

**OPERATING MARGINS SERVICES AGREEMENT
FROM GRAIN LNG IMPORTATION TERMINAL**

BETWEEN

NATIONAL GRID GAS PLC

AND

THE PERSON IDENTIFIED IN PARAGRAPH 1 OF SCHEDULE 1

nationalgrid

**National Grid Legal
National Grid House
Warwick Technology Park
Gallows Hill
Warwick CV34 6DA
T: 01926 653000
F: 01926 655630**

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THIS AGREEMENT is made the _____ day

BETWEEN:

- (1) **National Grid Gas plc**, (Registered No.2006000) whose registered office is at 1-3 Strand, London WC2N 5EH ("**NGG**"); and
- (2) The person identified in paragraph 1 of Schedule 1 (the "**Contracting Shipper**").

WHEREAS:

- (A) NGG is the operator of the NGG System, and requires the Service from the Terminal in order to support its operation of the NGG System; and
- (B) The Contracting Shipper has entered into a Shipper GLNG Contract to allow it to utilise the Terminal, and the Contracting Shipper is willing to provide the Service to NGG, all in accordance with the terms and conditions of this Agreement.

NOW IT IS HEREBY AGREED

1. Definitions and Interpretation

- 1.1 Except as is otherwise expressly provided herein or unless the context otherwise requires, the terms defined in this Clause shall have the following meanings and derivative expressions shall be construed accordingly:

"**AELD**" has the meaning given in Clause 7.6(a)(i);

"**Affected Party**" has the meaning given in Clause 16.1;

"**Affiliate**" means, in respect of any person (the relevant person), another person that directly or indirectly controls or is controlled by the relevant person or is, together with the relevant person, under the common control of another person, for which purpose control shall mean beneficial ownership of fifty per cent (50%) or more of the voting shares of a company or other entity or of the equivalent rights to determine the decisions of such a company or other entity;

"**Agreement**" means this agreement and the appendices attached hereto;

"**Actual Boil-Off**" means an amount of LNG in respect of each Day calculated as follows:

$$\text{AcBO} = (\text{AcDBO} * (\text{SSC} / \text{TSC}))$$

where:

AcBO is the Actual Boil-Off;

AcDBO is an amount determined as the Daily LNG Boil-Off Quantity for such Day;

SSC is the Storage Capacity held by the Contracting Shipper and any Deriving Shipper for the Day in question;

TSC is the Storage Capacity held by all Shippers for the Day in question;

"**Anticipated Boil-Off**" means (a) where the NGG Available Quantity is zero or less, an amount of LNG-in-store of zero and (b), where the NGG Available Quantity is greater than zero, an amount of LNG calculated as follows:

$$\text{ABO} = (\text{ADBO} * (\text{SSC} / \text{TSC}) * \text{ND})$$

where:

ABO is the Anticipated Boil-Off;

ADBO is an amount determined as follows:

- (a) in respect of the period from the Start Date until the first Day of the next occurring month, the amount (in GWh per Day) specified in paragraph 2 of Schedule 1; and
- (b) in respect of each subsequent month, the sum of the Daily LNG Boil-Off Quantities for each Day in the preceding month (other than any Day when an LNG Tanker was unloading at the Terminal for more than sixty (60) minutes), divided by the number of Days in the preceding month Day (other than any Day when an LNG Tanker was unloading at the Terminal for more than sixty (60) minutes). In the absence of any such Days in the preceding month, the ADBO from the previous month should apply;

SSC is the average Storage Capacity held by the Contracting Shipper and any Deriving Shipper during the month in question;

TSC is the average Storage Capacity held by all Shippers during the month in question; and

ND is the number of Days from the Day in question until the next planned unloading of an LNG Tanker on behalf of the Contracting Shipper or any Deriving Shipper, as such planned date is notified to NGG by the Contracting Shipper at the time of each previous unloading of an LNG Tanker on behalf of the Contracting Shipper or any Deriving Shipper or (in the absence of such a notification) as such date is set out in the last programme of LNG Tanker unloading dates made available by the Contracting Shipper to NGG or GLNG;

“Assignor” has the meaning given in Clause 12.7;

“Available Delivery Capacity” means the Initial Delivery Capacity plus any additional Delivery Capacity held by the Contracting Shipper and/or any Deriving Shipper;

“Available LNG-in-store” means the amount of a Shipper’s LNG-in-store minus its Minimum Inventory;

“Base Interest Rate” means the rate of interest, expressed as a percentage rate per annum, determined as LIBOR plus one (1) percentage point per annum;

“Base Specification” has the meaning given in the GTCs;

“Berthing Slot” means an entitlement, under a Shipper GLNG Contract, on a specific occasion to berth and unload an LNG Tanker at the Terminal;

“Blend Gas” means the amount of LNG (if any) that the GLNG requires to flow from the Terminal immediately prior to, and during the initial stages of, the unloading of an LNG Tanker (prior to any LNG-in-store being allocated to the relevant Shipper as a result of such unloading) to ensure that the boil-off generated by such unloading can be delivered to the relevant System Entry Point(s);

“Business Day” means any day starting at 00:00 hours being a day, other than Saturday, Sunday, any public holidays in England, and any other day on which banks in England are closed for business;

“Change in Law” means:

- (a) the enactment, commencement, adoption, promulgation, making or imposition of any Legal Requirement or (irrespective of whether having legal force) International Standard; or
- (b) the amendment, modification, re-enactment or repeal, or change in interpretation or in application, of any Legal Requirement or (irrespective of whether having legal force) International Standard

which either occurs after the date of this Agreement and was not (before such date) foreseeable with reasonable certainty by reason of a formal announcement or by the Government or other relevant Competent Authority;

“Charges” means the Service Fee, the Excess Delivery Charge and the Delivery Charge;

“Competent Authority” means any court of competent jurisdiction and any local, national or supra national agency, authority, inspectorate, minister, ministry, official or public or statutory person (whether autonomous or not) of, or of the government of, the United Kingdom or of the European Union, including, for the avoidance of doubt, the Gas and Electricity Markets Authority;

“Confidential Information” has the meaning given in Clause 15.1;

“Contracting Shipper’s Shipper GLNG Contract” means the Shipper GLNG Contract entered into between the Contracting Shipper and GLNG (as amended, supplemented, assigned or novated from time to time);

“Consent” means any consent, permit, licence, approval, authorisation, registration, notification, concession, acknowledgement, clearance, decision, waiver or similar thing required to be obtained by NGG or the Contracting Shipper from any Competent Authority for the performance of any of its obligations under this Agreement;

“Daily LNG Boil-Off Quantity” has the meaning given in the Contracting Shipper’s Shipper GLNG Contract;

“day” means a day commencing at 00:00 hours and ending at 24:00 hours;

“Day” means the period from 06:00 hours on one day until 06:00 hours on the following day;

“Default” has the meaning given in Clause 22.3;

“Default Interest Rate” means the rate of interest, expressed as a percentage rate per annum, determined as LIBOR plus three (3) percentage points per annum;

“Defaulting Party” has the meaning given in Clause 19.2;

“Delivery Capacity” means capacity, in GWh/Day, held pursuant to a Shipper GLNG Contract which entitles a Shipper (provided it has Available LNG-in-store) to have gas delivered from the Terminal at the Gas Delivery Point;

“Delivery Charge” means a charge calculated in accordance with Clause 10.1(c);

“Deriving Shipper” means any Shipper which has acquired, whether directly or indirectly from the Contracting Shipper, Storage Capacity or Delivery Capacity that was originally allocated to the Contracting Shipper pursuant to the Contracting Shipper’s Shipper GLNG Contract;

“Directive” means any present or future directive, request, requirement, instruction, condition or limitation in any necessary Consent, or direction or rule of any Competent Authority, (but, if not having the force of law, only if compliance therewith is customary for the person to whom it is addressed) and includes any modification, extension or replacement thereof then in force;

“**dispute**” has the meaning given in Clause 20.1;

“**Effective Delivery Rate**” means:

(a) in the case of a NGG Nomination submitted prior to the Initial Nomination Deadline:

$QN / 24$

(b) in the case of a Renomination submitted where no NGG Nomination was previously submitted for the Day:

QN / H

(c) in the case of any other Renomination:

$IWR_P + ((QN - QN_P) / H)$

where:

QN is the Nomination Quantity under the NGG Nomination or Renomination;

H is the number of hours from the effective time of the Renomination to the end of the Day;

IWR_P is the Effective Delivery Rate under the NGG Nomination prevailing immediately before the effective time;

QN_P is the Nomination Quantity under the NGG Nomination prevailing immediately before the effective time;

Provided always that the Effective Delivery Rate shall never be less than zero.

“**End Date**” means the date specified in paragraph 4.2 of Schedule 1

“**Entry Close-out Date**” has the meaning given in the Network Code;

“**Excess Delivery Charge**” means a charge calculated in accordance with Clause 10.1(b);

“**Excess Gas**” has the meaning given in Clause 13.7;

“**Exit Zone**” has the meaning given in the Network Code;

“**Expert**” means an individual appointed as Expert in accordance with Clause 20;

“**Firm NTS Entry Capacity**” has the meaning given in the Network Code;

“**Force Majeure**” has the meaning given in Clause 16.1;

“**gas**” or “**natural gas**” means any hydrocarbon or mixture of hydrocarbons consisting essentially of methane, other hydrocarbons and non-combustible gases in a gaseous state and which is extracted from the subsurface of the earth in its natural state, separately or together with liquid hydrocarbons; and unless the context otherwise requires a reference to gas is to gas resulting from the regasification or boil-off of LNG in the Terminal;

“**Gas Delivery Point**” means the System Entry Point(s) at which the Terminal is connected to the NGG System;

“**Gas Entry Conditions**” means the limits or other requirements as to the composition, pressure, temperature and other characteristics of gas delivered or tendered for delivery to the

NGG System at the Gas Delivery Point, as from time to time prescribed in the applicable Network Entry Agreement;

“**GLNG**” means National Grid Grain LNG Limited (company number 04463679), acting in its capacity as operator of the Terminal, and any successor or assignee;

“**GTCs**” has the meaning given in Clause 25.1;

“**GWh**” means a GigaWatt hour or one million (1,000,000) kWh;

“**Heren Index**” means “The Heren Report European Spot Gas Markets Price Assessment”;

“**Initial Delivery Capacity**” means the Delivery Capacity initially allocated to the Contracting Shipper pursuant to the Contracting Shipper’s Shipper GLNG Contract, being the amount (in GWh/Day) specified in paragraph 3 of Schedule 1;

“**Initial Hourly Delivery Capacity**” means the Initial Delivery Capacity divided by twenty four (24);

“**Initial Nomination Deadline**” has the meaning given in Clause 9.1;

“**International Standard**” means the standards and practices from time to time in force applicable to the ownership, design, equipment, operation or maintenance of LNG tankers or unloading terminals established by the International Maritime Organisation, the Oil Companies International Marine Forum (OCIMF) or Society of International Gas Tankers and Terminal Operators (SIGTTO) (or any successor body of the same); and/or any other internationally recognised agency or organisation with whose standards and practices it is customary for international operators of such tankers or terminals to comply;

“**Invoice Due Date**” has the meaning given in Clause 10.6;

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

“**kWh**” means a kiloWatt hour or three million six hundred thousand (3,600,000) Joules;

“**Legal Requirement**” means any legislation, licence or Directive;

“**Letter of Credit**” means an unconditional irrevocable standby letter of credit in a form acceptable to GLNG;

“**LIBOR**” means, in respect of any day, the offered rate per annum quoted by Barclays Bank PLC London to prime banks in the London Interbank Market at 11:00 hours for a deposit of a principal sum equivalent to the sum in question for a period commencing on such day and ending one month later, provided that if the said rate is not quoted on any day, the rate last quoted shall be used. If Barclays Bank PLC ceases to quote a rate, reference shall be made to another clearing bank as agreed by NGG and the Contracting Shipper;

“**Localised Transportation Deficit**” has the meaning given in the Network Code;

“**LNG**” means natural gas in a liquid state at or below its boiling point and at or near atmospheric pressure;

“**LNG Boil-Off**” means gas which boils off from LNG in the Terminal (whether during unloading or while in LNG storage), excluding such gas returned (by vapour return line(s)) to an LNG Tanker during unloading;

“**LNG-in-store**” has the meaning given in the relevant Shipper GLNG Contract;

“**LNG Tanker**” means an ocean-going LNG vessel;

“Lost Service Compensation” means compensation payable by the Contracting Shipper to NGG in respect of a reduction of levels of Service in accordance with Clause 7;

“Market Balancing Buy Action” has the meaning given in the Network Code;

“Minimum Delivery” means an amount in respect of LNG Boil-Off determined as such in accordance with a Shipper GLNG Contract;

“Minimum Inventory” means the quantity (in cubic metres (m³)) of LNG specified as such or determined as such in accordance with a Shipper GLNG Contract;

“Network Code” means the network code published by NGG pursuant to its gas transporter’s licence, as such network code is modified and amended from time to time;

“Network Entry Agreement” means the Network Entry Agreement entered into, or to be entered into, by GLNG and NGG and relating to the Gas Delivery Point, as amended from time to time;

“NGG Available Quantity” has the meaning given in Clause 4.2;

“NGG Licence” means the gas transporter’s licence granted, or treated as granted, to NGG pursuant to section 7(2) of the Gas Act 1986;

“NGG Nomination” means a notification made by NGG pursuant to Clause 9 of any requirement for delivery of gas to NGG by the Contracting Shipper at the Gas Delivery Point;

