and the trim and list of the LNG Carrier and atmospheric pressure shall be performed, or caused to be performed, by Seller before and after unloading. Copies of gauging and measurement records shall be furnished to Buyer. Gauging devices shall be selected, and measurements shall be effected, in accordance with Annex C.
- 13.7** Representative samples of the delivered LNG at the Delivery Point shall be obtained and analysed, or caused to be obtained and analysed, by Buyer, in accordance with Annex C in order to determine the energy content in MMBtu, the molar fraction of the hydrocarbons and other components in the sample.
- 13.8** The energy content in MMBtu unloaded at the Discharge Port shall be calculated by Buyer following the procedures set forth in Annex C and shall be verified by the Independent Surveyor.
- 13.9** At the request of a Party, all measurements, gauging and analyses provided for in Clauses 13.6, 13.7 and 13.8 above shall be carried out and verified by the Independent Surveyor. Prior to effecting such measurements, gauging and analyses, the Party responsible for such operations shall notify the representative of the other Party and the representative jointly appointed by the Pakistan Gas Utilities (if applicable) in accordance with Clause 13.10, allowing such representatives a reasonable opportunity to be present for all operations and computations; PROVIDED HOWEVER that the absence of either or both of the representatives after notification and reasonable opportunity to attend shall not prevent any operation or computation from being performed. The results of the Independent Surveyor's verifications shall be made available promptly to each Party. All records of measurements and the computation results shall be preserved by the Party responsible for effecting such measurements and held available to the other relevant Party for a period of not less than one (1) year after such measurements and computations have been completed, or if longer until any dispute between the Parties relating in any way to such measurements and computations has been finally resolved.
- 13.10** Each Party shall test and verify the accuracy of the applicable gauging devices at intervals to be agreed between the Parties and in accordance with Annex C. In the case of gauging devices on the LNG Carrier, such tests and verifications shall take place during scheduled dry-

docking periods. Each Party at its own risk, shall have the right to inspect at any time the gauging devices installed by the other Party; PROVIDED HOWEVER that the other Party shall be notified reasonably in advance. Testing shall be performed using methods recommended by the manufacturer of the equipment being utilised or any other method agreed upon by Buyer and Seller. Tests shall be carried out and verified by the Independent Surveyor. Each Party shall have the right to appoint a representative, and the Pakistan Gas Utilities may appoint one (1) representative amongst themselves, to be present at and witness measurements, sampling and testing of devices and LNG.

13.11 Permissible tolerances shall be as described in paragraph 3 of Annex C. Where the inaccuracy of a device is found to exceed the permissible tolerances, the device, if possible, shall be adjusted accordingly and recordings and computations made on the basis of those recordings shall be corrected with respect to any period of error that is definitely known or agreed by the Parties. All the invoices issued during such period of error shall be amended accordingly to reflect such correction and an adjustment in payment shall be made between Seller and Buyer. In the event that the period of error is neither known nor agreed, corrections shall be made for each delivery made during the last half of the period since the date of the most recent calibration of the inaccurate device.

13.12 Without prejudice to Clause 13.3, all costs and expenses for testing and verifying measurement devices shall be borne by the Party who is testing or verifying the devices being tested and verified unless the testing is conducted at the request of the other Party and such testing does not disclose errors or inaccuracies which require correction in such measurement devices, in which event the Party requesting such testing or verification shall bear such costs; PROVIDED HOWEVER that representatives of the Parties and the Pakistan Gas Utilities attending such tests and verifications shall do so at the cost and risk of the Person they represent.

13.13 The Independent Surveyor to be appointed for the purposes of this Clause 13 and Annex C shall be mutually agreed between the Parties not less than one week before the LNG Carrier is to arrive at the Discharge Port. Neither Party shall unreasonably withhold consent to appointment of the Independent Surveyor proposed by the other Party. The fees and charges of the Independent Surveyor for measurements and calculations shall be borne equally by Buyer and Seller.

14 CONTRACT PRICE

The price to be paid for LNG sold and purchased under a Transaction shall be the Contract Price calculated in accordance with, or set out in, the provisions of the relevant Confirmation Notice.

15 INVOICING AND PAYMENT

15.1 Documentation and Invoices for LNG deliveries

15.1.1 Seller shall send to Buyer:

- (a) in accordance with Clause 10.1.1(a), information about the expected quality of the LNG loaded and as soon as practicable thereafter, the certificates as to the quantity and quality of the LNG loaded in order to inform the Receiving Facilities; and
- (b) no later than seventy-two (72) hours prior to ETA, a provisional commercial invoice based upon the Estimated Cargo Quantity multiplied by the applicable Contract

Price and any other document (as specified in the relevant Confirmation Notice) that may be required by the relevant Competent Authority in Pakistan to allow Buyer to obtain customs clearance for the LNG Carrier and the Cargo in Pakistan.

- (c) 3/3 original, or where the full set of bills of lading for the relevant Cargo is less than three (3) originals, such lesser number of original bills of lading as represent all original bills of lading for the relevant Cargo, plus three (3) non-negotiable copies of the bill of lading issued or endorsed to the order of Karachi, Pakistan and notify the Buyer . Bill of lading to be duly signed by the master of the LNG Carrier or that master's agent under his official seal. Charter party bill of lading will also be acceptable.
- (d) One original plus three (3) signed copies of the certificate of origin issued or countersigned by the relevant chamber of commerce or port authority/ies or terminal operator (issue in the name of the applicant as consignee is acceptable) mentioning the origin of goods.
- (e) Certificate of quality to be issued by the Independent Surveyor appointed at the Loading Port.
- (f) Certificate of quantity to be issued by the Independent Surveyor appointed at the Loading Port.
- (g) In addition to the documents set out in paragraph (a) to (g) above, the Seller shall provide the following additional documents promptly after these become available:
 - (i) Certificate of quality to be issued by the Independent Surveyor appointed at the Discharge Port.
 - (ii) Certificate of quantity to be issued by the Independent Surveyor appointed at the Discharge Port. The quantity discharged in MMBTU, appearing in this certificate, will be considered as quantity for payment.
 - (iii) Time log or statement of fact or time sheet showing discharge completion date, issued by the Independent Surveyor appointed at the Discharge Port.

15.1.2 Promptly after the completion of unloading of the Cargo at the Receiving Facilities, Seller or its representative shall send to Buyer a certificate of volumes unloaded calculated in accordance with Clause 13.

15.1.3 Buyer shall, in accordance with Clause 13, within forty-eight (48) hours after Completion of Unloading, complete (or cause to be completed) a laboratory analysis to determine the quality of the LNG unloaded. Following such laboratory analysis, Buyer shall send to Seller a copy of the results of such laboratory analysis. Upon receiving such results, Seller shall, in accordance with Clause 13 calculate the Quantity Delivered.

15.1.4 Promptly upon completion of such calculation, Seller shall send to Buyer:

- (a) an invoice showing the sum due from Buyer in respect of the Cargo which will be calculated by multiplying the Quantity Delivered by the Contract Price as stated in the relevant Confirmation Notice; and
- (b) any relevant documents showing the basis for such calculation.

- 15.1.5 If the laboratory analysis as required above has not been completed within forty-eight (48) hours of the Completion of Unloading, Buyer shall pay the provisional commercial invoice provided by Seller in accordance with Clause 15.1.1(b) on or before the due date specified in Clause 15.3.1, subject only to any later adjusting payment that may be called for when the relevant laboratory analysis has been completed, and an appropriate invoice issued (in accordance with Clause 15.1.4(a)) in respect thereof.
- 15.1.6 After final determination of the Quantity Delivered, and/or after the determination of the final price, Seller shall promptly provide Buyer with a final invoice and the appropriate adjusting payment shall be made by Buyer or Seller (as applicable) to the other within fifteen (15) days of receipt of the final invoice by Buyer. If the laboratory analysis has not been completed within forty-eight (48) hours after Completion of Unloading of the Cargo due to the default of either Party, then interest at the Interest Rate shall be payable on the adjusting payment by that defaulting Party.

15.2 Other Invoices

Except as provided in Clause 15.1, in the event that any sums of money are due from one Party to the other Party under the relevant Transaction, then the Party to whom such sums of money are owed shall send to the other Party an invoice together with relevant supporting documents showing the basis for the calculation of such sums.

15.3 Invoice Due Dates

- 15.3.1 Each invoice referred to in Clause 15.1 for LNG delivered to Buyer shall become due and payable by Buyer on or before the relevant date set out in the Confirmation Notice. For this purpose, a facsimile or email copy of an invoice shall be deemed received by Buyer on the Business Day after the day it was sent.
- 15.3.2 Each invoice arising under Clause 15.2 shall become due and payable by the Party receiving the invoice on or before the relevant date set out in the Confirmation Notice. For this purpose, a facsimile or email copy of an invoice shall be deemed received by the Party receiving such invoice on the Business Day after the day it was sent.
- 15.3.3 In the event the full amount of the invoice payable by either Party is not paid when due, any unpaid amount thereof shall bear interest from (but excluding) the due date until (and including) the day it was paid, at the Interest Rate. Interest shall be paid on the date when payment of the amount due is made.
- 15.3.4 If any payment date falls on a day that is not a Business Day, such amount shall be due on the first Business Day after the day payment is due.

