

[On Pakistan Stamp Paper]

Subject to OGRA's Review and Approval

AGREEMENT TO GOVERN THE UTILIZATION OF PLL'S UNUTILIZED CAPACITY

BY AND BETWEEN

PAKISTAN LNG LIMITED

AND

[•]

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THIS AGREEMENT is made on this [•].

BETWEEN:

- (1) **PAKISTAN LNG LIMITED**, a public company, duly organized and existing under the laws of Pakistan, with its office located at 9th Floor, Petroleum House, Ataturk Avenue, Sector G-5/2, Islamabad (hereinafter referred to as "**PLL**");
- (3) [•], (the "**Customer**").

WHEREAS:

- (A) The ECC, in its decision No. ECC-312/34/2020 dated July 28, 2020, as ratified by the Cabinet on August 11, 2020 (Case No. 562/31/2020), has approved the utilization of PLL's unutilized capacity, subject to PLL's priority rights over the use of the Terminal;
- (B) PLL has, as per the invitation and selection process, invited applications for the utilization of its unutilized capacity with regard to its contracted capacity, regasification services and inventory management services; and
- (C) The Customer, as the successful applicant under the Invitation and Selection Process, intends to procure a cargo of LNG and avail the unutilized capacity, regasification services and inventory management services offered by PLL as per the Invitation and Selection Process.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the receipt and sufficiency of which is hereby acknowledged, intending to be legally bound, **THE PARTIES HERETO AGREE AS FOLLOWS:**

1. GENERAL PROVISIONS

1.1 Definitions & Principles of Interpretation

In this Agreement, all capitalized terms shall have the meaning ascribed thereto in Schedule 2 (Definitions) which also sets out the principles of interpretation applicable to this Agreement.

2. EFFECTIVENESS AND TERM

- 2.1 This Agreement shall become effective on the Effective Date and shall expire on the date of termination as per Clause 18 (Termination) or expiry as per Clause 2.2 of this Agreement (“**Term**”). The Effective Date of this Agreement shall be the later of, (a) date on which the Customer provides the Security Deposit as per Clause 21, or (b) execution of Schedule 1 (Inventory Management) by the Parties (the “**Effective Date**”).
- 2.2 Unless terminated earlier in accordance with Clause 18 (Termination) or extended as per Clause 19 (Extension), this Agreement shall expire on the later of the date on which the entire Quantity Delivered, as adjusted as per the terms of this Agreement, has been made available by PLL to the Customer as RLNG at the RLNG Delivery Point, or the date on which the Customer has cleared all dues under this Agreement.

3. OBLIGATIONS OF PLL

Subject to the provisions of this Agreement, during the Term, PLL shall provide to the Customer the following services:

- (a) the berthing of LNG Carriers at the LNG Import Facility in accordance with Schedule 1 (Inventory Management);
- (b) the discharge of the Customer’s LNG from Approved LNG Carriers and the receipt of the Customer’s LNG at the Receiving Facilities in accordance with Schedule 4 (Vessel Arrival/Cargo Discharge);
- (c) the analysis of the Customer’s LNG received at the Receiving Facilities in accordance with Schedule 5 (Measurements of LNG and RLNG);
- (d) inventory management as per Clause 9 (Inventory Balancing and Management);
- (e) the determination of Customer’s Retainage in accordance with Clause 17.4;
- (f) the regasification of Customer’s Inventory into RLNG in accordance with Schedule 1 (Inventory Management). Schedule 1 (Inventory Management) will, *inter-alia*, include the details of PLL’s Inventory, Customer’s Inventory and the inventory of other users of the Terminal;
- (g) the delivery of RLNG to the Customer at the RLNG Delivery Point in accordance with Schedule 1 (Inventory Management);
- (h) such other services as PLL may agree with the Customer,

together the “**LNG Services**”.

3.2 For the avoidance of doubt, any activity not expressly set out above shall not form part of the LNG Services to be provided by PLL under this Agreement.

4. OBLIGATIONS OF THE CUSTOMER

4.1 Subject to the provisions of this Agreement, during the Term, the Customer shall, *inter alia*, have the following obligations, in each case, as per the terms of this Agreement:

- (a) The Customer shall procure the Customer's LNG;
- (b) The Customer shall be responsible for the transportation of the Customer's LNG up to the Receiving Facilities at the Discharge Port from Approved LNG Carriers as per the berthing slot(s) allotted by PLL to the Customer in accordance with Schedule 1 (Inventory Management);
- (c) The Customer shall bear all costs in relation to the procurement of the Customer's LNG, including, but not limited to, duties and taxes as imposed by customs authorities, Port Authority charges, provincial taxes/levies, independent surveyor costs, applicable taxes etc. For the avoidance of doubt, any costs not billed by PLL that relate to the procurement and handling of LNG/RLNG, will be borne by the Customer;
- (d) The Customer shall provide evidence of:
 - (i) The irrevocable standby letter of credit/letter of credit issued by the Customer in favour of the LNG supplier for the procurement of the Customer's LNG; or
 - (ii) any other binding documentary evidence for procurement of Customer's LNG, to the satisfaction of PLL,

at least twenty-five (25) Days before the scheduled date of the arrival of the LNG Cargo at the Receiving Facilities. In the event compliance with the aforementioned time period of twenty-five (25) Days is not possible owing to delays solely attributable to PLL, the Parties may mutually agree a shorter time period for the Customer to provide evidence of the items listed in this Clause 4 (d).

- (e) The Customer shall off-take RLNG at the RLNG Delivery Point as per Schedule 1 (Inventory Management);
- (f) The Customer shall be responsible for the off-take and transportation of RLNG beyond the RLNG Delivery Point;
- (g) The Customer shall be responsible for ensuring the effectiveness of pipeline capacity allocation and Gas Transportation Agreement for transportation of RLNG beyond the RLNG Delivery Point;
- (h) The Customer shall ensure necessary regulatory approvals in relation to transportation and sale of RLNG to the end consumers;
- (i) The Customer shall ensure timely payment of all invoices issued by PLL for the payment of the LNG Services Price;

- (j) The Customer shall issue and maintain the Security Deposit;
- (k) The Customer shall ensure that it bears all costs in relation to the LNG transported to the LNG Import Facility;
- (l) Customer shall provide and bear all risks and expenses in relation to any tugs, pilots, escort or other support vessels required for the berthing, unloading and departure of the LNG Carrier

5. PRICE OF LNG SERVICES AND TAKE OR PAY

5.1 The Customer shall pay the following to PLL in relation to the LNG Services based on (i) the amount of LNG imported by the Customer and RLNG off-taken by the Customer under this Agreement; and (ii) where applicable, the mechanism applied by OGRA in calculating the OGRA determined price, for each respective Month, for the relevant components of the supply of RLNG:

- (i) Charges in relation to the regasification of LNG and the delivery of RLNG at the RLNG Delivery Point;
- (ii) PLL margin as determined by OGRA; and
- (iii) Applicable Taxes on invoices raised by PLL.