“NGG Service Quantity” has the meaning given in Clause 4.1;

“NGG System” means the national transmission system operated by NGG, the conveyance of gas through which is authorised by the gas transporter’s licence issued to NGG;

“Nomination Quantity” has the meaning give in Clause 9.1;

“Non-Compliant Gas” means gas which does not comply with the Gas Entry Conditions;

“Non-Defaulting Party” has the meaning given in Clause 19.3;

“notice” has the meaning given in Clause 21.1;

“Party” means either NGG or the Contracting Shipper as a party to this Agreement, and **“Parties”** shall be construed accordingly;

“person” means any individual, corporation, partnership, trust, unincorporated organisation or other legal entity;

“Planned Works” means any such works in relation to the Terminal as are referred to in Clause 8.1;

“Planned Works Period” means any period during which Planned Works are to be carried out as shown in the prevailing Planned Works Statement;

“Planned Works Statement” means the statement of Planned Works issued by GLNG to the Contracting Shipper in accordance with the Contracting Shipper’s Shipper GLNG Contract, as such statement is from time to time revised in accordance with the provisions of the Contracting Shipper’s Shipper GLNG Contract;

“pounds sterling” or **“£”** means the currency of the United Kingdom of Great Britain and Northern Ireland;

"Reallocation Notice" has the meaning given in Clause 6.13;

"Reallocation Quantity" has the meaning given in Clause 6.13;

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

"Relevant LNG Tanker" means an LNG Tanker which has been or is to be unloaded at the Terminal by or on behalf of the Contracting Shipper or any Deriving Shipper;

"Renomination" means a NGG Nomination submitted after the Initial Nomination Deadline, either to revise a NGG Nomination already submitted or as the first NGG Nomination submitted by NGG for the Day;

"Required Credit Rating" has the meaning given in Clause 11.1;

"Security Document" has the meaning given in Clause 11.1;

"Security Provider" has the meaning given in Clause 11.1;

"Service" means the holding of LNG-in-store and the delivery of gas to NGG at the Gas Delivery Point, as more specifically detailed in this Agreement;

"Service Fee" means a fee calculated in accordance with Clause 10.1(a);

"service reduction notice" has the meaning given in Clause 7.1;

"Service Transfer" means a transfer from one Shipper to another of Storage Capacity and/or Delivery Capacity and/or a transfer in respect of LNG-in-store in accordance with the provisions of the relevant Shipper GLNG Contract;

"Service Year" means a calendar year starting on Day 1 January and ending on Day 31 December;

"Service Year Delivery Cap" means a quantity of gas equal to three (3) times the highest NGG Service Quantity for any month in the relevant Service Year;

"Shipper" means any person (other than NGG) with whom GLNG has entered into a Shipper GLNG Contract which remains for the time being in force, and shall (for the avoidance of doubt) include the Contracting Shipper;

"Shipper GLNG Contract" means a contract entered into between a person and GLNG, pursuant to which such person is entitled to utilise the Terminal for the unloading and storage of LNG and the delivery of gas;

"STA" has the meaning given in Clause 25.1;

"Start Date" means the date specified in paragraph 4.1 of Schedule 1;

"Storage Capacity" means capacity, in cubic metres (m³), held pursuant to a Shipper GLNG Contract which entitles a Shipper to unload LNG from an LNG Tanker into, and to hold LNG-in-store in, the Terminal;

"System Average Price" has the meaning given in the Network Code;

“**System Entry Capacity Charges**” means the volume weighted average of price paid for all Firm NTS Entry Capacity booked in respect of the System Entry Point at the Gas Delivery Point for Day or Days in question;

“**System Entry Point**” has the meaning given in the Network Code;

“**System Marginal Buy Price**” has the meaning given in the Network Code;

“**Terminal**” means the LNG receiving terminal owned and operated by GLNG and situated at the Isle of Grain, Kent; and

“**Transportation Constraint**” has the meaning given in the Network Code;

“**User**” has the meaning given in the Network Code.

1.2 In this Agreement, unless otherwise specified:

- (a) in the case of conflict between anything in the main body of this Agreement and anything in an Appendix or attachment hereto, the provisions of the main body of this Agreement shall prevail;
- (b) in the computation of periods of time from a specified day to a later specified day, **from** means "from and including" and **until** or **to** means "to and including";
- (c) all dates and periods of time shall be determined by reference to the Gregorian calendar; and times of day are times of day in England;
- (d) **include, including** and **in particular** shall not be construed as being by way of limitation, illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words;
- (e) references to a **Party**, the **Contracting Shipper** or **NGG** shall include its or their successors or permitted assignees;
- (f) the index and headings are for ease of reference only and shall not be taken into account in construing this Agreement;
- (g) references to this Agreement or any other documents shall be construed as references to this Agreement or that other document as amended, varied, novated, supplemented, or replaced from time to time;
- (h) references to the date of this Agreement are to the date of execution of this Agreement, unless otherwise provided in this Agreement;
- (i) the expression **this Clause** shall, unless followed by reference to a specific provision, refer to the whole clause (not merely the sub-clause, paragraph or other provision) in which the expression occurs;
- (j) references to Clauses are to clauses of this Agreement;
- (k) references to **legislation** include any statute, bye-law, regulation, rule, subordinate or delegated legislation or order; and reference to any **legislation** is to such legislation as amended, modified or consolidated from time to time, and to any legislation replacing it or made under it, save insofar as any such amendment, modification, consolidation or replacement made after the date of this Agreement would impose any increased or new liability on any Party or otherwise adversely affect the rights of any Party;
- (l) references to a **person** (or to a word importing a person) shall be construed so as to include that person's successors in title and assigns or transferees;

- (m) reference to any gender includes the others; and words in the singular include the plural and vice versa; and
- (n) where a word or expression is defined, cognate words and expressions shall be construed accordingly.

1.3 In this Agreement, unless otherwise specified:

- (a) references to Storage Capacity or Delivery Capacity of a Deriving Shipper are only to the Storage Capacity or Delivery Capacity originally held by the Contracting Shipper pursuant to the Contracting Shipper's Shipper GLNG Contract; and
- (b) references to Available LNG-in-store of a Deriving Shipper are to an amount not exceeding the Storage Capacity originally held by the Contracting Shipper pursuant to the Contracting Shipper's Shipper GLNG Contract.

2. Object of this Agreement: The Service

2.1 The Contracting Shipper will provide the Service to NGG in accordance with the terms and conditions of this Agreement. In providing the Service, the Contracting Shipper shall not knowingly or recklessly pursue any course of conduct (either alone or with some other person) which is likely to prejudice -

- (a) the safe and efficient operation, from day to day, by NGG of its pipe-line system;
- (b) the safe, economic and efficient balancing by NGG of its system; or
- (c) the due functioning of the arrangements provided for in its Network Code.

2.2 In consideration of the Contracting Shipper providing the Service to NGG, NGG will pay the Service Fee to the Contracting Shipper in accordance with the terms and conditions of this Agreement.

3. Duration and Non-Exclusivity

3.1 The provisions of Clauses 1, 3 and 11 to 31 (inclusive) shall be effective as and from the date of execution hereof. The provisions of all other Clauses of this Agreement shall be effective as and from the Start Date.

3.2 This Agreement shall remain in full force and effect until the End Date, unless terminated earlier in accordance with Clause 19.

3.3 This Agreement shall be non-exclusive and NGG shall be entitled to procure similar or alternative services from other parties.

4. NGG Quantities

4.1 The amount (in GWh) of LNG (the "**NGG Service Quantity**") for every Day in each month in the period from the Start Date until the End Date, which NGG requires to be subject to the Service, is as set out in Schedule 2: provided that the amount specified in respect of a Day shall be the same as that specified in respect of each other day in the same month.

4.2 For the purposes of this Agreement, the "**NGG Available Quantity**" shall (subject to Clauses 4.3 to 4.6) be equal to the NGG Service Quantity.

4.3 Following the delivery of gas pursuant to a NGG Nomination, the NGG Available Quantity on the Day following such delivery, and on each subsequent Day until the next delivery pursuant to a NGG Nomination or the next unloading of a Relevant LNG Tanker (whichever is the earlier), shall (subject to Clause 4.6) be equal to the lesser of:

- (a) the NGG Service Quantity applicable to that Day;
 - (b) where the Contracting Shipper was immediately before the delivery of gas in compliance with the provisions of Clause 5.1, the aggregate Available LNG-in-store on that Day of the Contracting Shipper and any Deriving Shipper minus Anticipated Boil-Off; and
 - (c) where the Contracting Shipper was immediately before the delivery of gas in breach of the provisions of Clause 5.1, the NGG Available Quantity applicable immediately before such delivery less the quantity of gas delivered to NGG pursuant to the NGG Nomination.
- 4.4 Subject to Clause 4.6, where the NGG Available Quantity is less than the NGG Service Quantity as a result of Clause 4.3(b), then the NGG Available Quantity shall be equal to the NGG Service Quantity immediately after the next unloading of an LNG Tanker by the Contracting Shipper or any Deriving Shipper; provided that where the quantity of LNG unloaded from such an LNG Tanker is less than the difference between the NGG Service Quantity and the NGG Available Quantity immediately before such unloading, then the NGG Available Quantity immediately after the unloading of such an LNG Tanker shall be equal to the sum of the NGG Available Quantity immediately before the unloading of such an LNG Tanker plus the quantity of LNG so unloaded.
- 4.5 Subject to Clause 4.6, the Contracting Shipper shall (if necessary) procure the unloading of an LNG Tanker by the Contracting Shipper and/or a Deriving Shipper during September to ensure that (as at 1 October in that Service Year) the aggregate Available LNG-in-store is equal to or greater than the NGG Service Quantity for October in that Service Year plus Anticipated Boil-Off. The Contracting Shipper shall be deemed to have complied with this Clause 4.5 where the aggregate Available LNG-in-store on 1 October in that Service Year would have been equal to or greater than the NGG Service Quantity for October in that Service Year plus Anticipated Boil-Off but for any deliveries of gas to NGG between the date of unloading of the last LNG Tanker by the Contracting Shipper and/or a Deriving Shipper during September and the end of the Day which commences on 30 September.
- 4.6 Where the aggregate of all Nomination Quantities in a Service Year exceeds the Service Year Delivery Cap, then the provisions of Clauses 4.3, 4.4 and 4.5 shall cease to apply and the NGG Available Quantity for the remainder of such Service Year shall be deemed to be zero. At the commencement of the following Service Year, the NGG Available Quantity shall be calculated in accordance with Clause 4.3 as if a delivery of gas had been made to NGG immediately prior to the start of such Service Year.

5. LNG-in-store

- 5.1 The Contracting Shipper shall procure that, as at the Start Date and for each Day in which this Agreement is in force, the aggregate Available LNG-in-store of the Contracting Shipper and the Deriving Shippers is equal to or greater than amount equal to the sum of:
- (a) the NGG Available Quantity; plus
 - (b) Anticipated Boil-Off; plus
 - (c) the amount Blend Gas required for the next unloading of an LNG Tanker by the Contracting Shipper or a Deriving Shipper.

For the avoidance of doubt, the Contracting Shipper shall not be in breach of this Clause 5.1 in the event that Actual Boil-Off exceeds Anticipated Boil-Off provided that the next planned unloading of an LNG Tanker on behalf of the Contracting Shipper or any Deriving Shipper occurs on the date notified to NGG by the Contracting Shipper at the time of the previous unloading of an LNG Tanker on behalf of the Contracting Shipper or any Deriving Shipper or (in the absence of such a notification) as such date is set out in the last programme of LNG Tanker unloading dates made available by the Contracting Shipper to NGG (in either case the “**Next Planned Unloading Date**”). In the event that the next planned unloading of an LNG Tanker on

behalf of the Contracting Shipper or any Deriving Shipper does not occur on the Next Planned Unloading Date, then Anticipated Boil-Off shall be deemed to be equal to Actual Boil-Off for each Day from the Next Planned Unloading Date until the next date of actual unloading of an LNG Tanker on behalf of the Contracting Shipper or any Deriving Shipper.

- 5.2 Without prejudice to any rights of NGG or liabilities of the Contracting Shipper, in the event that the aggregate Available LNG-in-store of the Contracting Shipper and the Deriving Shippers is less than the NGG Available Quantity plus Anticipated Boil-Off, then the Contracting Shipper shall take such steps as it may deem necessary to ensure compliance with Clause 5.1.
- 5.3 Without prejudice to any other rights of NGG or liabilities of the Contracting Shipper, NGG shall be entitled to instruct GLNG to reject any nomination or renomination for the delivery of gas submitted by the Contracting Shipper to GLNG pursuant to the Contracting Shipper's Shipper GLNG Contract which would result in the aggregate Available LNG-in-store of the Contracting Shipper and the Deriving Shippers being less than the NGG Available Quantity plus Anticipated Boil-Off. The Contracting Shipper confirms and agrees that GLNG shall have no liability to the Contracting Shipper pursuant to the Contracting Shipper's Shipper GLNG Contract in the event that GLNG complies with an instruction of NGG pursuant to this Clause 5.3.