15.4 Payment

- 15.4.1 Each Party shall pay or cause to be paid in the applicable currency as specified in the relevant Confirmation Notice, on or before the due date, all amounts that become due and payable by such Party to the other Party pursuant to an invoice issued under the relevant Transaction. Such payments shall be made by wire transfer in immediately available funds good for value in the relevant country where payment is to be received in accordance with the applicable Confirmation Notice to such account or accounts with such bank and in such location as shall have been designated by the other Party in the relevant Confirmation Notice.

15.4.2 Subject to Clause 15.6, each payment of any amount owing hereunder shall be for the full amount due, without reduction, withholding or offset for any reason (including any exchange charges, bank transfer charges, any other fees, or Taxes, other than any Taxes for which a Party is liable in accordance with Clause 7).

15.4.3 In relation to any payment due from one Party (the payer) to the other (the payee) pursuant to a Transaction, if the payer is required by law to make any reduction or withholding (except in respect of any Taxes for which the payee is liable in accordance with Clause 7), the payer shall pay to the payee such amount as will result in the payee receiving the full invoiced amount after such reduction or withholding, and promptly pay to the relevant authorities the amount deducted or withheld and provide to the payee a receipt or other evidence of payment.

15.5 Disputed Invoices

15.5.1 In the event a Party disagrees with any invoice, it shall nevertheless make provisional payment of the total amount specified in the invoice and shall immediately notify the other Party of the reasons for such disagreement, except that in the case of obvious error in computation the Party receiving the invoice shall pay the correct amount after disregarding such error. An invoice may be contested by the Party that received it, or modified by the Party that sent it, by written notice delivered to the other Party within a period of ninety (90) days after such receipt or sending, as the case may be. If no such notice is served, such invoice shall be deemed correct and accepted by both Parties. Promptly after resolution of any dispute as to an invoice, the amount of any over-payment or under-payment shall be paid by the relevant Party to the other Party, together with interest on such over-payment or under-payment, as the case may be, such interest being calculated at the Interest Rate from the date payment was due to the actual date of payment.

15.5.2 Promptly and no later than five (5) Business Days after determination of any dispute as to an invoice by the Parties in accordance with Clause 18.2.1, any amounts of the original invoice that become payable as a result of such resolution shall be paid by Seller or Buyer (as the case may be) to the other Party. Interest on any such payment shall accrue at the Interest Rate from (but excluding) the due date of the original invoice to (and including) the date when final payment is made.

15.6 Credit Support

(a) Seller:

Seller shall provide to Buyer credit support as required, and on the terms set out, in each Confirmation Notice.

(b) Buyer:

Buyer shall provide to Seller credit support as required, and on the terms set out, in each Confirmation Notice.

15.7 Netting and Setoff

Except as otherwise expressly agreed in Clauses 15.5 and 17.2 neither Party shall be entitled to deduct, set-off against, net-off against or reduce any amounts due to the other Party under this Master Agreement or any Confirmation Notice.

16 FORCE MAJEURE

16.1 Seller Force Majeure

Seller shall not be liable for any failure to perform, or delay in the performance of, its obligations under the relevant Transaction other than the payment of money when due, if and to the extent that its performance is prevented, impeded or delayed by an act, event or circumstance or combination of acts, events or circumstances which are beyond the reasonable control of Seller acting as a Reasonable and Prudent Operator ("**Seller Force Majeure**"). Provided that they are within the foregoing principles, acts, events or circumstances constituting Seller Force Majeure shall include the following:

- (a) fire, flood, atmospheric disturbance, lightning, storm, typhoon, hurricane, tornado, earthquake, tsunami, tempest, landslide, soil erosion, subsidence, washout, epidemic and quarantine restrictions, shipwreck, navigational and maritime perils or other acts of God;
- (b) war (whether declared or undeclared), terrorism (or serious threat thereof), invasion, embargo, trade sanctions, revolution, rebellion, sabotage, riot, civil war, blockade, insurrection, piracy, acts of public enemies or civil and military disturbances;
- (c) radioactive contamination or ionising radiation;
- (d) strike, lockout or other industrial disturbances;
- (e) loss or failure of or serious accidental damage to or inoperability or inaccessibility of any of, or incapacity to deliver LNG at, Seller's Facilities or the Loading Port;
- (f) loss of the relevant LNG Carrier, serious accidental damage thereto requiring removal of the LNG Carrier from service, or inoperability thereof; or
- (g) acts or omissions of a Competent Authority, or compliance with such acts that directly affect Seller's ability to perform its obligations under this Master Agreement or the relevant Confirmation Notice.

16.2 Buyer Force Majeure

Buyer shall not be liable for any failure to perform, or delay in the performance of, its obligations under the relevant Transaction other than the payment of money when due, if and to the extent that its performance is prevented, impeded or delayed by an act, event or circumstance or combination of acts, events or circumstances which are beyond the reasonable control of Buyer acting as a Reasonable and Prudent Operator ("**Buyer Force Majeure**"). Provided that they are within the foregoing principles, acts, events or circumstances constituting Buyer Force Majeure shall include the following:

- (a) fire, flood, atmospheric disturbance, lightning, storm, typhoon, hurricane, tornado, earthquake, tsunami, tempest, landslide, soil erosion, subsidence, washout, epidemic and quarantine restrictions, shipwreck, navigational and maritime perils or other acts of God;
- (b) war (whether declared or undeclared), terrorism (or serious threat thereof), invasion, embargo, trade sanctions, revolution, rebellion, sabotage, riot, civil war,

blockade, insurrection, piracy, acts of public enemies or civil and military disturbances;

- (c) radioactive contamination or ionising radiation;
- (d) strike, lockout or other industrial disturbances;
- (e) loss or failure of or serious accidental damage to or inaccessibility or inoperability of or incapacity to receive LNG at the Receiving Facilities or the Discharge Port; or
- (f) acts or omissions of a Competent Authority, or compliance with such acts that directly affect Buyer's ability to perform its obligations under this Master Agreement or the relevant Confirmation Notice.

16.3 Related Parties

16.3.1 For the purposes of Clauses 16.1 and 16.2, an event shall not be considered to be beyond the reasonable control of a Party to the relevant Transaction unless:

- (a) in the case of Seller, it is beyond the reasonable control of Seller, Seller's Operator and the Transporter, and any servant or agent of such Persons;
- (b) in the case of Buyer, it is beyond the reasonable control of Buyer, PLTL, the Pakistan Gas Utilities, the Terminal Operator and any servant or agent of such Persons.

16.3.2 An act, event or circumstance which primarily affects a third party or third parties, which prevents, impedes or delays Seller's or Buyer's performance of this Master Agreement or any Confirmation Notice, shall not constitute Force Majeure under the relevant Transaction as to Seller or Buyer, as appropriate, unless, and to the extent that, it is of a kind or character that, if it had happened to a Party, would have come within the definition of Force Majeure under this Clause 16.

16.3.3 Notwithstanding Clauses 16.1 and 16.2, the following events shall not constitute Force Majeure:

- (a) inability (however caused) of a Party to pay any amounts when due; and
- (b) breakdown or failure of plant or equipment that is controlled by either Party that is caused by normal wear and tear or by a failure properly to maintain such plant or equipment.

16.4 Notification

16.4.1 Promptly upon the occurrence of an event that a Party considers may subsequently lead it to claim Force Majeure relief under the relevant Transaction, the affected Party shall notify the other Party, describing the event and the obligations the performance of which have been or could be prevented, hindered or delayed thereby. In the event a Party intends to claim Force Majeure relief under the relevant Transaction, it shall notify the other Party of such claim as soon as reasonably practicable and shall state in such notice:

- (a) the particulars of the event giving rise to the Force Majeure claim, in as much detail as is then reasonably available including the time at which the Force Majeure event arose; and

- (b) the obligations the performance of which have been actually prevented, hindered or delayed and an estimate (acting in good faith) of the period during which the affected Party believes the performance is likely to be prevented, hindered or delayed,

such notices shall thereafter be supplemented and updated monthly during the period of such Force Majeure, specifying actions being taken to remedy the circumstances causing the Force Majeure and the date on which such Force Majeure terminates.

- 16.4.2 The Party affected by an event of Force Majeure shall, at the request of the other Party, give or procure access (at the expense and risk of the Party seeking access) at reasonable times for a reasonable number of representatives of the requesting Party to examine the scene of the event which gave rise to the Force Majeure claim.
- 16.4.3 The Parties shall exercise all reasonable efforts and diligence to resume normal performance of the relevant Transaction after the occurrence of an event of Force Majeure. Prior to resumption of normal performance, the Parties shall continue to perform their obligations under the relevant Transaction to the extent not prevented by such event of Force Majeure.
- 16.4.4 The settlement of strikes or boycotts, lockouts or other industrial disputes, or obstructive action by organisations or local inhabitants shall be entirely within the discretion of the Party concerned.

