

SCHEDULE 2
DEFINITIONS

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

- (a) prevent the 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.

“**Affected Party**” has the meaning given in Clause 22.1.

“**Affiliate**” means, in relation to a Person, any other Person which directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the first Person. For the purposes of this definition "control" means (i) the right to direct the policies or operations of the particular Person; or (ii) the direct or indirect ownership of, in aggregate, fifty per cent (50%) or more of the equity shares or if different the shares carrying a right to vote at a general meeting (or its equivalent) of the particular Person.

“**Agreement**” means this agreement, together with the Schedules attached hereto, as the same may be amended in accordance with the terms hereof.

“**Approved LNG Carrier**” means the LNG Carrier approved by PLL as per Clause 13 and Schedule-3

“**Authorization**” means any consent, permit, license, approval, authorization, registration, notification, concession, acknowledgement, clearance, decision, ruling, filing, resolution, exemption, waiver or similar permission of whatsoever nature required to be obtained by the Operator or the Customer from any Competent Authority for the performance of any of its obligations under this Agreement.

“**Available Inventory**” means the LNG inventory available with PLL in relation to the Terminal.

“**Berthing Slot**” means an entitlement of the Customer on a specific Day to berth (for the purposes of unloading) an Approved LNG Carrier at the LNG Import Facility.

“**Billing Cycle**” has the meaning ascribed to it in Section 20.1.

“**Business Day**” means any Day that is not a Saturday or Sunday or gazetted holiday in Pakistan or a Day on which banking institutions located in Pakistan are legally required or authorized to close.

“**Competent Authority**” means any governmental, judicial, regulatory or administrative authority, including (i) any maritime and other applicable authority of Pakistan (including the State Bank of Pakistan), (ii) any maritime and other applicable authority of the country of the Registry, (iii) any maritime or other applicable international authority including IMO, OCIMF, ISO or SIGTTO (or any successor body of the same) and/or any other international recognized agency, and (iv) any other governmental (including OGRA and the Ministry of Defence), maritime, port (including the Port Qasim Authority), terminal or other applicable authority having jurisdiction over the whole or any component of the Receiving Facilities or any member of the Operator Group or Customer Group, including the Classification Society and the Registry.

“**Custody Transfer Measurement System**” or “**CTMS**” means the custody transfer measurement system located at custody transfer station, Port Qasim.

“**Customer**” means _____.

“**Customer’s Inventory**” means the LNG inventory of the Customer at the Terminal.

“**Customer’s LNG**” means the LNG, in accordance with the requirements of LNG Specifications and LNG Cargo, equal to the LNG Quantity to be procured and supplied by the Customer under this Agreement for the purposes of the LNG Services.

“**Customer’s Retainage**” has the meaning given in Clause 17.4.

“**Day**” means a twenty-four (24) hour period beginning at 00:00 hours on a calendar day and ending immediately before 00:00 hours on the next succeeding calendar day and “**Daily**” shall be construed accordingly.

“**Daily Delivery Capacity**” means the maximum quantity of RLNG (in MMSCFD) that the Customer is entitled (provided it has Available Inventory) to have Delivered to it as per Schedule 1 for a given Day.

“**Delayed Payment Rate**” has the meaning given in Clause 20.3.

“**Delivery**” means the delivery of RLNG by PLL to the Customer at the RLNG Delivery Point in accordance with this Agreement and “**Deliver**” and “**Delivered**” shall be construed accordingly.

“**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.

“**Discharge Port**” means Port Muhammad Bin Qasim in Pakistan.

“**ECC**” means the Economic Coordination Committee of the Cabinet of the Islamic Republic of Pakistan.

“**Effective Date**” has the meaning given in Clause 2.1.

“**Expert**” means the expert appointed in accordance with Clause 26.2.

“**Force Majeure**” has the meaning given in Clause 22.

“**FSRU**” means the LNG vessel with on board regasification equipment, together with the mooring system and LNG transfer connection and including its appurtenances, machinery, equipment and fittings.