(hereinafter collectively referred to as the “**LNG Services Price**”)

6. CAPACITY

6.1 The amount of Daily Delivery Capacity shall be as set out in Schedule 1 (Inventory Management).

7. BERTHING

7.1 The Customer shall cause the LNG Carrier to berth and depart as safely and expeditiously as reasonably possible and in accordance with the relevant Terminal Rules and Schedule 1 (Inventory Management).

7.2 Schedule 1 (Inventory Management) shall set out the berthing schedule and the Berthing Slots in relation to the Customer’s LNG.

7.3 In case the LNG Carrier is unable to berth due to Adverse Weather Conditions, the Parties shall, on good faith basis, mutually agree on the possibility and mechanism of re-berthing as soon as reasonably practicable.

8. PIPELINE NETWORK REQUIREMENTS

8.1 The Customer agrees and acknowledges that PLL is required to comply with all directions given by SSGC and SNGPL for ensuring system integrity in accordance with the applicable laws, including the LNG Terminal Access Rules, 2020, the OGRA Gas Third-Party Access Rules, 2018, and the Pakistan Gas Network Code. In such circumstances, PLL shall be relieved from liability for its obligations under this Agreement, provided

however that PLL will use all reasonable efforts to comply with its obligations with respect to Schedule 1 (Inventory Management).

9. INVENTORY BALANCING AND MANAGEMENT

- 9.1 As part of the LNG Services, PLL shall provide inventory management services to the Customer as per this Clause 9 (Inventory Balancing and Management).
- 9.2 PLL shall periodically update the Schedule 1 (Inventory Management) and notify the Customer of its respective LNG Inventory.
- 9.3 Inventory management by PLL will be based on the following:
- (a) RLNG will be delivered by PLL at the RLNG Delivery Point from the first Day of RLNG supply as set out in Schedule 1 (Inventory Management);
 - (b) The RLNG to be supplied by PLL will be based on the estimated quantity of LNG in MMBTU subject to Retainage (up to a maximum of the Quantity Delivered) to be supplied by the Customer at the Receiving Facilities;
 - (c) Once the Customer's LNG has been unloaded at the Receiving Facilities, and the net quantity of LNG in MMBTU has been certified by the Independent Surveyor, PLL shall provide an updated Schedule 1 (Inventory Management) to the Customer. Such updated Schedule 1 (Inventory Management) shall be final and binding on the Customer; and
 - (d) PLL shall notify the Customer at least 24 hours before the final daily delivery of the RLNG by PLL at the RLNG Delivery Point. Such notification shall specify that the Customer, after the delivery of the final daily delivery of RLNG by PLL, would have utilized the entire quantity of RLNG in MMTBU contracted by the Customer under this Agreement, and as per Schedule 1 (Inventory Management).
- 9.4 The Customer acknowledges and agrees that the specifications of the LNG supplied by PLL or other users of the Terminal may be different from the LNG Specifications of the Customer's LNG. PLL's obligation in relation to delivery of RLNG to the Customer as per Schedule 1 (Inventory Management) will be based on the total quantity of LNG in MMBTU delivered by the Customer after adjustments on account of Customer's Retainage.
- 9.5 The Customer further acknowledges that as part of the LNG Services to the Customer, PLL is managing the LNG Inventory of the Customer and other users of the Terminal and PLL may utilize the LNG inventory of such other users of the Terminal for the purposes of supply of RLNG to each user of the Terminal as per Schedule 1 (Inventory Management). Accordingly, the Available Inventory of PLL may include the LNG inventory of PLL and all other users of the Terminal for the purposes of PLL's obligations under this Agreement. The Available Inventory of the Customer shall be treated as PLL's Available Inventory for the purposes of other similar agreements entered into between PLL and other users of the Terminal.

10. CUSTOMER DELAY AND FAILURE

- 10.1 The Customer acknowledges and agrees that the delivery of the Customer's LNG at the Receiving Facilities as per Schedule 1 (Inventory Management) is crucial to PLL's operations and commitments.
- 10.2 In case of any failure (for whatsoever reason, other than (a) Force Majeure and (b) reasons solely attributable to PLL) to unload the Customer's LNG at the Receiving Facilities within a reasonable period of time (to be determined solely by PLL keeping in view its other commitments):
- (a) PLL may suspend the LNG Services to the Customer under this Agreement;
 - (b) PLL shall be entitled to claim all costs from the Customer, incurred, or to be incurred by PLL in arranging alternate LNG to meet its requirements, or the requirements of its other customers. PLL shall provide the Customer with the relevant document in relation to such costs; and
 - (c) The Customer shall indemnify and hold PLL harmless against all costs, losses, expenses, charges or liabilities (in each case of whatsoever nature and howsoever defined) on PLL's first written demand.
- 10.3 In case of any delay (for whatsoever reason, other than (a) Force Majeure and (b) reasons solely attributable to PLL) in unloading the Customer's LNG at the Receiving Facilities as per Schedule 1 (Inventory Management):
- (a) PLL may suspend the LNG Services to the Customer under this Agreement;
 - (b) The Customer shall indemnify and hold harmless PLL against all costs, losses, expenses, charges or liabilities (in each case of whatsoever nature and howsoever defined) on PLL's first written demand;
 - (c) PLL may determine that the delay in delivery of LNG amounts to a failure to deliver the LNG as per Clause 10.2, above.
- 10.4 In case the LNG to be delivered by the Customer to the Receiving Facilities is Off-spec LNG:
- (a) PLL may suspend the LNG Services to the Customer under this Agreement;
 - (b) The Customer shall indemnify and hold harmless PLL against all costs, losses, expenses, charges or liabilities (in each case of whatsoever nature and howsoever defined) on PLL's first written demand;
 - (c) PLL may determine that the delivery of Off-spec LNG amounts to a failure to deliver the LNG as per Clause 10.2, above.
- 10.5 In case of any failure by the Customer to off-take RLNG at the RLNG Delivery Point:
- (a) PLL may, at its option, in view of its existing commitments:
 - (i) Sell such quantities of RLNG not off-taken by the Customer to a third-party and pass-on to the Customer, within five (5) business Days of receipt of such amounts by PLL, the lower of:

- A. the sale proceeds after deduction of all costs incurred by PLL (as determined by PLL); and
- B. the price agreed between the Customer and its end-user, excluding the Customer's profit margin and costs in relation to transportation, under the respective sales agreement.

In order to receive any such amounts from PLL, the Customer shall provide all documentary evidence to the satisfaction of PLL; or

- (ii) In case PLL does not, or cannot, sell the whole or a part of the quantities of RLNG not off-taken by the Customer to a third-party purchaser, PLL may, in the case where such quantities of the Customer's LNG have not been regasified, either store such quantities of the Customer's LNG depending on availability of storage capacity of the Receiving Facilities at the cost of the Customer, or dispose of the same as deemed appropriate by PLL. If such quantities of Customer's LNG not off-taken by the Customer have been regasified, PLL may dispose the same due to operational reasons as deemed appropriate by PLL.