16.5 Termination for prolonged Force Majeure

If an event of Force Majeure occurs and is continuing for an uninterrupted period of forty five (45) days such that it prevents a Party from performing all or substantially all of its obligations under the relevant Transaction, then either Party shall be entitled to terminate the relevant Confirmation Notice or, where multiple Cargoes are purchased under a single Confirmation Notice, to terminate the sale and purchase of the affected Cargo(es) (provided, however, that the Parties shall have the obligation to continue to deliver and take the unaffected Cargo(es) under such Confirmation Notice) without liability to the other Party by giving written notice to the other Party. For the avoidance of doubt, thereafter Buyer may purchase replacement LNG from other LNG suppliers and Seller may sell affected Cargo/es to other buyers. Seller shall not be required to deliver make-up Cargoes to Buyer in respect of LNG quantities that Seller is excused from supplying by reason of Force Majeure.

17 EVENTS OF DEFAULT, REMEDIES, LIMITATION OF LIABILITY

17.1 Events of Default

In relation to either Party (the "**Defaulting Party**") each of the following shall constitute an event of default ("**Event of Default**"):

- (a) the Defaulting Party or its credit support provider does not pay in full on the due date at the place at and in the currency in which it is expressed to be payable any amount payable by it under the relevant Transaction and such non-payment is not remedied within three (3) Business Days (or as otherwise specified in the relevant Confirmation Notice) following receipt of written notice of such default from the other Party after the due date;
- (b) the Defaulting Party fails to perform or comply with any other material obligation contained in the relevant Transaction and such failure continues unremedied for a

period of ten (10) Business Days (or as otherwise specified in the relevant Confirmation Notice) following receipt of written notice of such default from the other Party;

- (c) the Defaulting Party is the subject of an Insolvency Event;
- (d) any representation or warranty made by the Defaulting Party under any Confirmation Notice or this Master Agreement shall, when made, prove to be untrue in any material respect; or
- (e)
 - (i) the Defaulting Party or its credit support provider fails to provide, maintain or (where applicable) replace the relevant credit support document, if requested in accordance with Clause 15.6 and the applicable Confirmation Notice;
 - (ii) the Defaulting Party or its credit support provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, any credit support;
 - (iii) the relevant credit support document, or any security interest granted by the Defaulting Party or its credit support provider to the other Party pursuant to any such credit support document, expires or terminates or ceases to be in full force and effect (in each case other than in accordance with its terms) for the purposes of the relevant Transaction; or
 - (iv) the Defaulting Party's credit support provider fails to perform or comply with any material obligation (other than that referred to in Clause 17.1(a)) under any credit support document provided to the other Party (after giving effect to any applicable notice or grace period thereunder),

and such failure to provide, maintain or (where applicable) replace the relevant credit support document or its expiry, termination or lack of effectiveness continues for five (5) days following receipt of the first written notice of such failure from the other Party.

17.2 Effect of an Event of Default

17.2.1 On and at any time after the occurrence of an Event of Default, any Party not subject to such Event of Default (the "**Non-Defaulting Party**") shall have the right, in addition to any and all remedies available hereunder or pursuant to applicable law, to terminate with immediate effect any Confirmation Notice not yet or not yet fully performed and/or this Master Agreement by giving written notice to the Defaulting Party.

- 17.2.2 In case of Seller being the Non-Defaulting Party, where an Event of Default entitles Seller to any payment under the relevant Transaction or where a payment is delayed due to an Event of Default, Seller shall, in its sole discretion, be entitled to claim or draw any amount due under the credit support document, if any, provided by Buyer under the relevant Transaction up to an amount equal to the Contract Price multiplied by the Estimated Contract Quantity of the relevant Cargo.
- 17.2.3 In case of Buyer being the Non-Defaulting Party, where such Event of Default entitles Buyer to any payment under the relevant Transaction or where a payment is delayed due to an Event of Default, Buyer shall be entitled to withhold sufficient part payment, if any, until the Event of Default has been remedied under the relevant Transaction or, in its sole discretion, be entitled to claim or draw any amount due under the credit support document, if any, provided by Seller under the relevant Transaction up to an amount equal to thirty percent (30%) of the Contract Price multiplied by the Estimated Contract Quantity of the relevant Cargo under a Transaction.
- 17.2.4. Payment derived from any claim by either Party on the relevant credit support document provided by the other Party in accordance with Clause 15.6 and the applicable Confirmation Notice shall, for the purposes of the relevant Transaction, be deemed to be a payment of the relevant amount(s) due.
- 17.2.5 For the avoidance of doubt, in the event of any default, breach or negligence by either Party in relation to the performance or non-performance of their respective obligations under the relevant Transaction, the other Party shall use all reasonable efforts to promptly mitigate the losses, damages, costs and expenses resulting from the default, breach or negligence.

17.3 Limitation of Liability

- 17.3.1 Without prejudice to any express provision of the relevant Transaction for an indemnity or requiring a payment to either Party (including for the avoidance of doubt payment of liquidated damages), a Party shall not be liable to another Party under any Transaction, or in negligence or otherwise howsoever as a result of any act or omission in the course of or in connection with the performance of that Transaction, for or in respect of:
- (a) any special, indirect or consequential loss or damages which, for the avoidance of doubt, shall not include any loss or damage suffered by PLTL referred to in Clauses 4.3.2(b)(i)(B), 4.3.2(b)(ii)(B), 5.4.1 and 5.4.2(c);
 - (b) any loss of income, profits, production or revenue;
 - (c) any business interruption;
 - (d) any claim, demand or action made or brought against that other Party by a third party other than claims, demands or actions made or brought under Clause 4.3.2(b)(i)(B), 4.3.2(b)(ii)(B), 5.4.1 or 5.4.2(c) by PLTL; or
 - (e) any failure of performance or delay in performance which is relieved by the application of the Force Majeure provisions as provided for in Clause 16.
- 17.3.2 Nothing in any Transaction shall exclude or limit a Party's liability for personal injury or death resulting from that Party's negligence.

17.3.3 Except as expressly provided for in a Confirmation Notice, a Party's sole remedy against the other Party for non-performance or breach of the relevant Transaction or for any other claim of whatsoever nature arising out of or in relation to that Transaction shall be in contract and no Party shall be liable to another Party (or its Affiliates and contractors and their respective directors, officers, employees and agents) in respect of any damages or losses suffered or claims which arise out of, under or in any alleged breach of statutory duty or tortious act or omission or otherwise; PROVIDED HOWEVER that this shall not operate to exclude any equitable remedies.

17.4 Sole Rights of Termination

The only rights of the Parties to terminate this Master Agreement or a Confirmation Notice are as set out in Clauses 3.2 and Clause 17.2 and the Parties sole remedies for any breach by the other Party of, or any failure to perform, all or any of its obligations under the relevant Transaction shall be limited to the remedies that are expressly provided by the terms of that Transaction.

18 DISPUTE RESOLUTION

18.1 Expert Determination

18.1.1 Whenever a technical dispute arises between the Parties out of or in connection with this Master Agreement or any Confirmation Notice, then, subject to Clause 18.2.1, the Parties may agree in writing to refer such dispute to an Expert. The Parties shall endeavour to agree in good faith upon the selection and appointment of such an Expert and the rules and procedures applicable to such Expert's determination. The UK Arbitration Act 1996 and the law relating to arbitration shall not apply to the Expert, to the determination process or to the Expert's decision and the Expert shall act as an expert and not as an arbitrator.

18.1.2 At any time after either Party gives notice to the other of its intention to refer any such dispute to the Expert for determination under this Clause 18.1:

- (a) the Parties shall jointly appoint the Expert by agreement; or
- (b) failing such agreement within twenty-one (21) days of such notice, then either party to the relevant dispute may within a further five (5) days refer the matter to the Energy Institute which shall be requested to select an appropriately qualified and experienced professional who is knowledgeable in the field of international LNG industry and is technically competent in the area of the subject of the dispute to act as the Expert in relation to technical matters arising under or in connection with the relevant Transaction, or such other appropriately qualified Person, as applicable, to act as the Expert in relation to any other matter.

18.1.3 The Parties shall refer disputes to whichever Expert they agree or, in default of agreement, the Energy Institute selects, and shall provide their relevant submissions and supporting information to the Expert within fourteen (14) days of the date of the appointment of the Expert.

18.1.4 Any person appointed as an Expert shall before accepting such appointment fully disclose any interest or duty he has or may have which conflicts with his function under such appointment, and he shall also fully disclose any such interest or duty incurred at any time before he gives his determination under such appointment; PROVIDED HOWEVER that no person shall be appointed an Expert who at the time of appointment is or has at any time

during the ten (10) years prior to the time of appointment been an employee of either Party or of any affiliate or subsidiary of either Party or of any company in which either Party has a significant financial interest.

- 18.1.5 The Expert shall resolve or settle such dispute taking due and proper account of the submissions of the Parties and the intentions of the Parties hereunder, and shall render his decision in respect thereof within ninety (90) days following the date of the appointment of the Expert. The Expert will be given all reasonable access to the relevant documents and information relating to the dispute, and access to the Delivery Point and sampling, weighing, measurements and other data as the Expert shall reasonably require.
- 18.1.6 The language to be used for the determination of the dispute shall be English. The decision of the Expert shall be in writing and include full detailed reasons to explain the findings and justify the decision.
- 18.1.7 Any decision of the Expert shall be final and binding on the Parties except in the case of fraud or manifest error or failure of the Expert to disclose any conflict of interest in the matter at dispute.
- 18.1.8 Each party to the relevant dispute shall bear its own costs including costs of providing documentation, information, data, submissions or comments under this Clause 18.1. The costs and expenses of the Expert in connection with settling or determining such matter or dispute shall be borne equally by the Parties.