6. Delivery of Gas

- 6.1 NGG is entitled, by submitting a NGG Nomination in accordance with Clause 9, to require the Contracting Shipper to deliver gas (not exceeding the NGG Available Quantity) to NGG at the Gas Delivery Point. The Contracting Shipper shall procure that it, and any Deriving Shipper, is at all times able to comply with its obligations to deliver gas to NGG pursuant to this Clause 6.
- 6.2 Title and risk in gas delivered by the Contracting Shipper to NGG pursuant to the Service shall pass to NGG at the Gas Delivery Point.
- 6.3 NGG will pay the Contracting Shipper the Delivery Charge in respect of the gas delivered to NGG pursuant to a NGG Nomination.
- 6.4 All gas delivered to NGG pursuant to a NGG Nomination shall comply with the Gas Entry Conditions. If the Contracting Shipper delivers Non-Compliant Gas to NGG, NGG may at its option:
- (a) accept or continue to accept delivery of such Non-Compliant Gas (and NGG's rights under Clause 6.5 shall not be prejudiced by its election to accept delivery of Non-Compliant Gas (whether or not NGG is aware that such gas is Non-Compliant Gas)); or
 - (b) give notice to the Contracting Shipper requiring the Contracting Shipper to procure the discontinuance of the delivery of such Non-Compliant Gas as soon as safely practicable.
- 6.5 To the extent that the Contracting Shipper delivers Non-Compliant Gas to NGG, the Contracting Shipper shall pay to NGG the amount which NGG (in its capacity as a User) would be liable to pay in respect of such Non-Compliant Gas in accordance with the Network Code; and NGG shall have no other claim against the Contracting Shipper in respect of such Non-Compliant Gas.
- 6.6 To the extent that NGG elects not to accept delivery of Non-Compliant Gas pursuant to Clause 6.4(b), the Contracting Shipper shall be taken to have failed to deliver gas to NGG for the purposes of Clause 13.
- 6.7 NGG shall be responsible for arranging the entry of gas delivered to it pursuant to a NGG Nomination to the NGG System, and shall make the appropriate nominations for such gas as are required under the Network Code. In the event that NGG fails to make the appropriate nominations and, as a result, the gas delivered is allocated to a User(s) other than NGG, then NGG shall indemnify the Contracting Shipper against any costs or expenses incurred by the Contracting Shipper as a result of such failure, which costs or expenses shall be calculated by reference to (and shall be deemed to be limited to) the sum of any charges payable by such

other User(s) pursuant to the Network Code, less any amounts payable to such other User(s) pursuant to the Network Code, in each case to the extent that such charges result from the allocation of such gas to such other User(s).

6.8 Where a NGG Nomination is for an Effective Delivery Rate in excess of the Initial Hourly Delivery Capacity, then Contracting Shipper shall use all reasonable endeavours, and shall procure that each Deriving Shipper shall use all reasonable endeavours, to obtain (whether from GLNG or another Shipper) additional Delivery Capacity such that the aggregate Delivery Capacity (divided by twenty four (24)) held by the Contracting Shipper and any Deriving Shipper in respect of the hour in question is not less than the requested Effective Delivery Rate. In obtaining any such additional Delivery Capacity, the Contracting Shipper shall (and shall procure that any Deriving Shipper shall) obtain the cheapest additional Delivery Capacity available.

6.9 In the event that the Effective Delivery Rate under a NGG Nomination exceeds the Initial Hourly Delivery Capacity, then NGG shall pay to the Contracting Shipper the Excess Delivery Charge in respect of such excess. The Contracting Shipper shall use all reasonable endeavours to notify NGG of the Excess Delivery Charge in respect of such excess as soon as reasonably practicable.

Subject to Clause 9.3, a NGG Nomination may be for an Effective Delivery Rate of no more than an amount determined as the highest NGG Service Quantity specified in Schedule 2 for the Service Year in question divided by twelve (12).

6.10 The provisions of Clause 9 shall apply in relation to the delivery of gas to NGG under this Clause 6.

6.11 The Contracting Shipper shall not, and shall procure that each Deriving Shipper shall not, (without the prior consent of NGG) do anything inconsistent with NGG being allocated with the Nomination Quantity at the Gas Delivery Point.

6.12 For the purposes of this Agreement, the quantity of gas delivered on a Day by the Contracting Shipper to NGG pursuant to a NGG Nomination shall be that quantity of gas allocated to NGG at the Gas Delivery Point. The Contracting Shipper will be considered to have complied with its obligation under this Agreement to deliver gas to NGG notwithstanding that NGG may be unable to take delivery of such gas as a result of any constraint or limitation on the flow of gas in the NGG System away from the Gas Delivery Point.

6.13 Where NGG has made a NGG Nomination, but the Contracting Shipper wishes to have all or part of the gas to be delivered pursuant to such NGG Nomination allocated to it rather than to NGG at the Gas Delivery Point, the Contracting Shipper shall give notice (a "**Reallocation Notice**") to NGG (with a copy to GLNG) within thirty (30) minutes of receiving a copy of the NGG Nomination in accordance with Clause 9.1, and such notice shall specify the quantity of gas (the "**Reallocation Quantity**") that the Contracting Shipper wishes to have allocated to it rather than to NGG. Where the Contracting Shipper submits a Reallocation Notice, then the provisions of this Agreement shall continue to apply to the NGG Nomination: provided that:

- (a) the Reallocation Quantity shall not be included in the calculation of the Delivery Charge payable by NGG (if any) for the month in which the NGG Nomination is made;
- (b) NGG's Effective Delivery Rate pursuant to the NGG Nomination shall be calculated using the difference between the Nomination Quantity and the Reallocation Quantity (and not simply the Nomination Quantity);
- (c) the level (if any) of Excess Gas shall be calculated using the difference between the Nomination Quantity and the Reallocation Quantity (and not simply the Nomination Quantity);

- (d) the provisions of Clauses 6.7 and 6.11 shall apply only to the difference between the Nomination Quantity and the Reallocation Quantity (and not the Nomination Quantity); and
 - (e) NGG and the Contracting Shipper shall not, and the Contracting Shipper shall procure that each Deriving Shipper shall not, do anything inconsistent with the Contracting Shipper being allocated with the Reallocation Quantity at the Gas Delivery Point.
- 6.14 Where, after a Day on which gas was delivered to NGG pursuant to a NGG Nomination, the Contracting Shipper wishes to have all or part of such gas allocated to it rather than to NGG at the Gas Delivery Point, the Contracting Shipper shall give notice (a “**Late Reallocation Notice**”) to NGG (with a copy to GLNG) not later than five (5) Days before the Entry Close-out Date in respect of the Day on which the delivery of gas occurred, and such notice shall specify the quantity of gas (the “**Late Reallocation Quantity**”) that the Contracting Shipper wishes to have allocated to it rather than to NGG. Where the Contracting Shipper submits a Reallocation Notice, then the provisions of this Agreement shall continue to apply to the NGG Nomination: provided that:
- (a) the Late Reallocation Quantity shall not be included in the calculation of the Delivery Charge payable by NGG (if any) for the month in which the NGG Nomination is made, or, where NGG has already paid a Delivery Charge in respect of the Late Reallocation Quantity, the Contracting Shipper shall reimburse NGG such Delivery Charge in respect of the Late Reallocation Quantity;
 - (b) NGG’s Effective Delivery Rate pursuant to the NGG Nomination shall be calculated using the difference between the Nomination Quantity and the Late Reallocation Quantity (and not simply the Nomination Quantity);
 - (c) the level (if any) of Excess Gas shall be calculated using the difference between the Nomination Quantity and the Late Reallocation Quantity (and not simply the Nomination Quantity);
 - (d) the provisions of Clauses 6.7 and 6.11 shall apply only to the difference between the Nomination Quantity and the Late Reallocation Quantity (and not the Nomination Quantity);
 - (e) NGG and the Contracting Shipper shall not, and the Contracting Shipper shall procure that each Deriving Shipper shall not, do anything inconsistent with the Contracting Shipper being allocated with the Late Reallocation Quantity at the Gas Delivery Point; and
 - (f) the Contracting Shipper shall reimburse NGG any costs or expenses incurred by NGG (as a result of the reallocation of gas pursuant to this Clause 6.14), which costs or expenses shall be calculated by reference to (and shall be deemed to be limited to) the sum of any charges payable by NGG (in its capacity as a person bringing gas onto the NGG System, and not otherwise) pursuant to the Network Code, less any amounts payable to NGG (in its capacity as a person bringing gas onto the NGG System, and not otherwise) pursuant to the Network Code, in each case to the extent that such charges result from the reallocation of such Late Reallocation Quantity.
- 6.15 Where the Contracting Shipper has given notice to NGG pursuant to Clause 6.13, the Contracting Shipper may also request that NGG transfer to the Contracting Shipper System Entry Capacity (as defined in the Network Code) that NGG is registered (pursuant to the terms of the Network Code) as holding in relation to the Gas Delivery Point: provided that the Contracting Shipper may only ask NGG to transfer a quantity of System Entry Capacity that is equal to or less than the Reallocation Quantity. Where the Contracting Shipper makes such a request, and:
- (a) NGG is registered as holding an amount of System Entry Capacity in relation to the Gas Delivery Point that is equal to or greater than the quantity of System Entry Capacity that

the Contracting Shipper has requested be transferred, then NGG shall transfer to the Contracting Shipper (in accordance with the provisions of the Network Code) the quantity of System Entry Capacity in relation to the Gas Delivery Point that the Contracting Shipper has requested be transferred; or

- (b) NGG is registered as holding an amount of System Entry Capacity in relation to the Gas Delivery Point that is less than the quantity of System Entry Capacity that the Contracting Shipper has requested be transferred, then NGG shall transfer to the Contracting Shipper (in accordance with the provisions of the Network Code) the quantity of System Entry Capacity in relation to the Gas Delivery Point that NGG is registered as holding in relation to the Gas Delivery Point.

Where a quantity of System Entry Capacity in relation to the Gas Delivery Point is transferred by NGG to the Contracting Shipper pursuant to this Clause 6.15, then the Contracting Shipper shall pay to NGG the charges payable by NGG for such System Entry Capacity.

7. Service reductions

- 7.1 Where, as a result of GLNG advising the Contracting Shipper that GLNG will be unable in whole or in part to provide services to the Contracting Shipper under the Contracting Shipper GLNG Contract, the Contracting Shipper anticipates that it will be unable in whole or in part (other than by reason of Force Majeure affecting the Contracting Shipper) to provide the Service on any Day (a **reduced service day**), the Contracting Shipper may reduce the level of Service available to NGG by giving notice (**service reduction notice**) to NGG of a percentage (between zero per cent (0%) and one hundred per cent (100%)) by which the Available Delivery Capacity on the Day is to be reduced.
- 7.2 Subject to the remaining provisions of this Clause 7.2, the Contracting Shipper may not give a service reduction notice in relation to a Day in respect of which, at the relevant time, the Available Delivery Capacity is greater than the Initial Delivery Capacity. Except under emergency conditions, the Contracting Shipper will not give a service reduction notice relating to a reduction in the ability to hold LNG-in-store as a result of a reduction of Storage Capacity on less than thirty (30) Days' notice; and in any event no service reduction notice relating to such a reduction in the ability to hold LNG-in-store will be effective until such time as the Contracting Shipper has first nominated for deliver all LNG-in-store in excess of the NGG Available Quantity to satisfy (insofar as is possible) the reduction in Storage Capacity.
- 7.3 A service reduction notice may be given at any time prior to but not after the Initial Nomination Deadline for the Day to which it relates.
- 7.4 If the Contracting Shipper gives a service reduction notice specifying a percentage greater than seventy five per cent (75%), NGG may, not later than the Initial Nomination Deadline for the relevant Day, give notice to the Contracting Shipper to the effect that the percentage reduction shall be treated as one hundred per cent (100%).
- 7.5 Subject to Clauses 7.6 and 7.7, and except where the reduction in Service results from Force Majeure affecting the Contracting Shipper, the Contracting Shipper will pay (monthly in arrears, after the lost service day) an amount by way of Lost Service Compensation to NGG in relation to any reduced service day, calculated as follows:

$$\text{LSC} = \text{SF} * \text{APR} * \text{CF}$$

where:

LSC is the Lost Service Compensation to be paid by the Contracting Shipper to NGG;

SF is the Service Fee payable by NGG in respect of the month in which the Day in question falls divided by the number of days in the month;

APR is the percentage reduction specified in the notice issued in accordance with Clause 7.1;

CF is the compensation factor determined in accordance with Clause 7.6.

7.6 For the purposes of Clause 7.5, the compensation factor in relation to a service reduction notice shall be determined as follows:

- (a) where the reduced service day falls within a Planned Works Period and the service reduction notice was given at the time at which Planned Works Statement was issued by GLNG to the Contracting Shipper in accordance with the relevant Shipper GLNG Contract:
 - (i) to the extent that the aggregate equivalent lost days (**AELD**, in accordance with Clause 7.7) for Planned Works for the relevant calendar year does not exceed four (4), zero (0);
 - (ii) to the extent that AELD for the relevant calendar year exceeds four (4), in relation to subsequent lost service days, or in relation to Planned Works carried out for the purposes of Clause 8.1(c)), zero decimal zero five (0.05);
- (b) except as provided in paragraph (a) above, by reference to the period from the giving of the service reduction notice to the reduced service day, in accordance with the following table:

<i>Period between service reduction notice and reduced service day</i>	<i>Factor</i>
Not less than 30 days	0.10
Less than 30 days	0.15

7.7 For the purposes of Clause 7.6(a), aggregate equivalent lost days for Planned Works in a calendar year shall be calculated as:

$$\sum \text{APR} / 100$$

where:

\sum is summation by all lost service days in that calendar year which fall within Clause 7.6(a) excluding any Day on which Planned Works were carried out for the purposes of Clause 8.1(c);

APR is the percentage reduction specified in the notice issued in accordance with Clause 7.1, (disregarding any election by NGG under Clause 7.4) for each such lost service day.