“**Independent Surveyor**” means SGS - the independent surveyor company conversant with the measurement, quantification and quality determination of LNG and gas appointed in accordance with this Agreement.

“**International Standards**” mean the standards, practices and guidelines from time to time in force applicable to the ownership, design, equipment, operation or maintenance of LNG vessels including vessels and sea-going barges, platforms and caissons on which LNG regasification facilities are located and berthing facilities, receiving facilities, and pipelines (including cryogenic pipelines), unloading terminals and onshore regasification facilities established by any maritime or other applicable international authority including IMO, OCIMF, ISO or SIGTTO (or any successor body of the same) and/or any other internationally recognized agency, authority or organization with whose standards, practices and guidelines it is customary for international reasonable and prudent owners and/or operators of such vessels or facilities to comply, whether or not having the force of law, and shall include all applicable World Bank Guidelines .

“**Invitation and Selection Process**” means the selection process carried out by PLL pursuant to its invitation to applicants published on September [•], 2021.

“**Law**” means any law, regulation, administrative and judicial provision, constitution, decree, judgment, legislation, order, ordinance, regulation, code, directive, statute, treaty, convention or other legislative measure, in each case of any Competent Authority from time to time in force, which is legally binding on a Party (and "lawful" and "unlawful" shall be construed accordingly).

“**LNG**” means liquefied natural gas.

“**LNG Cargo**” means the cargo of the Customer’s LNG, ranging between 10,000 m³ and 140,000 m³, which shall be finalized by the Customer and become binding on the Parties at the time of execution of Schedule 1, to be transported in the LNG Carrier from the Loading Port to the Receiving Facilities by the Customer through an Approved LNG Carrier.

“LNG Carrier” means an ocean-going vessel, which shall be separate from PLL’s cargoes, suitable for transporting LNG cargoes that is nominated by the Customer, and approved by PLL, used by the Customer to transport LNG to the LNG Import Facility.

“LNG Heel” means the quantity of LNG to be retained by the FSRU for continuity of FSRU operations.

“LNG Import Facility” means the FSRU, and the Unloading Facilities, and which may, where applicable, include additions and modifications thereto that may be required to deliver the LNG Services, and references in this Agreement to any component of the LNG Import Facility shall mean either of them, as applicable.

“LNG Inventory” means the minimum quantity of LNG, expressed in cubic meters, determined by PLL, that is required to maintain the LNG Import Facility, LNG storage tanks and equipment in a sufficiently cold state so as to be able at all times to provide the relevant LNG Services or receive LNG without incurring delays or overstressing the fabric of the LNG Import Facility.

“LNG Quantity” means the estimated quantity in MMBTU of LNG, which shall be contingent on the LNG Cargo size to be supplied by the Customer during the Term and communicated by the Customer at the time of finalization, and in any event, before execution of Schedule 1.

“LNG Services” has the meaning given to the term in Clause 3.

“LNG Services Price” has the meaning given to the term in Clause 5.

“LNG Specifications” has the meaning given to the term in Clause 14.1.

“Loading Port” means the loading port or other port where an LNG Carrier’s laden voyage to Port Qasim commences.

“Month” means a calendar month according to the Gregorian calendar, beginning at 12:00 midnight PST on the Day before the first Day of that month and ending at 12:00 midnight PST on the last Day of that month.

“OGRA” means the Oil and Gas Regulatory Authority of the Government of Pakistan, or any successor or replacement thereof.

“Parties” means the parties to this Agreement.

“Person” means any individual, firm, sole proprietorship, corporation, joint stock company, limited liability company, trust, partnership, voluntary association, joint venture, unincorporated organization, institution, Competent Authority or any other legal entity.

“PLL’s Inventory” means PLL’s LNG inventory.

“Port Authority” means the Port Qasim Authority.

“Price Differential” has the meaning given to the term in Clause 9.6.