18.2 Arbitration

- 18.2.1 The Parties shall attempt to resolve any dispute, controversy or claim of any kind or type arising out of or in connection with the relevant Transaction, including any question regarding its existence, validity, interpretation, breach or termination (a "**Dispute**"), by amicable negotiation within thirty (30) days of notice of such Dispute being given by a Party ("**Notice of Dispute**").
- 18.2.2 If the Dispute is not resolved within thirty (30) days from the Notice of Dispute (or such longer period as may be mutually agreed by the Parties), and has not been referred for resolution by an Expert under Clause 18.1, either Party may refer the matter to arbitration in accordance with the following provisions of this Clause 18.2.
- 18.2.3 Subject to Clauses 18.1 and 18.2.1, Disputes shall be finally resolved by arbitration administered by the London Court of International Arbitration ("**LCIA**") and commenced and conducted in accordance with the LCIA rules of arbitration (the "**Rules**") in force as at the time of the Dispute arising, which Rules are deemed to be incorporated by reference into the relevant Transaction.
- 18.2.4 The arbitral tribunal (the "**Tribunal**") shall consist of three (3) arbitrators appointed in accordance with the Rules.
- 18.2.5 The seat of the arbitration shall be London, United Kingdom, and the arbitration proceedings shall be conducted and the award shall be rendered in the English language.
- 18.2.6 Any award shall be payable in the currency applicable under the relevant Confirmation Notice and any payment shall be made free of any deduction or withholding for taxes. Judgment upon any award may be entered in any court having jurisdiction thereof. The Parties undertake to carry out any award without delay.

18.2.7 Without prejudice to Clause 19.5, all aspects of dispute resolution in connection with the relevant Transaction shall be confidential. Except pursuant to Clause 19.5, no aspect of the proceedings, documentation, or any (partial or final) award or any other matter connected with the arbitration shall be disclosed to any other Person by either Party or its counsel, agents, corporate parents, Affiliates or subsidiaries without the prior written consent of the other Party.

18.2.8 For the avoidance of doubt, it is clarified that the arbitration award shall be final and binding on the Parties.

18.3 Continuation of performance

The Parties shall, to the extent possible, continue to perform their obligations under the relevant Transaction, notwithstanding the existence of any Dispute or commencement of any arbitration or other dispute resolution proceedings.

19 MISCELLANEOUS

19.1 Successors and Assigns

This Master Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

19.2 Assignment

19.2.1 Neither Party shall assign this Master Agreement or any Confirmation Notice or any of its rights or obligations hereunder or under any Confirmation Notice without the prior written consent, such consent not to be unreasonably withheld or delayed, of the other Party.

19.2.2 Notwithstanding the provisions of Clause 19.2.1, the Seller may, upon notice to, but without the need for consent from, the Buyer transfer or assign its rights to payment under a Transaction to any lender or lender's agent as security for such Seller's obligations to any such lender under any bona fide financing."

19.3 Warranties

Other than those expressly provided in Clauses 2.3, 2.4.2, 6.2, 8.6 and 9.3 and in the relevant Confirmation Notice, Seller makes no other representation or warranty, written or oral, express or implied, including but not limited to, any representation or warranty that, subject to Clause 5.1, the LNG will be fit for a particular purpose, or will be of merchantable quality, and all such representations and warranties are expressly excluded to the fullest extent permitted by law.

19.4 Notices

19.4.1 All notices, requests, statements or other communications shall be sent to the addresses and Persons specified in the relevant Confirmation Notice.

19.4.2 Unless expressly provided otherwise, notices shall be in writing, in the English language and delivered by hand, facsimile or email.

19.4.3 Notices by email, facsimile or hand delivery shall be deemed to have been received by the close of the Business Day on which it was transmitted or hand delivered (unless transmitted

or hand delivered after close of the relevant Business Day, in which case it shall be deemed received at the close of the next Business Day).

19.4.4 A Party may change its address by providing written notice thereof to the other Party.

19.5 Confidentiality

19.5.1 Neither Party shall disclose to a third party the terms of this Master Agreement or any Confirmation Notice, and any information or documents that may come into the possession of a Party from the other Party, directly or indirectly, in connection with the performance of the relevant Transaction ("**Confidential Information**") unless Confidential Information has entered into the public domain otherwise than through the act or failure to act of the disclosing Party and except as provided in Clause 19.5.2.

19.5.2 Either Party may, without the prior written consent of the other Party, disclose Confidential Information to:

- (a) any court of law, governmental authority or other authority (or any political subdivision of any of the foregoing) in order to comply with any applicable law, order, regulation or stock exchange rule; PROVIDED HOWEVER that, to the extent permitted by law or regulation, each Party shall notify the other Party of any proceeding of which it is aware which may result in disclosure and use reasonable efforts to prevent or limit the disclosure;
- (b) such Party's and its Affiliates' officers, directors and employees or professional advisors or Persons participating in the implementation or arrangement contemplated by the relevant Transaction and the Pakistan Gas Utilities to the extent to which such disclosure is reasonably necessary, in each case; PROVIDED HOWEVER that each such Person, on behalf of itself and its officers, directors and employees has agreed to keep such Confidential Information confidential in accordance with the requirements of that Transaction;
- (c) any Expert, auditor, arbitrator or court to which any dispute between the Parties has been referred; PROVIDED HOWEVER that such Expert or arbitrator has agreed to abide by the requirements of this Clause 19.5 and PROVIDED FURTHER HOWEVER that any disclosure to a court shall be made so as to protect the confidentiality of the information to the extent allowed by law; and
- (d) such Party's and its Affiliates' lenders or prospective permitted purchasers, directly or indirectly, of a Party or all or substantially all of a Party's assets or of any rights under this Master Agreement or any Confirmation Notices, in each case who have agreed to keep such terms confidential.

19.6 Governing Law

19.6.1 This Master Agreement and each Confirmation Notice, the rights and duties of the Parties and any non-contractual obligations arising from them shall be governed by and construed in all respects in accordance with English law.

19.6.2 The United Nations Convention on Contracts for the International Sale of Goods (1980) and the Convention on the Limitation Period in the International Sale of Goods shall not apply to any Transaction or to the performance of, or to any aspect of any dispute arising from, that Transaction.

19.7 Entire Agreement

19.7.1 This Master Agreement and the Annexes hereto and made a part hereof, together with the relevant executed Confirmation Notice and the Integrity Pact, constitute the entire agreement between the Parties relating to the subject matter contemplated by this Master Agreement and that Confirmation Notice and supersede any prior or contemporaneous agreements or representations affecting the same subject matter.

19.7.2 Neither Party shall be liable for any pre-contractual representations made in connection with the subject matter of this Master Agreement or any Confirmation Notice except where such representations were made fraudulently.

19.8 Amendments

No amendment, modification or change to this Master Agreement shall be enforceable unless made in writing, specifically referencing this Master Agreement and executed by both Parties.

19.9 Counterparts

This Master Agreement and each Confirmation Notice may be executed in several counterparts, each of which is an original and all of which constitute one and the same instrument.

19.10 Severability

19.10.1 If any provision or Clause of, or pursuant to, this Master Agreement is declared or rendered unlawful by any applicable court of law or regulatory agency, or deemed unlawful, ineffective, or inoperable because of a statutory change, such illegality, ineffectiveness or inoperability will not otherwise affect the other obligations that arise under this Master Agreement or a Confirmation Notice and such other provisions shall continue in full force and effect.

19.10.2 If any provision of this Master Agreement or any Confirmation Notice is declared unlawful, ineffective or inoperable, the Parties will promptly renegotiate to restore this Master Agreement or such Confirmation Notice as near as possible to its original intent and effect.

19.11 Survival

The obligations set forth by Clauses 18.2.7 and 19.5 shall survive the termination of this Master Agreement in full for a period of two (2) years.

19.12 Joint responsibility

The Parties acknowledge that the relevant Transaction was negotiated and prepared by the Parties with the advice of legal counsel to the extent deemed necessary by each Party; the Parties have agreed to the wording of that Transaction documentation and none of the provisions of that Transaction shall be construed against one Party on the ground that such Party is the author of the relevant Transaction or any part of it.

19.13 Non-Waiver

19.13.1 No waiver by any Party of any of its rights with respect to the other Party or with respect to any matter or default arising in connection with the relevant Transaction shall be construed as a waiver of any subsequent right, matter or default whether of a like kind or different nature.

19.13.2 Any waiver shall be in writing signed by the waiving Party.

19.14 No partnership

Nothing contained in this Master Agreement or in any Confirmation Notice shall be construed or constitute a Party as the employee, agent, partner, joint venturer or contractor of the other Party.

19.15 Third party beneficiaries

19.15.1 This Master Agreement and each Confirmation Notice is made and entered into for the sole protection and legal benefit of the Parties, and their permitted successors and assigns, and no other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Master Agreement or any Confirmation Notice and the Parties do not intend any term of any Transaction to be enforceable under the UK Contract (Rights of Third Parties) Act 1999 by any Person who is not a party to the relevant Transaction.