8. Planned Works

8.1 Subject as provided in this Clause 8, the Contracting Shipper shall be entitled (subject as provided in Clause 7) to reduce the level of Service as a result of the withdrawal of the Terminal or any part thereof from service for the purposes of carrying out any of the following works:

- (a) inspection, repair or maintenance of the Terminal or part thereof;
- (b) any modification of the Terminal required pursuant to any Change in Law; or

(c) any works for expansion of or addition to the Terminal.

8.2 The works referred to in Clause 8.1 shall be either as set out in the Planned Works Statement notified by GLNG to the Contracting Shipper (pursuant to the Contracting Shipper's Shipper GLNG Contract) and/or to NGG (pursuant to a contract between NGG and GLNG relating to certain matters, including the provision of certain information in relation to the Terminal).

9. Mechanism for NGG Nominations

9.1 The Contracting Shipper has appointed GLNG as its agent to accept NGG Nominations on its behalf. NGG shall make NGG Nominations directly to GLNG, and shall, at the same time, provide a copy to the Contracting Shipper. Each NGG Nomination shall specify the Day to which it relates and the quantity ("**Nomination Quantity**", in GWh) of gas to be delivered to NGG on such Day. An initial NGG Nomination shall be submitted by (and may be revised at any time until) 15:00 hours on the preceding Day (the "**Initial Nomination Deadline**"). Where NGG has not submitted a NGG Nomination by the Initial Nomination Deadline, NGG shall be deemed to have submitted a NGG Nomination for a Nomination Quantity of zero.

9.2 After the Initial Nomination Deadline (but not later than 03:00 hours on the Day to which it relates) NGG may revise a NGG Nomination by submitting a Renomination, which shall specify the time on the Gas Day from which it is to be effective (which shall be an exact hour (that is, falling on the hour) and shall not be less than sixty (60) minutes after the Renomination was submitted) and the revised Nomination Quantity. NGG shall make NGG Renominations directly to GLNG, and shall, at the same time, provide a copy to the Contracting Shipper.

9.3 In the event that the Nomination Quantity under a NGG Nomination or Renomination exceeds the NGG Available Quantity, NGG shall (at the same time as submitting the NGG Nomination or Renomination referred to above) submit a Renomination (for a zero Effective Delivery Rate) to GLNG to become effective at or before the time at which the quantity of gas delivered pursuant to the NGG Nomination or Renomination equals the NGG Available Quantity. Nothing shall prevent NGG submitting a subsequent Renomination with an effective time earlier than the Renomination referred to above. In the event that NGG fails to submit a Renomination at the same time as submitting the NGG Nomination or Renomination referred to above, then GLNG shall be entitled (but not obliged) to reject the NGG Nomination or Renomination in question. Where GLNG does reject the NGG Nomination or Renomination in question, GLNG shall advise NGG as soon as reasonably practicable of the reason(s) for such rejection, and shall (at the same time) provide a copy of the notice of rejection to the Contracting Shipper. Where GLNG does not reject the NGG Nomination or Renomination in question and, as a result:

(a) the quantity of gas delivered to NGG pursuant to such NGG Nomination or Renomination exceeds the NGG Available Quantity, NGG shall pay the Contracting Shipper an amount calculated in accordance with Clause 12.1(e); and

(b) the Contracting Shipper is in breach of its obligation under the Contracting Shipper's Shipper GLNG Contract to ensure that its LNG-in-store is not less than the Minimum Inventory, NGG shall (provided that if the Contracting Shipper is aware (or ought to have been aware had it acted as a Reasonable and Prudent Operator), after receipt of the copy of the NGG Nomination, that such NGG Nomination exceeds the NGG Available Quantity it shall endeavour to advise GLNG to reject such NGG Nomination) indemnify and keep the Contracting Shipper indemnified from and against all payments, costs and expenses incurred by the Contracting Shipper to GLNG under the Contracting Shipper's Shipper GLNG Contract, including without limitation, any liability to pay LNG Overrun Charges. For the purposes of this clause, the term "**LNG Overrun Charge**" has the meaning set out in the GTCs.

10. Charges and Payment

10.1 For the purposes of this Agreement:

- (a) the Service Fee payable in respect of each month is the amount specified in paragraph 5.1 of Schedule 1;
- (b) the Excess Delivery Charge shall be calculated as an amount (in pounds sterling per GWh) determined by integrating with respect to time the amount (in GWh/hour) by which, over the Day, the Effective Delivery Rate exceeds the Initial Hourly Delivery Capacity, at one of the following rates, namely:
 - (i) where the Contracting Shipper or Deriving Shipper was able to obtain additional Delivery Capacity from GLNG or already held sufficient Delivery Capacity to cover the amount by which the Effective Delivery Rate exceeds the Initial Hourly Delivery Capacity, the rate at which the Contracting Shipper is required to pay for such additional Delivery Capacity; or
 - (ii) where the Contracting Shipper or Deriving Shipper was unable to obtain additional Delivery Capacity from GLNG to cover the amount by which the Effective Delivery Rate exceeds the Initial Hourly Delivery Capacity, the charge which the Contracting Shipper is required to pay GLNG pursuant to the Contracting Shipper's Shipper GLNG Contract where the Contracting Shipper requires gas to be delivered to it at a rate greater than the Delivery Capacity it holds;

- (c) the Delivery Charge in respect of all gas delivered to NGG pursuant to this Agreement shall be calculated as follows:

$$DC = DQ * DGP$$

Where:

- (i) DC is the Delivery Charge;
 - (ii) DQ is the quantity delivered (in GWh) to NGG in the month in question; and
 - (iii) DGP is the amount determined pursuant to paragraph 5.2 of Schedule 1:
- (d) the amount payable by NGG to the Contracting Shipper in accordance with Clause 10 as a result of Clause 9.3 shall be calculated as follows:

$$A = (DQ * DSB * 1.5) - DC$$

where:

- (i) A is the amount that NGG is to pay;
- (ii) DQ is the quantity of gas delivered (excluding any Excess Gas) to NGG (expressed as GWh/Day) pursuant to the relevant NGG Nomination in excess of the NGG Available Quantity;
- (iii) DSB is the greater of the System Marginal Buy Price or the highest price under a Market Balancing Buy Action (where such Market Balancing Buy Action is in relation to a Localised Transportation Deficit with respect to meter points in Exit Zones SE1, NT2, or EA4), in each case on the Day on which the delivery occurred; and
- (iv) DC is the Delivery Charge payable by NGG pursuant to paragraph (c) above in respect of the gas delivered to NGG pursuant to the relevant NGG Nomination in excess of the NGG Available Quantity.

- 10.2 Except as otherwise provided in this Agreement, NGG will not be liable to the Contracting Shipper for any costs, charges, fees or expenses that the Contracting Shipper may be liable to pay to GLNG, any other Shipper or any other person as a result of providing the Service.
- 10.3 The amounts payable by NGG to the Contracting Shipper in connection with this Agreement will be invoiced by the Contracting Shipper and paid monthly (unless otherwise provided) in arrears by NGG in accordance with this Clause 10.
- 10.4 The Contracting Shipper shall submit an invoice to NGG in respect of the Charges for each month (M) by the fifth (5th) Business Day of the month following the end of the month to which the invoice relates.
- 10.5 All amounts expressed as payable under this Agreement are exclusive of any applicable VAT, and VAT shall be paid by the paying Party where payable in respect of any such amount.
- 10.6 The **"Invoice Due Date"** in respect of an invoice is the twelfth (12th) day after the invoice was deemed to be received in accordance with Clause 21.3.
- 10.7 The name, address and sort code of the bank and the name and number of the accounts to which payments by NGG to the Contracting Shipper are to be made are as set out in paragraph 5.3 of Schedule 1, or such other details as may be notified (on not less than thirty (30) days notice) by the Contracting Shipper to NGG.
- 10.8 Payments of amounts payable under this Clause 10 shall be in pounds sterling (and not in euro) in same day funds to the account of the Contracting Shipper at the bank notified to NGG in accordance with Clause 10.7 and NGG shall instruct the bank remitting payment of any amount payable under this Agreement to quote the number of the relevant invoice when remitting such payment.
- 10.9 Without prejudice to Clauses 10.12 to 10.17, but subject to the remainder of this Clause 10.9 amounts payable pursuant to this Clause 10 shall be paid free and clear of any restriction, reservation or condition, without deduction or withholding in respect of tax, or otherwise whether by set-off, counterclaim or otherwise. Where payment is to be made by NGG and any deduction or withholding is required to be made by law, NGG shall pay the Contracting Shipper such additional amounts as will ensure that the net amount received by the Contracting Shipper will be equal to the amount which the Contracting Shipper would have received had no such deduction or withholding been made.
- 10.10 Subject to Clause 10.15, where any amount payable under an invoice is not paid on or before the Invoice Due Date, NGG shall pay interest, before and after judgment, at the Default Interest Rate, on the unpaid amount from the Invoice Due Date until the day on which the payment is made (and nothing in this Clause 10.10 shall be construed as permitting late payment of an invoice).
- 10.11 Interest payable under this Clause 10 shall accrue on a daily basis and on the basis of a three hundred and sixty five (365) day year and shall be calculated and compounded monthly.
- 10.12 If NGG wishes to dispute any amount shown as payable in an Invoice:
- (a) NGG shall promptly notify the Contracting Shipper of such dispute, the reason therefor and the amount which NGG considers to be payable; and thereupon the Contracting Shipper and NGG shall endeavour in good faith to resolve such dispute;
 - (b) NGG shall not commence any proceedings in respect of such dispute until the expiry of a period of thirty (30) days from such notification.
- 10.13 Subject to Clause 10.15, in the absence of a manifest clerical error in the preparation of an invoice, the amounts shown in an invoice as payable by the Contracting Shipper or NGG shall be payable in full on the Invoice Due Date, notwithstanding the existence of any dispute relating to the invoice.

- 10.14 Where, following resolution of any dispute, any amount is agreed or determined to be payable (in respect of an over-payment or under-payment) by the Contracting Shipper or NGG, such amount shall be payable, together with interest at the Base Interest Rate on such amount from the Invoice Due Date in accordance with Clause 10.11, and shall be included in the next monthly invoice.
- 10.15 Notwithstanding any other provisions of this Clause 10, NGG shall be entitled to set off any amounts due by the Contracting Shipper to NGG pursuant to this Agreement (irrespective of whether any such amounts have been invoiced or not) against any amounts due by NGG to the Contracting Shipper pursuant to this Agreement.
- 10.16 Subject to Clause 10.17, nothing in this Clause 10 prevents the Contracting Shipper from withdrawing or correcting an invoice where it appears to the Issuing Shipper that the invoice contains an error.
- 10.17 NGG may not dispute an invoice, and the Contracting Shipper may not withdraw or correct an invoice, unless NGG or (as the case may be) the Contracting Shipper has given notice of such dispute, withdrawal or correction within a period of one hundred and eighty (180) days after the date of issue of the invoice; and accordingly after the expiry of such period each invoice, to the extent not previously disputed, withdrawn or corrected, shall be final.

11. Credit Security

11.1 For the purposes of this Agreement, in relation to the Contracting Shipper:

- (a) **“Security Provider”** means a person which, in accordance with the provisions of this Agreement, provides or is to provide any guarantee or other surety or security in respect of the Contracting Shipper’s obligations under this Agreement;
- (b) **“Security Document”** means any document pursuant to which any Security Provider provides any such guarantee, surety or security; and
- (c) **“Required Credit Rating”** means:
- (i) in the case of the Contracting Shipper or any Security Provider which is not a bank or other financial institution, a long-term unsecured debt rating no worse than AA- (as determined by Standard and Poor’s rating agency) and Aa3 (as determined by Moody’s Investors Services rating agency), with stable outlook.; and
 - (ii) in relation to a Security Provider which is a bank or other financial institution, a long-term unsecured debt rating no worse than A (as determined by Standard and Poor’s rating agency) and A2 (as determined by Moody’s rating agency), with stable outlook.

11.2 Subject to Clauses 11.6 and 11.7, if the long-term unsecured debt rating of the Contracting Shipper or its Security Provider is or falls below the Required Credit Rating, then, unless NGG has agreed to accept and the Contracting Shipper has provided a Security Document executed by another Security Provider having a long-term unsecured debt rating no worse than the Required Credit Rating, the Contracting Shipper shall:

- (a) on request from NGG, within five (5) Business Days after such request, provide to NGG credit cover (as provided in Clause 11.4) in an amount not less than the required amount notified in accordance with Clause 11.3; and
- (b) for so long thereafter as it or its Security Provider continues to fail to satisfy the Required Credit Rating:
- (i) upon each notification from NGG of an increased amount in accordance with Clause 11.3, within five (5) Business Days after such notification, provide to NGG additional or increased credit cover in the amount so notified; and

- (ii) as soon as practicable and in any event within five (5) Business Days after NGG demands or applies any credit cover in or towards payment of any amount due and unpaid by the Contracting Shipper under this Agreement, ensure that the credit cover is renewed or restored (or provide to NGG additional credit cover) so that the aggregate amount of the credit cover is restored to not less than the required amount in accordance with paragraph (a) or (b)(i) above.
- 11.3 The amount in which credit cover is to be provided shall be an amount determined by NGG and notified by it to the Contracting Shipper, at the time of its request under Clause 11.2 and thereafter at intervals of three (3) months, as being the estimated aggregate amount or maximum aggregate amount payable by the Contracting Shipper pursuant to Clause 13 in the current Service Year.
- 11.4 For the purposes of Clause 11.2, the Contracting Shipper may provide credit cover either by providing a letter of credit in accordance with Clauses 11.6 and 11.7 or by paying cash in accordance with Clause 11.8.
- 11.5 The Contracting Shipper shall be entitled, by giving not less than ten (10) Business Days notice to NGG, to a reduction in or return of the amount of cash cover (but subject to any demand on or application of such credit cover before the expiry of such ten (10) Business Day period):
 - (a) at the expiry of this Agreement; or
 - (b) if the long-term unsecured debt rating of the Contracting Shipper or (as the case may be) its Security Provider ceases to be below the Required Credit Rating; or
 - (c) to the extent only of the excess, if the amount of credit cover provided exceeds the required amount at any time.
- 11.6 A letter of credit provided by the Contracting Shipper shall be:
 - (a) an unconditional irrevocable standby letter of credit, in such form as NGG may reasonably require, in sterling, issued by a United Kingdom clearing bank or other bank or financial institution with a long-term unsecured debt rating of not less than the Required Credit Rating, available for payment at a London branch of the issuing bank;
 - (b) payable on demand by NGG, without notice to the Contracting Shipper, upon NGG certifying that the Contracting Shipper has failed to pay any amount payable under this Agreement when due, or in accordance with Clause 11.7(c); and
 - (c) valid for an initial period of not less than one (1) year.
- 11.7 Where the Contracting Shipper has provided to NGG and is required to maintain a letter of credit:
 - (a) not less than ten (10) Business Days before the letter of credit is due to expire, the Contracting Shipper shall provide to NGG confirmation from the issuing bank that the validity of the letter of credit will be extended by a further period of not less than one (1) year, or a new letter of credit, commencing not later than the expiry of the current letter of credit, for the same amount and complying with the requirements of Clause 11.6;
 - (b) if at any time the issuing bank ceases to have the Required Credit Rating, the Contracting Shipper shall immediately and in any event within three (3) Business Days after notice from NGG provide a new letter of credit for the same amount and complying with the requirements of Clause 11.6;
 - (c) if the Contracting Shipper fails to comply (by the time therein required) with Clauses 11.7(a) or 11.7(b), NGG may immediately, without notice to the Contracting Shipper, demand payment of the entire amount of the letter of credit and the proceeds of such demand shall be paid to NGG in accordance with Clause 11.8.

- 11.8 Where any amount is to be paid to NGG in accordance with the provisions of Clause 11.4 or 11.7(c):
- (a) the amount shall be paid by the Contracting Shipper to NGG in cash, the amount so paid shall be the absolute property of NGG and the Contracting Shipper shall have no beneficial or other interest in such amount;
 - (b) in the circumstances set out in Clause 11.5 (but not otherwise), NGG shall pay to the Contracting Shipper an amount (if positive) equal to:
 - (i) the amount paid to NGG by the Contracting Shipper under Clause 11.8(a); less
 - (ii) the aggregate amount then owing by the Contracting Shipper under this Agreement and which is unpaid after its due date for payment;
 - (c) until the occurrence of any of the events referred to in Clause 11.5, NGG shall pay to the Contracting Shipper an amount equivalent to the interest which would have accrued on the amount paid to NGG under Clause 11.4 or 11.7(c), as the case may be, at a rate determined by NGG, acting reasonably, as being the rate on which interest would be payable to NGG on deposits with Barclays Bank PLC of comparable amounts for a comparable period;
 - (d) payments owed by NGG to the Contracting Shipper pursuant to paragraph (c) above shall be paid in arrears on the last Business Day of each month.
- 11.9 For each Day on which the Contracting Shipper is in breach of its obligations under this Clause 11, the provisions of Clause 2.2 shall not apply and NGG shall have no obligation to pay the Service Fee to the Contracting Shipper in respect of such Day.
- 11.10 For the purposes of this Agreement it shall be a Credit Default in relation to the Contracting Shipper if:
- (a) the Contracting Shipper fails to comply with any requirement in this Agreement as to the provision or maintenance in force of any Security Document;
 - (b) the Contracting Shipper fails to comply, fully and within the time required, with any of its obligations under Clauses 11.2 to 11.7;
 - (c) there occurs any event of default on the part of a Security Provider under the terms of a Security Document;
 - (d) any of the acts, events or circumstances set out in Clause 19.2(a) is done or suffered by or occurs in relation to a Security Provider;

12. Sub-contracting and Assignment

- 12.1 The Contracting Shipper shall be entitled to sub-contract its obligations under this Agreement, provided that any such sub-contracting shall not relieve the Contracting Shipper of its obligations or liabilities under this Agreement.
- 12.2 In the event that the Contracting Shipper enters into a Service Transfer of Storage Capacity or Delivery Capacity with a third party, or agrees to assign Storage Capacity or Delivery Capacity to a third party, the Contracting Shipper shall procure in the terms of such Service Transfer or assignment that the Contracting Shipper remains able to perform its obligations under this Agreement.
- 12.3 Without prejudice to Clause 12.2, in the event that the Contracting Shipper wishes to enter into a Service Transfer of Storage Capacity with a third party, or agrees to assign Storage Capacity to a third party, such that the Storage Capacity held by the Contracting Shipper after such

Service Transfer or assignment would be less than the highest quantity specified in Schedule 2, then the Contracting Shipper shall not enter into such Service Transfer or assignment without first obtaining NGG's prior written approval to such Service Transfer or assignment (such approval not to be unreasonably withheld or delayed). Such approval may be given subject to certain conditions being satisfied, and such conditions may include a condition that the Contracting Shipper procures that the proposed transferee or assignees agrees to enter into a legally binding contract on terms substantially similar to those contained in this Agreement.

- 12.4 For the purposes of Clause 12.3, it shall be deemed to be reasonable for NGG to withhold its consent to an assignment if:
- (a) NGG is not satisfied as to the creditworthiness of the assignee; provided that NGG will be so satisfied if the long-term unsecured debt rating of the proposed assignee or its Security Provider is not worse than the Required Credit Rating for the Assignor Shipper or its Security Provider and (where applicable) a Security Provider for the assignee provides a Security Document in form and substance satisfactory to NGG; or
 - (b) NGG is not satisfied as to the consequences of the assignment in relation to continued reliable provision of the Service.
- 12.5 An assignment under this Clause 12 shall not operate to release the Assignor from any obligations or liabilities accrued under this Agreement before the effective date of the assignment.
- 12.6 Except as provided in Clause 12.7, neither Party may assign any or all of its rights and/or obligations under this Agreement without the prior written consent of the other Party.
- 12.7 Either Party (the **Assignor**) may assign or transfer any or all of its rights or obligations under this Agreement to an Affiliate provided always that:
- (a) such Affiliate expressly shall assume the Assignor's obligations under this Agreement and that such obligations remain effective against such Affiliate; and
 - (b) the Assignor shall remain jointly and severally liable with its said Affiliate for any and all obligations and/or liabilities under this Agreement.

13. Failure

- 13.1 For each Day that the Contracting Shipper fails (other than as a result of Force Majeure affecting the Contracting Shipper) to maintain or procure the maintenance of aggregate Available LNG-in-store sufficient to cover NGG Available Quantity plus Anticipated Boil-Off in accordance with Clause 5.1, then:
- (a) where such failure arises as a result of a failure on the part of GLNG under the Contracting Shipper's or Deriving Shipper's (as the case may be) Shipper GLNG Contract, the Contracting Shipper shall pay to NGG an amount calculated as:

$$A = \frac{SFA}{TAQ} * \frac{SF}{DM}$$

- (b) in all circumstances other than those referred to in paragraph (a), the Contracting Shipper shall pay to NGG an amount calculated as:

$$A = \frac{SFA}{TAQ} * \frac{SF}{DM} * 1.5$$

Where:

- A is the amount that the Contracting Shipper is to pay;
- SFA is the amount on such Day by which the NGG Available Quantity plus Anticipated Boil-Off exceeds the aggregate Available LNG-in-store;
- TAQ is the NGG Available Quantity on such Day;
- DM is the number of days in the month in which the Day falls; and
- SF is the Service Fee payable by NGG for the month in which the Day falls.

13.2 In addition to (and without prejudice to) the provisions set out in Clause 13.1 and except where the failure to comply with Clause 5.1 arises as a result of Force Majeure affecting the Contracting Shipper or as a result of a failure on the part of GLNG under the Contracting Shipper's or Deriving Shipper's (as the case may be) Shipper GLNG Contract, then where:

- (a) the Contracting Shipper fails to comply with Clause 5.1 and such failure persists, or NGG reasonably believes that such failure will persist, for more than seven (7) days, and the amount by which the NGG Available Quantity exceeds the aggregate LNG-in-store is, or NGG reasonably believes that such amount will be, greater than twenty percent (20%) of the NGG Available Quantity or twenty (20) GWh (whichever is the greater); or
- (b) the Contracting Shipper fails to comply with Clause 4.5;

NGG shall be entitled (upon giving not less than forty eight (48) hours prior written notice to the Contracting Shipper) to arrange for all or part of an LNG Tanker to be unloaded at the Terminal (utilising the Berthing Slots and Storage Capacity of the Contracting Shipper) and for the resulting LNG-in-store to be allocated to the Contracting Shipper. For the purposes of this Agreement, such unloading shall be deemed to be an unloading of an LNG Tanker by the Contracting Shipper. The Contracting Shipper shall save, hold harmless and indemnify NGG against any and all losses, liabilities, claims, costs (including legal costs) and expenses incurred by NGG, the Contracting Shipper or any third party (including GLNG) arising out of or in connection with NGG arranging for such unloading. In addition to the foregoing, the Contracting Shipper shall be liable to GLNG for any costs that may arise pursuant to the Contracting Shipper's Shipper GLNG Contract as a result of NGG utilising the Berthing Entitlements and Storage Capacity of the Contracting Shipper. Without prejudice to the foregoing indemnity, NGG will endeavour to avoid incurring excessive or unnecessary costs in arranging such unloading.

13.3 In addition to any other rights NGG may have, where NGG believes that the Contractor Shipper (or any Deriving Shipper) is failing to comply with Clause 5.1 and/or is not able at any time to comply with its obligations to deliver gas to NGG pursuant to Clause 6 then NGG shall be entitled to take such steps as it reasonably believes would be required to ensure compliance with Clause 5.1 or Clause 6 including (but not limited to) arranging for all or part of an LNG Tanker to be unloaded at the Terminal (utilising the Berthing Slots and Storage Capacity of the Contracting Shipper) and for the resulting LNG-in-store to be allocated to the Contracting Shipper. For the purposes of this Agreement, any such unloading shall be deemed to be an unloading of an LNG Tanker by the Contracting Shipper. The Contracting Shipper shall save, hold harmless and indemnify NGG against any and all losses, liabilities, claims, costs (including legal costs) and expenses incurred by NGG, the Contracting Shipper or any third party (including GLNG) arising out of or in connection with any such steps taken by NGG pursuant to this Clause. In addition to the foregoing, the Contracting Shipper shall be liable to GLNG for any costs that may arise pursuant to the Contracting Shipper's Shipper GLNG Contract as a result of NGG taking such steps.

13.4 Subject to Clauses 13.5 and 16, if for any Day the quantity of gas delivered by the Contracting Shipper to NGG pursuant to this Agreement:

- (a) is less than ninety-eight per cent (98%) of the Nomination Quantity, the Contracting Shipper shall pay to NGG the amounts determined in accordance with Clause 13.6;

- (b) is more than one hundred and two per cent (102%) of the Nomination Quantity, the Contracting Shipper shall pay to NGG an amount determined in accordance with Clause 13.7.

13.5 Clauses 13.4 and 13.6 shall not apply to the extent to which (pursuant to any provision of this Agreement) the Contracting Shipper was not obliged to deliver gas or make gas available for delivery to NGG, or was not in breach of such obligation, or was relieved of liability in respect of any such breach.

13.6 For the purposes of Clause 13.4(a), the amounts payable by the Contracting Shipper are:

- (a) where such failure arises as a result of any action or failure on the part of GLNG under the Contracting Shipper's Shipper GLNG Contract, an amount calculated as:

- (i) an amount by way of rebate in respect of the Service Fee, determined as:

$$A = (\min(\text{ADC}, 0.98 * \text{NQ}) - \text{DQ}) * (\text{SF}/\text{IDC})$$

- (ii) an amount by way of Lost Service Compensation, determined as:

$$A = (\min(\text{ADC}, 0.98 * \text{NQ}) - \text{DQ}) * 0.2 * (\text{SF}/\text{IDC})$$

- (b) where such failure arises as a result of a failure on the part of the Contracting Shipper to comply with Clause 5.1 an amount calculated as:

$$A = (((0.98 * \text{NQ}) - \text{DQ}) * (\text{SF}/\text{IDC})) + (((0.98 * \text{NQ}) - \text{DQ}) * \text{HSB} * 1.5)$$

- (c) in all circumstances other than those referred to in paragraphs (a) and (b), an amount calculated as:

$$A = ((0.98 * \text{NQ}) - \text{DQ}) * (\text{SF}/\text{IDC}) + (((0.98 * \text{NQ}) - \text{DQ}) * \text{DSB} * 1.5)$$

where:

A is the amount that the Contracting Shipper is to pay;

ADC is the Available Delivery Capacity;

IDC is the Initial Delivery Capacity;

NQ is the Nominated Quantity for that Day (expressed as GWh/Day);

DQ is the quantity of gas delivered to NGG (expressed as GWh/Day);

SF is the Service Fee for the month in question divided by the number of days in the month;

HSB is the greater of the highest System Marginal Buy Price or the highest price under a Market Balancing Buy Action (where such Market Balancing Buy Action is in relation to a Localised Transportation Deficit with respect to meter points in Exit Zones SE1, NT2, or EA4) between the day on which the delivery was due to occur and the last day on which the Contracting Shipper complied with Clause 5.1; and

DSB is the greater of the System Marginal Buy Price or the highest price under a Market Balancing Buy Action (where such Market Balancing Buy Action is in relation to a Localised Transportation Deficit with respect to meter points in Exit Zones SE1, NT2, or EA4), in each case on the Day on which the delivery was due to occur.