In the event that certain quantities of the Customer's LNG are stored by PLL pursuant to this Clause 10.5 (A)(II), PLL may offer equivalent quantities of RLNG (based on the quantity of Customer's LNG stored by PLL after the necessary adjustments), or any part thereof (as determined by PLL) to the Customer at a later date.

- (b) PLL shall be entitled to all costs incurred by PLL in relation to the failure to off-take by the Customer on PLL's first written demand;
- (c) Subject to (a) above, the Customer shall not make any claim against PLL in relation to the quantities of RLNG not off-taken;
- (d) The Customer shall indemnify and hold harmless PLL against all costs, losses, expenses, charges or liabilities (in each case of whatsoever nature and howsoever defined) on PLL's first written demand;
- (e) For the avoidance of doubt, in case PLL is unable to deliver the RLNG at the RLNG Delivery Point due to either SNGPL or SSGC notifying PLL that it is unable to accept delivery due to any reason attributable to the Customer, such inability of PLL to delivery RLNG at the RLNG Delivery Point shall amount to the Customer's failure to off-take RLNG as per the terms of this Agreement.

11. PLL DELAY AND FAILURE

- 11.1 The Customer acknowledges and agrees that PLL has priority rights over the use of the Terminal. Accordingly, PLL may make reasonable changes to Schedule 1 (Inventory Management) to comply with its obligations and requirements. Such changes to Schedule 1 (Inventory Management) shall be final and binding on the Customer. Given the priority rights over the use of the Terminal in favour of PLL, the Customer should, in order to mitigate any delay or failure in the delivery of the Customer's LNG at the Receiving Facilities, in its gas supply agreement with the supplier of the Customer's LNG, make provision for re-scheduling of the cargo within the delivery period as per the Invitation and

Selection Process. However, such re-scheduling should be subject to the Parties finalizing the revised scheduling for the delivery of the Customer's LNG, as per the updated Schedule 1 (Inventory Management).

- 11.2 PLL shall not be liable in case of any failure or delay in providing the LNG Services to the Customer. The Customer shall not be entitled to claim any costs, damages or expenses from PLL in case of any failure or delay by PLL in providing the LNG Services under this Agreement.
- 11.3 Nothing in this Clause 11 shall relieve PLL of its obligations to provide the LNG Services to the Customer in a timely manner as per Schedule 1 (Inventory Management) and on the terms of this Agreement. PLL shall use its best efforts to ensure that the Customer's LNG is delivered at the Receiving Facilities so that there is no failure to receive the Customer's LNG as per the terms of this Agreement. Further, PLL shall use reasonable efforts to ensure that there is no delay in the receipt of the Customer's LNG at the Receiving Facilities or delay in the supply of RLNG at the RLNG Delivery Point due to PLL's failure to perform its obligations under this Agreement.

12. TITLE AND RISK

12.1 Title

Title to the Customer's LNG (net LNG delivered to the Receiving Facilities by the Approved LNG Carrier in accordance with the final discharge report provided by Independent Surveyor) and the RLNG shall remain with the Customer at all times and not pass to PLL under this Agreement. Customer shall ensure that the Customer has full title to the Customer's LNG at all times and that no third-party has any claim against the Customer's LNG of whatsoever nature. The Customer shall indemnify and hold PLL harmless against any third-party claims in relation to the Customer's LNG.

12.2 Risk

- (a) Possession, control and risk of loss of or damage to the Customer's Inventory from the point at which (upon unloading) the LNG passes the Receiving Facilities to the point at which (upon Delivery) the RLNG passes the RLNG Delivery Point shall be vested in PLL.
- (b) Possession, control and risk of loss of or damage to the RLNG Delivered at the RLNG Delivery Point shall pass from PLL to the Customer at the point at which that RLNG passes the RLNG Delivery Point.

13. LNG CARRIER AND RECEIVING FACILITIES

- 13.1 The Customer shall ensure that the LNG Carrier shall comply with the specifications of the LNG Carrier set out in Schedule 3 ("LNG Carrier Specifications").
- 13.2 Additionally, the Customer shall confirm to PLL, in writing, the final identity, dimensions and capacity of the LNG Carrier and that it is compliant with the requirements of Schedule 3 (LNG Carrier Specifications) and is compatible with the Receiving Facilities and the Terminal Rules fifteen (15) days prior to the scheduled date of delivery as per Schedule 1 (Inventory Management), unless the LNG Carrier is calling at the Discharge Port and the Receiving Facilities for the first time, in which case the relevant information shall be

notified to PLL in writing twenty one (21) days prior to the scheduled date of delivery as per Schedule 1 (Inventory Management).

- 13.3 If at any time after the Customer confirms the information on the LNG Carrier as per this Clause 13 (LNG Carrier and Receiving Facilities), PLL reasonably believes that the LNG Carrier is in such a condition that it will materially jeopardize the safety and/or normal operation of the Receiving Facilities, or that it is not compliant with the applicable Terminal Rules or the requirements of Schedule 3 (LNG Carrier Specifications), PLL shall have the right to inspect the LNG Carrier, or cause the LNG Carrier to be inspected by a third party inspector, to assure itself that such LNG Carrier is compatible with the Receiving Facilities.
- 13.4 Any such inspection shall not relieve the Customer of any obligations it has to PLL under Clause 13 (LNG Carrier and Receiving Facilities).
- 13.5 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 jeopardize the safety and/or normal operation of the Receiving Facilities, or is not compliant with the relevant Terminal Rules or Schedule 3 (LNG Carrier Specifications), then the Parties shall consult and cooperate with a view to agreeing upon a course of action which will permit this Agreement to be performed, subject always to PLL's right to notify the Customer that it does not approve the use of the LNG Carrier until such time as it has been demonstrated to PLL's reasonable satisfaction that the LNG Carrier has been brought into compliance with the requirements of this Agreement such that it can operate safely and in conformance with the normal operations of the Receiving Facilities.
- 13.6 If Clause 13.5 applies, PLL shall not be liable for any costs and expenses incurred from the Customer's failure to accept, pursuant to this Clause 13 (LNG Carrier and Receiving Facilities), the use of the relevant LNG Carrier, including costs of delays to the LNG Carrier and the Customer shall reimburse PLL for any costs incurred in inspecting the LNG Carrier.
- 13.7 Following the confirmation of the LNG Carrier details by the Customer under Clause 13.2, 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, the Customer shall not permit or make any modification to the LNG Carrier without PLL's prior written consent; 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, PLL 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.
- 13.8 The Customer 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; 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.