19.15.2 The Parties may rescind or vary this Master Agreement or any Confirmation Notice in whole or in part without the consent of any third party, including those third parties referred to in Clause 19.5.

19.16 Waiver of Immunity

19.16.1 To the extent that either Party to a Transaction is wholly or partially or directly or indirectly government owned or controlled, such Party agrees that in the event and to the extent that it may in any jurisdiction claim for itself or its assets immunity from legal proceedings, and to the extent that in any jurisdiction there may be attributed to such Party or its assets such immunity (whether claimed or not), such Party irrevocably and unconditionally and to the full extent permitted by the laws of the relevant jurisdiction:

- (a) agrees not to claim such immunity;
- (b) waives any such immunity which it now has or its assets now have or may in future acquire; and
- (c) consents, in any legal proceedings arising out of or in connection with a Transaction, to the giving of relief by enforcement, execution (including the arrest, detention or sale of any state property) or attachment (whether before judgment, in aid of execution, or otherwise) against any of its assets.

19.16.2 In relation to any legal proceedings that may be taken in England, the foregoing waiver of immunity shall have effect under, and be construed in accordance with, the State Immunity Act 1978.

19.16.3 For the purposes of this Clause 19.16, “**legal proceedings**” shall include, without limitation, any service of process, suit, judgment, execution, attachment (whether before judgment, in aid of execution, or otherwise), arbitral proceedings pursuant to Clause 18.2 of this Master Agreement, or other dispute resolution mechanisms; and 'asset' means any property whatsoever, irrespective of its use or intended use, including, without limitation, property not used solely for commercial purposes.



IN WITNESS WHEREOF, the Parties have executed this Master Agreement on the date first written above.

PAKISTAN LNG LIMITED

By: _____

Name:

Title:

Witnessed by:

1. _____

2. _____

Name:

Name:

Title:

Title:

[SELLER]

By: _____

Name:

Title:

Witnessed by:

1. _____

2. _____

Name:

Name:

Title:

Title:



ANNEX A

FORM OF CONFIRMATION NOTICE

In accordance with the results of a competitive tender [Tender Enquiry No. [●]], Seller was selected as the selected bidder and, pursuant to the Master (Delivered Ex-ship) LNG Sale and Purchase Agreement dated [●], between Pakistan LNG Limited ("PLL") and [SELLER] ("[●]") (the "**Master Agreement**"), PLL and [SELLER] agree upon the following sale and purchase of LNG on this [●] day of [●], 20[●].

19.17 Source of LNG

Seller's Facilities are located at [●].

The Loading Port shall be the port located at [●].

The expected departure date from the Loading Port shall be [●].

19.18 LNG Carrier(s)

The LNG Carrier(s) to be utilised for transportation of LNG under this Confirmation Notice and its/their technical description is as follows:

Name of LNG Carrier(s): [●]

Dimensions: [●]

Maximum displacement/draft: [●]

Boil-off Rate: [●]

Vessel Capacity: [●]

19.19 Discharge Port and Receiving Facilities

Discharge Port shall be [Port Qasim, Karachi, Pakistan].

Receiving Facilities shall be [the FSRU-based LNG receiving terminal operated by Pakistan Gas Port Consortium Limited].

19.20 Contract Quantities

The quantity of LNG in each Cargo to be sold and purchased under this Confirmation Notice is [●]m³.

The number of Cargo/es to be sold and purchased under this Confirmation Notice is [●].

The approximate energy content comprising the Estimated Contract Quantity for each Cargo is [●] MMBtu.

19.21 Delivery Window:

The Delivery Window for arrival of the LNG Carrier at the Discharge Port shall be [●].

[Daytime unloading shall apply.]

19.22 LNG Heel

The LNG Heel shall be notified by Seller to Buyer [●] days prior to the start of the Delivery Window.

19.23 Specification

The LNG to be sold and delivered by Seller to Buyer under this Confirmation Notice shall comply with the Specifications set out in Clause 5.1 and Annex B of the Master Agreement.

19.24 Contract Price

The Contract Price shall be [shall be calculated] as follows: [●]

19.25 Parties' failure to take/deliver

(a) [Buyer's failure to take

The grace period in Clause 4.2.2 shall be [●] hours.]

(b) [Seller's failure to deliver

The grace period in Clause 4.3.2 shall be [●] hours.]

19.26 Allowed Laytime

The Allowed Laytime for the purposes of Clause 12.2 shall be [●] hours.

19.27 Demurrage rate

The rate of Demurrage for the purposes of Clause 12.5 of the Master Agreement shall be [●] per day and pro rata for any begun day.

19.28 Invoice due dates

(a) [The payment due date for invoices under Clause 15.3.1 shall be [●] Business Days after the receipt of the relevant invoice.]

(b) [The payment due date for invoices under Clause 15.3.2 shall be [●] Business Days after the receipt of the relevant invoice.]

19.29 Parties' account details

The name of Seller's bank and Seller's account details for the purposes of Clause 15.4 of the Master Agreement are as follows:

[Include relevant Bank Details]

The name of Buyer's bank and Buyer's account details for the purposes of Clause 15.4 of the Master Agreement are as follows:

[Include relevant Bank Details]

19.30 Parties' contact details



For the purposes of Clause 19.4 of the Master Agreement, the Parties' contact details shall be as follows:

(a) For: PAKISTAN LNG LIMITED

Attention: Deputy Director

Address: Pakistan LNG Limited, 6th Floor, Petroleum House, G-5/2. Islamabad

Tel: +92 (0) 51 9216904

Fax: +92 (0) 51 9216904

Email: naveed.iqbal@paklng.com

With copy at the same address to:

(b) For: [●]

Attention:

Address:

Tel:

Fax:

Email:

With copy at the same address to:

19.31 Credit Support

(a) [Buyer shall provide Seller with credit support in accordance with Clause 15.6 of the Master Agreement as follows:

[●].

(b) [Seller shall provide Buyer with credit support in accordance with Clause 15.6 of the Master Agreement as follows:

[●].

19.32 [Any other Provisions

(a) **[Notices of LNG Carrier movements**

Seller's requirements to provide notices of Estimated Time of Arrival under clause 10.1.1 of the Master Agreement shall be amended as follows:

[●].]

(b) **[Documents for tax purposes**

Seller shall provide the following additional documents as referred to in Clause 15.1.1(b) of the Master Agreement:

[●].

(c) [Other provisions]

[/]]



IN WITNESS WHEREOF, each of the Parties, in accordance with the Master Agreement, has caused this Confirmation Notice to be executed by its duly authorised representative.

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

ANNEX B

LNG SPECIFICATION

The LNG shall, when received at the Delivery Point, have a maximum temperature of -158.5°C.

The LNG delivered into the Receiving Facilities shall, when regasified and measured at Reference Conditions, conform to the further specification set out in the table below:

| Reference | Characteristic | Unit of Measure | Limit |
|-----------|--------------------------------------|--------------------|-------------------------|
| 1 | Higher Heating Value | Btu/scf | 947.6 to 1140 |
| 2 | Wobbe Index | Btu/scf | 1292 to 1435 |
| 3 | Inert Gases, Total | % (v/v) | 4 max |
| 4 | Hydrocarbon Dew Point | °C | -4 max at 5,500 kPa abs |
| 5 | Carbon Dioxide (CO ₂) | % (v/v) | 2.0 max |
| 6 | Oxygen (O ₂) | % (v/v) | 0.2 max |
| 7 | Hydrogen Sulphide (H ₂ S) | mg/m ³ | 5.49 max |
| 8 | Total Sulphur | mg/m ³ | 35 max |
| 9 | Total Mercury | µg/Nm ³ | 0.0 |

For purposes of this Annex B, "Reference Conditions" shall mean a temperature of 15°C and an absolute pressure of 1.01325 bar.

ANNEX C

MEASUREMENT, SAMPLING AND TESTING

The procedures for determination of the Quantity Delivered shall be those specified in the relevant Terminal Rules. Should no Terminal Rules be in force, the procedure and guidelines specified below shall be applicable for determining such Quantity Delivered.

References for this Annex C

Annex C is intended to give basic requirements that are in general compliance with LNG International Standards and practice. Primary references are:

- ISO 13398 – Refrigerated light hydrocarbon fluids — Liquefied natural gas — Procedure for custody transfer on board ship;
- ISO 8943-Refrigerated light hydrocarbon fluids — Sampling of liquefied natural gas — Continuous and intermittent methods;
- ISO 6142 – Gas analysis — Preparation of calibration gas mixtures -- Gravimetric method;
- ISO 10723 – Natural gas — Performance evaluation for on-line analytical systems;
- Institute of Petroleum Measurement Manual, Part XII, Static & Dynamic Measurement of Light Hydrocarbon Liquids, SECTION 1, CALCULATION PROCEDURES;
- GPA 2145 – Table of Physical Constants for Hydrocarbons & Other Compounds of Interest to the Natural Gas Industry;
- GPA 2172 – Calculation of Gross Heating Value, Relative Density, and Compressibility of Natural Gas Mixtures from Compositional Analysis;
- GPA 2261 – Analysis for Natural Gas & Similar Gaseous Mixtures by Gas Chromatography;
- ASTM D 3246 – Standard Test Method for Sulphur in Petroleum Gas by Oxidative Microcoulometry;
- ASTM D 5504 Standard Test Method for Determination of Sulphur Compounds in Natural Gas and Gaseous Fuel by Gas Chromatography and Chemiluminescence;
- National Bureau of Standards Interagency Report 77-867: A COMPARISON OF MATHEMATICAL MODELS FOR THE PREDICTION OF LNG DENSITIES; and
- GIIGNL LNG CUSTODY TRANSFER HANDBOOK.