13.7 For the purposes of Clause 13.4(b), the amount payable by the Contracting Shipper shall be determined as:

$$(DQ - 1.02 * NQ) * 0.1 * (SF/IDC)$$

where NQ, DQ, SF and IDC have the respective meanings given to them in Clause 13.6. In addition to the foregoing:

- (a) NGG shall not be obliged to pay for any quantities of gas in excess of one hundred and two per cent (102 %) of the Nomination Quantity (such excess quantities being referred to as "**Excess Gas**");
- (b) the Contracting Shipper shall take all steps necessary to ensure that NGG is not allocated with such Excess Gas at the Gas Delivery Point; and
- (c) such Excess Gas shall not be counted towards the Service Year Delivery Cap.

13.8 If for any Day, the quantity of gas delivered by the Contracting Shipper to NGG pursuant to this Agreement is not less than ninety-eight per cent (98%) and not more than one hundred and two percent (102%) of the Nomination Quantity, the Contracting Shipper shall not be considered to be in breach of its obligations as to the delivery of gas to NGG under this Agreement.

13.9 For the avoidance of doubt, where the Contracting Shipper is liable to pay NGG any amount under this Clause 13, NGG shall (subject to the provisions of Clause 10.15) continue to pay the Service Fee during the continuation of any such failure.

14. Liabilities

14.1 Neither Party shall be liable to the other Party under this Agreement in respect of any breach of, or as a result of any act or omission in the course of or in connection with the performance of, this Agreement, for or in respect of:

- (a) any consequential, indirect, exemplary, special or incidental loss or damage;
- (b) any loss or deferment of revenue or profit, or loss of use, contract or goodwill.

14.2 The limitation of liability provided for in Clause 14.1 shall not:

- (a) apply in relation to any provision of this Agreement which expressly provides for an indemnity; or
- (b) affect any provision of this Agreement which provides for a Party to make a payment to the other Party.

14.3 The amounts for which a Party may be liable in respect of breach of its obligations under this Agreement and (in the case of the Contracting Shipper) by way of Lost Service Compensation shall be limited as follows:

- (a) the amount for which a Party may be liable under this Agreement in respect of any single event or circumstance or a related series of events and/or circumstances which constitute or result in such a breach and/or (in the case of the Contracting Shipper) give rise to such Lost Service Compensation shall not exceed an amount equal to one third of the Service Fee payable in respect of the Service Year in which the single event or circumstance or related series of events and/or circumstances occurs.
- (b) the total amount for which a Party may be liable under this Agreement in respect of any and all such breaches, and/or (in the case of the Contracting Shipper) by way of Lost Service Compensation which accrues, which occur in the same Service Year shall not exceed the Service Fee payable by NGG in respect of that Service Year.

14.4 The amounts referred to in Clauses 14.3(a) and 14.3(b):

- (a) include amounts payable by a Party pursuant to any provision of this Agreement providing for a payment to be made upon or in respect of that Party's breach of an obligation under this Agreement (which are accordingly subject to the limits specified in those Clauses);
 - (b) do not include amounts payable pursuant to any provision of this Agreement which expressly provides for an indemnity (which are accordingly not subject to the limits specified in those Clauses);
 - (c) do not, for the avoidance of doubt, include amounts payable other than upon or in respect of a breach of an obligation under this Agreement or by way of Lost Service Compensation;
 - (d) do not include amounts payable by the Contracting Shipper to NGG pursuant to Clause 6.5; and
 - (e) to the extent to which NGG has a claim against the Contracting Shipper for the permanent loss or non-fulfilment of NGG's entitlement to delivery of gas under this Agreement, do not include the amount of such claim.
- 14.5 Nothing in this Agreement shall exclude or limit a Party's liability for personal injury or death resulting from that Party's negligence.
- 14.6 Where any provision of this Agreement provides for any amount to be payable by Party upon or in respect of that Party's breach of an obligation under this Agreement, each Party agrees and acknowledges:
- (a) that the remedy conferred by such provision is exclusive of and in substitution of any remedy in damages in respect of such breach;
 - (b) that such provision has been the subject of discussion and that the amount payable represents no more than a genuine pre-estimate of the loss of the Party to which such amount is payable.
- 14.7 Except as expressly provided for elsewhere in this Agreement, a Party's sole remedy against the other Party for non-performance or breach of this Agreement or for any other claim of whatsoever nature arising out of or in relation to this Agreement 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 that this shall not operate to exclude any equitable remedies.
- 15. Confidentiality**
- 15.1 For the purposes of this Agreement, in relation to a Party "**Confidential Information**" means the terms of this Agreement and any information disclosed to that Party by the other (whether orally or in writing or in some other permanent form) in connection with this Agreement, which at the relevant time:
- (a) has not already been, or could not already have been, lawfully acquired by the Party to whom the disclosure is made; or
 - (b) is not already in the public domain (other than as a result of a breach of the terms of this Clause 15).
- 15.2 Except with the prior written consent of the other Party, and subject to Clause 15.3, each Party shall keep confidential, and shall not disclose to any third party or use other than for a purpose connected with this Agreement, all Confidential Information.
- 15.3 A Party may disclose Confidential Information:

- (a) to that Party's legal counsel, other professional consultant or adviser, insurer, accountant, underwriter or provider of finance or financial support, or their legal counsel and advisers, provided that such disclosure is solely to assist the purpose for which such person was engaged;
- (b) if required and to the extent required by any Legal Requirement, or by a Competent Authority, or by the rules of any recognised stock exchange upon which the share capital or debt of the Party making the disclosure is or is proposed to be from time to time listed or dealt in;
- (c) to any of its Affiliates;
- (d) to directors and employees of that Party and of its Affiliates, to the extent required for the proper performance of their work;
- (e) to any bona fide intended assignees of a Party's interests under this Agreement;
- (f) to any expert appointed in accordance with Clause 20;
- (g) in the case of NGG, to any party (other than NGG) to the Network Code to the extent that such disclosure is reasonably necessary to give effect to any provisions of the Network Code;
- (h) in the case of the Contracting Shipper, to GLNG or any Deriving Shipper to the extent that such disclosure is reasonably necessary to give effect to any provisions of this Agreement; or
- (i) in the case of NGG, to GLNG to the extent that such disclosure is reasonably necessary to give effect to any provisions of this Agreement.

15.4 Except as otherwise provided in this Clause 15.4, a Party shall ensure that any person to which it discloses information pursuant to Clause 15.3 (other than Clause 15.3(b)) undertakes to hold such Confidential Information subject to confidentiality obligations equivalent to those set out in Clause 15.2 (excluding legal counsel). Where NGG discloses information pursuant to Clause 15.3(g), it shall ensure that any person to which it discloses information pursuant to Clause 15.3(g) undertakes to hold such Confidential Information subject to the confidentiality obligations specified in the Network Code.

15.5 The foregoing obligations with regard to Confidential Information shall remain in effect for three (3) years after this Agreement is terminated or expires.

15.6 No press release or other public announcement or statement concerning this Agreement shall be issued unless the other Party has previously been provided with a copy of such press release, public announcement or statement and has given its written approval thereto.

16. Force Majeure

16.1 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:

- (a) fire, flood, drought, explosion, atmospheric disturbance, lightning, storm, tempest, hurricane, cyclone, typhoon, tornado, earthquake, landslide, perils of the sea, soil erosion, subsidence, washout, epidemic or other acts of God;

- (b) war (whether declared or undeclared), riot, civil war, blockade, insurrection, acts of public enemies, invasion, embargo, trade sanctions, revolution, civil commotion, rebellion, sabotage or the serious threat of or an act of terrorism;
- (c) strikes, lock out, or other industrial disturbances (other than those specific to the Affected Party);
- (d) chemical or radioactive contamination or ionising radiation;
- (e) acts or omissions of a Competent Authority, including a Change in Law or the imposition or introduction of new or changed International Standards;
- (f) explosion, fault or failure of plant, equipment or other installation which the Affected Party could not prevent or overcome by the exercise of the relevant degree of skill, diligence, foresight and experience expected from a Reasonable and Prudent Operator;
- (g) reduction or interruption of supplies of power to the Terminal, unless the reduction or interruption is due to a default by GLNG in the performance of any of its obligations in relation to the supply of such power; and
- (h) the occurrence of a Transportation Constraint in relation to the NGG System which prevents NGG from taking delivery of gas delivered or made available for delivery to it.

16.2 Notwithstanding Clause 16.1, 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 caused by normal wear and tear or by a failure properly to maintain such plant or equipment.

16.3 For the purposes of Clause 16.1 (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 not have been avoided by steps which might reasonably have been expected to have been taken by any agent or contractor of that Party (including in the case of the Contracting Shipper, the operator of an LNG Tanker, GLNG and the operator of any facilities for the production of LNG).

16.4 The Affected Party shall be relieved from liability (including any requirement hereunder to make payment of any sum or take any other action) 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.

16.5 The Affected Party shall be relieved from liability under Clause 16.4 above 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 labour dispute may be settled by the Affected Party at its absolute discretion.

16.6 Following the occurrence of Force Majeure, the Affected Party shall:

- (a) notify the other Party in writing as soon as reasonably practicable of 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; and
- (b) on a monthly 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;

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

16.7 To the extent to which Force Majeure affecting the Contracting Shipper results in a full or partial reduction in the level of the Service which the Contracting Shipper can make available to NGG, then the amounts payable by way of Service Fee by NGG shall be reduced by the same proportion as the Service has been reduced as a result of Force Majeure: provided always that where the Contracting Shipper is affected by Force Majeure, NGG shall continue to pay the Service Fee in full, notwithstanding any total or partial reduction in the level of the Services in accordance with this Clause 16.7, for a period of fourteen (14) days after the commencement of the Force Majeure.

16.8 If, as a result of Force Majeure, the Contracting Shipper is prevented from making the Service available to NGG, or the level of the Service which it is able to make available is reduced, for a period which exceeds or can with reasonable certainty be foreseen to exceed twenty four (24) months, either NGG or the Contracting Shipper may terminate this Agreement by giving notice of termination to the other Party.

16.9 Where:

- (a) GLNG has agreed in the relevant Shipper GLNG Contract to a variation of the Base Specification for any Shipper;
- (b) (pursuant to such agreement) GLNG operates any plant or equipment or takes any other steps to bring the quality of the commingled LNG or commingled gas resulting from the regasification thereof within the Base Specification or (as the case may be) Gas Entry Conditions; and
- (c) an event or circumstance (which is Force Majeure affecting GLNG in relation to that Shipper) affects GLNG's ability to operate such plant or equipment or take such steps;

then

- (a) such event or circumstance shall be deemed to be Force Majeure affecting GLNG in relation to (and in particular its ability to Deliver gas in compliance with the Gas Entry Conditions to) each Shipper, whether or not GLNG agreed to a variation of the Base Specification for such Shipper; and
- (b) therefore, such event or circumstances shall be deemed to be Force Majeure affecting the Contracting Shipper in relation to (and in particular its ability to Deliver gas in compliance with the Gas Entry Conditions to) NGG.

17. Variations

17.1 This Clause 17 provides for the basis on which this Agreement may be varied following a Change in Law or a NGG-related Change.

17.2 Subject to the remainder of this Clause 17, without prejudice to Clause 18.3, this Agreement shall remain in force notwithstanding the occurrence of a Change in Law or NGG-related Change unless it is agreed (by NGG and the Contracting Shipper) or determined that the remainder of this Clause 17 cannot be given effect.

17.3 If there occurs a Change of Law or NGG-related Change, NGG may make permitted modifications of this Agreement, subject to and in accordance with this Clause 17.

17.4 For the purposes hereof:

- (a) a **NGG-related Change** is a modification of the NGG Licence, the Network Code or the Network Entry Agreement(s) or a change in the ownership or operation of the NGG System;
 - (b) a **permitted modification** is:
 - (i) a modification of this Agreement which is required in order to enable NGG to comply with a Change in Law or following any NGG-related Change;
 - (ii) a modification of this Agreement which is required in order to reflect any modification of the Terminal or of the operation of the Terminal or of the Contracting Shipper's Shipper GLNG Contract, in each case required in order to comply with the Change in Law or following any NGG-related Change.
- 17.5 A permitted modification shall be such as to have the least adverse consequences for NGG and the Contracting Shipper consistent with achieving the purposes for which (in accordance with Clause 17.4) the modification is required to be made.
- 17.6 A modification of this Agreement shall be made by NGG giving notice to the Contracting Shipper setting out the modification and the date (in accordance with Clause 17.7) with effect from which the modification is to take effect; and upon NGG's giving such notice this Agreement shall be (and hereby is) modified with effect from such date.
- 17.7 The effective date of a modification of this Agreement shall be the later of the date with effect from which the Change in Law or NGG-related Change is effective and the date upon which the modification is agreed or determined.
- 17.8 NGG may also modify this Agreement with the consent in writing of the Contracting Shipper.
- 17.9 NGG shall notify the Contracting Shipper of any proposed Change in Law or NGG-related Change which NGG reasonably believes may result in a permitted modification as soon as reasonably practicable after it becomes aware of the same.
- 17.10 As soon as reasonably practicable after the occurrence of a Change in Law or NGG-related Change, or earlier if it is reasonably certain that such change will occur, NGG shall give notice (**Change Notice**) to the Contracting Shipper, specifying in as much detail as is reasonably practicable:
- (a) the nature of the Change in Law or NGG-related Change;
 - (b) the nature and timing of the measures that NGG proposes to take to comply with the Change in Law or (where applicable) the NGG-related Change;
 - (c) whether NGG proposes to make a modification of this Agreement, and if so the purposes for which such modification is permitted in accordance with Clause 17.4(b) and the modification which it proposes to make.
- 17.11 Within one month after the date of a Change Notice, the Contracting Shipper shall give a notice to NGG commenting on NGG's notice and (if it does not agree with anything contained in NGG's notice) indicating the reasons for which it does not agree.
- 17.12 Commencing within two months after the date of a Change Notice NGG and the Contracting Shipper jointly shall enter into (and shall correspond and meet as appropriate to hold) good faith discussions as to the matters which are the subject of the Change Notice and any notice given by the Contracting Shipper pursuant to Clause 17.11, with a view to agreeing upon whether and what modifications to this Agreement (pursuant to this Clause 17) are to be made.
- 17.13 Without prejudice to Clause 15, each Party shall provide such information as may be reasonably necessary to enable the other Party to evaluate and comment on any proposal

made by it in a notice under Clause 17.10 or 17.11 or during discussions pursuant to Clause 17.12.

17.14 If, within four (4) months after the date of the Change Notice (or such longer period as they may agree) pursuant to Clause 17.10, NGG and the Contracting Shipper are not able to agree upon the matters referred to in Clause 17.12, NGG or the Contracting Shipper may refer the matter to the determination of an Expert in accordance with Clause 20 (who shall for the avoidance of doubt be required to determine what (if any) permitted modifications to this Agreement are to be made).

18. Waiver and Modification

18.1 No default by either Party in the performance of or compliance with any provision of this Agreement shall be waived or discharged except with the express written consent of the other Party.

18.2 No waiver by either Party of any default by the other in the performance of or compliance with any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default whether of a like or different character or shall preclude any relief, right or remedy under or in connection with this Agreement available to such Party and may not be relied upon by the other Party as a consent to that default or its repetition.

18.3 Subject to Clause 17, this Agreement may not be supplemented, amended, modified or changed except by an instrument in writing signed by the Parties and expressed to be a supplement, amendment, modification or change to this Agreement.

19. Termination

19.1 The Contracting Shipper shall be entitled to terminate this Agreement with immediate effect by giving notice of termination where it has terminated its Shipper GLNG Contract (in accordance with the terms thereof and in circumstances substantially similar to those in Clause 19.2) as a result of:

- (a) a default under such Shipper GLNG Contract by GLNG; or
- (b) an event similar to those set out in Clause 16.1 which exceeds or can with reasonable certainty be expected to exceed twenty four (24) months.

19.2 For the purposes of this Agreement it shall be a Default in relation to a Party (the "**Defaulting Party**") if:

- (a) the Defaulting Party:
 - (i) suspends payment of its debts or is unable or admits its inability to pay its debts as they fall due; or
 - (ii) begins negotiations with any creditor with a view to the readjustment or rescheduling of any of its indebtedness; or
 - (iii) proposes or enters into any composition or other arrangement for the benefit of its creditors generally or any class of creditors; or
 - (iv) becomes subject to any action or any legal procedure or any other step taken (including the presentation of a petition or the filing or service of a notice) with a view to:
 - (1) it being adjudicated or found insolvent; or
 - (2) its winding-up or dissolution; or

- (3) the appointment of a trustee, receiver, administrative receiver, administrator or similar officer in respect of it or any of its assets; or
 - (v) becomes subject to any adjudication, order or appointment under or in relation to any of the proceedings referred to in Clause 19.2(a); or
 - (vi) 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 in Clause 19.2(a);
- (b) any sum (or sums in aggregate) in excess of fifty thousand pounds sterling (£50,000) due by the Defaulting Party to the Non-Defaulting Party are outstanding and unpaid by the due date for payment, and such payment default is not cured within five (5) Business Days after the giving by the Non-Defaulting Party of notice of such default to the Defaulting Party;
- (c) the Defaulting Party commits a material or persistent breach of any of its obligations (other than an excluded obligation) under this Agreement, which is not capable of being cured;
- (d) the Defaulting Party commits a material or persistent breach of any of its obligations (other than an excluded obligation) under this Agreement, which is capable of being cured, and either:
- (i) the Non-Defaulting Party has given notice specifying such breach to the Defaulting Party;
 - (ii) the breach has not been cured within thirty (30) days after receipt of such notice or, if the breach is not reasonably capable of being cured within such thirty (30) day period, the Defaulting Party has not within such period, in the Non-Defaulting Party's opinion, made (and/or does not continue to make) substantial progress towards curing the breach;
 - (iii) the Non-Defaulting Party has given a notice (of not less than five (5) Business Days) of its intention to terminate this Agreement; and
 - (iv) upon expiry of such notice the breach remains uncured or (as the case may be) the Defaulting Party has still not, in the Non-Defaulting Party's reasonable opinion, made (and/or does not continue to make) substantial progress towards curing the breach;
- (e) a Credit Default occurs in relation to the Contracting Shipper (as the Defaulting Party) as provided in Clause 11.

19.3 For the purposes of this Clause 19:

- (a) the "**Non-Defaulting Party**" is NGG where the Contracting Shipper is the Defaulting Party, and the Contracting Shipper where NGG is the Defaulting Party; and
- (b) in Clauses 19.2(c) and 19.2(d), an excluded obligation is:
 - (i) an obligation as to payment (such obligations, for the avoidance of doubt, being addressed in Clause 19.2(b)); and
 - (ii) except where the breach referred to in Clauses 19.2(c) and 19.2(d) is a wilful breach, an obligation for breach of which this Agreement contains an express provision for the defaulting Party to make payment of any sum by way of compensation or otherwise.

- 19.4 Upon the occurrence of a Default, the Non-Defaulting Party may terminate this Agreement with immediate effect by giving notice of termination to the Defaulting Party.
- 19.5 A Party may also give notice of termination in the circumstances specified in Clauses 16 and 19.1.
- 19.6 Termination of this Agreement shall be without prejudice to the rights and liabilities of NGG and the Contracting Shipper accrued prior to or as a result of such termination.
- 19.7 If this Agreement is terminated for any reason, or upon the expiry of the Term, and if NGG then has a NGG Available Volume of greater than zero:
- (a) where:
- (i) this Agreement was terminated upon the Contracting Shipper's Default, the Contracting Shipper will, for a period of fourteen (14) days following such termination; or
- (ii) this Agreement expired or was terminated upon NGG's Default, the Contracting Shipper may in its discretion, for such period after such termination or expiry as the Contracting Shipper shall elect,

allow NGG to make NGG Nominations for an amount of gas equal in aggregate to the NGG Available Quantity, in which case this Agreement (including as to payment of the Service Fee and Delivery Charges, but excluding the provisions of Clauses 4.3, 4.4 and 4.5) shall be deemed to continue in force for such period to the extent necessary to allow delivery of gas pursuant to such NGG Nominations;

- (b) except to the extent (if any) to which the Contracting Shipper is required or elects to allow NGG Nominations under paragraph (a) above, NGG shall have no further rights to the delivery of gas;

20. Expert Determination

- 20.1 Where this Agreement provide or NGG and the Contracting Shipper have agreed that any dispute, question or other matter (**dispute**) is to be referred to or determined or resolved by an Expert:
- (a) the provisions of this Clause 20 shall apply; and
- (b) no party to the dispute shall commence proceedings in any court in respect of or otherwise in connection with such dispute.
- 20.2 A dispute which is to be referred to or determined or resolved by an Expert shall be determined by an individual appointed as Expert in accordance with this Clause 20.
- 20.3 Any party to a dispute which is to be resolved by or referred to an Expert may give notice of the dispute in accordance with Clause 20.4.
- 20.4 The notice shall be given to each other party to the dispute and shall provide brief details of the issues to be resolved.
- 20.5 The parties to the dispute shall endeavour within ten (10) days after the notice under Clause 20.3 (or as the case may be Clause 20.8) was given to agree upon the selection of a single Expert, and may meet for this purpose.
- 20.6 If within ten (10) days after the notice under Clause 20.3 (or as the case may be Clause 20.8) was given the parties to the dispute shall not have agreed upon the selection of an Expert, then

any party to the dispute may within a further five (5) days refer the matter to the President of the Bar Council of England and Wales.

- 20.7 Upon the selection under Clause 20.6, the parties to the dispute shall forthwith notify the Expert selected of his selection and the proposed terms of his appointment and shall request him to indicate within ten (10) days whether or not he is willing and able to accept the appointment.
- 20.8 If the selected Expert is unwilling or unable to accept the appointment, or shall not have confirmed his willingness and ability to accept such appointment within the period required under Clause 20.7, any party to the dispute may by notice to the other such parties require that another person shall be selected as Expert in accordance with Clause 20.5 and 20.6, and the process shall be repeated until an Expert is found who accepts the appointment upon terms acceptable to all the parties to the dispute.
- 20.9 No person shall be nominated as a proposed Expert under this Clause 20 unless that person has the requisite education, experience and qualifications to resolve the matter in dispute and is generally recognised by the relevant industry as an Expert in the field or fields of expertise relevant to the dispute.
- 20.10 The expert shall be an independent contractor and the relationship of the parties to the dispute and the Expert shall in no event be construed to be that of principal and agent or master and servant.
- 20.11 The parties to the dispute shall, no later than five (5) days following the Expert's appointment, submit to the Expert and to each other party to the dispute written submissions together with all supporting documentation, information and data which they wish to submit in respect of the dispute.
- 20.12 Each party to the dispute may, not later than twenty (20) days after the appointment of the Expert, submit to the Expert and to each other party to the dispute written submissions replying to each other party's first submission.
- 20.13 The Expert may at his discretion and at any time request information from any of the parties to the dispute, and such Expert may make such other independent professional and/or technical inquiries as he may deem necessary for determining the matter.
- 20.14 All information submitted by a party to the dispute to the Expert shall be and remain confidential to the Expert, except that copies of all such information and data shall be supplied simultaneously to each other party to the dispute.
- 20.15 The Expert shall not have meetings or discussions with one party to the dispute without giving each other party reasonable notice to attend; and each party to the dispute shall have the opportunity to make representations to the Expert, in the presence of each other party concerned with the matter in dispute, and to be represented by counsel.
- 20.16 The Expert's determination shall be made in writing, and shall contain the reasons for the determination.
- 20.17 The Expert's determination shall be final and binding upon the parties to the dispute, save in the event of fraud or manifest error.
- 20.18 If the Expert has not within a reasonable period (which shall not exceed three (3) months or such other period agreed in his appointment) made a determination, a new Expert shall be appointed at the request of any party to the dispute pursuant to the foregoing provisions of this Clause 20, and upon the acceptance of such appointment by such new Expert, the appointment of the previous Expert shall cease forthwith.
- 20.19 The Expert shall be deemed not to be an arbitrator or mediator but shall render his decision as an expert, and the law relating to arbitration shall not apply to such Expert, his determination, or the procedure by which he reaches his determination.

20.20 Each party to the dispute shall bear its own costs including costs of providing documentation, information, data, submissions or comments under this Clause 20.

20.21 The costs and expenses of the Expert (including all advisers, employees and other persons retained by him) in connection with a determination under this Clause 20, shall be borne as to one half by NGG and as to one half by the Contracting Shipper.

21. Notices

21.1 Subject to the provisions of this Clause 21, any notice or other communication (**notice**) from one of the Parties to the other Party which is required or permitted to be made by the provisions of this Agreement:

- (a) shall be made in writing in English;
- (b) shall be:
 - (i) delivered by hand, or
 - (ii) sent by courier, recorded delivery or registered post (or registered airmail in the case of an address outside the United Kingdom) to the address of the other Party, or
 - (iii) transmitted by fax to the fax number of the other Party;
- (c) marked for the attention of the person(s) required in accordance with Clause 21.2.

21.2 The address and fax number of a Party, and the person(s) for whose attention notices (to such Party) are to be addressed, are as follows:

- (a) in respect of notices given pursuant to Clause 9:
 - (i) NGG:

National Grid Gas plc
Gas Operations
National Grid House
Warwick Technology Park
Gallows Hill
Warwick CV34 6DA

Facsimile number: +44 (0)870 191 0647
Marked for the attention of: Network Manager
 - (ii) Contracting Shipper:

As set out in paragraph 6.1 of Schedule 1.
- (b) in respect of all other notices:
 - (i) NGG:

National Grid Gas plc
Gas Operations
National Grid House
Warwick Technology Park
Gallows Hill
Warwick CV34 6DA

Facsimile number: +44 (0)870 191 0647
Marked for the attention of: Network Manager

(ii) Contracting Shipper:

As set out in paragraph 6.2 of Schedule 1.

or such other address, fax number and/or person(s) as a Party may from time to time notify to the other Parties.

21.3 A notice shall be deemed to have been received (in the absence of earlier receipt):

- (a) if delivered by hand or sent by prepaid recorded delivery or registered post at the time of actual delivery (provided that if delivery occurs on a day which is not a Business Day or after 5.30 p.m. it shall be deemed to be delivered at 9.00 am on the next Business Day);
- (b) if sent by prepaid recorded delivery or registered post from and to any place within the United Kingdom, two (2) Business Days after posting (provided that if the date of posting is not a Business Day, it shall be deemed to have been posted at 9.00 am on the next Business Day) and proof that any such notice was properly addressed, prepaid and posted shall be sufficient evidence that such notice has been duly served;
- (c) if sent by registered airmail, five (5) Business Days after posting (provided that if the date of posting is not a Business Day, it shall be deemed to have been posted at 9.00 am on the next Business Day) and proof that any such notice was properly addressed, prepaid and posted shall be sufficient evidence that such notice has been duly served;
- (d) other than in relation to a notice given pursuant to Clause 13.2, if sent by fax, upon sending, subject to:
 - (i) confirmation of uninterrupted and error-free transmission by a transmission report; and
 - (ii) there having been no telephonic communication by the recipient to the sender that the fax has not been received in legible form:
 - (1) within three (3) hours after sending, if sent on a Business Day and between the hours of 9.00 a.m. and 4.00 p.m.; or
 - (2) by noon on the next following Business Day if sent after 4.00 p.m. on a Business Day but before 9.00 a.m. on the next following Business Day.

21.4 A notice given pursuant to Clause 13.2 which is sent by fax shall be deemed to have been received (in the absence of earlier receipt) upon sending, subject to:

- (a) confirmation of uninterrupted and error-free transmission by a transmission report; and
- (b) there having been no telephonic communication by the recipient to the sender that the fax has not been received in legible form within three (3) hours after sending.

21.5 Notices to be given by NGG to GLNG pursuant to Clause 9 shall be made in writing in English and shall be transmitted by fax to the following fax number of GLNG:

Grain LNG Limited
Facsimile number: 01634 272197
Marked for the attention of: The Operator

or such other fax number and/or person(s) as GLNG may from time to time notify to the Parties.

21.6 A notice pursuant to Clause 21.5 shall be deemed to have been received (in the absence of earlier receipt) by GLNG upon sending, subject to:

- (a) confirmation of uninterrupted and error-free transmission by a transmission report; and
- (b) there having been no telephonic communication by GLNG to NGG that the fax has not been received in legible form within fifteen (15) minutes after sending.

22. Representations, Warranties and Undertakings

22.1 Each Party represents and warrants to the other Party that:

- (a) it is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation (and if relevant under those laws, is in good standing) and has the power to own its property and assets and to carry on its business as contemplated herein;
- (b) it has the power:
 - (i) to execute this Agreement and any other documentation relating to this Agreement to which it is a party;
 - (ii) to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver; and
 - (iii) to perform its obligations under this Agreement;
- (c) it has taken all necessary action to authorise the execution, delivery and performance referred to in paragraph (b) and such execution, delivery and performance does not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;
- (d) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law);
- (e) it is not relying upon any representations of the other Party other than those expressly set out in this Agreement; and
- (f) subject as otherwise provided in this Agreement, it has negotiated, entered into and executed this Agreement as principal (and not as agent or in any other capacity, fiduciary or otherwise).

22.2 NGG undertakes, represents and warrants to the Contracting Shipper that it has obtained and shall maintain in full force and effect all necessary Consents required for the performance of any of NGG's obligations under this Agreement.

22.3 The Contracting Shipper undertakes, represents and warrants to NGG that it has obtained and shall maintain in full force and effect all necessary Consents required for the performance of any of the Contracting Shipper's obligations under this Agreement.

23. Entirety of Agreement

23.1 This Agreement constitutes the entire agreement and understanding between the Parties in relation to the provision of the Service and supersedes all prior agreements, representations,

negotiations and undertakings between the Parties relating to the subject matter of this Agreement.

23.2 Each of the Parties acknowledges and agrees that:

- (a) in entering into this Agreement it does not rely on any representation not expressly set out in this Agreement of any nature made to it by any person (whether a Party or not). Each Party irrevocably waives all claims, rights and remedies in relation to any such representations made to it before entering into this Agreement;
- (b) the only claim, right or remedy available to a Party in respect of a representation expressly set out in this Agreement shall be damages for breach of contract; and
- (c) nothing in this Clause 23.2 shall operate to limit or exclude any liability for fraud or fraudulent misrepresentation.

24. Survival

24.1 The cancellation, expiry or earlier termination of this Agreement shall not relieve the Parties of their obligations which by their nature or from their context are intended to, or would naturally, continue to have effect after termination of the Agreement, and such obligations shall survive such cancellation, expiration or early termination.

25. Contracting Shipper's Shipper GLNG Contract

25.1 The Contracting Shipper's Shipper GLNG Contract is made up of the following documents that together comprise one agreement between the Contracting Shipper and GLNG:

- (a) a "Specific Terms Agreement" (the "**STA**"); and
- (b) a set of "General Terms and Conditions" (the "**GTCs**")

together with such side letters, amendments, modifications and supplemental agreements agreed between the Contracting Shipper and GLNG from time to time;

25.2 The Contracting Shipper has provided a copy of the GTCs (as at the date hereof) to NGG and undertakes to provide NGG with any amendments to the GTCs as soon as reasonably practicable after such amendments have been notified by GLNG to the Contracting Shipper.

25.3 The Contracting Shipper will not amend a defined term within the GTCs without giving prior written notice NGG, and obtaining NGG's written consent to such where it could have a material impact on the interpretation or operation of this Agreement.

26. Counterparts

26.1 This Agreement may be executed in any number of counterparts and by the Parties on separate counterparts. Each counterpart shall constitute an original of this Agreement, but together the counterparts shall constitute one document.

27. Invalidity

27.1 If at any time:

- (a) any provision of this Agreement is or becomes invalid, illegal or unenforceable under the law of any relevant jurisdiction, or is declared by any court of competent jurisdiction or any other Competent Authority to be invalid, illegal or unenforceable under the law of any relevant jurisdiction; and

- (b) the case is not one falling within Clause 17, or the provisions of that Clause do not (or to the extent they do not) operate to remove such invalidity, illegality or unenforceability

the validity, legality and enforceability in that jurisdiction of the remaining provisions of this Agreement, and the validity, legality and enforceability of those provisions under the law of any other jurisdiction shall not in any way be affected or impaired thereby and shall remain in full force and effect.

- 27.2 In the circumstances set out in Clause 27.1(a), the Parties will negotiate in good faith with a view to agreeing one or more provisions which may be substituted for such invalid, illegal or unenforceable provision, and which will produce, as nearly as is practicable in all the circumstances, the appropriate balance of the commercial interests of the Parties as evidenced in this Agreement.

28. Disclaimer of Agency

- 28.1 Except as expressly provided in this Agreement, this Agreement does not constitute either Party as the associate, agent, partner or legal representative of the other for any purposes whatsoever, and neither Party shall have any express or implied right or authority to assume or to create any obligation or liability on behalf of or in the name of the other Party.

29. Third Party Rights

- 29.1 The Parties do not intend that any terms of this Agreement be enforceable by virtue of the Contract (Rights of Third Parties) Act 1999 by any person who is not a party to this Agreement (other than GLNG in relation to Clause 5.3); and the Parties may rescind or vary this Agreement, in whole or in part, without the consent of any such person.

30. Governing Law

- 30.1 The Parties irrevocably agree that the English courts shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement. Each Party agrees to waive any objection to the English courts, whether on the grounds of venue, or on the grounds that the forum is not appropriate.
- 30.2 Where the Contracting Shipper does not have a place of business in England, the Contracting Shipper shall appoint an agent for service of process under this Clause 30 who shall maintain an address in England. The address of such agent and the names of the two (2) persons for whose attention any service document are (if applicable) set out in paragraph 7 of Schedule 1.
- 30.3 Any service document shall be served on the Contracting Shipper by posting it by pre-paid recorded delivery post to the address for service specified in Clause 30.2, or to such other address for service within England as may be notified to NGG in accordance with Clause 21.
- 30.4 This Agreement shall be governed by and construed in accordance with English law.
- 30.5 The Parties recognise and acknowledge that this Agreement constitutes a commercial transaction and accordingly each Party acknowledges and agrees that it is not entitled to plead sovereign immunity for any purpose whatsoever, including any right to plead sovereign immunity in respect of any action to refer a matter to an Expert pursuant to Clause 20 or to enforce or execute any decision rendered in any Expert determination pursuant to Clause 20.
- 30.6 Each Party consents generally to the giving of any relief or the issuing of any process, including the making, enforcement or execution against any property of any order or judgment, in respect of any decision of any Expert.
- 30.7 To the extent that:
- (a) either Party may now or at any time hereafter be entitled in any jurisdiction to claim for itself or its assets immunity in respect of its obligations under this Agreement; or

- (b) in any jurisdiction there may now or at any time hereafter be attributed to itself or its assets such immunity,

each of the Parties agrees not to claim and hereby irrevocably and unconditionally waives such immunity.

31. Warranties

31.1 Each Party warrants and represents to the other that with respect to this Agreement and the transactions hereunder:

- (a) Foreign Assets Control: that as a result of its entry into and the performance of its obligations under this Agreement, neither this Agreement nor any transaction hereunder will directly or indirectly violate the laws, regulations, executive orders, sanctions or programs administered by the Office of Foreign Assets Control of the US Department of the Treasury (“OFAC”), or any ruling or order issued by OFAC in connection therewith.
- (b) Payments, Gifts, etc: neither it nor any of its Affiliates nor its agents have made nor will make any contributions, payments, loans, gifts, or promises thereof, directly or indirectly, to or for the use or benefit of (i) any foreign official, foreign political party official or foreign political party candidate within the meaning of such terms under the U.S. Foreign Corrupt Practices Act (collectively “Official or Candidate”); (ii) any person, where the Parties or their Affiliates or their respective Agents know or should know or have reason to suspect that any part of such contribution, payment, loan or gift may be transferred to an Official or Candidate; or (iii) to any person, where such action would violate the laws (including without limitation laws relating to bribery, corruption and/or political contributions) of the UK or the US. Neither that Party nor its Affiliates or agents have maintained or will maintain any unlawful or unrecorded funds for any of the foregoing purposes.
- (c) Money Laundering: neither it nor its Affiliates nor its agents have taken nor will take any action which would violate the money laundering laws of the UK or the US.

IN WITNESS whereof the duly authorised representatives of the parties have executed this Agreement the day and first year before written.

SIGNED for and on behalf of
National Grid Gas plc

SIGNED for and on behalf of
The Contracting Shipper

Signed:

Signed:

Name:

Name:

Position:

Position:

Schedule 1

1. Contracting Shipper

[] (Registered No. []) whose registered office is at []

2. Anticipated Boil-off from the Start Date

For the purposes of the definition of Anticipated Boil-off, the estimated average Minimum Delivery of the Contracting Shipper and each Deriving Shipper for each Day in respect of the period from the Start Date until the first Day of the next occurring month is [] GWh per Day

3. Initial Delivery Capacity

For the purposes of the definition of Initial Delivery Capacity, the Delivery Capacity initially allocated to the Contracting Shipper pursuant to the Contracting Shipper's Shipper GLNG Contract is [] GWh/Day;

4. Start Date and End Date

4.1 The Start Date is [].

4.2 The End Date is [].

5. Charges and Payment

5.1 The amount of the Service Fee payable monthly for the purposes of Clause 10.1(a) is [].

5.2 For the purposes of Clause 10.1(c)(ii), DGP is an amount equal to:

(a) [] (£/GWh);

(b) where the amount specified in (a) is zero or blank, the lesser of:

(i) [] (£/GWh);

(ii) the greater of:

(A) a price (in pounds sterling per GWh) calculated as the average of the three (3) highest System Average Prices (in pounds sterling per GWh) in the five (5) Days immediately after the date on which the delivery occurred, minus the average of the System Entry Capacity Charges applicable in respect of the Gas Delivery Point in the same period; and

(B) the weighted average of the System Average Price (in pounds sterling per GWh) in the three hundred and sixty five (365) Days immediately before the date on which the delivery occurred, minus the average of the System Entry Capacity Charges (in pounds sterling per GWh) applicable in respect of the Gas Delivery Point in the same period;

5.3 For the purposes of Clause 10.7, the name, address and sort code of the bank and the name and number of the accounts to which payments by NGG to the Contracting Shipper are to be made are as follows:

Name of bank: []
Address: []
Sort Code: []
Account Number: []
Account Name: []

6. Notice Details of Contracting Shipper

6.1 For the purposes of Clause 21.2(a)(ii), the Contracting Shipper's details are:

[]
[]

Facsimile number: []
Marked for the attention of: []

6.2 For the purposes of Clause 21.2(b)(ii), the Contracting Shipper's details are:

[]
[]

Facsimile number: []
Marked for the attention of: []

7. Address for service of process

[The Contracting Shipper does not have a place of business in England, and therefore the Contracting Shipper has appointed an agent for service of process under Clause 30 who shall maintain an address in England. The address of such agent and the names of the two (2) persons for whose attention any service document shall be marked, are as follows:

Name of firm/agent: []
Address: []

8. Additional Conditions

In addition to all other terms and conditions of this Agreement, the following shall apply:

[].

Schedule 2 - NGG SERVICE QUANTITY

Month	NGG Service Quantity (GWh)
[]	[]