13.9 The Customer represents and warrants that as at the date of confirmation of the details of the LNG Carrier as per Clause 13.2, 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 that date.

13.10 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 arranged by the Customer and shall be at the sole risk and expense of the Customer.

14. SPECIFICATIONS OF LNG AND RLNG.

14.1 The LNG to be unloaded at the Receiving Facilities in accordance with this Agreement, when delivered by the Customer to PLL at the Receiving Facilities shall:

- (i) comply with the specifications set out in Part 1 of Schedule 6; and
- (ii) 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 of foreign matters,

together the “**LNG Specifications**”.

(b) For the provisions of Clause 14.1, the Customer shall:

- (i) following the departure of an LNG Carrier from the Load Port, notify to PLL the quality of the loaded LNG and estimated quality of LNG to be unloaded at the LNG Import Facility; and
- (ii) if at any time the Customer becomes aware that the quality of LNG loaded on board a LNG Carrier en route to the LNG Import Facility, or the estimated quality of LNG to be unloaded therefrom at the LNG Import Facility, is different from the quality notified under paragraph (a) or previously notified under this paragraph (b), notify PLL accordingly as soon as practicable after becoming so aware, but in any event no later than sixty (60) hours before the scheduled delivery of Customer’s LNG at the Receiving Facilities, including details of the nature and extent of such non-compliance with the LNG Specifications.

14.2 The RLNG to be delivered by PLL at the RLNG Delivery Point in accordance with this Agreement shall comply with the specifications set out in Part-B of Schedule 6 (the “**RLNG Specifications**”).

15. CONSEQUENCES OF OFF-SPEC LNG

- 15.1 The Customer shall, as soon as it becomes aware of the same, notify PLL, if the quality of the LNG to be delivered is likely to fall outside the relevant LNG Specifications ("Off-spec LNG"), including details of the extent to which such LNG fails to meet the LNG 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 15.2 (Rejection of Off-spec LNG) and 15.5 (Acceptance of Off-spec LNG).
- 15.2 If the LNG delivered or to be delivered as per Schedule 1 (Inventory Management) is Off-spec LNG, PLL may reject the LNG Cargo by giving notice to the Customer to that effect made aware by Customer. The Customer shall be deemed to have failed to deliver the quantity of Off-spec LNG rejected by PLL and be liable to PLL for such failure to deliver in accordance with Clause 10.2.
- 15.3 Without prejudice to PLL's right under Clause 15.2 to reject the Off-spec LNG, PLL shall use reasonable endeavors to accept the Off-spec LNG.
- 15.4 PLL shall notify the Customer of its decisions on whether or not it accepts the Off-Spec LNG as soon as reasonably practicable, but in any event, no later than thirty-six (36) hours of it being notified by the Customer.
- 15.5 If the LNG delivered is Off-spec LNG, and PLL knowingly accepts such Off-spec LNG by notifying the Customer that PLL expressly accepts the Off-spec LNG as set out in Clause 15.4, then the Customer shall bear all costs (of whatsoever nature) incurred by PLL and shall hold PLL harmless against any third-party claims (of whatsoever nature) and losses as a result of accepting the Off-spec LNG on PLL's first written demand as a result of the borrowing and lending nature of this Agreement.
- 15.6 If the LNG delivered is Off-spec LNG, and PLL unknowingly accepts such Off-spec LNG or PLL knowingly accepts Off-spec LNG but discovers that the extent to which the LNG in the relevant LNG Cargo fails to comply with the LNG Specifications is greater than that notified by the Customer, then:
- (i) PLL shall promptly notify the Customer thereof;
 - (ii) the Parties may suspend the unloading of any remaining Off-spec LNG in the relevant LNG Cargo;
 - (iii) PLL may accept any Off-spec LNG already unloaded at the time of the notice referred to under Clause 15.4, in which case the Customer shall bear all costs (of whatsoever nature) incurred by PLL and shall hold PLL harmless against any third-party claims (of whatsoever nature) and losses as a result of accepting the Off-spec LNG on PLL's first written demand.
 - (iv) PLL may reject any Off-spec LNG not yet unloaded at the time of the notice under Clause 15.4, in which case the provisions of Clause 15.2 shall apply in respect of such rejected Off-spec LNG.

16. CONSEQUENCES OF OFF-SPEC RLNG

- 16.1 PLL shall, as soon as it becomes aware of the same, notify the Customer, if the quality of the RLNG to be delivered is likely to fall outside the relevant RLNG Specifications ("Off-

spec RLNG"), including details of the extent to which such RLNG fails to meet the RLNG Specifications.

- 16.2 The Customer, at its option, may refuse to accept delivery of any Off-spec RLNG and shall give contemporaneous notice to PLL of such refusal. PLL shall take immediate remedial action to cause the Off-spec RLNG to conform to the RLNG Specifications and until such time that such Off-spec RLNG conforms to the RLNG Specifications, such Off-spec RLNG, if off-taken, shall be deemed to have been accepted, but if not off-taken, shall not be considered to have been delivered. Notwithstanding the foregoing, in case Off-spec RLNG causes any damage, PLL shall be responsible for such damage and shall indemnify the Customer against all verifiable relevant claims in this regard, subject to Clauses 16.3 and 16.4, below.
- 16.3 If the RLNG delivered does not conform with the RLNG Specifications, and the Customer knowingly accepts such Off-spec RLNG, then PLL shall only reimburse the Customer for all its verifiable costs which shall not exceed twenty percent (20%) of the value of the cargo that delivers such Off-spec RLNG, subject to recovery of the same by PLL, and subject to the Customer's pro rata share from such a cargo, in proportion to the quantity of RLNG to be supplied to the Customer against the entire quantity of RLNG to be supplied by PLL to all its customers.
- 16.4 If the RLNG delivered does not conform with the RLNG Specifications, and the Customer unknowingly accepts such Off-spec RLNG, then PLL shall only reimburse the Customer for all its verifiable costs which shall not exceed hundred percent (100%) of the value of the cargo that delivers such Off-spec RLNG, subject to recovery of the same by PLL, and subject to the Customer's pro rata share from such a cargo, in proportion to the quantity of RLNG to be supplied to the Customer against the entire quantity of RLNG to be supplied by PLL to all its customers.

17. MEASUREMENTS OF LNG AND RLNG

- 17.1 LNG supplied by the Customer to PLL at the Receiving Facilities shall be measured in accordance with the procedures set forth in Part A of Schedule 8 (Measurements).
- 17.2 RLNG supplied by PLL to the Customer at RLNG Delivery Point shall be measured in accordance with the procedures set forth in Part B of Schedule 8 (Measurements).
- 17.3 The Customer agrees and acknowledges that:
- (a) the entire volume of RLNG to be provided by PLL at the RLNG Delivery Point will be injected into the SSGC network through a common custody transfer station equipment, without any segregation of quantities of the Customer, PLL or any other users of the Terminal;
 - (b) out of the entire RLNG delivered at the RLNG Delivery Point, daily volume as per Schedule-1 will be construed to be supplied to the Customer.
 - (c) the average GCV for the respective day shall be used for energy calculation.
 - (d) In case SSGC or SNGPL have any specific metering requirements for the purposes of the delivery of RLNG by PLL at the RLNG Delivery Point, the Customer shall be responsible for making all arrangements in relation to such requirements.