The latest editions of the above references shall be considered as the generally industry-accepted criteria for any item not specifically addressed herein. The latest version of the standards referred to in this Annex C shall be considered as the official version.

19.33 General

Seller or Buyer may request changes to the methods of measurement and procedures contained in this Annex C. When such a request is made, Seller and Buyer shall promptly meet to discuss in good faith the proposed revisions to methods and procedures. Similarly, if referenced standards are updated, the Parties shall meet to agree the incorporation of the revised standards into the methodology herein.

19.34 Tank Gauge Tables

19.34.1 Calibration of LNG Tanks

During or immediately following the completion of construction, or immediately prior to entry into service hereunder, of any LNG carrier that Seller intends to use as the LNG Carrier, Seller shall ensure that each LNG tank of that LNG Carrier has been calibrated for volume against level by a qualified independent surveyor. Seller shall furnish to Buyer, or cause Buyer to be provided, evidence of any calibration conducted pursuant to this Annex C.

19.34.2 Preparation of Tank Gauge Tables

Seller shall have a qualified independent surveyor prepare tank gauge tables for each LNG tank of an LNG carrier Seller intends to use as the LNG Carrier. Such tank gauge tables shall include sounding tables, correction tables for list and trim, volume corrections to tank service temperature, and other corrections if necessary.

19.34.3 Precision of Tank Gauge Tables

Tank gauge tables prepared pursuant to paragraph 2.2 of this Annex C shall, in the relevant loading and discharging range of the LNG Carrier's tanks, indicate volumes in cubic metres expressed to the nearest thousandth (1/1000), with LNG tank depths expressed in metres to the nearest thousandth (1/1000). Seller shall enable Buyer or its representative to audit the LNG Carrier's tables upon notice at commercially reasonable times.

19.34.4 Witnessing of Tank Calibration

- (a) Where applicable, Buyer shall have the right to have its representative witness the tank calibrations referred to in paragraph 2.1 of this Annex C.
- (b) Seller shall give reasonable advance notice to Buyer of the timing and location of such LNG tank calibrations.

19.34.5 Recalibration of LNG Tanks in case of Distortion and Modification

In the event that any LNG tank of the LNG Carrier suffers distortion of such a nature as to cause either Party reasonably to question the validity of the tank gauge tables referred to in paragraph 2.2 of this Annex C, or in the event of modification to any of the LNG tanks, Seller, subject to Buyer's consent, shall arrange for such LNG tank to be recalibrated in the same manner as set forth in paragraphs 2.1 and 2.2 of this Annex C during any period when that LNG Carrier is out of service for inspection and/or repairs. Seller shall bear the costs of recalibration, unless such recalibration was done at Buyer's request and did not demonstrate any inaccuracy in the tank gauge tables, in which case Buyer shall pay the costs of recalibration. Except as provided in this paragraph 2.5, no other recalibration of any LNG tank of the LNG Carrier shall be required. If mutually agreed between the Parties, recalibration of distorted tanks can be deferred until the next time when such tanks are warmed for any reason, and any corrections to the prior tank gauge tables will be made from

the time the distortion occurred. If the time of the distortion cannot be ascertained, the Parties shall mutually agree on the time period for retrospective adjustments.

19.35 Selection of Gauging Devices

19.35.1 General

- (a) All devices provided for in paragraphs 3 and 4 of this Annex C shall be approved by Seller, acting as a Reasonable and Prudent Operator. The required degree of accuracy (which shall in any case be within the permissible tolerances defined herein and in the applicable standards referenced herein) of such devices selected shall be mutually agreed upon by the Parties. In advance of the use of any device, the Party providing such device shall cause tests to be carried out to verify that such device has the required degree of accuracy.
- (b) All custody transfer gauging devices and systems shall be installed, operated and maintained according to the manufacturers' specification and standards used in the LNG industry.

19.35.2 Liquid Level Gauging Devices

- (a) Each LNG tank of the LNG Carrier shall be equipped with independent main and auxiliary liquid level gauging devices that preferably utilise different technologies. All liquid level gauging devices shall be installed, operated and maintained according to the manufacturers' specification and standards used in the LNG industry. Seller shall identify the main and auxiliary liquid level gauging devices for the LNG Carrier.
- (b) The measurement accuracy of the main and auxiliary liquid level gauging devices shall be better than plus or minus seven decimal five (± 7.5) millimetres. Indications from the two (2) systems shall be routinely compared to ensure they are performing normally.
- (c) The liquid level from the main and auxiliary gauging devices in each LNG tank shall be logged and printed.

19.35.3 Temperature Gauging Devices

- (a) The LNG tank (or each LNG tank, if more than one) of the LNG Carrier shall be equipped with a minimum of five (5) pairs of temperature gauging devices located on or near the vertical axis of such LNG tank, in such a way as not to be affected by the spray of LNG when the spray pumps are in operation.
- (b) Primary and redundant temperature gauges are required, and indications from the two systems shall be routinely compared to ensure they are performing normally. Such temperature gauging devices shall be installed at various locations from the top to bottom of each tank to provide temperature measurements at various levels in the tank. The topmost temperature device shall be located in the vapour space at all times, and the bottom temperature device shall be located in the heel.
- (c) In the temperature range of minus one hundred sixty-five (-165) degree Celsius to minus one hundred forty-five (-145) degree Celsius, the accuracy shall be plus or minus zero decimal two (± 0.2) degree Celsius. In the temperature range of minus

one hundred forty-five (-145) degree Celsius to plus forty (+40) degree Celsius, the accuracy shall be plus or minus one decimal five (± 1.5) degree Celsius.

- (d) The temperature in each LNG tank shall be logged and printed.

19.35.4 Pressure Gauging Devices

- (a) The LNG tank (or each LNG tank, if more than one) of the LNG Carrier shall have one (1) absolute vapour pressure gauging device.
- (b) The measurement accuracy of each pressure gauging device shall be plus or minus one percent ($\pm 1\%$) of full scale.
- (c) The pressure in the LNG tank (or in each LNG tank, if more than one) shall be logged and printed.

19.35.5 List and Trim Gauging Devices

- (a) A list gauging device and a trim gauging device shall be installed on the LNG Carrier. These shall be interfaced with the custody transfer system.
- (b) List and trim corrections shall be made using devices whose accuracy is better than plus zero decimal zero five (0.05) degrees Celcius for list and plus zero decimal zero one (0.01) metres for trim.
- (c) The list and trim in each LNG tank shall be logged and printed.

19.35.6 Verification of Accuracy of Gauging Devices

Gauging devices shall be verified for accuracy and corrected for error in accordance with the terms of Clause 13 of the Master Agreement.

19.35.7 Measurement Equipment Maintenance, Calibration and Testing

- (a) Seller shall cause or shall have caused, tests for the accuracy of the Custody Transfer Measurement System (which, for the purposes of this Annex C, shall be referred to as "**CTMS**") equipment and devices installed in the LNG Carrier prior to the LNG Carrier being brought into service in order to ensure that the equipment and devices comply with these measurement requirements.
- (b) Thereafter, Seller shall carry out or cause to be carried out tests to ensure the accuracy of the CTMS equipment, excluding the volumetric calibration of the cargo tanks in the LNG Carrier. Such tests will be carried out as follows:
 - (i) when the LNG Carrier is out of service for scheduled inspection and/or repairs;
 - (ii) when Buyer, acting as a Reasonable and Prudent Operator, requests such verification due to the changes in accuracy of custody transfer measurements related to the specific LNG Carrier in question;
 - (iii) when such tests are considered necessary by Seller, in which case Seller shall so notify Buyer and that notice shall be acknowledged by Buyer; or

- (iv) periodic, scheduled calibration tests as agreed by the Parties, in conjunction with the vendor equipment recommendations, as part of the regular scheduled CTMS servicing.
- (c) The tests referred to above shall be witnessed and verified, by the Independent Surveyor. Seller shall give notice to Buyer reasonably in advance of such tests and Buyer shall have the right to be present at such tests.
- (d) Seller shall maintain or cause to have maintained for the CTMS, which shall be agreed by the Parties:
 - (i) a CTMS maintenance procedure;
 - (ii) a schedule of maintenance;
 - (iii) a log of the maintenance carried out, which is verified by the master of the LNG Carrier or his designate, which shall be retained on board for inspection or audit, as requested by Buyer, Seller (or its representative) or the Independent Surveyor; and
 - (iv) calibration, testing and defect correction procedures.
- (e) If the LNG Carrier's CTMS equipment or devices are found to be outside the allowable limits, or are inoperable, then they shall be rectified or replaced without unreasonable delay, and the Parties shall apply such provisions as are set out in this Annex C. Any discrepancies in invoices which are caused by the inaccuracy of any measuring equipment or device shall be corrected and agreed upon by the Parties accordingly. Historical corrections to invoices shall be limited to a period of three (3) years or to the last time an adjustment was made, whichever is shorter.