"Quantity Delivered" means the total net LNG, expressed in MMBtu and m³, actually delivered by the Customer from the LNG Cargo (subject to operational tolerance of +/- 5%), and taken by PLL at the Receiving Facilities, as determined in accordance with Schedule 5 (LNG Measurement, Sampling and Testing).

"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 PLL and whether operated directly by PLL or by any Terminal operator.

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

“RLNG Delivery Point” means, the custody transfer station at Port Qasim where the pipeline of Terminal connects with the SSGC pipeline network.

“RLNG Price” means the OGRA determined price for the sale of RLNG by PLL.

“RLNG Specifications” has the meaning given to the term in Clause 14.2.

“SBLC” means an irrevocable and unconditional standby letter of credit to be provided by the Customer to PLL, which shall be:

- a) from a bank or financial institution acceptable to PLL,
- b) in a form acceptable to PLL, and
- c) valid for the Term.

“Security Deposit” means, collectively:

- a) an SBLC, equal to the RLNG Price for ten percent (10%) of the LNG Quantity,
- b) an SBLC or an advance amount deposited by the Customer in PLL’s designated bank account, equivalent to the value of RLNG, calculated at RLNG Price, expected to be delivered to the Customer prior to the delivery of Customer’s LNG and which is not regasified Customer’s LNG, as agreed under Schedule 1, and
- c) an SBLC or an advance amount deposited by the Customer in PLL’s designated bank account, equal to the LNG Services Price in a Billing Cycle.

“Scheduled Cargo Quantity” means, with respect to each LNG cargo, the Customer’s reasonable estimate of the quantity of LNG (in m3 and in MMBTU), excluding the LNG heel of the LNG Carrier, expected to be unloaded at the Receiving Facilities.

“Scheduled Unloading Date” means the date assigned per Schedule 1.

“SNGPL” means Sui Northern Gas Pipelines Limited.

“SSGC” means Sui Southern Gas Company.

“Taxes” means all customs, taxes, royalties, excises, fees, duties, levies, sales and use taxes (including Sales Tax), charges and all other assessments, which may now or hereafter be enacted, levied or imposed, directly or indirectly, by a Competent Authority.

“Term” has the meaning given to the term in Clause 2.1.

“Terminal” means the terminal contracted by PLL under the TURA.

“Terminal Rules” means all the rules and regulations applicable to the delivery of LNG at Port Qasim Port, applicable on the Receiving Facilities, either issued by the Terminal Operator or by any Competent Authority, including the Operating Manual and the Port Authority Regulations.

“Total Nomination” means the total quantity of RLNG nominated to be discharged by PLL at the RLNG Discharge Point in relation to all users of the Terminal for a relevant Day as per Schedule 1 (Inventory Management).

“Total RLNG Send Out” means the actual total quantity of RLNG discharged by PLL at the RLNG Discharge Point in relation to all users of the Terminal for a relevant Day as per Schedule 1 (Inventory Management).

“TURA” has the meaning given to the term in the Recitals.

Interpretation

In this Agreement, unless otherwise specified:

- (a) the index, headings and captions in this Agreement are inserted for convenience only and shall be ignored in construing and interpreting this Agreement.
- (b) except where the context otherwise requires, words denoting the singular include the plural and vice versa and a reference to any gender includes the others.
- (c) where the terms "includes", "including" and “in particular” are used in this Agreement they shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words.

- (d) the Schedules attached hereto are hereby incorporated by reference and are an integral part of this Agreement.
- (e) in the event of any discrepancy, ambiguity or inconsistency between or among this Agreement and its Schedules, the Clauses of this Agreement shall prevail over the Schedules.
- (f) this Agreement together with its Schedules has been executed in the English language, which shall be regarded as the authoritative and official text.
- (g) a reference in this Agreement to any Clause, paragraph or Schedule is respectively, except where it is expressly stated to the contrary, a reference to such Clause or paragraph of this Agreement and to the Schedules hereto.
- (h) a reference to writing includes typewriting, printing, lithography, photography and any other mode of representing or reproducing words, figures or symbols in a lasting and visible form.
- (i) words not otherwise defined herein which have well-known and generally accepted technical or trade meanings are used herein in accordance with such meaning.
- (j) any reference to this Agreement or to any contract, document or other instrument shall include (subject to any relevant Authorizations and any other provisions of this Agreement expressly concerning such contract, document or other instrument) a reference to that contract, document or other instrument as amended, supplemented, modified, substituted, revised, replaced, novated, restated, transferred or assigned.
- (k) any reference in this Agreement to any Person, whether or not a Party, includes their successors and permitted assignees or transferees and vice versa and, in the case of any Competent Authority, any Person or entity succeeding to its functions and capacities.
- (l) references to any Law shall, unless the context otherwise requires, be construed as including references to any subsequent Law directly or indirectly amending, consolidating, extending, replacing or re-enacting the same, and will include any orders, regulations, instruments, or other subordinate legislation made under the relevant Law.
- (m) the terms "hereof", "herein", "hereby", "hereto" and similar words refer to the entire Agreement and not to any particular Clause or paragraph or any other subdivision of this Agreement.
- (n) in the computation of periods of time from a specified Day to a later specified Day, the word "from" means "from but excluding" and the words "until" and "to" mean "to and including".

- (o) any provision or stipulation that an action may or shall be taken within a specified number of Days shall mean that such action may or shall be taken within the number so specified starting at 00:00 hours on the Day on which the right or obligation to take such action arose.
- (p) all dates and periods of time shall be based on, and computed according to, the Gregorian calendar.
- (q) all references to time in this Agreement shall be references to Pakistan Standard Time or PST except where otherwise stated and, where applicable, to a twenty-four (24) hour clock.
- (r) any reference to "transfer" means a transfer or disposal for a cash consideration or non-cash consideration or as part of a swap or barter deal.
- (s) wherever in this Agreement there is a reference to the calculation or accrual of interest, interest shall accrue from Day to Day and be calculated on the basis of a three hundred and sixty (360) Day year.
- (t) where there is a requirement to comply with National Standards and International Standards, the standard imposing more onerous obligations shall apply, unless to do so would be in breach of an applicable Law.

Technical Interpretation

In this Agreement, the technical terms and expressions set out below shall, unless the context otherwise requires, have the meanings assigned to them herein:

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

“**British Thermal Unit**” or “**BTU**” means the amount of heat required to raise the temperature of one (1) avoirdupois pound of pure water from fifty-nine (59.0) degrees Fahrenheit to sixty (60.0) degrees Fahrenheit at an absolute pressure of fourteen decimal six nine six (14.696) pounds per square inch.

“**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.

“**Gross Heating Value (Mass Based)**” 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 Based) shall be expressed in BTU per kilogram.

“Gross Heating Value (Volume Based)” 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 at which the reaction takes place P1 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 (Volume Based) shall be expressed in Megajoules per Standard Cubic Foot.

“Joule” has the meaning given in ISO 1000-1981(E);

“kilogram” has the meaning given in ISO 1000-1981(E);

“Megajoule” means one million (1,000,000) Joules;

“MMBTU” means one million (1,000,000) BTU;

“MMSCF” means one million (1,000,000) SCF;

“MMSCFD” means one MMSCF per Day, such that any quantity expressed in MMSCFD in relation to a Day may also be expressed in MMSCF;

“MTPA” means one million (1,000,000) tonnes per annum;

“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;

“Standard Cubic Foot” or **“SCF”** means the quantity of gas which at sixty degrees Fahrenheit (60⁰F) and at an absolute pressure of fourteen decimal seven three (14.73) pound per square inch (psi) and when free of water vapour occupies the volume of one (1) cubic foot;

“TBTU” means one million (1,000,000) MMBTU; and

“Wobbe Index” means when applied to gas, the calorific value divided by the square root of the Relative Density.