In relation to Section 17.3(A), (B) and (C) the Customer shall procure written confirmation from SSGC and SNGPL, immediately upon the execution of this Agreement, and in any case, within [3] Days of the Effective Date, that the said arrangements are acceptable to SSGC and SNGPL.

- 17.4 The quantity of RLNG (in MMBtus) to be delivered at the RLNG Delivery Point shall be equivalent to the quantity of LNG imported (in MMBtus) after adjustment on account of Customer's Retainage, which Customer's Retainage shall be calculated as follows:

Customer's Retainage = Total retainage of the Day *multiplied by* Daily Delivery Capacity *divided by* relevant Day's Total Nomination or Total RLNG Send Out of the terminal.

Where,

Total retainage of the Day = 1 MMSCF *plus* 0.5% *multiplied by* A,

A = The higher of the relevant Day's Total Nomination or Total RLNG Send Out.

- 17.5 The Customer agrees and acknowledges that the LNG Heel shall at all times belong to PLL and the Customer shall have no rights or obligations with respect to the same.

18. **EVENTS OF DEFAULT & TERMINATION**

18.1 **PLL Event of Default**

Without prejudice to any other rights and remedies of the Customer under this Agreement or at law, the Customer may terminate this Agreement by serving a prior 7 Days written notice to PLL upon the occurrence of any of the following events ("**PLL Default**"):

- (i) the occurrence of any of the following events: (i) the passing of a resolution by the shareholders of PLL for winding up, (ii) the appointment of a provisional liquidator in case of bankruptcy adjudged by a court of competent jurisdiction, which appointment has not been set aside or stayed within ninety (90) days of such appointment, or (iii) the making of an order winding up PLL by a court of competent jurisdiction; and
- (ii) any statement, representation or warranty made by PLL herein proving to have been incorrect, in any respect, when made or when deemed to have been made and the circumstances that cause such failure or incorrect statement, representation or warranty to be incorrect having a material adverse effect PLL's ability to perform its obligations under this Agreement.

18.2 **Customer Event of Default**

Without prejudice to any other rights and remedies of PLL under this Agreement or at law, PLL may terminate this Agreement by serving a prior 7 Days written notice to the Customer upon the occurrence of any of the following events ("**Customer Default**"):

- (a) the Customer:

- (i) any assignment or transfer of rights and obligations under this Agreement in violation of the terms of this Agreement.
 - (ii) the occurrence of any of the following events: (i) the passing of a resolution by the shareholders of the Customer for winding up, (ii) the appointment of a provisional liquidator in case of bankruptcy adjudged by a court of competent jurisdiction, which appointment has not been set aside or stayed within ninety (90) days of such appointment, or (iii) the making of an order winding up the Customer by a court of competent jurisdiction; and
 - (iii) any statement, representation or warranty made by the Customer herein proving to have been incorrect, in any respect, when made or when deemed to have been made and the circumstances that cause such failure or incorrect statement, representation or warranty to be incorrect having a material adverse effect the Customer's ability to perform its obligations under this Agreement.
 - (iv) any material breach by the Customer of this Agreement including due to failure to supply LNG or unreasonable delay in supply of LNG or persistent failure to off-take RLNG or delivery of off-spec LNG that leads to failure to supply LNG which is not remedied within thirty (30) days after notice from the PLL, which notice (i) states that a material breach of this Agreement has occurred and is continuing which could result in the termination of this Agreement, (ii) identifies the breach in question in reasonable detail, and (iii) demands remedy thereof. Material breaches by the Customer include but are not limited to:
 - (A) Failure to supply LNG as per Schedule 1 (Inventory Management);
 - (B) Delay in supplying LNG as per Schedule 1 (Inventory Management);
 - (C) Delivery of off-spec LNG that may be consider a failure to supply LNG by PLL;
 - (D) Persistent failure to off-take RLNG; and
 - (E) Failure to provide the written confirmation from SSGC and SNGPL as per Section 17.3.
 - (v) the revocation, withdrawal, or cancellation of regulatory approvals and/or licenses required by the Customer, under the laws of Pakistan, to fulfil its obligations under this Agreement.
- (b) the Customer fails to comply with its obligations to maintain or replace the Security Deposit or fails to perform any obligation under this Agreement regarding the Security Deposit;

- (c) the SBLCs expires or terminates or ceases to be in full force and effect for the purpose of this Agreement or is not maintained by the Customer prior to the satisfaction of all obligations of the Customer under this Agreement without the prior written consent of PLL and no replacement security acceptable to PLL on the same or substantially similar terms and for an equivalent outstanding value to the affected Security Deposit has been issued by the Customer at least ten (10) Business Days prior to the relevant expiry date or within five (5) Business Days of the occurrence of such termination or invalidity;
- (d) any representation or warranty made in Clause 27.2 proves to have been:
 - (i) false in any material respect; or
 - (ii) misleading in any material respect,
at the time it was made unless the circumstances giving rise to the misrepresentation:
 - (iii) are capable of remedy; and
 - (iv) are remedied within thirty (30) Days from PLL giving notice of the misrepresentation;
- (e) any sum due by the Customer to PLL are outstanding and unpaid by the due date for payment, and such payment default is not cured within thirty (30) Days after the giving by PLL of notice of such default to the Customer;
- (f) the Customer commits a material or persistent breach of any of its other obligations under this Agreement which is not capable of being cured.
- (g) termination of the RLNG transportation arrangements from the RLNG Delivery Point of the Customer

19. EXTENSION OF TERM

- 19.1 The Term may be extended by mutual written agreement between the Parties at least thirty (30) Days prior to the expiration of the Term.

20. INVOICING AND PAYMENT

20.1 Invoicing

PLL's invoices for the provision of LNG Services, in accordance with Article 3, including any adjustments under Clause 20.5, shall be furnished to the Customer during the Term on a fortnightly basis ("Billing Cycle"). Invoice shall be payable within five (05) days from the date of issuance.

20.2 Method of Payment

Payment shall be made to PLL at the PLL's designated bank in the designated account of PLL, on or before the due date in relation to an invoice. The name of the bank and the

account number of PLL shall be provided by PLL along with PLL's first invoice and shall be considered standing instruction until changed in writing by PLL.

20.3 **Late Payment Surcharge**

If payment of any invoice rendered by PLL to the Customer is not made by the due date, a late payment surcharge shall be applicable on any outstanding amount at one-month KIBOR plus two percent (2%) per annum, calculated for the actual number of Days which the relevant amount remains unpaid on the basis of a three hundred sixty-five (365) Day year (the "**Delayed Payment Rate**").

20.4 **Suspension of Deliveries**

If the Customer fails to make payment of the amount shown in the invoice (including any invoice for costs resulting from failure to perform or delay in performance by the Customer) by the due date, then PLL shall, in addition to its other rights and remedies, be entitled to (a) make drawdown on the Security Deposit equivalent to the amount shown in the invoice along with the mark-up at the Delayed Payment Rate, or (b) suspend the provision for LNG Services to the Customer, including the supply of RLNG by giving three (3) Days written notice of suspension to the Customer, which notice shall specify the amount which has not been paid, provided that such right of suspension shall only be exercised in the event that the balance amount remaining in the Security Deposit following any drawdown(s) in terms of this Agreement is less than the 50% of the initial Security Deposit amount.

20.5 **Adjustment**

PLL shall reimburse to the Customer any amounts as per its determination on account of subsequent adjustments in relation to the invoice, including but not limited to, the price differential between the applicable OGRA determined price for the relevant components of the LNG Services and the invoice amount based on the mechanism applied by OGRA in calculating the OGRA determined price for such LNG Services component, where applicable.

21. **SECURITY**

- 21.1 The Customer shall provide the Security Deposit, within three (3) business Days from the date of the signing of this Agreement, for its payment obligations under this Agreement . The amount of Security Deposit will be calculated by PLL and conveyed to the Customer within one (1) Day of execution of Schedule 1.
- 21.2 The Security Deposit amount shall be subject to revision if there is a 10% or more change in the RLNG Price on account of change in the exchange rate or any price revision/adjustment by the competent authority or every Ninety (90) days, whichever is earlier.
- 21.3 PLL shall communicate any revisions required in the Security Deposit amount as above and the Customer shall ensure that the Security Deposit is revised accordingly within seven (7) business days from PLL's communication.
- 21.4 Further, in case of any drawdown, or utilization of any advance amounts as part of the Security Deposit, as applicable, the Security Deposit to be fully replenished to the original amount within seven (7) business days of the said drawdown.

- 21.5 If the Customer fails to maintain or make any adjustments to the Security Deposit as per the requirements of this Agreement, PLL shall be entitled to suspend provision of LNG Services to the Customer under this Agreement, including the supply of RLNG by giving three (3) Days written notice of suspension to the Customer; provided that the PLL shall not suspend the LNG Services or the supply of RLNG if the Customer complies with its obligations regarding the maintaining of the Security Deposit or any adjustments thereto under this Agreement within three (3) days, and provided further that if PLL suspends the LNG Services or the supply of RLNG, PLL shall resume the LNG Services and the supply of RLNG within twenty four (24) hours of the Customer's compliance with the requirements of this Agreement in relation to the Security Deposit.
- 21.6 PLL shall, in addition to other rights and remedies, have the right to immediately issue a demand under the SBLC and/or utilize the advance amounts and recover costs incurred by PLL, as a result of:
- (i) failure by the Customer to pay in full any invoice within the due date of the relevant invoice;
 - (ii) failure or delay by the Customer in delivering the LNG;
 - (iii) Off-Spec LNG delivered by the Customer to the Receiving Facilities;
 - (iv) failure by the Customer to off-take the RLNG delivered at the RLNG Delivery Point; and
 - (v) failure by the Customer to perform any other obligations under this Agreement.

22. **FORCE MAJEURE**

- 22.1 In this Agreement "**Force Majeure**" means any event or circumstance, or any combination of events and/or circumstances, the occurrence and/or effect of which is beyond the reasonable control of, and could not have been avoided by steps which might reasonably have been expected to have been taken by, a Party (the "**Affected Party**") and which causes or results in the Affected Party being unable to perform (in whole or in part) or being delayed in performing any of its obligations owed to the other Party under this Agreement, including:
- (i) fire, flood, drought, explosion, atmospheric disturbance, lightning, storm, tempest, hurricane, cyclone typhoon, tornado, earthquake, landslide, perils of the sea, tsunami, soil erosion, subsidence, washout, epidemic or other acts of God;
 - (ii) war (whether declared or undeclared), riot, civil war, blockade, insurrection, acts of public enemies, piracy, invasion, embargo, trade sanctions, revolution, civil commotion, rebellion, sabotage or the serious threat of or an act of terrorism;
 - (iii) strikes, lock outs, or other industrial disturbances;
 - (iv) chemical or radioactive contamination or ionizing radiation; and

- (v) explosion, fault or failure of plant, equipment or other installation (including the FSRU) which the Affected Party could not prevent or overcome by the exercise of the relevant degree of skill, diligence, foresight and experience.
- (b) Notwithstanding Clause 22.1 (a), above, the following events shall not constitute Force Majeure:
 - (i) inability (however caused) of a Party to pay any amounts when due; and
 - (ii) 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.
- (c) For the purposes of Clause 22.1 (and without prejudice to the definition of Force Majeure therein), an event or circumstance shall not constitute Force Majeure affecting either Party if its occurrence or effect is not beyond the reasonable control of, and could have been avoided by steps which might reasonably have been expected to have been taken.

22.2 **Effects of Force Majeure**

- (a) The Affected Party shall be relieved from liability for any delay or failure in performance of any of its obligations, other than obligations to make payment under this Agreement, which is caused by or results from Force Majeure.
- (b) The Affected Party shall be relieved from liability under Clause 22.2(a) only for so long as and to the extent that the occurrence of Force Majeure and/or the effects of such occurrence could not be overcome by measures which the Affected Party might reasonably be expected to take with a view to resuming performance of its obligations; except that a strike, lock out or other kind of labor dispute may be settled by the Affected Party at its absolute discretion.

22.3 **Notification**

- (a) Following the occurrence of Force Majeure, the Affected Party shall:
 - (i) notify the other Party in writing as soon as reasonably practicable but not later than two (2) Days after the occurrence of Force Majeure, including details of the nature of the Force Majeure, an estimate of the likely duration of the Force Majeure (to the extent possible) and the Affected Party's obligations under this Agreement that are affected by the Force Majeure;
 - (ii) on a weekly basis, provide the other Party with information on any developments relating to the Force Majeure, including the measures being taken by the Affected Party to resume normal performance of its obligations under this Agreement;
 - (iii) use reasonable efforts and diligence to resume normal performance of this Agreement after the occurrence of an event of Force Majeure and prior to resumption of normal performance, continue to perform its obligations

under this Agreement to the extent not prevented by such event of Force Majeure; and

- (iv) promptly notify the other Party when it is once again able to perform its obligations under this Agreement.

22.4 Force Majeure affecting PLL

To the extent to which Force Majeure affecting PLL results in a partial reduction, to the extent the Customer can accept such partial deliveries of LNG subject to its technical limitations, in the LNG Services which PLL can provide to the Customer:

- (i) PLL will determine the reductions (expressed as proportions) in the total quantity of RLNG which it can make available to the Customer;
- (ii) the amounts payable by the Customer shall be accordingly reduced in proportion to the quantity of RLNG made available by PLL.

22.5 Termination for prolonged Force Majeure

If, as a result of Force Majeure, PLL is prevented from providing the LNG Services to the Customer, or there is a significant impact on the LNG Services PLL can provide, for a period which exceeds or can with reasonable certainty be foreseen to exceed a period of six (06) continuous weeks, either PLL or the Customer may terminate this Agreement by giving a Termination Notice to the other of not less than one (01) Month.

23. TAXES

- 23.1 The LNG Services Price shall include all taxes applicable, including any GST, on the regasification and sale of RLNG in Pakistan.
- 23.2 Each Party will be responsible for or procure the payment of all taxes arising from its corporate existence or profits.
- 23.3 All sums payable by the Customer under this Agreement shall be paid to PLL free and clear of all deductions, taxes or withholdings whatsoever, save only as may be required by applicable laws, provided that, if deductions, taxes or withholdings are required by applicable law in case of the LNG Services Price, the Customer shall increase the disbursement of the LNG Services Price so as to ensure that the amount actually received and retained by the PLL is equal to the amount that would have been received and retained if no deduction, tax or withholding had been required.

24. INSURANCE

The Customer shall procure and maintain all insurances, as per international standards and practices, in relation to the Customer's LNG, including during transportation from the Loading Port to the Receiving Facilities.

25. GOVERNING LAW

25.1 This Agreement shall be governed by and construed in accordance with the laws of Pakistan.

26. DISPUTE RESOLUTION (INCLUDING SETTLEMENT BY EXPERT)

26.1 Resolution by Parties

In the event that a dispute arises, the Parties shall attempt in good faith to settle the dispute by mutual discussions within thirty (30) days after the date that the disputing Party gives written notice of the dispute to the other Party.

26.2 Determination by Expert

- (a) In the event that the Parties are unable to resolve a dispute in accordance with Clause 26.1 within the time periods set forth therein, then either Party, in accordance with this Clause 26.2, may refer the dispute to an expert (the “**Expert**”) for consideration of the dispute and to obtain a recommendation from the Expert as to the resolution thereof. The Party initiating submission of the dispute to the Expert shall provide the other Party with a notice stating that it is submitting the dispute to an Expert and nominating the person it proposes to be the Expert. Within fifteen (15) days of receiving such notice, the other Party shall notify the initiating Party whether such person is acceptable, and if such nominated expert is not acceptable to the responding Party, the responding Party shall propose a person to be the Expert. If the Party receiving such notice fails to respond or notifies the initiating Party that the person is not acceptable or nominates an Expert that is not acceptable to the initiating Party, the Parties shall meet within five (5) Business Days and discuss in good faith within a period of five (5) days to agree upon a person to be the Expert.
- (b) Consideration of the dispute by an Expert shall be initiated by the Party who is seeking consideration of the dispute by concurrently submitting to both the Expert and the other Party, written materials setting forth:
 - (i) a description of the dispute;
 - (ii) a statement of the initiating Party’s position, and whether a hearing is requested by such Party; and
 - (iii) copies of records supporting the initiating Party’s position.
- (c) Within ten (10) days of the date that a Party has submitted the materials described in Clause 26.2(b), the other Party may submit to the Expert, with copies to the other Party:
 - (i) a description of the dispute;
 - (ii) a statement of such Party’s position and, if not already requested, whether a hearing is requested by such Party; and
 - (iii) copies of any records supporting the Party’s position.

- (d) The Expert shall consider any such information submitted by the responding Party and may consider any additional information submitted by either Party at a later date but, in such event, the other Party shall be concurrently provided with such information and shall be allowed reasonable opportunity to respond thereto.
- (e) Each Party shall have access to the other Party's relevant records and be entitled to receive copies of the records submitted by the other Party.
- (f) Each Party shall designate one person knowledgeable about the issues in dispute who shall be available to the Expert to answer questions and provide any additional information requested by the Expert. Except for such person, a Party shall not be required to, but may, provide oral statements or presentations to the Expert or make any particular individuals available to the Expert. If a hearing is requested by either Party pursuant to Clause 26.2(b)(ii) or 26.2(c)(ii), the Expert shall nominate a time and place at Islamabad for a hearing of the Parties on the dispute.
- (g) The Expert shall provide a recommendation within fifteen (15) days after the ten (10) day response period provided in Clause 26.2(c) has run, or within such further time as is agreed in writing by the Parties. If the Expert's recommendation is given within such fifteen (15) day period, as may be extended by the Parties, the Parties may review and discuss the recommendation with each other in good faith for a period of ten (10) days following delivery of the recommendation before proceeding with any other actions.
- (h) The proceedings shall be without prejudice to any Party, and any evidence given or statements made in the course of this process may not be used against a Party in any other proceedings. The process shall not be regarded as an arbitration and the Laws of Pakistan relating to commercial arbitration shall not apply.
- (i) Except as elsewhere expressly provided herein to the contrary, unless the Parties agree otherwise in writing at the time the Expert is selected the determination of the Expert shall not be binding;
- (j) Subject to Clause 26.2(i), if a Party does not accept the recommendation of the Expert with respect to the dispute or if the Expert has not provided a recommendation within the time period specified in Clause 26.2(g), any Party may initiate arbitration proceedings in accordance with Clause 26.3; provided, however, that the Expert determination which have not been submitted to arbitration within thirty (30) days of the Expert providing his recommendation, the Expert's determination shall be binding and arbitration proceedings in accordance with Clause 26.3 shall not be available to resolve disputes.
- (k) The costs of engaging an Expert shall be borne equally by the Parties and each Party shall bear its costs in preparing materials for, and making presentations to, the Expert.
- (l) The failure of any Party to comply with the provisions and time periods set out in this Clause 26.2 shall not prevent (i) the Expert from proceeding; and/or (ii) any Party from requesting that the Expert proceedings be terminated and the matter referred immediately to arbitration in accordance with Clause 26.3.

26.3 Arbitration

- (a) Any dispute arising out of or in connection with this Agreement that has not been resolved following the procedures set forth in Clauses 26.1 and 26.2 shall be settled by arbitration in accordance with the Arbitration Act, 1940 by one (1) arbitrator appointed by mutual agreement of the Parties, and failing such agreement, by the Court. The arbitration proceedings shall be conducted and the award shall be rendered, in the English language.
- (b) The arbitration shall be conducted at Islamabad, Pakistan or other place agreed between the Parties. Except as awarded by the arbitrator and except as hereinafter provided, each Party shall be responsible for its own costs incurred by it in connection with an arbitration hereunder.
- (c) Any arbitral award under this Clause 26.3 shall be final and binding upon the Parties and shall be the sole and exclusive remedy between the Parties regarding all disputes, and each Party undertakes to comply with and to carry out any such arbitral award or procedural order, fully and without delay.

27. REPRESENTATIONS AND WARRANTIES

27.1 PLL represents and warrants that:

- (a) it has the right, power and authority to enter into and perform its obligations under this Agreement, and it has taken all necessary corporate or other action to authorize the execution of, and performance by it of its obligations, under this Agreement, and this Agreement constitutes valid, binding and enforceable obligations of PLL;
- (b) it will comply with all applicable laws governing or relating to its performance under this Agreement;
- (c) it will act in a reasonable and prudent manner in relation to its obligations under this Agreement;
- (d) it will maintain its corporate authority to perform its obligations under this Agreement; and
- (e) it will obtain and maintain all approvals and/or licenses required by it under the laws of Pakistan, to fulfil its obligations under this Agreement.

27.2 The Customer represents and warrants that:

- (a) it has the right, power and authority to enter into and perform its obligations under this Agreement, and it has taken all necessary corporate or other action to authorize the execution of, and performance by it of its obligations, under this Agreement, and this Agreement constitutes valid, binding and enforceable obligations of the Customer;
- (b) it has full, undisputed and clean title to the Customer's LNG;
- (c) the Customer's LNG will not be subject to any dispute or claim (in each case, of whatsoever nature) by any third party.

- (d) it will comply with all applicable laws governing or relating to its performance under this Agreement;
- (e) it will act in a reasonable and prudent manner in relation to its obligations under this Agreement;
- (f) it will maintain its corporate authority to perform its obligations under this Agreement;
- (g) it will obtain and maintain all approvals and/or licenses required by such Party, under the laws of Pakistan, to fulfil its obligations under this Agreement;
- (h) it has legal title to its LNG inventory at all material times during the Term;
- (i) it has kept and maintained adequate facilities for the purposes of performing its obligations under this Agreement; and
- (j) the RLNG delivered to it will be used for the purpose for which it is contracted as per the Invitation and Selection Process.

28. NOTICES

- 28.1 Except as otherwise expressly provided in this Agreement, all notices or other communications which are required or permitted hereunder shall be in writing, shall be addressed for the attention of the persons indicated below and shall be delivered personally or sent by a reputable international courier for express delivery, registered or certified mail or facsimile. The addresses for service of the Parties and their respective facsimile numbers shall be:

If to the Customer:

Address: [Insert]

Attention: [Insert]

Facsimile: [Insert]

If to PLL:

Address: 9th Floor, Petroleum House, G-5, Islamabad

Attention: The Chief Executive Officer

Facsimile: 051-9216904

- 28.2 All notices shall be deemed delivered (a) when presented personally, (b) if received on a Business Day when transmitted by facsimile to the receiving Party's facsimile number specified above, and, if received on a Day that is not a Business Day, on the first Business Day following the date transmitted by facsimile to the receiving Party's facsimile number specified above, (c) two (2) Business Days after being delivered to a reputable international courier for express delivery, addressed to the receiving Party, at the address indicated above (or such other address as such Party may have specified by notice delivered to the delivering Party at its address or facsimile number specified above in accordance herewith) or (d) five (5) Business Days after being deposited in a regularly maintained receptacle for the Postal Service in Pakistan, postage prepaid, registered or certified, return receipt requested, addressed to the receiving Party, at the address indicated above (or such other address as the receiving Party may have specified by notice delivered to the delivering Party at its

address or facsimile number specified above in accordance herewith). Any notice given by facsimile shall be confirmed in writing delivered personally or sent by registered or certified mail, but the failure to so confirm shall not void or invalidate the original notice if it is in fact received by the Party to which it is addressed.

28.3 Either Party may by notice hereunder change the addresses, and or facsimile numbers to which such notices and communications to it are to be delivered or mailed in accordance with the provisions of this Clause.

29. MISCELLANEOUS PROVISIONS

29.1 No Waiver

- (a) No waiver by either PLL or the Customer of any default by the other under this Agreement shall (i) operate or be construed as a waiver of any other, further or future default or defaults, whether of like or different character or nature; or (ii) be effective unless in writing duly executed by a duly authorized representative of such Party.
- (b) Neither the failure by a Party to insist on any occasion upon the performance of any term, condition or provision of this Agreement nor any delay or other indulgence granted by one Party to the other shall act as a waiver of such breach or acceptance of any variation or the relinquishment of any such right or any other right hereunder.

29.2 Severability

The various articles, clauses, paragraphs, provisions and clauses of this Agreement are severable. The invalidity of any portion of this Agreement shall not affect the validity of any other portion of or the entire Agreement

29.3 Amendments

No modification of this Agreement, including any modification of an exhibit hereto, shall be effective unless reduced to writing and duly executed by the Parties hereto.

29.4 Counterparts

This Agreement may be executed in two (2) or more original copies and each such copy may be executed by each of the Parties in separate counterparts, each of which copies when executed and delivered by the Parties, shall constitute an original, but all of which shall together constitute one (1) and the same instrument.

29.5 Successors and Assigns

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

29.6 Relationship of the Parties

This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the Parties or to impose any partnership obligation or liability upon either Party. Neither Party shall have any right, power or authority to enter into any

agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind the other Party.

29.7 **Survival**

Cancellation, expiration or earlier termination of this Agreement shall not relieve the Parties of obligations that, by their nature, should survive such cancellation, expiration or termination, including, without limitation, warranties, remedies, promises of indemnity and confidentiality.

29.8 **Consents and Approvals**

Any consent or approval of PLL or the Customer referred to in this Agreement shall be deemed duly given if signed by the authorized official(s) for the relevant consent or approval; provided, however, that PLL or the Customer may by notice given in accordance with this Agreement, designate a different official or department for the purposes of giving any consent or approval referred to in this Agreement and not yet given.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first above written in accordance with their respective laws.

SIGNED by _____)
)
for and on behalf of **THE CUSTOMER**)

in the presence of:-

Signature of witness:

Name of witness:

Address

Signature of witness:

Name of witness:

Address

SIGNED by _____)
)
for and on behalf of **PLL**)

in the presence of:-

Signature of witness:

Name of witness:

Address

Signature of witness:

Name of witness:

Address

SCHEDULE 1
INVENTORY MANAGEMENT

[The schedule being provided at this stage is only for illustrative purposes, using hypothetical numbers.]

**SCHEDULE 2
DEFINITIONS**

SCHEDULE 3
LNG CARRIER SPECIFICATIONS

SCHEDULE 4

VESSEL ARRIVAL/CARGO DISCHARGE

SCHEDULE 5
MEASUREMENTS OF LNG AND RLNG

SCHEDULE 6
LNG AND RLNG SPECIFICATIONS