19.36 Measurement Procedures

19.36.1 Conditions at Custody Transfer

The condition of the LNG Carrier at the time of custody transfer shall be as described in clause 5.6 of ISO 13398.

19.36.2 Liquid level

- (a) Liquid levels in each LNG tank of the LNG Carrier shall be determined in accordance with clause 6.2 of ISO 13398. Measurement of the liquid level in each LNG tank of an LNG Carrier shall be made in metres, accurate to the nearest millimetre by using the main liquid level gauging devices referred to in paragraph 3.2 of this Annex C.
- (b) The same liquid level gauging device must be used for both the initial and final measurements during unloading. If the main level gauging device is inoperative at the time of commencement of unloading, necessitating use of the auxiliary level gauging device, the auxiliary level gauging device shall be used at the time of cessation of unloading, even if the main level gauging device has subsequently become operative. Trim and list of the LNG Carrier shall be kept unchanged while the referenced measurements are performed.

- (c) At least five (5) readings shall be made following manufacturer's recommendations on reading interval. The arithmetic average of the readings shall be deemed the liquid level.
- (d) Such arithmetic average shall be calculated to the nearest zero decimal one (0.1) millimetre and shall be rounded to the nearest millimetre.
- (e) Any necessary corrections for trim, list, temperature or other adjustment as defined in the tank gauge tables as called for in paragraph 2.2 of this Annex C must be applied to the arithmetic reading to get the true level reading.
- (f) The liquid level shall be logged and printed.

19.36.3 Temperature

- (a) The average temperature of the Cargo in the LNG Carrier's cargo tank (or in each cargo tank, if more than one) shall be determined immediately before unloading by means of the temperature measuring instruments which are fully immersed in the liquid. This determination shall be made by taking the temperature readings of the LNG to the nearest zero decimal zero one (0.01) degree Celsius. If more than one of the instruments is immersed in the liquid, the arithmetic average of these readings will be used. Such arithmetic average shall be calculated to the nearest zero decimal zero one (0.01) degree Celsius and shall be rounded to the nearest zero decimal one (0.1) degree Celsius.
- (b) The average temperature of the vapour in the LNG Carrier's cargo tank (or in each cargo tank, if more than one) shall be determined immediately after unloading and before loading by means of such temperature measuring instruments which are fully surrounded by vapour. This determination shall be made by taking the temperature readings of the vapour to the nearest zero decimal zero one (0.01) degree Celsius, and if more than one are fully surrounded by the vapour, the arithmetic average of these readings will be used. Such arithmetic average shall be calculated to the nearest zero decimal zero one (0.01) degree Celsius and shall be rounded to the nearest zero decimal one (0.1) degree Celsius.
- (c) The temperature in the LNG tank (or in each LNG tank, if more than one) shall be logged and printed.

19.36.4 Pressure

- (a) At the same time the liquid level is measured, the absolute pressure in the LNG tank (or in each LNG tank, if more than one) shall be measured to the nearest one (1) millibar by using the pressure gauging device referred to in paragraph 3.4 of this Annex C.
- (b) The determination of the absolute pressure in the LNG tank(s) of the relevant LNG Carrier shall be made by taking one (1) reading of the pressure gauging device in the LNG tank (or in each LNG tank, if more than one), and then by taking an arithmetic average of all such readings.
- (c) Such arithmetic average shall be rounded to the nearest one (1) millibar.

- (d) If the LNG tank pressure cannot be obtained by the absolute vapour pressure gauging device, the tank pressure may be read from a normal pressure gauge, provided a barometric pressure reading, accurate to zero decimal one (0.1) millibar must also be taken and recorded to correct such reading to absolute pressure.
- (e) The pressure in the LNG tank (or each LNG tank, if more than one) shall be logged and printed.

19.36.5 List and Trim

- (a) The list and trim of the LNG Carrier shall be measured at the same time as the liquid level and temperature of LNG in the LNG tank (or each LNG tank, if more than one) are measured by using the list gauging device and trim gauging device referred to in paragraph 3.5 of this Annex C.
- (b) The measurement of the list and of the trim shall be conducted to the nearest zero decimal zero one (0.01) degree Celsius for list and the nearest zero decimal zero one (0.01) metre for trim.
- (c) The determination of the list and of the trim of the LNG Carrier shall be made by taking one (1) reading of the list and trim gauging devices.

4.5.4 The list and trim of the LNG Carrier shall be logged and printed.

19.36.6 Procedure in case of Gauging Device Failure

Should the measurements referred to in this paragraph 4 become impossible to perform due to a failure of gauging devices, alternative gauging procedures shall be determined by mutual agreement between the Parties in consultation with the Independent Surveyor appointed pursuant to Clause 13 of the Master Agreement. The alternative gauging procedures shall be documented and recorded.

19.36.7 Determination of Volume of LNG Unloaded

- (a) The measurements referred to in paragraphs 4.2, 4.3, 4.4 and 4.5 of this Annex C shall be made at the same time. Measurements shall first be made immediately before unloading commences. Accordingly, immediately before opening the manifold emergency shut down valves of the LNG Carrier, the initial gauging shall be conducted upon the confirmation of stoppage of all spray pumps and compressors and shut-off of the gas master valve to the LNG Carrier's boilers. The gas master valve to the LNG Carrier's boilers shall remain closed until after the second gauging. A second gauging shall be made immediately after unloading is completed. Accordingly, the second gauging shall be conducted upon the confirmation of shut-off of the manifold emergency shut down valve, with transfer pumps off and allowing sufficient time for the liquid level to stabilize. Measurements prior to unloading and after unloading will be carried out based on the condition of the LNG Carrier's lines upon arrival at the berth. Since significant volumes of LNG may remain in the LNG Carrier's manifold and crossover, gauging will be performed with these lines in the same condition prior to unloading and after unloading. If the LNG Carrier's manifold and crossover lines are empty (warm) when measurement is taken before unloading commences, they will be emptied prior to measurement following the Completion of Unloading. If the crossover lines are liquid filled (cold) when measurement is taken before unloading commences,

they will remain full (cold) until measurement is taken following the Completion of Unloading. The volume of LNG, stated in cubic metres to the nearest zero decimal zero zero one (0.001) cubic metre, shall be determined by using the tank gauge tables referred to in paragraph 2.2 of this Annex C and by applying the volume corrections set forth therein.

- (b) The volume of LNG unloaded shall be determined by deducting the total volume of LNG in all LNG tanks (if more than one) immediately after unloading is completed from the total volume of LNG in those LNG tanks immediately before unloading commences. This volume of LNG unloaded is then rounded to the nearest cubic metre.

19.36.8 LNG Carrier Gas consumption during operation

In case of consumption of gas on the LNG Carrier during discharge operations, the Parties agree to meet and agree upon the impact on the final energy delivered to Buyer.

19.37 Determination of Composition of LNG and Vapour

19.37.1 Sampling Procedures

(a)

(i)

(1) Buyer shall cause the Terminal Operator to continuously sample and analyse the LNG during unloading using an on-line gas chromatograph in accordance with the provisions of this paragraph 5.1.1(a)(i). A properly designed and maintained sample delivery and conditioning system shall be utilised. A sample shall be taken and analysed at least once every twenty (20) minutes by an on-line chromatograph during the period starting immediately after a stable flow rate has commenced and ending immediately prior to the completion of the stable flow rate, which excludes the initial start-up upsurge in the flow rate and the decreased flow rate before stopping. The results of each analysis, excluding those results deemed to be erroneous by the Independent Surveyor, shall be averaged to determine the final Cargo composition. All the results including those results deemed to be erroneous by the Independent Surveyor shall be reported to Buyer and Seller.

(2) Buyer shall cause the Terminal Operator to obtain representative samples of LNG using a sampling system, designed, installed and operated in accordance with the latest version of ISO 8943 and in accordance with this paragraph 5.1.1(a)(ii). The method used shall be the method described in the latest version of ISO 8943 current at the time of analysis or any other method agreed upon by Buyer and Seller. Should the on-line gas chromatograph fail, samples will be obtained continuously and at an even rate during the period starting one (1) hour after continuous unloading at the normal flow rate (after ramp up) has commenced and ending one (1) hour prior to the suspension of continuous unloading at normal flow rate (before ramp down); otherwise, the frequency specified in paragraph 5.1.2 of this Annex C shall be sufficient.

- (ii) Buyer shall cause the Terminal Operator to analyse the LNG unloaded, for invoicing purposes, using the on-line gas chromatograph. The arithmetic average of the analyses from the on-line gas chromatograph, excluding those results deemed to be erroneous by the Independent Surveyor shall be reported to Seller. All the results including those results deemed to be erroneous by the Independent Surveyor shall be reported to Buyer and Seller. The sampling system and laboratory analyses shall be considered for invoicing should the on-line gas chromatograph system fail.
- (b) In absence of a continuous sampling system, three (3) sets of spot samples shall be collected at the following intervals during the unloading, one (1) hour after the full pumping rate has been achieved, when unloading is twenty-five percent (25%), fifty percent (50%), and seventy-five percent (75%) complete and one (1) hour prior to the first pump shutdown. The Independent Surveyor who witnessed such sampling shall seal such sample bottles. The samples shall be distributed as specified in paragraph 5.1.3 of this Annex C. However, when a continuous sampling method is used, an adequate portion of the sample collected in paragraph 5.1.1(a) of this Annex C shall be transferred to at least three (3) sample cylinders, obtaining a portion of the gaseous sample during a stable period of an unloading using a dome type sampler.
- (c) Buyer shall use one (1) sample cylinder for the purpose of analysis in paragraph 5.2 of this Annex C. One (1) cylinder containing a gaseous sample of the LNG unloaded shall be made available for analysis by Seller or Seller's designee. At least one (1) other cylinder(s) containing a gaseous sample of each unloading shall be sealed and signed by Seller and Buyer (or their representatives) and retained by Buyer for at least thirty (30) days. In case of any dispute as to the accuracy of any analysis, the sample(s) shall be further retained until Buyer and Seller agree to retain it no longer. Sample cylinders shall be provided by Buyer.
- (d) If the Independent Surveyor determines that, as a result of the failure of one or both of the continuous sampling procedure or analysis, accurate results as to the composition of the unloaded LNG are not able to be determined as prescribed in paragraph 5.1.1(a)(i) of this Annex C, then the arithmetic average of the analysis results of the periodic samples, excluding those results deemed to be erroneous by the Independent Surveyor, shall be deemed to be the composition of the LNG. All the results including those results deemed to be erroneous by the Independent Surveyor shall be reported to Buyer and Seller. If neither continuous nor periodic samples are available, or if analysis fails, then the normalised arithmetic average of analysis results of the five (5) immediately preceding Cargoes from the same Loading Port (or the total Cargoes delivered if less than five (5)) from the same Loading Port shall be deemed to be the composition of the LNG. If both Buyer and Seller agree that the result of the arithmetic average does not give a fair representation of the composition of the LNG, both Parties shall meet and decide in good faith the appropriate method to determine the composition of LNG.

19.37.2 Analysis Procedures

- (a) Buyer shall cause the Terminal Operator to analyse the LNG unloaded to determine, by an on-line gas chromatograph, the molar fractions of hydrocarbons, carbon dioxide, nitrogen and oxygen in the sample. Should the on-line gas chromatograph fail, the method used shall be the method described in the latest

version of GPA 2261 current at the time of analysis or any other method agreed upon by Buyer and Seller. Duplicate runs shall be made on each sample to determine that the repeatability of peak areas are within acceptable limits. The calculated results of such duplicate runs shall be averaged.

- (b) ASTM D 3246 (latest edition) shall be used to determine the total sulphur content of the samples, unless Seller and Buyer mutually agree that some other method should be used. If the total sulphur content is less than five (5) milligram per Normal cubic metre, it is not necessary to analyse the sample for hydrogen sulphide.
- (c) ASTM D 5504 (latest edition) shall be used to determine the hydrogen sulphide content of the LNG unloaded, unless Seller and Buyer mutually agree that some other method should be used.
- (d) Mercury may be analysed using the latest version of ISO 6978 current at the time of analysis, unless Seller and Buyer mutually agree that some other method should be used.
- (e) The gas chromatography used for custody transfer shall be calibrated by Buyer (witnessed by the Independent Surveyor and/or Seller or its representative) prior to the start, and after the completion, of the bulk unloading using a standard gas supplied by a reliable and reputable manufacturer with known accuracy and traceability. The quality of the standard gas shall either be in accordance with the latest version of ISO 6142 or be in accordance with the customary practices and procedures at the Receiving Terminal which shall be certified traceable to International Standards. The composition of the standard gas shall be similar to the sample composition of the LNG. Validation of the gas chromatograph analysers shall be done by Seller in accordance with the latest version of GPA 2261 for off-line gas chromatograph analysers and ISO 10723 for on-line gas chromatograph analysers current at the time of validation or in any other way in accordance with the customary procedures of the Receiving Terminal.

19.37.3 Correlation Test of Analytical Equipment and Devices

- (a) Prior to the use of such equipment, Seller shall be entitled to perform a calibration of the gas chromatograph using standard gas in order to properly maintain the accuracy of Buyer's and the Terminal Operator's equipment and devices.
- (b) During normal operation, Buyer shall cause the Terminal Operator to provide chromatograph calibration gasses with composition certified by an independent third party or the relevant Competent Authority. At least once annually (unless the Parties agree to a different period), Buyer and Seller shall cooperatively conduct deviation checks to verify the accuracy of the gas composition mole percentages and resulting calculated physical properties. Buyer and Seller shall mutually agree on test protocol and test gas supplier and compositions to be utilised. When procedures that are in accordance with the above mentioned standards have been applied, test data will be considered as acceptable, if the resulting analyses are within the "Reproducibility" and "Repeatability" tolerances of GPA 2261 and calculated Gross Heating Value is within plus or minus five Btu per Standard Cubic Foot (± 5 Btu/SCF), or 0.185 Megajoules per Standard Cubic Metre (± 0.185 MJ/Sm³), of the known Gross Heating Value of the test gas samples.

19.38 Calculation of Quantity Unloaded

19.38.1 Calculation and calculation notations

- (a) The calculations to be made in accordance with this Annex C for Gross Heating Value (Volume Based) and Gross Heating Value (Mass Based) shall be carried out according to GPA 2172 (1996), using the constants as given in GPA 2145 (2009), using the Reference Condition, where the conversion from fourteen decimal six nine six (14.696) psia to fourteen decimal seven three (14.73) psia is linear. The Gross Heating Value (Volume Based) of the LNG unloaded shall be expressed in British Thermal Unit per Standard Cubic Foot and rounded to one (1) decimal place. The Gross Heating Value (Mass Based) of the LNG unloaded shall be expressed in Megajoule per kilogram, rounded to four (4) decimal places.
- (b) The calculations to be made in accordance with this Annex C to determine the density of the unloaded LNG, shall be carried out in accordance with ISO 6578 (1991) or the National Bureau of Standards Interagency Report 77-867. The density of the LNG unloaded at the prevailing composition and temperature shall be expressed in kilogram per cubic metre, rounded to two (2) decimal places.
- (c) In this paragraph 6 of this Annex C each of the following notations has the following meaning:
- (i) d = density of the LNG unloaded at the prevailing composition and temperature T_L , in kg/cubic metre, calculated in accordance with the method specified in paragraph 6.1.2 of this Annex C, rounded to two (2) decimal places;
 - (ii) H_m = Gross Heating Value (Mass Based) of the LNG unloaded, in MJ/kg, calculated in accordance with the method specified in paragraph 6.1.1 of this Annex C at the Reference Condition, rounded to four (4) decimal places;
 - (iii) P = the average absolute pressure of vapour in the LNG Carrier in the LNG tank(s) immediately after unloading in whole millibar as specified in paragraph 4.4 of this Annex C;
 - (iv) Q = the Quantity Delivered in MMBtu, rounded to the nearest ten (10) MMBtu;
 - (v) T_L = average temperature of the LNG in the LNG Carrier immediately before unloading, in degrees Celsius, rounded to one (1) decimal place, as specified in paragraph 4.3.1 of this Annex C;
 - (vi) T_V = average temperature of the vapour in the LNG tank(s) in the LNG Carrier immediately after unloading, in degrees Celsius, rounded to one (1) decimal place, as specified in paragraph 4.3.2 of this Annex C;
 - (vii) V_b = the volume of the LNG in the LNG Carrier immediately before unloading, in cubic metres, rounded to three (3) decimal places, as specified in paragraph 4.7 of this Annex C;

- (viii) V_h = the volume of the LNG in the LNG Carrier immediately after unloading, in cubic metres, rounded to three (3) decimal places, as specified in paragraph 4.7 of this Annex C; and
- (ix) V = the total volume of the LNG unloaded, in cubic metres, as specified in paragraph 4.7 of this Annex C.

19.38.2 Calculation of the Quantity Delivered in BTU

- (a) The Quantity Delivered shall be calculated using the following formula:

$$Q = \frac{1}{1055.056} \times \left[V \times d \times H_m - \left(V \times \frac{288.60}{273.15 + T_v} \times \frac{P}{1015.60} \times 37.4 \right) \right]$$

where

E_{gas} = the energy of the gas consumed in LNG Carrier's engine room (also including all gas burnt by ship for any other use/boil off (including temperature/pressure management)) during the time between opening and closing custody transfer surveys.

ANNEX D

INTEGRITY PACT

The Seller hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from the Government of Pakistan (GOP) or any administrative subdivision or agency thereof or any other entity owned or controlled by GOP (hereinafter collectively called "**GOP**") through any corrupt business practice.

Without limiting the generality of the foregoing, the Seller represents and warrants that it has fully declared the brokerage, commission, fees etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from GOP, except that which has been expressly declared pursuant hereto.

The Seller certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with GOP and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

The Seller accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other rights and remedies available to GOP under any law, contract or other instrument, be voidable at the option of GOP.

Notwithstanding any rights and remedies exercised by GOP in this regard, the Seller agrees to indemnify GOP for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GOP in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by the Seller as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from GOP.

IN WITNESS WHEREOF, the Seller has executed this Integrity Pact as of the date first written above.

EXECUTED AND DELIVERED BY THE SELLER: [●]

By:

Name:

Title:

Witness:

1.

Name:

2.

Name:

