

PAKISTAN
LNG TERMINAL ACCESS CODE

FOR USE OF

LNG REGASIFICATION AND
STORAGE TERMINALS

OIL AND GAS REGULATORY
AUTHORITY
ISLAMABAD

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PREFACE

As part of its mandate to facilitate and regulate the downstream gas market, and to meet the requirements of LNG Policy of 2011, the Oil and Gas Regulatory Authority carried out a consultative process and developed the regulatory framework for access to LNG storage and regasification terminals (LNG terminals). This framework includes the LNG Terminal Access Rules, 2021 and LNG Terminal Access Code (Code), as notified by the Oil and Gas Regulatory Authority. The Rules of 2021 are meant to provide the high-level principles governing the access to LNG terminals and the Code is aimed at providing a clear, transparent, on-discriminatory and standard operational framework for access to LNG terminals.

The key objectives of the Code are:

- (a) To promote the development of competition in the gas sector by establishing uniform principles that will be applicable to parties who wish to access LNG terminals;
- (b) To ensure transparent, fair and non-discriminatory practices in all transactions concerning the use of LNG terminals;
- (c) To prevent any potential abuse of market power or dominant position, as well as anti-competitive conduct in the use of LNG terminals; and
- (d) To ensure safe and reliable supply of gas.

This Code shall bind the parties that enter into access agreement for the use of LNG terminal to a uniform set of operational and technical conditions while allowing them to set commercial conditions by mutual consent. The provisions of this Code shall be an overarching and integral part of each access agreement.

ARTICLE 1. APPLICABILITY AND SCOPE

1.1 Applicability

This Code shall apply to any person who will develop, operate, use or connect with the LNG terminals which shall include the following parties:

- (a) Licensee of LNG terminal (construction and operation);
- (b) Licensee of LNG storage and filling facilities;
- (c) Licensee of supply and/transportation of re-gasified LNG;
- (d) Licensee of gas pipeline transportation system connected with LNG terminal; and
- (e) Licensee of any other Connected System.

1.2 Scope

- 1.2.1 This Code shall provide standard terms and conditions of technical nature that will govern the relationship of the parties to Access Agreement and shall be read as an integral and binding part of each Access Agreement.
- 1.2.2 The parties to Access Agreement may mutually agree on the commercial terms and any additional conditions that are not inconsistent with the provisions of this Code, and any such terms and conditions may be added in the Access Agreement.
- 1.2.3 A person wishing to access an LNG terminal shall abide by the Rules and the provisions of this Code, and shall enter into the Access Agreement with the Terminal Operator.

ARTICLE 2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In this Code, unless there is anything repugnant in the subject or context, -

“**Access Arrangement**” or “**Access Agreement**” means the agreement between Terminal Operator and terminal user for berthing, unloading, reloading, treatment, measurement, quality testing, delivery, storage and re-gasification and/or re-loading of LNG as approved by the Authority;

“**Additional Terminal Services**” shall have the meaning given to that term in [clause 3.1.4];

“**Affiliate**” means, in relation to a party, an entity or person:

- (a) that is directly or indirectly controlled by such party; or
- (b) that directly or indirectly controls such party; or
- (c) that is directly or indirectly controlled by an entity or person that also directly or indirectly controls such party;

“**Allocated Capacity**” means such Terminal Capacity that the Terminal Operator has allocated or committed to each terminal user at the time of any capacity declaration;

“**Ancillary Terminal Services**” shall have the meaning given to that term in [clause 3.1.5];

“**Annual Delivery Programme**” or “**ADP**” means the annual schedule for delivery and unloading of LNG cargo of a terminal user at the LNG terminal for regasification or re-loading, in accordance with the provisions of this Code;

“**Authorisation**” means any acknowledgement, approval, clearance, consent, decision, exemption, filing, licence, notification, permit, registration, resolution, ruling, waiver or other kind of permission required to be obtained by a party to access agreement from a Competent Authority for the performance of any of its obligations under the Access Agreement;

“**Authority**” means the Oil and Gas Regulatory Authority;

“**Available Capacity**” means such Terminal Capacity that is not allocated or committed by, or in the use of, a Terminal Operator and is still available in the LNG terminal at the time of any capacity declaration;

“**Berthing Slot**” means the entitlement of a terminal user on a specific day to berth at the unloading facilities of the LNG terminal for the purpose of unloading an approved LNG Carrier;

“**Boil-off**” means evaporation of LNG;

“**Borrowing Terminal User**” shall have the meaning given to that term in [clause 9.2];

“**Btu**” means the amount of heat required to raise the temperature of one pound of water from fifty-nine-degree Fahrenheit (59°F) to sixty-degree Fahrenheit (60°F);

“**Capacity Allocation**” means the allocation of daily LNG re-gasification capacity or LNG re-loading capacity in MMSCF and storage capacity in million tons by the Terminal Operator to a terminal user;

“**Capacity Allocation Mechanism**” means the mechanism for the allocation of Terminal Capacity to the interested parties and provision of different types of Terminal Services;

“**Capacity Hoarding**” occurs when a terminal user books Terminal Capacity but fails to use it effectively and prevents the use of such capacity by another licensee interested in such Terminal Capacity;

“**Claims**” means any and all claims, liens, judgments, penalties, awards, remedies, debts, liabilities, damages, demands, costs, losses, expenses or causes of action of whatever nature including without limitation those made or enjoyed by dependents, heirs, claimants, executors, administrators, successors, survivors, or assigns, reasonable legal costs and sums paid by way of settlement or compromise;

“**Competent Authority**” means any governmental, regulatory, administrative or judicial authority, including Oil and Gas Regulatory Authority; Port Qasim Authority or other maritime or port authority; State Bank of Pakistan; Securities and Exchange Commission of Pakistan; Federal Board of Revenue; Environmental Protection Agency; National Highway Authority; Provincial Revenue Authority; or such other public office as may be relevant;

“**Connected System**” means a gas pipeline or any other facility, equipment or system that is connected with LNG terminal downstream of the Gas Delivery Point;

“**consequential damages**” means the damages for any loss or deferment of profit or anticipated revenue, income or earnings or savings, including any losses incurred under or in connection with any agreements between a party to the Access Agreement and third parties, loss of goodwill, loss of use, business interruption, increased cost of working and wasted effort or expenditure or any indirect or remote damage;

“**Contract Year**” means, in respect of an access agreement, -

- (a) the period beginning on the Effective Date and ending on the next 31st day of December, for the first contract year;
- (b) the period beginning on the 1st day of January and ending on the day of expiry of access agreement, for the last contract year; and
- (c) the period of twelve (12) months beginning on the 1st day of January and ending on the next 31st day of December, for all other contract years;

“**Custody Transfer Point**” means the flange at the downstream of the meter at which the LNG is transferred from the LNG Carrier by a hose into the FSRU or land-based facility of LNG terminal;

“**day**” means a period of 24 continuous hours, commencing at 00:00 midnight PST on the first day and ending at 00:00 midnight PST on the next day;

“**daily**” shall refer to a period of one day;

“**Daily Nomination**” means a Nomination by terminal user for a day in a Contract Year in accordance with [clause 7.6];

“**deliver**” or “**delivery**” means to deliver, or the delivery of, gas or LNG by Terminal Operator to terminal user at the Custody Transfer Point, Gas Delivery Point or LNG re-loading point, as applicable, in accordance with this Code;

“**Delivery Schedule**” means an ADP, NDP or any other schedule for delivery and unloading of LNG at the LNG terminal which is followed by the Terminal Operator to provide Terminal Services to terminal users;

“**Dispute**” means any dispute, claim or difference arising between the parties to Access Agreement;

“**Effective Date**” shall have the meaning given to that term in Access Agreement;

“**Emergency**” means an event, in the reasonable opinion of the Terminal Operator, causing or threatening to cause injury or loss of life of any people, or damage to property, or contamination of the environment and which, in each case, prevents the normal operation of the LNG terminal or provision of Terminal Services under normal circumstances;

“**Financial Institution**” means a bank or other financial institution that (i) is included, for the time being, on the list maintained by the State Bank of Pakistan pursuant to sub-section (1), section 37 of the State Bank of Pakistan Act, 1956 and (ii) has a long-term rating of at least [AA] and a short-term rating of at least [A1+], as determined by PACRA;

“**Force Majeure**” shall have the meaning given to that term in [clause 13.1];

“**FSRU**” means the floating storage and regasification unit of the LNG terminal;

“**gas**” means natural gas and includes re-gasified LNG;

“**Gas Delivery Point**” means the flange at the downstream of the meter installed at LNG terminal at which gas is delivered to a shipper or customer;

“**gas pipeline transportation system**” or “**system**” means the transmission system, distribution system, pipelines, spur pipelines, equipment, compressors and associated facilities downstream of the Gas Delivery Point and which are used for transportation of gas from one point to another, but shall not include a processing plant or LNG terminal pipeline within the battery limit of isolation valves of such plant or terminal;

“**Independent Surveyor**” means the independent expert appointed under [clause 8.3.2] for measurements and tests of amount and quality of LNG delivered by terminal users at the LNG terminal;

“**Inter-user Guarantee**” shall have the meaning given to that term in [clause 9.7];

“**Lending Terminal User**” shall have the meaning given to that term in [clause 9.2];

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

“**LNG Carrier**” means an ocean-going vessel suitable for transporting LNG cargoes that is designated by terminal user and approved by the Terminal Operator to transport LNG to the LNG terminal;

“**LNG Heel**” shall have the meaning given to that term in [clause 10.4];

“**LNG re-gasification capacity**” shall have the meaning given to that term in [clause 3.1];

“**LNG re-loading capacity**” shall have the meaning given to that term in [clause 3.1];

“**LNG re-loading point**” means the point at the LNG terminal at which the flange coupling of the LNG terminal’s loading line joins the flange coupling of a truck, vessel or other vehicle for re-loading of LNG;

“**LNG Specifications**” shall have the meaning given to that term in [clause 8.1];

“**LNG terminal**” means fixed or movable facilities, whether located on land or sea, used for loading, unloading, storage and re-gasification of LNG including all ancillary and auxiliary equipment and pipelines;

“**LNG Terminal Access Code**” or “**Code**” is the common set of standard conditions governing Access Agreement between Terminal Operator and terminal user under the Rules which shall include processes such as capacity declaration, Capacity Allocation, Capacity Hoarding, Nomination, metering, Tariff, Emergencies, communication, planned Maintenance, operational planning and other operational matters, as approved by the Authority, and which shall bind the Terminal Operator not to discriminate as between similarly situated persons or classes of persons and services in the exercise of its rights or in the performance of its obligations;

“**Loanable LNG**” means the quantity of LNG of a Lending Terminal User delivered at LNG terminal, net of Retainage, and which will be borrowed by Borrowing Terminal Users pursuant to [Article 9];

“**Loading Port**” means the port at which LNG cargo is loaded on board an LNG Carrier;

“**Maintenance**” means the carrying out of any activities aimed at inspection, repair, restoration, service, overhaul and improvement of the LNG terminal during which the Terminal Services may not be provided at all or limited at the Terminal Operator’s discretion, acting as a reasonable and prudent operator;

“**Master**” means the designated person who is overall responsible for the operations of LNG Carrier under the IMO International Safety Management and ISM Code, as notified by the relevant terminal user to the Terminal Operator, from time to time;

“**MMBTU**” means 1,000,000 BTU;

“**MMSCF**” means one million SCF, and “**MMSCFD**” means one million SCF per day;

“**month**” means a calendar month beginning at 00:00 midnight PST on the first day of a month and ending at 00:00 midnight PST on the first day of the next following month provided that the first month shall commence on the Effective Date and shall end at 00:00 midnight PST on the first day of the immediately following calendar month;

“**Ninety-day Delivery Programme**” or “**NDP**” means the schedule for delivery and unloading of LNG cargo of terminal user at the LNG terminal for regasification or re-loading for a period of successive three (3) months, in accordance with the provisions of this Code;

“**Nomination**” means the notification process between terminal user and Terminal Operator to schedule the periodic regasification and delivery of gas at the Gas Delivery Point, or re-loading and delivery of LNG at the LNG re-loading point, or provision of any other Terminal Services, in accordance with Access Agreement;

“**Notice of Readiness**” or “**NOR**” shall have the meaning given to that term in [clause 7.10.3];

“**Off-specification LNG**” shall have the meaning given to that term in [clause 8.2.1];

“**Open Season**” means a phased process to call for interests in the allocation of Terminal Capacity and thereby determine the demand, scope and terms for such allocation, and to invite non-binding and binding offers for the allocation of Terminal Capacity, in an open and transparent manner;

“**party**” means a Terminal Operator, terminal user or Connected System operator who has entered into an Access Agreement;

“**Performance Security**” shall have the meaning given to that term in [Article 16];

“**person**” means any individual, corporation, company, association, partnership, joint venture, trust, organization, authority, committee, department, incorporated or unincorporated, whether or not having distinct legal personality;

“**Pilot**” means a duly experienced professional person with recognised industry qualifications and engaged by the operator of LNG Carrier to come on board the LNG Carrier to assist the Master in pilotage, mooring, berthing and unmooring of the LNG Carrier;

“**Pilot Boarding Station**” means the specific location off the LNG terminal at which Pilots customarily board the LNG Carrier upon its arrival for unloading LNG;

“**Psia**” means pounds per square inch absolute;

“**Psig**” means pounds per square inch gauge;

“**PST**” means Pakistan Standard Time;

“**re-gasification**” means the physical process by which LNG is processed to be returned into its gaseous state;

“**re-loading**” includes loading of LNG on trucks or vessels designated by terminal user and approved by Terminal Operator in accordance with the Access Agreement;

“**Re-nomination**” means a Daily Nomination that revises a pre-existing Daily Nomination for a day;

“**Retainage**” shall have the meaning given to that term in [clause 10.1];

“**Returnable LNG**” means the quantity of LNG of Borrowing Terminal Users delivered at LNG terminal, net of Retainage, and which will be returned to the Lending Terminal Users pursuant to [Article 9];

“**Rules**” means the LNG Terminal Access Rules, 2021 issued pursuant to the Oil and Gas Regulatory Authority Ordinance, 2002 (Ordinance XVII of 2002);

“**SCF**” means the volume of Gas required to fill a one cubic foot space at a pressure of 14.65 Psia and at a temperature of 60° Fahrenheit;

“**Shipper**” means a person holding a valid licence issued by the Authority for transmission, distribution or sale of gas through Access Agreement for transportation of gas;

“**Standard Terminal Services**” shall have the meaning given to that term in [clause 3.1.2 and clause 3.1.3];

“**Tariff**” means the charges payable by terminal user to Terminal Operator for the Terminal Services and any other costs and expenses under the Access Agreement;

“**Taxes**” means all taxes, duties, levies, cesses or other fiscal charges which may, at any time, be enacted, levied or imposed by a Competent Authority;

“**Technical Dispute**” shall have the meaning given to that term in [clause 20.1];

“**Term**” shall have the meaning given to that expression in the Access Agreement;

“**Terminal Capacity**” means the berthing, unloading, storage, re-gasification and re-loading capacity of the LNG terminal;

“**Terminal Congestion**” shall have the meaning given to that term in [clause 5.4];

“**Terminal Operator**” means the person operating the LNG terminal under a license issued by the Authority;

“**Terminal Services**” means the services offered by LNG terminal in accordance with the terms of its license, including berthing, unloading, reloading, storage, re-gasification, treatment, measurement and quality testing, whether on continuous, firm or interruptible basis, in accordance with Access Agreement;

“**terminal user**” means a Shipper or other person that holds capacity of LNG terminal by entering into Access Arrangement with Terminal Operator;

“**Tolling Tariff Methodology**” shall have the meaning given to that term in [clause 15.1];

“**Transporter**” means the operator of a gas pipeline transportation system;

“**Truck Filling Services**” shall have the meaning given to that term in [clause 14.2];

“**Unloading Window**” means a period of time allocated to a terminal user by the Terminal Operator for the purpose of arrival, unloading or re-loading, as applicable, of an LNG Carrier; and

“**year**” means a period from a day in one calendar year to the same calendar day in the next or the prior calendar year, as applicable.

2.2 Further Definitions

The words and expressions used in the Code but not defined above shall have the meanings as assigned to them in the Oil and Gas Regulatory Authority Ordinance, 2002 (Ordinance XVII of 2002), Rules and any other rules and regulations framed thereunder, from time to time.

2.3 Interpretation

In this Code, unless otherwise specified, following rules of interpretation shall apply: -

- (a) the index, headings and captions are meant for convenience and shall be ignored in interpreting this Code;

- (b) the words denoting singular include plural and vice versa;
- (c) a reference to one gender includes the other genders;
- (d) the terms "includes", "including" and "in particular" shall not limit the generality of any preceding words;
- (e) a reference to any clause, paragraph or Annexure is respectively a reference to such clause, paragraph or Annexure of this Code;
- (f) a reference to any person, whether or not a party to Access Agreement, includes its successors and permitted assigns or transferees and vice versa;
- (g) a reference to Competent Authority shall mean any person or entity succeeding to its functions and capacities;
- (h) a reference to Law shall, unless the context otherwise requires, be construed as reference to any subsequent Law that directly or indirectly amends, consolidates, extends, replaces or re-enacts the same and includes any orders, regulations, instruments or other subordinate legislation made under the relevant Law;
- (i) in the computation of periods of time from a specified day to a later specified day, the word "from" means "from but excluding" and the words "until" and "to" mean "to and including";
- (j) a Saturday, Sunday, gazetted holiday and day on which the banks in Pakistan are close for business shall, where the context so requires, be excluded in the computation of number of days;
- (k) all dates and periods of time shall be computed according to the Gregorian calendar;
- (l) the Annexes shall be an integral part of this Code; and
- (m) the provisions of this Code shall prevail over any inconsistent provisions of the Annexes and Access Agreement.

ARTICLE 3. TERMINAL CAPACITIES AND THEIR ALLOCATION

3.1 Description of Terminal Capacities

3.1.1 A Terminal Operator may allocate the following types of Terminal Capacities:

- (a) LNG Regasification Capacity;
- (b) LNG Re-loading Capacity; and
- (c) where relevant, any independent storage capacity.

3.1.2 The LNG Regasification Capacity shall be used for the provision of Standard Terminal Services, which shall include berthing, unloading, storage, regasification and send-out of gas at the Gas Delivery Point by Terminal Operator to terminal user.

3.1.3 The LNG Re-loading Capacity shall be used for the provision of Standard Terminal Services which shall include berthing, unloading, storage and re-loading of LNG at the LNG re-loading point by Terminal Operator to terminal user.

3.1.4 The Terminal Operator may provide Additional Terminal Services at the LNG terminal, which shall include measurement, metering, testing, cool-down (to cryogenic temperatures).

3.1.5 The Terminal Operator may itself provide or facilitate the provision of Ancillary Terminal Services to terminal users, which shall include quality treatment, repairs and any other service to be provided by third parties at the LNG terminal.

3.1.6 The Terminal Operator may provide each type of Terminal Services on an unbundled basis, that is, the Terminal Services of berthing, unloading, storage, regasification and re-loading may separately be provided, or the same may be provided in different bundles and packages; provided that any such arrangements shall be offered to all terminal users without discrimination.

3.1.7 The Terminal Operator shall publish the technical characteristics of the LNG terminal on its website which shall be substantially in the form given in Annexure [A].

3.2 Capacity Allocation Mechanism

3.2.1 The Terminal Operator shall, -

- (a) develop a Capacity Allocation Mechanism in accordance with the Rules and which shall include the method for calculation of Terminal Capacity;
- (b) submit the Capacity Allocation Mechanism to the Authority and publish it on its website within [three (3) days] thereof; and
- (c) allocate Terminal Capacities in accordance with the Capacity Allocation Mechanism and this Code.

3.2.2 In calculating the Available Capacity for each type of Terminal Services, the Terminal Operator shall ensure that maximum capacity of LNG terminal will be made available to the potential terminal users, while taking into account system integrity, security of supply and any constraints imposed by the gas pipeline transportation system connected with the LNG terminal or a Connected System.

3.3 Requirements for Allocation of Terminal Capacities

- 3.3.1 A Terminal Operator shall, by giving a period of at least [thirty (30) days], publish the invitation to apply for the allocation of Terminal Capacities on its website and in [two] daily newspapers of wide circulation which shall include the following information:
- (a) Total Terminal Capacity of LNG terminal;
 - (b) Available Terminal Capacities;
 - (c) Types of Terminal Services offered;
 - (d) Applicable Tariff and any other costs and expenses;
 - (e) Deadline for submission of application for allocation of Terminal Capacities; and
 - (f) Manner of submission of application for allocation of Terminal Capacities.
- 3.3.2 An applicant interested in the allocation of Terminal Capacities shall fulfil the following conditions at the time of submission of application for allocation of Terminal Capacities:
- (a) it has obtained the requisite license from the Authority;
 - (b) it has obtained any other consent under an applicable law;
 - (c) it has received letters of intent or other written communication from LNG suppliers that evidence potential LNG sales equivalent to the amount of Terminal Capacities applied for; and
 - (d) it has the financial ability or planned funding arrangements to pay for the LNG supplies and use of the Terminal Capacities applied for.
- 3.3.3 If an applicant may not be able to comply with any condition referred in [clause 3.3.2], the applicant shall give due reasons and supporting evidence to the Terminal Operator and may seek a waiver for such non-compliance for a reasonable time. The Terminal Operator shall have the right to reject the applicant's request for allocation of Terminal Capacities, where no justified reasons exist for the request of waiver.

3.4 Allocation Requests for Terminal Capacities

- 3.4.1 An applicant for allocation of Terminal Capacities shall provide the Terminal Operator the following materials:
- (a) Application Form for allocation which shall be substantially in the form given in Annexure [B];
 - (b) Applicant's incorporation certificate, memorandum and articles of association, and a resolution of its Board of Directors authorising the submission of the application of allocation of Terminal Capacities;
 - (c) Evidence of compliance with the conditions specified in [clause 3.3.2] unless a waiver is granted by the terminal operator under [clause 3.3.3];
 - (d) A security bond issued by Financial Institution to secure validity of the application for such reasonable amount and validity period as may be determined and published by the Terminal Operator in the invitation for allocation of Terminal Capacities and which shall be substantially in the form given in Annexure [C]; and
 - (e) any additional requirements that are not anti-competitive or restrictive.
- 3.4.2 The Terminal Operator shall evaluate the applications and supporting documents for allocation of Terminal Capacities and, in case any inconsistencies are identified during the evaluation, the Terminal Operator shall give an opportunity to the concerned applicant to remove the specified inconsistencies within a period of [seven (7) days].

- 3.4.3 All applications for allocation of Terminal Capacities shall be considered and decisions will be made by the Terminal Operator, -
- (a) if the term of allocation applied for does not exceed [three (3) years], not later than [fifteen (15) days] after the deadline for submission of such requests; and
 - (b) if the term of allocation applied for is more than [three (3) years], not later than [thirty (30) days] after the deadline for submission of such requests.
- 3.4.4 An application for allocation of Terminal Capacities shall be rejected in the following events:
- (a) The Terminal Operator, acting as a reasonable and prudent operator, determines that the applicant does not meet the requirements specified in [clause 3.4.1]; or
 - (b) the amount of Terminal Capacities and LNG cargo deliveries indicated by the applicant are not consistent with the LNG terminal's technical specifications and operational requirements, and the applicant has failed to remove such inconsistencies within the specified time after a notice in writing of the Terminal Operator.
- 3.4.5 Not later than [three (3) days] after making the decision to reject an application for allocation of Terminal Capacities, the Terminal Operator shall notify such decision and the underlying reasons thereof to the applicant and the Authority.
- 3.4.6 If the total amount of Terminal Capacities in all the applications for allocation that are acceptable to the Terminal Operator do not exceed the total Available Capacity of the LNG terminal, the Terminal Operator shall confirm the allocation of Terminal Capacities to each applicant respectively.
- 3.4.7 If the total amount of Terminal Capacities in all the applications for allocation that are acceptable to the Terminal Operator exceed the total Available Capacity of the LNG terminal, the Terminal Operator shall offer the Terminal Capacities to each applicant in accordance with the order of priority given in the Capacity Allocation Mechanism. In the absence of such an order specified in the Capacity Allocation Mechanism, the order shall be as follows: -
- (a) the ranking shall first be applied on the basis of longer term of the allocation applied for;
 - (b) if more than one applicants apply for the same term of allocation, the larger volume of the Terminal Capacities applied for shall rank higher; and
 - (c) if the term of allocation and volume of Terminal Capacities applied for are the same, the application made earlier in time shall rank higher.
- 3.4.8 If any Terminal Capacity is left unallocated after the initial allocations, the Terminal Operator may offer such Terminal Capacity to the applicant who is respectively the first in the order of priority specified in the Capacity Allocation Mechanism and, in the absence of such an order, in accordance with [clause 3.4.7]. The applicant shall have the option to either accept or decline the surplus Terminal Capacities offered by the Terminal Operator not later than [three (3) days] from such offer. Should the applicant decline or fail to communicate its acceptance within the specified time, the Terminal Operator may offer such surplus terminal capacities to the next applicant on the order of priority.
- 3.4.9 The Terminal Operator shall continuously update the information about Capacity Allocations on its website and report the same to the Authority within [three (3) days] of each Capacity Allocation.

3.5 Promotion of Competition

The Terminal Operator shall not allocate whole of the Terminal Capacity to a single terminal user except with the prior approval of the Authority and any such approval may be granted on just cause explained to the satisfaction of the Authority.

3.6 Capacity Allocations for Short Terms and Small Users

3.6.1 A Terminal Operator shall allocate a minimum of [ten (10) percent] of the total Terminal Capacity of a new LNG terminal or any expansion of the existing LNG terminal to the terminal users, -

- (a) who wish to enter into Access Agreement for a term not exceeding [three (3) years]; and/or
- (b) who do not require more than [ten (10) percent] of the Available Capacity or such other amount as the Authority may, by notification in the official Gazette, specify in this behalf.

3.6.2 If any amount of Terminal Capacity remains unallocated under [clause 3.6.1] on account of insufficient interest after two public invitations have been made by the Terminal Operator as provided in [clause 3.3.1], such unallocated amount of Terminal Capacity may be allocated to any other interested person in accordance with the Capacity Allocation Mechanism and, where no method has been specified for such allocation, on the first-come-first served basis.

3.6.3 If any amount of Terminal Capacity has not been allocated under [clause 3.6.1], the Terminal Operator shall, within [three (3) days] thereof, report to the Authority the full reasons why no such allocation was made.

3.7 Conclusion of Contracts

3.7.1 An applicant whose request for allocation of Terminal Capacities has been accepted by the Terminal Operator shall sign the Access Agreement within a period not exceeding [fifteen (15) days] of the acceptance of such request by the Terminal Operator. The Access Agreement shall be prepared in the form given in Annexure [D].

3.7.2 The applicant and Terminal Operator may agree on additional terms and conditions that are consistent with this Code and the Rules, and shall include the same in the Access Agreement. Any additional terms and conditions that are inconsistent with this Code and the Rules shall be invalid and inoperative.

3.7.3 The applicant shall have the right to refuse to sign the Access Agreement, if the Terminal Capacities allocated to the applicant are not in accordance with its application for allocation.

3.7.4 Except for [clause 3.7.3], in case the applicant, -

- (a) withdraws or unilaterally modifies its request after its acceptance by the Terminal Operator;
- (b) refuses or fails to sign the Access Agreement by the deadline specified in [clause 3.7.1]; or
- (c) refuses or fails to provide the Performance Security and/or Inter-user Guarantee in accordance with this Code,

the applicant shall lose the right to Terminal Capacities allocated to it and the Terminal Operator shall have the right to claim full payment of the security bond of the applicant provided under [clause 3.4.1] as liquidated damages to the Terminal Operator. Such action will be without prejudice to any other rights and remedies of the Terminal Operator under the law.

- 3.7.5 The period of validity of Access Agreement shall correspond to the period of use of the Terminal Capacities allocated to the terminal user, as identified in its application for allocation of Terminal Capacities or as otherwise agreed with the Terminal Operator.
- 3.7.6 The Terminal Operator shall submit each Access Agreement to the Authority within [three (3) days] of its execution.
- 3.7.7 The Terminal Operator shall obtain prior approval of the Authority for the Access Agreements relating to Capacity Allocations for the first time in the new LNG terminal and any expansion thereof.

ARTICLE 4. UNUSED TERMINAL CAPACITIES

4.1 Capacity Release

- 4.1.1 A terminal user may apply to the Terminal Operator for the release of whole or part of the Terminal Capacities allocated to the terminal user not later than [twelve (12) months] before the expiry of the term of Access Agreement.
- 4.1.2 The Terminal Operator may accept the release of Terminal Capacities requested by the terminal user, subject to the following conditions:
- (a) the Terminal Operator shall publish the Terminal Capacities sought to be released on its website and in [two (2) daily] newspapers of wide circulation;
 - (b) the Terminal Operator shall follow the Capacity Allocation Mechanism to re-allocate the released Terminal Capacities and, if the Capacity Allocation Mechanism does not specify a method for re-allocation, the first-come-first-served principle shall be applied;
 - (c) the terminal user who applied for the release of Terminal Capacities shall not be entitled to transfer such Terminal Capacities without the written consent of the Terminal Operator; and
 - (d) the terminal user shall continue to pay the fixed costs and charges, if any, agreed in the Access Agreement till such time that the Terminal Capacities sought to be released by the terminal user have been re-allocated to another interested person by the Terminal Operator and Access Agreement is executed by such person.
- 4.1.3 The Terminal Operator shall re-allocate the Terminal Capacities sought to be released by applying the method specified in the Capacity Allocation Mechanism and, in the absence thereof, on the basis of first-come-first served principle, and report such re-allocation to the Authority within [three (3) days]. In the event where no person is interested to acquire all of the Terminal Capacities sought to be released, the Terminal Operator may transfer parts of such Terminal Capacities in the same manner. The Terminal Operator shall immediately inform the terminal user about the re-allocation of Terminal Capacities sought to be released by it.
- 4.1.4 With effect from the date of re-allocation of the released Terminal Capacities to another person, the Access Agreement with the terminal user who released such Terminal Capacities and the Performance Security and Inter-user Guarantee provided by it shall accordingly be modified or cancelled, as applicable.
- 4.1.5 The Terminal Operator shall apply such Tariff to the person to which the released Terminal Capacities are re-allocated as was applicable to the terminal user that released the Terminal Capacities.

4.2 Permanent Transfer of Allocated Capacities

- 4.2.1 Subject to the prior written consent of the Terminal Operator, which shall not be unreasonably withheld, a terminal user shall have the right to permanently transfer, in an open and transparent manner, the unused Allocated Terminal Capacities to other terminal users or interested persons who meet the requirements of this Code.

- 4.2.2 A terminal user shall not permanently transfer whole or part of the Allocated Terminal Capacities for a price that is higher than the Tariff and any other costs and expenses specified in the Access Agreement between the transferor terminal user and Terminal Operator.
- 4.2.3 Where a terminal user intends to permanently transfer any unused part of the Allocated Terminal Capacities, the terminal user and terminal operator shall publish the available amount of such Terminal Capacities on their websites and in [two (2) daily] newspapers of wide circulation.
- 4.2.4 For the permanent transfer of unused Allocated Terminal Capacities by a terminal user, the Capacity Allocation Mechanism of the LNG terminal shall be followed and, if the Capacity Allocation Mechanism does not specify a method for such transfer, the first-come-first-served principle shall be applied, provided that, -
- (a) the person first in order meets the requirements of this Code and has submitted written request to acquire all of the unused Terminal Capacities; and
 - (b) if no person has requested to acquire all of the unused Terminal Capacities, such Terminal Capacities may be transferred in parts.
- 4.2.5 A permanent transfer of unused Terminal Capacities by a terminal user in favour of another person shall be accomplished by executing the capacity transfer agreement which shall be substantially in the form given in Annexure [E]. The Terminal Operator shall submit the capacity transfer agreement with the Authority within [three (3) days] of its execution.
- 4.2.6 A transferor terminal user shall not be liable to the Terminal Operator or other terminal users on account of the obligations and liabilities that arise subsequent to the effective date of capacity transfer agreement.
- 4.2.7 On the execution of capacity transfer agreement by the transferee terminal user, the Access Agreement of the transferor terminal user and the Performance Security and Inter-user Guarantee provided by it shall accordingly be modified or cancelled, as applicable.
- 4.2.8 A transferee terminal user shall additionally execute Access Agreement with the Terminal Operator with respect to the Terminal Capacities transferred to it and, in particular, fulfil the requirements of Inter-user Guarantee and Performance Security under this Code and Access Agreement.

4.3 Temporary Transfer of Allocated Capacities

- 4.3.1 Subject to the prior written consent of Terminal Operator, which shall not be unreasonably withheld, a terminal user shall have the right to temporarily transfer any part of the Allocated Terminal Capacities to another terminal users or interested persons who meet the requirements of this Code, for a period not exceeding [two (2) years], subject to the remaining term of Access Agreement. No extension beyond the aforesaid period shall be made except upon prior approval of the Authority which may be granted for just cause explained by the parties.
- 4.3.2 The temporary transfer of Terminal Capacities allocated to a terminal user shall not be made for a price that is higher than the Tariff and any other costs and expenses given in the Access Agreement between the transferor terminal user and Terminal Operator.
- 4.3.3 The temporary transfer of Terminal Capacities by a terminal user in favour of another terminal user or person shall be accomplished by executing capacity transfer agreement which shall be

substantially in the form given in Annexure [F]. The capacity transfer agreement may be implemented with effect from the date of its execution.

- 4.3.4 The Terminal Operator shall submit the temporary transfer agreement with the Authority within [three (3) days] of its execution.
- 4.3.5 The transferor terminal user who temporarily transfers any Allocated Terminal Capacities under this clause shall continue to be liable to the Terminal Operator and other terminal users on all its obligations with respect to the transferred Terminal Capacities under this Code and Access Agreement except where the transferee terminal user enters into Access Agreement directly with the Terminal Operator and submits the Inter-user Guarantee and Performance Security.

ARTICLE 5. CONGESTION MANAGEMENT

5.1 Capacity Hoarding

A Terminal Operator shall ensure that no terminal user involves in Capacity Hoarding, that is,

- (a) to book Terminal Capacity and to fail to use it effectively without just cause; and
- (b) to prevent the use of such Terminal Capacity by another terminal user.

5.2 Monitoring of Capacity Use

A Terminal Operator shall regularly monitor the use of Terminal Capacity allocated to terminal users and shall inquire into the instances where the Allocated Terminal Capacity is not used in accordance with this Code and Access Agreement.

5.3 Key Indicators

The Terminal Operator shall determine the unused Allocated Terminal Capacity of a terminal user by taking into account the following factors on the expiry of each Contract Year:

- (a) the annual usage rate of Berthing Slots, that is, the number of Berthing Slots used divided by the number of Berthing Slots to which the terminal user is contractually entitled on an annual basis;
- (b) the monthly usage rate of Berthing Slots, that is, the number of Berthing Slots used divided by the number of Berthing Slots nominated on a monthly basis;
- (c) the daily usage rate of LNG regasification capacities (maximum and daily total of regasification Nominations divided by the total subscribed and not interrupted);
- (d) the daily usage rate of LNG re-loading capacities (maximum and daily total of re-loading Nominations divided by the total subscribed and not interrupted);
- (e) the operational availability of the port facilities;
- (f) the Terminal Capacity transferred to another person; and
- (g) any other relevant facts submitted by the terminal user.

5.4 Terminal Congestion

Terminal Congestion is a situation when the amount of Terminal Capacities sought to be used by the interested persons at a given time exceeds the total amount of Available Capacity of the LNG terminal. Terminal Congestion may occur mainly due to the following factors:

- A. Contractual Congestion:** where the aggregate demand for Terminal Capacity exceeds the total Available Capacity, whether on account of less technical capacity of the LNG terminal or unused Allocated Terminal Capacities; and
- B. Physical Congestion:** where the LNG terminal has operational constraints in berthing LNG cargoes, filling storage tanks, re-loading LNG, or gas send-outs due to limitations in the gas pipeline transportation system or a Connected System.

5.5 Use-it-or-lose-it Principle

- 5.5.1 The main purpose of Use-it-or-lose-it Principle (UIOLI) principle is to ensure that the unused Allocated Terminal Capacity is freed up and re-allocated to the other persons interested in the Terminal Capacity.

5.5.2 Where a Terminal Operator determines under [clause 5.3] that, -

- (a) more than [thirty (30)] percent of the Allocated Terminal Capacities has not been used by a terminal user, in any Contract Year, in accordance with this Code and Access Agreement;
- (b) a situation of Terminal Congestion, as defined in [clause 5.4] exists; and
- (c) other persons are interested in the allocation of such unused Terminal Capacities,

the Terminal Operator shall issue a notice of not less than [seven (7) days] to the terminal user about such determination and shall require the terminal user to explain the reasons for not fully utilising the Allocated Terminal Capacities.

5.5.3 The terminal user who receives the notice under [clause 5.5.2] may commit to the Terminal Operator to make full use of the Allocated Terminal Capacities by sharing the arrangements to this effect to the satisfaction of the Terminal Operator.

5.5.4 If the Terminal Operator is not satisfied with the evidence shared by the terminal user with respect to unused Allocated Terminal Capacities, the Terminal Operator shall be entitled to reduce the Allocated Terminal Capacities of the terminal user to the extent of the unused part thereof subject, however, to the provisions of [clause 5.6].

5.6 Reduction of Allocated Terminal Capacities

5.6.1 Following conditions shall apply, where the Terminal Operator decides to exercise its right to reduce the Allocated Terminal Capacities of a terminal user by cancellation of the unused part thereof under [clause 5.5.4]:-

- (a) the Terminal Operator shall issue a notice in writing to the concerned terminal user and give it the opportunity to transfer the unused Allocated Terminal Capacities, within [thirty(30) days], to another terminal user or interested person pursuant to [clause 4.2];
- (b) the Terminal Operator and terminal user shall publish the availability of unused Allocated Terminal capacities on their websites;
- (c) the Terminal Operator may, at the terminal user's request and for due cause explained, extend the time under sub-clause (a) for a further period of [fifteen (15) days];
- (d) if the terminal user fails to transfer the unused Allocated Terminal Capacities within the specified time specified and another terminal user or interested person confirms its interest to the Terminal Operator for the allocation of such unused Terminal Capacities, the Terminal Operator may cancel such unused part of the Allocated Terminal Capacities by issuing a notice in writing to the respective terminal user and simultaneously execute the Access Agreement with such other terminal user or interested person;
- (e) the Terminal Operator shall, within [three (3) days], submit a copy of the notice of cancellation of the unused part of Allocated Terminal Capacities and the Access Agreement with the new terminal user to the Authority; and
- (f) the terminal user whose Allocated Terminal Capacities have been reduced under this clause shall, within [seven (7) days] of the notice of such reduction, execute a revised Access Agreement with the Terminal Operator; and, if the terminal user fails to execute the revised Access Agreement without just cause, the Terminal Operator shall be

entitled, but not obligated, to terminate the original Access Agreement with such terminal user.

5.6.2 For the re-allocation of unused part of Allocated Terminal Capacities cancelled under this clause, the Terminal Operator shall apply the first-come-first-served principle.

5.6.3 The reduction of Allocated Terminal Capacities of a terminal user shall not absolve it from the obligations and liabilities under this Code and Access Agreement up to the date of such reduction.

5.7 Open Season

5.7.1 If Terminal Congestion arises at LNG terminal and it is substantial, the developers of LNG terminal may decide to make additional investment for the expansion of the existing LNG terminal, or develop a new LNG terminal. The Terminal Operator shall identify such a situation before it actually occurs, based on refusals of allocation requests, forecasts or other signals. Likewise, situations may arise where other investors may find the need to build a new LNG terminal.

5.7.2 In the cases specified in [clause 5.7.1], the Open Season approach shall be followed by the developers and investors of LNG terminal in accordance with the Rules to estimate how much and what kind of new LNG infrastructure will be required.

5.7.3 The developers and investors shall ensure that the capacity of such infrastructure shall be allocated on a fair, transparent and non-discriminatory basis and in accordance with the Rules.

5.7.4 The developers and investors of LNG terminal shall give opportunity to all interested persons to assess how much and under what terms the market requires new Terminal Capacity (e.g., price, contract duration, etc.) and the need for different types of Terminal Services. In parallel, the developers and investors shall evaluate the economic and technical aspects of the new Terminal Capacity.

5.7.5 Before commencing the formal process to seek interest in new Terminal Capacity, the developers and investors shall prepare and submit the details of Open Season plan to the Authority so that the Authority may review whether the plan is fair, transparent, non-discriminatory and consistent with the Code and Rules.

5.7.6 The Authority may reject an Open Season plan which does not conform to this Code and Rules and where the developers have failed to address any concerns of the Authority within a reasonable time specified by it.

5.7.7 The Open Season plan shall be included in the Capacity Allocation Mechanism.

ARTICLE 6. TRANSPORTATION AND UNLOADING OF LNG

6.1 Operation of LNG Terminal

The Terminal Operator shall, at all times, maintain and operate the LNG terminal in accordance with:

- (a) all applicable laws, rules and regulations of Pakistan;
- (b) all applicable national and international LNG terminal standards concerning LNG terminals; and
- (c) the terms and conditions of Terminal Operator's licence.

6.2 Operation of LNG Carrier

The terminal user shall, at all times, cause each LNG Carrier to comply with the following requirements:

- (a) all applicable laws, rules and regulations of Pakistan;
- (b) all applicable national and international, codes and standards concerning the safe operation of ocean vessels and, in particular, transportation of LNG, including the regulations of International Maritime Organization;
- (c) to obtain and maintain all authorizations to enable the LNG Carrier to enter, leave and carry out all required operations at LNG terminal;
- (d) to be maintained, at all times, in class with any of the American Bureau of Shipping, Lloyds Register of Shipping or Det Norske Veritas or any other classification society that is acceptable to the Terminal Operator and port authorities in Pakistan; and
- (e) to have, at all times, on board valid documentation satisfactory to the Terminal Operator and Competent Authorities of the relevant port evidencing the fulfilment of all authorizations.

6.3 Specifications of LNG Terminal

The Terminal Operator shall duly inform terminal users about the technical and operational specifications of the LNG terminal and, additionally, publish such information on its website that will allow the terminal users to ensure the compatibility of LNG Carriers with the LNG terminal and which shall, at least, include:

- (a) minimum and maximum limits of cargo containment capacity of LNG Carrier;
- (b) LNG pumping and unloading rate of the LNG Carrier;
- (c) physical condition and operational maintenance of LNG Carrier;
- (d) experience, licenses and trainings of the officers and crew of LNG Carrier;
- (e) the communication equipment and protocols of LNG Carrier;
- (f) insurance coverage consistent with the standards of insurance observed by reputable owners of LNG vessels of similar type, size, age and trade; and
- (g) responsibilities for health, safety and environment, as required by applicable law and standards.

6.4 Compatibility of LNG Carrier

- 6.4.1 The terminal users may, from time to time, designate LNG Carriers for transportation of LNG to the LNG terminal by taking into account the technical and operational specifications of the LNG terminal and by providing, at minimum, the following information to the Terminal Operator to determine compatibility of an LNG Carrier with the LNG terminal:

- (a) vessel drawings and details of physical characteristics including minimum containment capacity, minimum and maximum LNG unloading rate and communication systems;
- (b) details of physical dimensions, including the length, width and draft;
- (c) copy of the certificate of accuracy of the custody transfer measurement system and approved tank gauge tables;
- (d) ship questionnaire duly filled according to SIGTTO form “Ship Information Questionnaire for Gas Carrier” 1998, 2nd Edition, or such other form as agreed with the Terminal Operator;
- (e) list of survey status issued by the Classification Society for the LNG Carrier;
- (f) mooring analysis; and
- (g) other information to determine compliance with the requirements of [clause 6.3].

6.4.2 Within [forty-five (45) days] of receipt of the information from the terminal user, or such other time as agreed by the parties, and after conducting due analysis thereof, -

- (a) the Terminal Operator shall determine, -
 - (i) whether the LNG Carrier meets the compatibility requirements under this Code and the same must be approved; or
 - (ii) whether the terminal user should be notified of the list of observations and/or shortcomings that must be addressed or removed, as the case may be; and
- (b) the terminal user shall address or remove the observations and/or shortcomings, if any, to the Terminal Operator’s satisfaction, in order for the Terminal Operator to approve the LNG Carrier.

6.4.3 The Terminal Operator shall publish on its website all material information about the LNG Carriers, including the age, dimensions, systems, specifications and classification, that will be compatible with the technical and operational specifications of the LNG terminal.

6.4.4 The officers and crew of each LNG Carrier shall have the ability, experience, license and training commensurate with the performance of their duties in accordance with the applicable laws, regulations and instructions of the Competent authorities, and following the internationally accepted standards including the latest SIGTTO recommendations and guidelines. In particular, the senior officers, including Master, chief officer, chief engineer and cargo engineer of the LNG Carrier shall be trained and certified to a standard (a) customary for an operator of a first-class LNG vessel of the type and tonnage of the LNG Carrier and (b) in compliance with the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers and the SIGTTO publication “Crew Safety Standards and Training for Large LNG Carriers.

6.5 Approval of LNG Carrier

If the Terminal Operator determines that an LNG Carrier is compatible with the LNG terminal in accordance with this clause, the Terminal Operator shall, -

- (a) approve the LNG Carrier for transporting LNG of the concerned terminal user in accordance with the Delivery Schedules under this Code and Access Agreement;
- (b) subject to this Code and Access Agreement, accept LNG cargoes of the concerned terminal user transported by the LNG Carrier to the LNG terminal; and
- (c) publish the LNG Carrier as approved LNG Carrier on its website.

6.6 Inspection of LNG Carrier

6.6.1 On prior reasonable notice to the terminal user, the Terminal Operator shall be entitled to carry out inspection of an LNG Carrier to ascertain whether the LNG Carrier complies with the requirements of this Code. Any such inspection may, having regard to the LNG Carrier's operational schedule, include physical examination of the LNG Carrier as well as review of its official log books, surveys by the LNG Carrier's classification society and operating procedures and performance of surveys, both in port and at sea.

6.6.2 An inspection under this clause shall not, -

- (a) interfere with or hinder the LNG Carrier's safe and efficient operation; and
- (b) entitle the Terminal Operator to make any recommendations directly to the LNG Carrier.

6.7 Rejection of LNG Carrier

The Terminal Operator shall have the right to reject an LNG Carrier that the terminal user intends to use to deliver LNG to the LNG terminal, if the LNG Carrier does not comply with the provisions of this Code, provided that the Terminal Operator shall give a notice in writing to the terminal user about the reasons of such rejection.

6.8 Operational Manual

6.8.1 The Terminal Operator shall develop and provide the terminal user the standard Operational Manual for the operations of LNG terminal and which shall be consistent with all applicable laws and standards pertaining to LNG terminal operations. If the Terminal Operator wishes to amend the Operational Manual to conform it to any applicable law or standard, it shall share the proposed amendments with the terminal users and take in account their observations to the extent reasonable, practical and consistent with such law and standard.

6.8.2 The terminal users shall comply, and cause the LNG Carriers to comply, with the Operational Manual of the Terminal Operator in all respects.

6.9 Notifications by LNG Carrier

6.9.1 Loading Notification

- (a) Not later than [three (3) days] before the day of commencement of loading of LNG cargo at the Loading Port, the terminal user shall give, or cause its LNG supplier or the Master of the LNG Carrier to give, a notice in writing to the Terminal Operator containing the following information:
 - (i) name of the LNG Carrier;
 - (ii) name of the Loading Port;
 - (iii) expected departure date of the LNG Carrier from the Loading Port;
 - (iv) estimated arrival date at the Pilot Boarding Station of the LNG terminal; and
 - (v) quantity of LNG cargo to be loaded.
- (b) In the event that the terminal user has a reason to foresee any change in the information specified above, the terminal user shall immediately provide notice of such change to the Terminal Operator.

6.9.2 Arrival Notifications

- (a) With respect to each LNG cargo loaded at the Loading Port, the terminal user shall give, or cause the Master of the LNG Carrier to give, to the Terminal Operator the following notices in writing:
- (b) **First Notice:** A notice issued on the day of departure of LNG Carrier from the Loading Port which shall set forth the time and date of completion of loading of LNG, the volume, quality and temperature of LNG loaded on board the LNG Carrier, the estimated time of arrival (“ETA”) of the LNG Carrier at the Pilot Boarding Station of the LNG terminal;
- (c) **Second Notice:** A notice issued [seventy-two (72) hours] prior to the ETA given in the First Notice which shall state any revision in the ETA; and if, thereafter, such ETA changes by more than [six (6) hours], the terminal user or Master of the LNG Carrier shall immediately give notice to the Terminal Operator of the revised ETA;
- (d) **Third Notice:** A notice issued [twenty-four (24) hours] prior to the ETA given in the Second Notice which shall either confirm or further revise the ETA; and if, thereafter, such ETA changes by more than [three (3) hours], the terminal user or Master of the LNG Carrier shall immediately give notice to the Terminal Operator of the revised ETA;
- (e) **Final Notice:** A notice issued [twelve (12) hours] prior to the ETA given in the Third Notice which shall either confirm or further revise the ETA; and if, thereafter, such ETA changes by more than [one (1) hour], the terminal user or Master of the LNG Carrier shall immediately give notice to the Terminal Operator of the revised ETA.

6.9.3 Notice of Readiness (NOR)

- (a) The Master of the LNG Carrier or its agent shall, upon arrival at the Pilot Boarding Station, give to the Terminal Operator the notice of readiness (NOR) to unload LNG at the LNG terminal which shall include the following information: -
 - (i) the time of arrival of LNG Carrier at the Pilot Boarding Station;
 - (ii) whether the port authorities granted the LNG Carrier all permissions necessary to enter the port and moor at the LNG terminal;
 - (iii) whether the LNG Carrier has ordered all port services necessary for mooring;
 - (iv) whether the relevant terminal user granted the LNG Carrier all permissions necessary to carry out unloading or re-loading of LNG; and
 - (v) any existing or potential limitations in the unloading or re-loading of LNG cargo.
- (b) The NOR shall become effective as provided below: -
 - (i) If an LNG Carrier arrives at the Pilot Boarding Station at any time before 0600 hours, PST, on the first day of Unloading Window specified for the LNG Carrier in the relevant Delivery Schedule, the NOR shall be effective at 0600 hours, PST, on the first day of such Unloading Window;
 - (ii) If an LNG Carrier arrives at the Pilot Boarding Station during the period between 0600 hours, PST, and [three (3) hours] before the sunset, on the first day of the Unloading Window specified for the LNG Carrier in the relevant Delivery Schedule, the NOR shall be effective at 0600 hours, PST, on the [second day] of such Unloading Window; and

- (iii) If an LNG Carrier arrives at the Pilot Boarding Station at any time later than [three (3) hours] before the sunset, PST, on the first day of the Unloading Window specified for the LNG Carrier in the relevant Delivery Schedule, the NOR shall be effective when the Terminal Operator confirms in writing that it is ready to receive the LNG Carrier at berth and any such confirmation shall not be unreasonably withheld or delayed.

6.10 Mooring and Berthing

- 6.10.1 Subject to the effectiveness of NOR, the permission to moor the LNG Carrier shall be given in writing by the Terminal Operator to the Master of the LNG Carrier or its agent and to the port authorities.
- 6.10.2 The terminal user shall cause the LNG Carrier to be berthed safely and expeditiously at the berth, and the Terminal Operator shall extend all reasonable cooperation for such berthing.
- 6.10.3 The Terminal Operator shall allow Berthing Slots to LNG Carriers and receive LNG cargoes:
 -
 - (a) by determining the berthing sequence of all LNG Carriers in accordance with the approved Delivery Schedules of terminal users;
 - (b) by making all reasonable endeavors to berth an LNG Carrier that arrives before or after its scheduled window for unloading of LNG; and
 - (c) by not interfering with the unloading of any other scheduled LNG Carriers.
- 6.10.4 The Terminal Operator may refuse to allow any LNG Carrier to berth, if the Terminal Operator, acting as a reasonable and prudent operator, determines that the berthing of such LNG Carrier is likely to adversely affect the safe operations of the LNG terminal and, in such case, the Terminal Operator shall inform the concerned terminal user in writing about the reasons for such refusal.
- 6.10.5 If any LNG Carrier that was previously believed to be ready for unloading of LNG has been determined to be not ready after being berthed, the Terminal Operator shall be entitled to direct the Master of the LNG Carrier to vacate the berth and proceed to anchorage unless it appears reasonably certain to the Terminal Operator that such LNG Carrier can be made ready without disrupting the overall unloading schedule of the LNG terminal.

6.11 Unloading and Reloading of LNG

- 6.11.1 During unloading and reloading operations, the Master of the LNG Carrier and its agent shall comply with, -
 - (a) all applicable laws, rules, regulations, orders, codes and standards;
 - (b) all relevant instructions and requirements issued by the port authorities; and
 - (c) the requirements of the Terminal Operator, issued in accordance with this Code and Access Agreement.
- 6.11.2 The loading or re-loading of LNG may only be carried out, if:
 - (a) the LNG Carrier has obtained all the applicable Authorisations and necessary documents for loading and re-loading of LNG;

- (b) the Master of the LNG Carrier or its agent has performed all safety procedures;
 - (c) the quality, quantity and temperature in each of the LNG Carrier's tanks have been identified; and
 - (d) any other applicable procedures have been completed by the LNG Carrier.
- 6.11.3 The Terminal Operator shall be entitled to stop, or not to start, the loading or re-loading of LNG from the LNG Carrier in the following cases:
- (a) on a valid and justified order of the port authorities;
 - (b) the Terminal Operator determines that the condition of LNG Carrier can cause hazard to LNG terminal operations and, in such case, the Terminal Operator shall communicate due reasons in writing to the concerned terminal user; and
 - (c) in the event of an Emergency or Force Majeure.
- 6.11.4 The Unloading Window for each LNG Carrier shall be a period of [thirty-six (36) hours] and the re-loading shall be completed within a period of [twenty-four hours] or such other period as may be given in Access Agreement, subject to any extensions for:
- (a) decisions or directions of the port authorities or other Competent Authority;
 - (b) reasons attributable to the LNG Carrier's condition;
 - (c) unscheduled curtailment or temporary discontinuation of operations at the LNG terminal;
 - (d) adverse weather conditions; and
 - (e) Force Majeure.
- 6.11.5 If an LNG Carrier fails to vacate the berth after expiration of its allowed berthing time and after receipt of the Terminal Operator's notice to do so, the terminal user shall indemnify the Terminal Operator and terminal users for any direct loss incurred by them, including Demurrage and excess Boil-off.
- 6.11.6 The terminal user who delays or fails to deliver LNG cargo at the LNG Terminal, in accordance with the Access Agreement and applicable Delivery Schedule, shall be liable to the Terminal Operator and other terminal users for any direct loss suffered by them on account of such delay or failure except for the circumstances beyond such terminal user's control.

ARTICLE 7. DELIVERY SCHEDULES AND NOMINATIONS

7.1 General

7.1.1 The Terminal Operator shall develop the following Delivery Schedules in consultation with the terminal users to provide Terminal Services to them in accordance with their respective Access Agreements:

- (a) Annual Delivery Programme (ADP);
- (b) Ninety-day Delivery Programme (NDP); and
- (c) a monthly or other Delivery Schedule and unloading of LNG at the LNG terminal.

7.1.2 A Delivery Schedule developed by the Terminal Operator shall, -

- (a) be based upon information collected from terminal users concerning their proposed plans for delivery of LNG cargoes to the LNG terminal;
- (b) correspond to the Terminal Services agreed with terminal users in their respective Access Agreements;
- (c) subject to the Terminal Capacities allocated to the terminal users; and
- (d) be notified in writing to the terminal users.

7.2 Annual Delivery Programme (ADP)

7.2.1 Not later than [one hundred and eighty (180) days] before the expiry of each calendar year, the Terminal Operator shall provide to the terminal users the schedule of planned Maintenance of the LNG terminal for the succeeding calendar year and an assessment of the expected limitations of Terminal Services during such year.

7.2.2 Not later than [one hundred and fifty (150) days] before the expiry of each calendar year, each terminal user shall, having due regard to the schedule of planned Maintenance of the LNG terminal, notify in writing to the Terminal Operator its proposed schedule for delivery of LNG cargoes for the succeeding calendar year. The terminal users shall include the following information in the proposed Delivery Schedule:

- (a) the number of LNG Carriers that will arrive at the LNG terminal;
- (b) the size of each LNG cargo to be delivered to the LNG terminal;
- (c) the arrival dates of each LNG Carrier;
- (d) the names of LNG Carriers and international marine organization numbers, if known at that time;
- (e) the monthly and daily amounts of each type of Terminal Services required by the terminal user; and
- (f) any other material information.

7.2.3 On receipt of the proposed Delivery Schedules of terminal users, the Terminal Operator shall hold a meeting with all the terminal users to discuss their proposed Delivery Schedules and, based upon such discussion, determine, -

- (a) whether the proposed Delivery Schedule of each terminal user is compatible with:
 - (i) the LNG terminal's technical and operational specifications;
 - (ii) any limitations of the gas pipeline transportation system;
 - (iii) the Terminal Capacities allocated to the terminal user; and
 - (iv) the type of Terminal Services specified in the Access Agreement;

- (b) whether the arrival dates of LNG Carriers of all terminal users are mutually compatible and allow smooth berthing and unloading operations;
 - (c) whether the proposed Delivery Schedules of the terminal users conform to the borrowing and lending arrangements required to provide Terminal Services as agreed in their respective Access Agreements;
 - (d) whether a terminal user should address any shortcomings or other observations in its proposed Delivery Schedules and, in such case, the Terminal Operator shall give reasonable time to the terminal user to address such shortcomings or observations; and
 - (e) whether the proposed Delivery Schedules of all the terminal users can be developed into the ADP for the succeeding calendar year, with or without any adjustments.
- 7.2.4 Not later than [one hundred and twenty (120) days] before the expiry of each calendar year, the Terminal Operator shall, -
- (a) develop the proposed ADP for the succeeding year based upon the proposed Delivery Schedules for delivery of LNG of all terminal users along with the schedule of borrowing and lending arrangements for such year; and
 - (b) immediately notify each terminal user about the proposed ADP and schedule of borrowing and lending arrangements for such year.
- 7.2.5 Not later than [one hundred and ten (110) days] before the expiry of each calendar year, the terminal users shall inform the Terminal Operator of any modifications required in the proposed ADP.
- 7.2.6 Not later than [one hundred (100) days] before the expiry of each calendar year, the Terminal Operator shall, -
- (a) if it accepts the modifications of terminal users, in whole or part, notify the revised ADP for the succeeding year along with the revised schedule of borrowing and lending arrangement for such year, to all the terminal users; and
 - (b) if it rejects the modifications, specify the reasons for such rejection to the concerned terminal user.
- 7.2.7 Not later than [ninety (90) days] before the expiry of each calendar year, a terminal user, who may have any unresolved disagreement with respect to the ADP and schedule of borrowing and lending arrangements developed by the Terminal Operator, shall be entitled to refer such disagreement to the Scheduling Committee for resolution.
- 7.2.7 The Scheduling Committee shall hold discussions to resolve any unresolved disagreement between the concerned terminal user and Terminal Operator, and make all reasonable endeavours to achieve consensus over the ADP and schedule of borrowing and lending arrangement.
- 7.2.8 Not later than [sixty (60) days] before the expiry of each calendar year, the Terminal Operator shall notify in writing the final ADP and schedule of borrowing and lending arrangements to all terminal users.

7.2.9 The terminal users and Terminal Operator may, at any time, modify the ADP with unanimous consent which shall be recorded in writing and communicated to all terminal users by the Terminal Operator within [thirty-six (36) hours].

7.3 Priorities for LNG Delivery Schedules

7.3.1 Unless all the terminal users mutually agree upon an ADP, the Terminal Operator shall observe the following priorities among the terminal users for the development of ADP:

- (a) the highest priority shall be given to such class of terminal users that has Allocated Terminal Capacities on firm basis, followed by Allocated Terminal Capacities on spot and interruptible basis; and
- (b) in each class of terminal users, the first priority shall be given to, and starting with, the terminal user that proposes to deliver the [largest] amount of LNG in an [ADP].

7.3.2 If more than one terminal users of a class propose to deliver the same amount of LNG in an [ADP] and compete for the same Berthing Slots, the Terminal Operator shall hold a lottery to allocate the Berthing Slots to such terminal users.

7.3.3 The Terminal Operator shall ensure that the terminal users that propose to deliver smaller amounts of LNG in an [ADP] are justly and reasonably treated in the development of ADP or any other Delivery Schedule.

7.4 Ninety-day Delivery Programme (NDP)

7.4.1 Not later than the [tenth (10th) day] of each calendar month, each terminal user shall confirm in writing to the Terminal Operator:

- (a) whether or not it shall deliver any LNG cargoes in the immediately succeeding period of three (3) calendar months for each of the Berthing Slots specified in the ADP; and
- (b) in respect of each LNG cargo that will be delivered in such period of three (3) months, the following information:
 - (i) the name of approved LNG Carrier and its international marine organization number;
 - (ii) the Loading Port of such LNG Carrier;
 - (iii) the expected date of departure of such LNG Carrier from the Loading Port;
 - (iv) the expected date of arrival of such LNG Carrier at the Pilot Boarding Station of the LNG terminal;
 - (v) the size of LNG cargo; and
 - (vi) the monthly and daily amounts of each type of Terminal Services required by the terminal user.

7.4.2 Not later than the [fifteenth (15th) day] of each calendar month, the Terminal Operator shall, -

- (a) compile the information collected from all the terminal users while taking into account the monthly and Daily Nominations of the terminal users;
- (b) based upon an evaluation of such information, finalise the NDP which shall include the following information for all terminal users:
 - (i) the name of each approved LNG Carrier and its international marine organization number;

- (ii) the Loading Port of such LNG Carrier;
 - (iii) the expected date of departure of such LNG Carrier from the Loading Port;
 - (iv) the expected date of arrival of such LNG Carrier at the Pilot Boarding Station of the LNG terminal;
 - (v) the size of each LNG cargo;
 - (vi) monthly and daily amounts of each type of Terminal Services required by the terminal user; and
 - (vii) any Berthing Slots that will not be used during the NDP.
 - (c) notify the NDP in writing to all the terminal users.
- 7.4.3 Not later than the [twentieth (20th) day] of each calendar month, the terminal users may inform the Terminal Operator of any errors in the NDP.
- 7.4.4 Not later than the [twenty-fifth (25th) day] of each calendar month, the Terminal Operator shall, having regard to any errors communicated by the terminal users, notify the revised NDP to all the terminal users.
- 7.5 Unused Berthing Slots**
- 7.5.1 A terminal user shall have the right to temporarily assign any of its Berthing Slot that it will not use to another terminal user (the “assignee terminal user”) for the use of Terminal Services subject to the provisions of this Code; provided that any such assignment shall be made, -
- (a) subject to the Allocated Terminal Capacities of the assignee terminal user;
 - (b) without disrupting the provision of Terminal Services to the other terminal users;
 - (c) on mutually agreed price;
 - (d) the terminal user and Terminal Operator shall publish the availability of such Berthing Slot on their websites; and
 - (e) subject to the provisions of this Code.
- 7.5.2 The Terminal Operator shall be entitled to assign the Berthing Slots that a terminal user has not confirmed to use during an NDP to an assignee terminal user, subject to the following conditions:
- (a) such Berthing Slots shall be published by the Terminal Operator and concerned terminal user on their respective websites;
 - (b) the assignment shall be made by applying the first-come-first-served principle;
 - (c) the Terminal Operator shall immediately notify in writing to the terminal user whose unused Berthing Slot has been assigned under this clause;
 - (d) the assignment of unused Berthing Slots shall conform to the Allocated Terminal Capacities of the assignee terminal user;
 - (e) the assignment shall not disrupt the provision of Terminal Services to the other terminal users;
 - (f) the price of assignment shall not be higher than the tariff and any other costs charged to other terminal users for similar type of Terminal Services;
 - (g) the price of assignment shall be shared between the terminal user whose unused Berthing Slots have been so assigned and the Terminal Operator in the ratio of [90:10], respectively; and
 - (h) subject to the provisions of this Code.
- 7.5.3 The terminal user whose unused Berthing Slots have been assigned to an assignee terminal user shall remain liable for the payment of tariff and other charges under the Access Agreement as if no assignment had been made.

7.5.4 The assignment shall be effected by the terminal user or Terminal Operator, as applicable, by way of a notice of assignment which shall be substantially in the form given in Annexure [G] and its acceptance by the assignee terminal user. The assignee terminal user shall be entitled to use the unused Berthing Slot assigned to it with effect from the acceptance of notice of assignment.

7.6 Nominations

7.6.1 General

- (a) Each terminal user shall fulfil its obligation to take delivery of the amount of gas and/or LNG nominated by it to the Terminal Operator in accordance with this Code and the Access Agreement.
- (b) Each terminal user shall provide the Terminal Operator the estimated daily requirements of regasification and/or re-loading of LNG and any other Terminal Services booked by it in respect of each day and month of a Contract Year which shall not exceed the daily Allocated Terminal Capacity of the terminal user.
- (c) The estimates of each Terminal Services required by terminal users shall be based on the information available to the terminal users at the relevant time and, -
 - (i) shall be provided to the Terminal Operator on the submission of ADP under [clause 7.2];
 - (ii) may be confirmed or revised by terminal users on the submission of NDP under [clause 7.4]; and
 - (iii) shall be confirmed or revised by submission of Daily Nominations and Re-nominations under this clause.
- (d) The Nominations and Re-nominations shall, in particular, be implemented by taking into account Delivery Schedules, and borrowing and lending arrangements under this Code.

7.6.2 Daily Nominations

- (a) A terminal user may submit a Daily Nomination by the hour specified in Access Agreement on the day preceding the day for delivery of the relevant Terminal Services.
- (b) If the terminal user fails to submit a Daily Nomination, the Terminal Operator shall follow the schedule of Nominations provided in the most recent NDP of the terminal user.
- (c) Each Daily Nomination shall specify the amount of gas, LNG or other Terminal Services to be delivered to the terminal user on the relevant day.
- (d) The Terminal Operator shall be entitled to reject a Daily Nomination, -
 - (i) if it will not conform to the Terminal Capacities allocated to the terminal user;
 - (ii) if it will not be safe and practicable for the Terminal Operator, acting as a reasonable and prudent operator, to deliver the Terminal Services specified in the Daily Nomination; or
 - (iii) on account of any limitations of the gas pipeline transportation system.

- (e) The Terminal Operator shall notify in writing to the terminal user not later than [three (3) hours] following the submission of a Daily Nomination, whether it has:
 - (i) accepted the Daily Nomination; or
 - (ii) rejected the Daily Nomination along with the reasons for such rejection.

7.7 Re-nominations

7.7.1 A terminal user may submit a Re-nomination request to the Terminal Operator by the time specified in the Access Agreement on the day preceding the day for delivery of the relevant terminal service, -

- (a) on account of any downstream arrangements of the terminal user; or
- (b) to address any observations of the Terminal Operator with respect to a Daily Nomination.

7.7.2 The Terminal Operator shall not be obligated to accept a Re-nomination request, -

- (a) if it does not conform to the Terminal Capacities allocated to the terminal user;
- (b) if it will not be safe and practicable for the Terminal Operator, acting as a reasonable and prudent operator, to deliver the Terminal Services specified in the Re-nomination request; or
- (c) on account of any limitations of the gas pipeline transportation system.

7.8 Scheduling Committee

7.8.1 Establishment

There shall be a Scheduling Committee for each LNG terminal, comprising a senior representative each of the terminal users and Terminal Operator. Where necessary, the Terminal Operator or terminal user may invite a senior official nominated by the operator of gas pipeline transportation system connected to the LNG terminal or a technical expert to participate in the meetings of the Scheduling Committee as an observer and for any required assistance.

7.8.2 Meetings and Procedure

- (a) The Scheduling Committee shall meet, as and when required, to discuss and resolve the following matters: -
 - (i) Any unresolved differences concerning ADPs, NDPs, and other delivery or nomination schedules;
 - (ii) Emergencies and the measures to be taken in such circumstances;
 - (iii) Force Majeure and the steps to be taken on the occurrence of Force Majeure;
 - (iv) A shutdown or reduction in Terminal Services for any uncontrollable reason; and
 - (v) Any other matter agreed upon by the Terminal Operator and terminal users.
- (b) The chairmanship of the Scheduling Committee shall rotate every [six (6) months] among its members, starting with the Terminal Operator.
- (c) The Scheduling Committee shall make best endeavours to achieve consensus through consultation among the members.

- (d) In case the Scheduling Committee is unable to achieve consensus, the matter will be decided by a majority vote. In the event of a draw, the Chairperson shall have a casting vote.

7.8.3 Key Principles

The Scheduling Committee shall adhere to the following key principles:

- (a) the sanctity of this Code and Access Agreement;
- (b) the optimal utilization of Terminal Capacities;
- (c) the optimal use of daily Allocated Terminal Capacities of terminal users;
- (d) any Maintenance works at the LNG terminal;
- (e) any impact of Emergencies and/or Force Majeure;
- (f) the commercial agreements entered into by terminal users;
- (g) it shall comply with the confidentiality provisions of [clause 18.2] and ensure that all persons engaged for the discharge of its business shall also comply with such provisions; and
- (h) any other material factor that affect the safe and continuous operation of the LNG terminal.

ARTICLE 8. QUALITY AND MEASUREMENTS

8.1 LNG Specifications

8.1.1 The LNG cargoes to be delivered by the terminal users at the LNG terminal shall, -

- (a) comply with the specifications of LNG set out in Annexure [H]; and
- (b) not contain any material amounts of active bacteria or bacterial agents, including sulphate reducing bacteria or acid producing bacteria, or any hazardous, toxic substances or other contaminants or foreign matters,

which shall collectively be called the "LNG Specifications".

8.1.2 A terminal user shall immediately notify in writing to the Terminal Operator about the quality of LNG and any material change therein, -

- (a) at the time of loading of LNG at the Loading Port;
- (b) at the time of issue of notice of ETA and each revision thereof; and
- (c) at any other time when the terminal user becomes aware that the quality of LNG loaded on board the LNG Carrier for transportation and delivery at the LNG terminal is different from the quality previously notified under this sub-clause.

8.1.3 The Terminal Operator shall, -

- (a) monitor the quality of LNG stored in the LNG terminal and any changes therein;
- (b) carry out tests to determine if any such LNG might become non-compliant with the LNG Specifications; and
- (c) immediately inform the terminal users, if such LNG becomes Off-specification LNG and discuss with them the consequential actions to deal with such Off-specification LNG.

8.2 Off-specification LNG

8.2.1 Subject to [clause 8.4], any LNG delivered or to be delivered by a terminal user that does not comply with the LNG Specifications shall be treated as "Off-specification LNG".

8.2.2 If the Terminal Operator becomes aware that Off-specification LNG is delivered or will be delivered by a terminal user at the LNG terminal, the Terminal Operator shall, acting as a reasonable and prudent operator, be entitled to, but not later than [thirty-six (36) hours],-

- (a) accept such Off-specification LNG, if the Terminal Operator determines that such Off-specification LNG may be acceptable to it and gas pipeline transportation system connected with the LNG terminal and the relevant terminal user gives its written consent to the Terminal Operator; or
- (b) reject such Off-specification LNG and refuse its unloading at the LNG terminal, if Terminal Operator determines that such LNG will cause damage to the LNG terminal or the gas pipeline transportation system connected with the LNG terminal, or any part thereof, or prejudice the safe and reliable operation of the LNG terminal or such system.

8.2.3 If the Terminal Operator accepted the Off-specification LNG without being made aware that such LNG does not comply with the LNG Specifications, the Terminal Operator shall still be

entitled to reject such Off-specification LNG, notwithstanding the fact that the unloading of such LNG is in process.

- 8.2.4 If the Terminal Operator rejects Off-specification LNG under [clause 8.2.2] or [clause 8.2.3], the relevant terminal user shall be deemed to have failed to deliver the respective amount of LNG and also waived its right to receive the Terminal Services corresponding to the amount of such Off-specification LNG, unless alternate LNG is delivered by the terminal user at the LNG terminal without affecting the Delivery Schedules of the other terminal users.

8.3 Liabilities for Off-specification LNG

- 8.3.1 If Off-specification LNG is unloaded by a terminal user at the LNG terminal, the terminal user shall be liable for all actual and reasonable costs incurred by the Terminal Operator in connection with receiving and treating Off-specification LNG by such means as are appropriate, including mixing such Off-specification LNG with lower calorific value gas, or injecting nitrogen, or vaporising or flaring any Off-specification LNG that cannot be treated through the use of commercially reasonable efforts.

- 8.3.2 A terminal user shall indemnify the Terminal Operator and its employees, agents and contractors for any loss or damage arising directly out of the unloading, handling or disposal of Off-specification LNG delivered by the terminal user at the LNG terminal, including damage to the LNG terminal, costs for any subsequent delays or inability in unloading LNG Carriers, Claims by the gas pipeline transportation system connected with the LNG terminal or any other Connected System operator, and any actual costs incurred by the other terminal users, except in each case of Terminal Operator's wilful misconduct or gross negligence.

8.4 Quality and Measurement Tests

- 8.4.1 The quality and volumetric quantity of LNG unloaded from an LNG Carrier at the LNG terminal shall be independently determined following the guidelines of the International Group of Liquefied Natural Gas Importers (GIIGNL) and in accordance with the latest measurement guidelines of the LNG industry and internationally-accepted procedures for LNG measurement, which shall be prepared by the Terminal Operator and provided in each Access Agreement, and published on its website.

- 8.4.2 The Terminal Operator and terminal users shall mutually agree on the appointment of an independent surveyor ("Independent Surveyor") to act on their behalf for measurement and quality determination of LNG under this clause. In the event of any disagreement between the parties, the matter of appointment of Independent Surveyor shall be referred to the Authority by any party and the nominee of the Authority shall be appointed as Independent Surveyor. The costs of the Independent Surveyor shall be shared equally by the Terminal Operator and terminal users.

ARTICLE 9. BORROWING AND LENDING OF LNG

9.1 Joint Use

This Article shall apply to ensure that several terminal users may be able to simultaneously use LNG terminal in such a cohesive manner that all terminal users are regarded as one gross terminal user by the Terminal Operator for the provision of Terminal Services, subject to the respective rights and obligations of the terminal users under this Code and Access Agreement.

9.2 Borrowing and Lending Arrangement

9.2.1 In order to simultaneously meet the Nomination requests of all the terminal users, the Terminal Operator shall develop and apply an organised arrangement for the lending of LNG delivered by a Lending terminal User at the LNG terminal to the Borrowing Terminal Users and the return of equivalent amount of LNG from the Borrowing Terminal Users to the Lending Terminal User, in accordance with this Code and Access Agreement.

9.2.2 The Terminal Operator shall implement the borrowing and lending arrangement among terminal users on their respective behalf but shall not be responsible for the delays or failure of terminal users with respect to the delivery of LNG cargoes at the LNG terminal.

9.2.3 The Terminal Operator shall not acquire title to the amounts of LNG borrowed and returned among terminal users under this Article. However, the Terminal Operator shall pass valid title in the LNG loaned to the Borrowing Terminal Users and, likewise, in the LNG returned to the Lending Terminal Users.

9.2.4 The amounts of LNG borrowed and returned by terminal users shall be,-

- (a) net of Retainage;
- (b) be measured in energy terms; and
- (c) be borrowed and returned free of charge by the Terminal Operator.

9.2.5 The borrowing and lending arrangements shall be performed on the basis of FIFO principle, that is, the amount of LNG borrowed earlier in time must be returned first.

9.3 Allocation of LNG Cargoes

9.3.1 The Terminal Operator may allocate the amounts of each LNG cargo delivered at the LNG terminal by a terminal user to the other terminal users by taking into account, -

- (a) the Nomination requests; and
- (b) the inventory of LNG,

of each of the terminal users under their respective Access Agreement.

9.3.2 At the beginning of a day, the amount of Loanable LNG of a terminal user shall be determined by subtracting from the inventory of such terminal user on that day, the following: -

- (a) the amount of LNG borrowed by such terminal user; and
- (b) the amount of LNG required by such terminal user on the day.

9.3.3 If the amount of Loanable LNG of a Lending Terminal User on a day is insufficient to meet the requirements of the Borrowing Terminal Users on that day, -

- (a) the available amount of Loanable LNG shall be allocated to the Borrowing Terminal Users [proportionate to their requirements on that day] and excluding such Lending Terminal User;
 - (b) if agreed by the terminal users, the shortfall amount of LNG may be met by using the Loanable LNG of another Lending Terminal User, starting with the Lending Terminal User, -
 - (i) whose LNG cargo was delivered [earlier in time]; and
 - (ii) who has sufficient amount of inventory of LNG to meet such shortfall; and
 - (c) such Lending Terminal User shall not be entitled to regasification or re-loading services on that day.
- 9.3.4 The amount of Returnable LNG of a Borrowing Terminal User shall be returned, net of Retainage, to the Lending Terminal Users on the completion of unloading of LNG cargo of the Borrowing Terminal User at the LNG terminal; and the inventories of terminal users shall be adjusted accordingly.
- 9.3.5 The amounts of Returnable LNG of Borrowing Terminal Users shall be returned to the Lending terminal users, -
- (a) by following the FIFO principle (i.e., the oldest LNG debt is returned first); and
 - (b) where any amounts of LNG were loaned on the same day, by first returning to the Lending Terminal User that loaned the [smallest] amount of LNG.
- 9.3.6 The Terminal Operator and terminal users shall have the right to mutually determine any additional conditions of borrowing and lending of LNG to the extent that such conditions, -
- (a) are non-discriminatory and transparent;
 - (b) do not violate the interests of other terminal users and Terminal Operator; and
 - (c) are consistent with the provisions of this Code.
- 9.4 Non-delivery of LNG Cargo**
- 9.4.1 The Terminal Operator shall, based upon the notifications under [clause 6.9], immediately notify in writing to terminal users whether a particular LNG cargo will be delivered at the LNG terminal according to its schedule of arrival or otherwise.
- 9.4.2 If the Terminal Operator notifies to terminal users that a terminal user is unlikely to deliver LNG cargo according to its Delivery Schedule and which will affect the provision of Terminal Services to the other terminal users according to their respective Nomination requests, such other terminal users shall, -
- (a) be entitled to alternatively procure the required quantity of LNG;
 - (b) notify in writing to the Terminal Operator of their decision to alternatively procure LNG;
 - (c) make all reasonable endeavours to use the same Berthing Slots as are allocated for the LNG cargo that will not be delivered;
 - (d) be entitled to recover all actual and reasonable costs for the alternative procurement of LNG cargo from the terminal user who is unable to deliver the LNG cargo;
 - (e) be indemnified by the defaulting terminal user for any direct loss or damage; and

- (f) without prejudice to any other remedies, be entitled to request the Terminal Operator to enforce the Inter-user Guarantee of the defaulting terminal user in accordance with [clause 9.4.3].

9.4.3 The Terminal Operator shall, within [three (3) days] of receipt of a notice in writing from the terminal users for the enforcement of Inter-user Guarantee, call upon the bank that issued the Inter-user Guarantee to make payment. On receipt of the payment from the bank, the Terminal Operator shall distribute the amount so received to the terminal users that incurred the costs of alternative procurement of LNG, in accordance with their respective Claims which shall be supported by relevant evidence.

9.4.4 The Terminal Operator shall not, except in case of gross negligence, be responsible to the terminal user whose Inter-user Guarantee has been enforced at the request of the other terminal users in respect of, -

- (a) the validity of Claim for payment of the Inter-user Guarantee;
- (b) making a call to the bank for enforcement of the Inter-user Guarantee; and
- (c) payments made to the terminal users.

9.5 Inventories of LNG of Terminal Users

9.5.1 The Terminal Operator shall establish and administer an accounting system to maintain inventory of each terminal user, which will, at the minimum, include the following information:

- (a) the amount of LNG delivered by each terminal user at the Custody Transfer Point;
- (b) the amount of LNG belonging to each terminal user at LNG terminal on each day;
- (c) the amount of Loanable LNG of each Lending Terminal User which is loaned to Borrowing Terminal Users on each day;
- (d) the amount of Returnable LNG of each Borrowing Terminal User which is returned to Lending Terminal Users on each day;
- (e) the amount of gas nominated for delivery by terminal users and actually sent out by the Terminal Operator at the Gas Delivery Point on each day;
- (f) the amount of LNG nominated for re-loading by terminal users and actually re-loaded by the Terminal Operator at the LNG re-loading point on each day;
- (g) the amount of LNG of a terminal user that is otherwise transferred to another terminal user on each day;
- (h) the amount of Retainage on each day.

9.5.2 With respect to the information mentioned in [clause 9.5.1], the Terminal Operator shall, -

- (a) measure the quantities in energy terms; and
- (b) share such information with all the terminal users by email or through a secured, online platform on a [daily] basis.

9.6 Inventory Transfer between Terminal Users

9.6.1 Subject to approval in writing by the Terminal Operator, a terminal user may transfer to another terminal user any such amount of LNG in its inventory on a day that does not exceed the amount of LNG that will either be loaned or returned to it on that day by the Terminal Operator.

9.6.2 The Terminal Operator may approve the transfer of LNG in the inventory of a terminal user under [clause 9.6.1]; provided as follows:

- (a) both the terminal users shall give prior notice in writing of not less than [twenty-four (24) hours] to the Terminal Operator and confirm the amount of LNG to be transferred on a particular day; and
- (b) the transfer does not affect the provisions of Terminal Services to the other terminal users in accordance with the applicable Delivery Schedule.

9.7 Inter-user Guarantee

9.7.1 Each terminal user shall secure the performance of its obligations, -

- (a) to fully and timely deliver LNG cargoes at the LNG terminal in accordance with its applicable Delivery Schedule and to compensate the direct loss or damage caused to the other terminal users on account of failure thereof;
- (b) to return the Returnable LNG to the Lending Terminal Users;
- (c) to pay all actual costs incurred on the procurement of alternate LNG cargoes in accordance with this Code,

by providing to the Terminal Operator, for the benefit of the other terminal users, an inter-user guarantee (the “Inter-user Guarantee”) issued in the name of the Terminal Operator by a Financial Institution.

9.7.2 Within [five (5) days] of the submission of Annual Delivery Plan, a terminal user shall provide the Inter-user Guarantee to the Terminal Operator for such amount and validity period as may reasonably be determined by the Terminal Operator and specified in the Access Agreement, and which shall be substantially in the form given in Annexure [I]; provided as follows:

- (a) the amount of Inter-user Guarantee shall not exceed the value of [largest] LNG cargo specified in the Delivery Schedule of such terminal user; and
- (b) the Terminal Operator and terminal users may mutually choose an international benchmark index to determine the value of LNG cargo, from time to time.

9.7.3 In case the international benchmark index specified in the Access Agreement under [clause 9.7.2] increases by more than [ten (10) percent], the Terminal Operator shall, by a notice in writing of [seven (7) days], require the terminal users to provide the Inter-user Guarantee based upon the current international benchmark index.

9.7.4 The Terminal Operator shall act as the custodian and agent of the terminal users, free of charge, with respect to the Inter-user Guarantee provided by each terminal user. The terminal users shall be jointly responsible to indemnify the Terminal Operator in respect of any Claim or damage incurred by the Terminal Operator in respect of its functions as custodian and agent of Inter-user Guarantee.

9.7.5 A terminal user shall, at all times, during the term of Access Agreement, -

- (a) maintain the Inter-user Guarantee for the amount and validity period specified in the Access Agreement; and
- (b) if the Inter-user Guarantee has been enforced for payment, provide a fresh Inter-user Guarantee, issued by a Financial Institution, within [five (5) days] of the written notice of Terminal Operator to this effect and, until such Inter-user Guarantee is provided, the provision of Terminal Services shall remain suspended to the terminal user.

- 9.7.6 If a Financial Institution that issued the Inter-user Guarantee for a terminal user ceases to fulfil its definitional criteria provided in [clause 1.3], the terminal user shall provide a replacement Inter-user Guarantee to the Terminal Operator, issued by a Financial Institution, within [five (5) days] of the occurrence of such event.

ARTICLE 10. RETAINAGE AND LNG HEEL

10.1 Retainage

For the purposes of this Code, “Retainage” shall include the following quantities of gas:

- (a) Boil-off and gas used as fuel for the operation of LNG terminal;
- (b) lost and unaccounted-for gas in the LNG terminal including as a result of measurement errors; and
- (c) gas flared and vented by the Terminal Operator for reasons of emergency.

10.2 Calculation of Retainage

10.2.1 The Terminal Operator shall calculate the Retainage, on a non-discriminatory basis, for each terminal user based upon the following components and shall specify it in the Access Agreement:

- (a) fixed constant linked, on a pro rata basis, to the Allocated Terminal Capacity of a terminal user; and
- (b) variable constant linked to the actual flow of gas for the terminal user.

10.2.2 Each terminal user shall be liable to provide its respective quantity of the Retainage, as specified in the Access Agreement, to the Terminal Operator, free of charge; provided as follows:

- (a) At the end of each calendar year, the Terminal Operator shall determine the aggregate amount of Retainage and the aggregate quantity of gas delivered for all days in that year, and shall calculate the aggregate Retainage as a percentage of the aggregate quantity of gas delivered to determine the actual Retainage;
- (b) If the LNG terminal’s actual Retainage is greater than the Retainage specified in the Access Agreement of terminal users, the Terminal Operator shall be liable for the cost of such additional quantity of Retainage; and
- (c) If the LNG terminal’s actual Retainage is less than the Retainage specified in the Access Agreement of terminal users, such differential quantity of Retainage shall be actualised for the terminal users and the Terminal Operator shall accordingly adjust the Retainage specified in Access Agreement by way of a written notice issued to the terminal users not later than [thirty (30) days] after the expiry of the calendar year.

10.2.3 The Terminal Operator shall calculate the total amount of Retainage of each terminal user on each day of the Access Agreement on which the terminal user’s LNG is stored in the storage tanks of the LNG terminal by means of an approved and independently calibrated measurement equipment on board the FSRU or otherwise located at the LNG terminal.

10.3 Audit of Retainage

10.3.1 At any time within [ten (10) months] following the end of each calendar year, a terminal user may request by a notice in writing to the Terminal Operator that an audit of Retainage for that year must be carried out. Any such audit shall be carried out as closely as possible to the process specified in [clause 15.9].

10.3.2 The Terminal Operator shall implement any recommendations of the audit with respect to the Retainage to the extent that such recommendations are acceptable to both the Terminal

Operator and terminal user. In case any difference arises in respect of the recommendations of the audit, the same shall be referred to the Expert under [Article 20].

10.4 LNG Heel

For the purposes of this Code and Access Agreement, the “LNG Heel” shall mean the minimum quantity of LNG, expressed in cubic metres, determined by the Terminal Operator, acting as a reasonable and prudent operator, with reference to the design of LNG terminal, that is required to maintain the storage tanks and equipment of the LNG terminal in a sufficiently cold state so as to be able, at all times, to receive LNG and provide the relevant Terminal Services without incurring delays or overstressing the LNG terminal.

10.5 Obligations of LNG Heel

10.5.1 Each terminal user shall be responsible to provide its corresponding volume of LNG Heel to the Terminal Operator, as specified in the Access Agreement.

10.5.2 The Terminal Operator shall, at all times, after the delivery of the first LNG cargo, -

- (a) maintain the LNG Heel at the LNG terminal;
- (b) ensure that the corresponding volume of LNG of terminal users in the LNG terminal is not less than the LNG Heel; and
- (c) ensure that the LNG terminal is in a ready-to-load condition with the average temperature of each LNG storage tank no warmer than minus one hundred and forty degrees Centigrade (-140°C).

10.5.3 If the average temperature of any LNG storage tank or any LNG unloading line at the LNG terminal rises above minus one hundred and twenty degrees centigrade [-120°C] or such tank or unloading line may not otherwise be maintained at the level required to permit continued and uninterrupted unloading and storage of LNG at the LNG terminal, the Terminal Operator shall be entitled, notwithstanding any other rights under this Code and Access Agreement, to limit the unloading rate of an LNG Carrier to a rate that allows the continued safe and reliable operation of the LNG terminal.

10.5.4 If at any time, -

- (a) the quantities of LNG of one or more terminal users in the LNG terminal is less than the LNG Heel; and
- (b) in the reasonable opinion of the Terminal Operator, acting as a reasonable and prudent operator, a material risk arises that the temperature of any LNG storage tank or LNG unloading line will not be maintained at a level permitting continued and uninterrupted storage operations,

then, without prejudice to its rights under [clause 10.5.2], the Terminal Operator shall be entitled to take all reasonable measures, acting as a reasonable and prudent operator, to prevent any damage to the LNG terminal, including the purchase of LNG in such quantities as are necessary to prevent such damage. Provided that the Terminal Operator shall immediately notify in writing any such situations and the solutions to the terminal users.

10.5.5 If the Terminal Operator incurs any costs or liabilities under [clause 10.5.3], the terminal users who had insufficient volumes of LNG in the LNG terminal shall indemnify and hold the Terminal Operator harmless from all such costs or liabilities.

ARTICLE 11. TITLE, CUSTODY AND RISK

11.1 Title

11.1.1 Subject to the lending and borrowing arrangements provided in this Code, -

- (a) the title to the LNG delivered for and on behalf of a terminal user at the Custody Transfer Point shall at all times vest in the terminal user; and
- (b) the Terminal Operator shall, in no circumstances, assume the title to terminal user's LNG and/or inventory, including the corresponding volume of LNG Heel, even during the periods when it is in the custody and control of the Terminal Operator.

11.1.2 The title to the respective amount of Retainage of a terminal user shall pass to the Terminal Operator at the time when the unloading of LNG cargo of the terminal user is completed at the Custody Transfer Point.

11.2 Custody and Risk

11.2.1 The custody, control and risk of loss of the terminal user's LNG shall pass from the terminal user to the Terminal Operator upon delivery of the same at the Custody Transfer Point.

11.2.2 The custody, control and risk of loss of the inventory of a terminal user shall pass from the Terminal Operator to the terminal user upon, -

- (a) delivery of re-gasified LNG at the Gas Delivery Point;
- (b) delivery of LNG at the LNG re-loading point; or
- (c) return of LNG to the LNG Carrier at the Custody Transfer Point, if the LNG is returned during unloading operations.

ARTICLE 12. MAINTENANCE AND EMERGENCIES

12.1 Maintenance Works

12.1.1 Compliance

The Terminal Operator shall ensure that the Maintenance works of LNG terminal comply with all applicable laws, regulations and instructions of the Competent Authorities, including the following:

- (a) conditions specified by the port authorities, including in respect of the operation and Maintenance of LNG terminal;
- (b) health and safety measures prescribed under any applicable law; and
- (c) codes and protocols specified by FSRU, gas pipeline transportation system connected with LNG terminal and any other Connected System.

12.1.2 Communication and Development

The Terminal Operator shall, acting as a reasonable and prudent operator, develop the schedule of Maintenance works of LNG terminal for each calendar year in an open, transparent and fair manner; and, in this respect, the Terminal Operator shall be entitled to communicate with the following persons:

- (a) terminal users;
- (b) operators of gas pipeline transportation system connected with the LNG terminal;
- (c) operator of any Connected Systems;
- (d) Port authorities and any other relevant Competent Authority;
- (e) Operator and owner of FSRU; and
- (f) Suppliers of third-party services at the port and LNG terminal, e.g., tugboats, Pilots, chemicals (nitrogen).

12.1.3 Coordination

The Terminal Operator shall provide sufficient notice to all parties specified in [clause 12.1.2] about the proposed schedule of Maintenance works to allow them the opportunity to coordinate and develop their respective operational and Maintenance plans so as to minimise limitations in the operation of LNG terminal; and, in the case of terminal users, to allow them to suitably manage the procurement of LNG cargoes and gas supply arrangements. The Terminal Operator shall take into account any observations of the parties in respect of the proposed schedule of Maintenance works.

12.1.4 Publication

The Terminal Operator shall publish the schedule of Maintenance works of the LNG terminal on its website, as provided in [clause 12.2] and [clause 12.3].

12.2 Planned Maintenance

12.2.1 Not later than [one hundred and eighty (180) days] before the expiry of each calendar year, the Terminal Operator shall, -

- (a) finalise the schedule of Maintenance of LNG terminal, including any dry docking and surveys by a classification society, for the next calendar year;
- (b) determine the limitations of the LNG terminal for the next year;

- (c) inform the terminal users of the planned Maintenance and limitations of the LNG terminal for the next year; and
- (d) publish all such information on its website.

12.2.2 The Terminal Operator shall be entitled to planned Maintenance for a total of [ten (10) days] in each calendar year; provided as follows:

- (a) each period of planned Maintenance shall not exceed more than [five (5) days]; and
- (b) the above limitation of time shall not apply to any modifications of the LNG terminal or a part thereof that are undertaken by the Terminal Operator to comply with any changes in an applicable law.

12.2.3 The Terminal Operator shall adhere to the annual schedule of planned Maintenance shared with the terminal users and avoid any deviations from such schedule that may affect the provision of Terminal Services to the terminal users; provided that the Terminal Operator may, subject to the prior written consent in writing of the terminal users, revise its schedule of planned Maintenance.

12.2.4 The terminal users shall take into account the Terminal Operator's schedule of planned Maintenance and shall diligently cooperate with the Terminal Operator and accordingly adjust their annual and monthly schedules for delivery of LNG cargoes.

12.3 Unplanned Maintenance

The Terminal Operator may perform Maintenance works that are not included in the annual schedule of planned Maintenance; provided that the Terminal Operator shall: -

- (a) notify in writing the terminal users of such unplanned Maintenance immediately upon learning about its necessity and the date of commencement and duration of such Maintenance;
- (b) complete the unplanned Maintenance as soon as possible while acting as a reasonable and prudent operator; and
- (c) arrange alternative means to provide Terminal Services to the terminal users under the Access Agreement or pay to the terminal users any liquidated damages specified in the Access Agreement for the period during which unplanned Maintenance is performed.

12.4 Emergencies

12.4.1 The Terminal Operator shall be entitled to take all necessary measures consistent with applicable laws to secure, maintain and restore the safety and system integrity of the LNG terminal in an incident of Emergency.

12.4.2 The Terminal Operator shall exercise all due diligence to ensure the safety and health of people and property, and protection of environment, at the LNG terminal. In particular, the Terminal Operator shall cause its employees, agents and contractors and that of the FSRU to comply with all applicable laws and standards on safety, health and environment, including regulatory and administrative instructions of the competent authorities.

12.4.3 In the event of any spillage, discharge or release of LNG or other substance from the LNG terminal, the Terminal Operator shall, at its cost and expense, immediately take all necessary measures to minimise and control such spillage, discharge or release.

12.5 Emergency Procedures

- 12.5.1 The Terminal Operator shall develop and adopt emergency procedures consistent with applicable laws and standards to deal with emergency situations, including fire, leakage of liquids or flammable gas, which may interfere with the operations of the LNG terminal and jeopardize the safety of persons, property and environment.
- 12.5.2 The emergency procedures shall define the different levels of measures to be adopted in an incident of emergency and the procedure to be followed by the relevant personnel of the Terminal Operator, terminal users or any other person concerned with the emergency. The emergency procedures shall further include the training programmes for the relevant personnel of the Terminal Operator and any concerned parties to deal with Emergencies.
- 12.5.3 The Terminal Operator shall submit the emergency procedures to the Authority and share the same with the terminal users and any other persons concerned with the operations of LNG terminal and management of emergency procedures. The Terminal Operator shall additionally publish the emergency procedures on its website, including any amendments thereof. The requirements of this clause shall mutatis mutandis apply to such amendments.
- 12.5.4 The Terminal Operator shall inform the terminal users and all other concerned parties of its personnel designated for Emergency response, together with their telephone and e-mail contacts, who may be contacted on a twenty-four (24) hour basis in an incident of Emergency, and the Terminal Operator shall update such information on a regular basis. Such information shall additionally be posted and regularly updated on the Terminal Operator's website.

12.6 Emergency Warning

Where the Terminal Operator, acting as a reasonable and prudent operator, determines that any incident at the LNG terminal is likely to become an Emergency, it shall, without prejudice to the emergency procedures, immediately send an emergency warning to the terminal users and all concerned persons and inform them of the possible impact of such incident on the Terminal Services. In any such situation, the Terminal Operator shall determine whether the involvement of any third parties that provide specialised services to deal with Emergencies will be required.

12.7 Emergency Action Notice

If the Terminal Operator, acting as a reasonable and prudent operator, determines that an incident of Emergency has occurred at the LNG terminal, the Terminal Operator shall, without prejudice to the emergency procedures, immediately issue an action notice, containing information on the nature and start date of the Emergency and the emergency procedures to be adopted by the Terminal Operator and any other concerned person, to the following:

- (a) terminal users;
- (b) gas pipeline transportation system connected with the LNG terminal;
- (c) any other Connected Systems;
- (d) port authorities;
- (e) local authorities concerned with health and safety laws; and
- (f) the Authority.

12.8 Emergency End Notice

If the Terminal Operator, acting as a reasonable and prudent operator, determines that the Emergency has ended and the emergency procedures or actions are no longer required, the Terminal Operator shall, without prejudice to the emergency procedures, -

- (a) send an “Emergency End Notice” to the terminal users and all concerned persons, specifying the end date of the Emergency; and
- (b) remove all limitations and constraints in the provision of Terminal Services with effect from such end date.

12.9 Limitations of Terminal Services

12.9.1 The Terminal Operator shall, acting as a reasonable and prudent operator, be entitled to limit or curtail the provision of Terminal Services to the terminal users for the period and to the extent required by any of the following events:

- (a) any planned Maintenance performed at the LNG terminal in accordance with this Article;
- (b) any modifications in the LNG terminal required pursuant to any applicable law;
- (c) any emergency at the LNG terminal and/or on board an LNG Carrier;
- (d) any emergency in the gas pipeline transportation system connected with the LNG terminal or any other Connected System that affects the operation of LNG terminal;
- (e) an event of Force Majeure that affects the operation of LNG terminal; or
- (f) an event that is likely to cause injury or damage to people, property and environment at the LNG terminal and/or on board an LNG Carrier.

12.9.2 In each of the cases specified in [clause 12.9.1], the Terminal Operator shall send a notice in writing to each terminal user and any other concerned persons about, -

- (a) the extent and period of limitation or curtailment of Terminal Services;
- (b) the reasons for such limitation and curtailment; and
- (c) the expected date of resumption of full Terminal Services.

12.9.3 The Terminal Operator shall not be liable to any terminal user or other party on account of limitation or curtailment of Terminal Services under [clause 12.9.1] except on account of wilful misconduct or gross negligence of the Terminal Operator, or in the event of breach of any provisions of this Article.

ARTICLE 13. FORCE MAJEURE

13.1 Definition

13.1.1 In this Code and Access Agreement, “Force Majeure” shall mean 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 any other party under this Code and Access Agreement, including:

- (a) fire, flood, drought, explosion, atmospheric disturbance, lightning, storm, tempest, hurricane, cyclone typhoon, tornado, earthquake, landslide, perils of the sea, tsunami, soil erosion, subsidence, washout, epidemic or other acts of God;
- (b) war, riot, civil war, blockade, lockdown, insurrection, acts of public enemies, piracy, invasion, embargo, trade sanctions, revolution, civil commotion, rebellion, cyber-attack, sabotage or the serious threat of or an act of terrorism;
- (c) strikes, lock outs, or other industrial disturbances;
- (d) chemical or radioactive contamination or ionizing radiation;
- (e) acts or omissions of a Competent Authority, including a change in law or the imposition or introduction of new or changed national standards or international standards; and
- (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.

13.1.2 An event or circumstance shall not constitute Force Majeure, if its occurrence or effect is not beyond the reasonable control of, or it could have been avoided by steps which might reasonably have been expected to have been taken by, a party or its contractor and authorised agent.

13.2 Effects of Force Majeure

13.2.1 The Affected Party shall be relieved from liability for any delay or failure in performance of any of its obligations, other than the obligations to make payment that arise prior to the occurrence of Force Majeure, under this Code and Access Agreement which is caused by or results from Force Majeure.

13.2.2 The Affected Party shall be relieved from its liability under [clause 13.2.1] only for so long as and to the extent that the occurrence of Force Majeure 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.

13.2.3 The Affected Party shall have the right to terminate the Access Agreement by giving a notice in writing to the other parties, if Force Majeure continues for a consecutive period of [six (6) months].

13.3 Notice of Force Majeure

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

- (a) notify the other parties in writing as soon as reasonably practicable but not later than [three (3) days] after the occurrence of Force Majeure, including details of the nature of the Force Majeure, an estimate of the likely duration of the Force Majeure to the

extent possible and the Affected Party's obligations under this Code and Access Agreement that are affected by the Force Majeure;

- (b) on a monthly basis, provide the other parties 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 Code and Access Agreement;
- (c) use all reasonable efforts and diligence to resume normal performance of its obligations under this Code and Access Agreement after the occurrence of an event of Force Majeure and, prior to resumption of normal performance, continue to perform its obligations under this Code and Access Agreement to the extent not prevented by such event of Force Majeure; and
- (d) immediately notify the other parties when it is once again able to perform its obligations under this Code and Access Agreement.

ARTICLE 14. TRUCK FILLING

14.1 Applicability

- 14.1.1 This Article shall provide the conditions and procedures governing the access to LNG terminals and use of Terminal Services by a person for re-loading of LNG on trucks which shall include ISO-containers and trailers; and it shall not apply to re-loading or break-bulk arrangements that do not involve the use of LNG terminal.
- 14.1.2 The provisions of this Article shall apply, in addition to the other provisions of this Code, to all persons, including their employees, contractors and authorised agents, who have been or will be allocated the LNG re-loading capacities.
- 14.1.3 The provisions of this Article shall prevail in the case of any inconsistency with the other provisions of this Code. The parties shall comply with the other provisions of this Code except where it causes unfair, unreasonable and impractical effects in respect of the matters provided in this Article.

14.2 Truck Filling Services

- 14.2.1 The Truck Filling Services shall include the Terminal Services consisting of the berthing, unloading, storage, weighing and re-loading of LNG, at the LNG re-loading point, on the trucks designated by a terminal user who has been allocated LNG re-loading capacity by the Terminal Operator in accordance with the provisions of this Code.
- 14.2.2 The Terminal Operator may additionally provide cool-down services for trucks as an additional Terminal Services except under [clause 14.6.1]. The cool-down service shall consist of cooling down of the terminal user's trucks to meet the cryogenic temperatures necessary for the re-loading of LNG.
- 14.2.3 The Terminal Operator may develop standard operating procedures for the provision of Truck Filling Services and shall submit the same to the Authority before it allocates LNG re-loading capacities to any party.

14.3 Allocation of LNG Re-loading Capacities

- 14.3.1 Subject to the Capacity Allocation Mechanism, the LNG re-loading capacities for Truck Filling Services will be offered to the interested persons that fulfil the requirements of this Code for a terminal user by way of an open, transparent and well-publicised method which may include:
- (a) Open Season;
 - (b) first-come-first-served principle;
 - (c) subscription windows for annual or seasonal allocations; and
 - (d) any other method with the prior approval of the Authority.
- 14.3.2 In case any LNG re-loading capacities are left surplus after the application of an allocation method, such capacities shall be allocated, in the absence of an allocation process for surplus capacities specified in the Capacity Allocation Mechanism, on a "first-come-first-served" basis, based upon the date and time of receipt of the binding request until the next allocation.
- 14.3.3 In order to provide sufficient flexibility to the terminal users, the Terminal Operator shall allocate hourly slots for the provision of Truck Filling Services which shall not, on a cumulative basis, be greater than the total LNG re-loading capacity of the LNG terminal.

14.3.4 The LNG delivered by terminal user to Terminal Operator at the Custody Transfer Point and re-loaded at the LNG re-loading point on trucks designated by the terminal user shall be measured in energy terms.

14.4 Scheduling Conditions

14.4.1 A terminal user may book hourly slots with the Terminal Operator for the use of LNG re-loading capacities as long as the total number of hourly slots booked by the terminal user do not exceed the LNG re-loading capacities allocated to it.

14.4.2 An hourly slot booked by the terminal user shall be treated as confirmed unless cancelled not later than [twenty-four (24) hours] before the hourly slot begins for provision of Truck Filling Services. Where the hourly slot is not cancelled by the terminal user as specified herein, such slot shall be considered as used and all applicable charges under this Code and Access Agreement shall be payable by the terminal user to the Terminal Operator, whether LNG has been re-loaded or not on the truck designated by the terminal user.

14.4.3 The Terminal Operator shall use all reasonable endeavours to perform the Truck Filling Services and the cool-down services, if applicable, as scheduled by the terminal user and to minimize any possible operational constraints.

14.4.4 In case the Terminal Operator is constrained on account of handling of an LNG carrier or Maintenance works to duly perform the Truck Filling Service in accordance with the hourly slots booked by a terminal user, the Terminal Operator shall inform the terminal user as soon as possible and both parties shall mutually reschedule the hourly slots and, where such hourly slots cannot be reasonably rescheduled, the hourly slots shall be considered as cancelled.

14.5 Early and Late Arrivals

14.5.1 In case the truck designated by terminal user arrives before the hourly slot booked by it, the Terminal Operator shall have the right not to perform the Truck Filling Service and cool-down service, if applicable, before the terminal user's hourly slot begins, subject to hourly slots booked by the other terminal users.

14.5.2 In case the truck designated by terminal user arrives after the hourly slot booked by it, the Terminal Operator shall have the right not to perform the Truck Filling Service and cool-down service, if applicable, and may reschedule the hourly slot subject to hourly slots booked by the other terminal users.

14.5.3 The Terminal Operator shall treat all terminal users on a non-discriminatory and equal basis for the provision of Truck Filling Services, subject to their respective allocations of LNG re-loading capacities and hourly slots booked to provide Truck Filling Service.

14.6 Arrival and Loading Conditions

14.6.1 A truck designated by terminal user must arrive at LNG terminal in cold condition which means a boil-off gas temperature below [-120°C]. In case the truck does not meet the temperature specifications set out under this clause, the cool-down service shall be provided by the Terminal Operator and charged to the terminal user, subject to the availability of hourly slot.

14.6.2 The Terminal Operator shall be entitled to carry out spot checks for levels of water vapours, contaminants or impurities in the truck designated by terminal user. In case the truck shows any levels of water vapours, contaminants or impurities exceeding the limits prescribed by the

Terminal Operator, the Terminal Operator shall have the right to refuse to re-load LNG into the truck.

- 14.6.3 In case of danger to the integrity or safety of LNG terminal, the Terminal Operator shall have the right to refuse access of the terminal user's truck into the LNG terminal; provided that the Terminal Operator shall inform the terminal user of the reasons justifying the refusal.
- 14.6.4 The Terminal Operator shall inform terminal user in advance of all the relevant transportation documents to be carried by the truck designated by the terminal user and shall review such documents upon arrival of the truck at the LNG terminal.
- 14.6.5 After completion of Truck Filling Service, the Terminal Operator shall provide the trucker designated by terminal user with the documents pertaining to quality and quantity of the LNG re-loaded in the truck and shall electronically send copies of such documents to the terminal user.
- 14.6.6 The Terminal Operator shall, at all times, procure and maintain a truck loading station, having high safety standards and provided with appropriately qualified and suitably trained personnel to fulfil its obligations under this Code and Access Agreement.
- 14.6.7 The terminal user shall, throughout the term of Access Agreement, provide, maintain and operate or cause to be provided, maintained and operated in good working order and with high standards of safety the terminal user's trucks to fulfil its obligations under this Code and Access Agreement.

14.7 Truck Approval Procedure

- 14.7.1 In order to determine the compatibility between the truck designated by terminal user and truck loading station of Terminal Operator, the Terminal Operator shall provide the terminal user the checklist for truck approval which shall, at the minimum, require the following information:
- (a) Dimensions of the truck (length, width, height) along with the pictures;
 - (b) Location of the flanges and dimensions along with the pictures;
 - (c) Technical data of the truck including maximum volume, maximum pressure, measurement equipment, safety system to prevent overfilling, and the set point of the relief valves and try-cocks as a function of the filling level;
 - (d) Procedure of cool-down and loading operation;
 - (e) Safety impact analysis report; and
 - (f) Any other relevant material.
- 14.7.2 On receipt and review of the information received by Terminal Operator from the terminal user for approval of trucks and after conducting due analysis thereof, -
- (a) the Terminal Operator shall determine, -
 - (i) whether the truck filling test of the terminal user's truck should be carried out; or
 - (ii) whether the terminal user should be notified of the list of observations and/or shortcomings that must be addressed or removed, as the case may be.
 - (b) the terminal user shall address or remove the observations and/or shortcomings, as the case may be, to the Terminal Operator's satisfaction, in order for the Terminal Operator to carry out a truck filling test.

- 14.7.3 The Terminal Operator shall carry out the truck filling test and, based on the results of the test, determine, -
- (a) whether the truck must be approved without any further test and added to the list of approved trucks of the terminal user for the LNG terminal; or
 - (b) whether the truck should undertake another filling test at a later date subject to the application of further corrective measures that will be communicated to the terminal user.
- 14.7.4 The Terminal Operator shall maintain and regularly update the list of the approved trucks of terminal users and assign a unique identifier number to each truck, which will be used in connection with the Truck Filling Services.
- 14.7.5 The terminal users shall ensure that the drivers and other personnel that they appoint for the Truck Filling Services are adequately trained and hold all the required qualifications and certifications under the applicable laws. Before the commencement of Truck Filling Services, the terminal users shall provide the evidence of such trainings, qualifications and certifications to the Terminal Operator.

14.8 Measurement Procedures

- 14.8.1 For the provision of Truck Filling Services and cool-down services, if applicable, the truck designated by terminal user shall continuously be stationed on a calibrated weighbridge station. On arrival, the truck shall be weighed in “empty” condition, i.e., without any person and without any hoses connected. Upon completion of re-loading of LNG, the truck shall be weighed again in “loaded” condition, without any person and after the hoses have been disconnected and moved aside.
- 14.8.2 The Terminal Operator shall have its weighbridge recalibrated by a certified independent person on annual basis. The accuracy of the weighbridge shall never exceed $[+/- 0.25 \%$] in any case.
- 14.8.3 In the event of a failure of the weighbridge, the Terminal Operator shall, at its own cost, determine the re-loaded quantity of LNG by use of another calibrated weighbridge. The choice of such another weighbridge shall be mutually agreed between the Terminal Operator and terminal user.
- 14.8.4 The quality of LNG re-loaded to the truck designated by terminal user shall be of the same quality as the LNG in the storage tank of LNG terminal; provided that the Terminal Operator shall sample and analyse the LNG re-loaded to the truck.

14.9 Authorisations

- 14.9.1 The Terminal Operator and terminal users shall obtain, renew and retain all of the Authorisations required by the applicable laws, whether technical, operational, or relating to health, safety and environment.
- 14.9.2 A terminal user shall keep the Terminal Operator informed of any material change in the trucks designated by it, including matters concerning their condition and compliance with the applicable laws.

14.10 Safety Measures

- 14.10.1 The Terminal Operator shall have the right to take all necessary measures to maintain, ensure and restore the safety and system integrity of the LNG Terminal. The Terminal Operator shall

use all reasonable endeavours to minimize the duration and impact of Emergencies occurring at the LNG terminal.

14.10.2 The Terminal Operator and terminal users shall maintain, and cause their employees, agents and contractors to maintain, -

- (a) high standards of safety and security;
- (b) in all matters contemplated in this Code for Truck Filling Services, including the operation of their respective facilities and transportation of LNG; and
- (c) in accordance with the generally accepted standards prevailing in the LNG industry.

14.10.3 The Terminal Operator and terminal users shall comply with, and cause their employees, agents and contractors to comply with, all relevant rules, regulations and instructions of the Competent Authorities, including any registrations, certifications and trainings, relating to Truck Filling Services.

ARTICLE 15. TARIFFS, INVOICING AND PAYMENT

15.1 Tolling Tariff Methodology

The Terminal Operator shall, -

- (a) develop a Tolling Tariff Methodology in accordance with the Rules and which shall include the basis and structure of Tariff for each type of Terminal Service offered by the Terminal Operator; and
- (b) submit the Tolling Tariff Methodology to the Authority within [three (3) days].

15.2 Tariffs

15.2.1 The Tariff structure may include the following components:

- (a) fixed charges to recover fixed operation, maintenance and capacity costs;
- (b) per unit of delivered service charges to recover variable operation and maintenance costs of LNG terminal; and
- (c) utilization of Terminal Capacity.

15.2.2 The Terminal Operator shall identify the different types of Terminal Services to be offered at the LNG terminal, including Standard Terminal Services, Additional Terminal Services and Ancillary Terminal Services.

15.2.3 The Terminal Operator may propose either a singular Tariff for all of the Terminal Services offered in a bundled form, or a separate Tariff for each type of Terminal Services offered in unbundled form, or a separate Tariff for each of the different packages of Terminal Services.

15.2.4 The Terminal Operator shall define the basis of charging terminal users for Retainage (e.g., a percentage of the LNG unloaded for terminal users at the unloading point) and specify it in the Access Agreement, in accordance with the relevant provisions of [Article 9].

15.2.5 The Terminal Operator shall publish the Tariffs for Terminal Services and any other applicable costs and expenses on its website along with the Tariff structure approved by the Authority.

15.3 Invoicing

15.3.1 The Terminal Operator shall raise invoices for Tariff for the provision of Terminal Services on a monthly or fortnightly basis as may be provided in the Access Agreement; provided that there shall be no discrimination among the terminal users with respect to the periodicity of invoices.

15.3.2 Starting from the commencement of Access Agreement, the Terminal Operator shall regularly deliver to each terminal user an invoice statement that sets forth the details of Tariff and shall include the following:

- (a) total Tariff;
- (b) fixed charges;
- (c) variable charges;
- (d) utilization charges;
- (e) costs for Standard Terminal Services, Additional Terminal Services and/or Ancillary Terminal Services;
- (f) types, quantities and rates of each type of terminal service;
- (g) quantity of LNG delivered by terminal user at the LNG terminal;
- (h) quantity of gas off-taken or LNG re-loaded for terminal user;

- (i) quantities of LNG Heel, Boil-Off and Retainage applied to terminal user;
- (j) quantities of Terminal Capacities held by terminal user;
- (k) applicable taxes, if any;
- (l) arrears and corrections, if any;
- (m) late payment charges, if any;
- (n) due date for payment; and
- (o) Bank account/remittance instructions.

15.3.3 The Terminal Operator and terminal users may agree upon the format of invoice statement and shall take into account the model of invoice statement for different types of Terminal Services given in Annexure [J] but shall not be restricted by it to use a more elaborate invoice statement.

15.3.4 If any amount other than the charges specified in [clause 15.3.2] is due by one party to the other party under the Access Agreement, the party to whom such amount is due shall furnish a separate statement for such amount to the other party along with full information and materials justifying the demand for payment of such amount. The statement shall include the due date and manner for payment of such amount.

15.4 Payment

15.4.1 General

Subject to the terms of Access Agreement, -

- (a) each party shall pay, or cause to be paid, in the applicable currency, all amounts that become due and payable by such party pursuant to any invoice statement issued hereunder, into a bank account or accounts designated by and in accordance with the instructions issued by the other party; and
- (b) each payment of any amount owing hereunder shall be made in full without reduction or offset for any reason, except as expressly allowed under this Code or Access Agreement.

15.4.2 Due Date

Each invoice statement issued pursuant to [clause 15.3.2] shall become due and payable within such period as may be specified in the Access Agreement.

15.4.3 Late Payment Surcharge

If full amount of any invoice statement or payment due by one party to the other party is not paid when due, any unpaid amount thereof shall bear a late payment surcharge at the rate specified in the Access Agreement, starting from the day following the due date of such invoice statement up to the day when payment is made.

15.5 Disputed Invoice Statement

15.5.1 In the event of disagreement concerning any invoice statement, the party having the disagreement shall make payment of the undisputed amounts of the invoice statement and shall immediately notify the other party of the reasons for such disagreement.

15.5.2 The Terminal Operator and terminal user shall mutually resolve disagreement with invoice statements and, where necessary, may apply the dispute resolution mechanisms under this Code to resolve such disagreement.

15.5.3 On resolution of the disagreement with the invoice statement, the amount of any over-payment or under-payment along with late payment surcharge shall immediately be paid by the terminal user or Terminal Operator, as the case may be.

15.5.4 A disagreement may be raised only within a period of [one (1) year] of the receipt of an invoice statement. If no notice is issued concerning a disagreement with an invoice statement within the aforesaid period, the invoice statement shall be deemed correct and accepted by the parties for all times.

15.5 Final Settlement

Within [thirty (30) days] after expiration of the term of Access Agreement, the Terminal Operator and terminal user shall determine the amount of any final payment. After the amount of final payment has been determined, the Terminal Operator shall send a statement to the terminal user, or the terminal user shall send a statement to the Terminal Operator, as the case may be, for payment no later than [fifteen (15) days] after the date of receipt of such statement.

15.6 Non-payment

15.6.1 If a terminal user fails to pay [two] consecutive invoices and no disagreement over any such invoices has been raised, the Terminal Operator shall have the right, upon giving [fifteen (15) days] notice in writing to the defaulting terminal user,

- (a) to suspend provision of Terminal Services until the unpaid amount along with late payment surcharge has been paid in full; and/or
- (b) to enforce the Performance Security provided by the terminal user under [Article 16] to recover the unpaid amount along with late payment surcharge.

15.6.2 If the Terminal Operator suspends the provision of Terminal Services under this clause, the defaulting terminal user shall continue to be liable for any fixed charges agreed in the Access Agreement.

15.6.3 If the Terminal Operator enforces the Performance Security under this clause to recover the unpaid amounts, the Terminal Operator shall be entitled to suspend the provision of Terminal Services until a new Performance Security is provided by the defaulting terminal user to the Terminal Operator under [Article 16].

15.7 Records

15.7.1 The Terminal Operator shall keep all books and records relevant to the determination of amounts payable under this Code and Access Agreement in all reasonable detail and in accordance with generally accepted accounting practices.

15.7.2 The Terminal Operator shall maintain all relevant books and records for a period of [three (3) years] following the end of relevant year; provided, however, where the Terminal Operator is on notice of a disagreement or Dispute, the Terminal Operator shall keep all such books, records and other information until such disagreement or Dispute has been finally resolved.

15.8 Audit

15.8.1 During the subsistence of Access Agreement and within [three (3) months] of the conclusion of a year, a terminal user shall have the right, at its sole expense, to audit the books and records

of the Terminal Operator that are directly relevant to the determination of any amounts payable under this Code and Access Agreement for such year. The audit shall be conducted at the head office of the Terminal Operator during its regular business hours and on reasonable prior notice. The terminal user shall exercise all reasonable endeavours to complete such audit within a period not exceeding [ninety (90) days].

- 15.8.2 If the audit under [clause 15.9.1] indicates the need for correction of a past invoice statement for the relevant year and a payment adjustment, the terminal user shall, within [thirty (30) days] of completion of the audit, serve a written notice on the Terminal Operator that sets forth the information and basis for the adjustment. Immediately thereafter, the Terminal Operator and terminal user shall mutually endeavour, in good faith, to resolve the adjustment, and any consequential amount along with late payment surcharge shall be immediately paid.

15.9 Taxes

The Terminal Operator and terminal users shall be liable for the payment of their respective taxes, duties, levies, cesses and other fiscal charges, which are imposed or may be imposed on them, from time to time, by any Federal or Provincial Governmental, semi-Governmental or local Authority or Agency, under the applicable laws of Pakistan.

ARTICLE 16. PERFORMANCE SECURITY

16.1 Performance Security

Each terminal user shall provide to the Terminal Operator a bank guarantee or stand-by letter of credit, issued by a Financial Institution (“Performance Security”) and which shall secure the fulfilment of terminal user’s obligations to the Terminal Operator under this Code and Access Agreement. The Performance Security shall be substantially in the form given in Annexure [K].

16.2 Conditions for Performance Security

16.2.1 The terminal users shall provide Performance Security to the Terminal Operator, -

- (a) not later than [five (5) days] prior to the submission of their proposed ADP or other applicable Delivery Schedule; and
- (b) for an amount and validity period specified in the Access Agreement; provided that the amount of Performance Security shall not exceed the sum of tariff and all other charges payable under the Access Agreement for any period not exceeding [three (3) months].

16.2.2 If a terminal user fails to submit Performance Security in accordance with this Article, the Terminal Operator shall be entitled to cancel the Access Agreement and claim full payment of the security bond of the terminal user provided under [clause 3.4.1] as liquidated damages to the Terminal Operator. Such action shall be without prejudice to any other rights and remedies of the Terminal Operator under the law.

16.2.3 Each terminal user shall, at all times, during the term of Access Agreement, -

- (a) maintain the Performance Security for the amount and validity period specified in the Access Agreement; and
- (b) if the Performance Security has been enforced for payment, provide a fresh Performance Security, issued by a Financial Institution, within [five (5) days] of a written notice of the Terminal Operator to this effect and, until such Performance Security is provided, the provision of Terminal Services shall remain suspended to the terminal user.

16.2.4 If a Financial Institution that issued the Performance Security for a terminal user ceases to fulfil its definitional criteria provided in [clause 1.3], the terminal user shall provide a replacement Performance Security to the Terminal Operator, issued by a Financial Institution, within [five (5)] days of the occurrence of such event.

ARTICLE 17. LIABILITIES AND DAMAGES

17.1 General

17.1.1 Each of the Terminal Operator and terminal users shall be liable for the due performance of their respective obligations provided in this Code and Access Agreement.

17.1.2 The parties to Access Agreement may agree to limit or exclude their respective liabilities to each other only to the extent that it shall not be inconsistent with this Code and any other applicable laws. Any limitation or exclusion of the liabilities of a party to Access Agreement shall not affect the right of the other party to obtain insurance and claim insurance benefits.

17.1.3 Each party to the Access Agreement shall, without any exclusion, be liable for any or all loss or damage that it may cause to the other party during the performance of its obligations under this Code and which, except where it arises out of wilful misconduct or gross negligence of the other party, relates to:

- (a) sickness, personal injury or loss of life of employees, contractors or agents of the affected party; or
- (b) environmental damage caused by any substance delivered by the defaulting party to the property of the affected party;

provided that each party shall have a duty to make all reasonable endeavours to reduce or limit the amount of such loss or damage to the extent that may be within its control.

17.2 Terminal Operator's Liabilities

17.2.1 If the Terminal Operator is in breach of its obligations provided in this Code and Access Agreement and a terminal user sustains any loss or damage as a direct result of such breach, the Terminal Operator shall indemnify the terminal user for only the actual loss or damage suffered by the terminal user, subject to a reasonable cap given in the Access Agreement.

17.2.2 The Terminal Operator shall be liable to compensate a terminal user for all costs and expenses that are borne by the terminal user due to the Terminal Operator's delay or inability to provide any terminal service in accordance with this Code and Access Agreement and which relates to:

- (a) the diversion of the LNG carrier to another port;
- (b) the unloading of the LNG carrier in another port;
- (c) the sale of LNG cargoes of the terminal user by LNG suppliers to a third party at less favourable terms; or
- (d) the send-out of gas or re-loading of LNG to a third party at less favourable terms;

provided that each party shall have a duty to make all reasonable endeavours to reduce or limit the amount of such costs and expenses to the extent that may be within its control.

17.3 Terminal User's Liabilities

If the terminal user is in breach of its obligations provided in this Code and Access Agreement and the Terminal Operator sustains any loss or damage as a direct result of such breach, the terminal user shall indemnify the Terminal Operator for only the actual loss or damage suffered by the Terminal Operator, subject to a reasonable cap given in the Access Agreement.

17.4 Limitation of Damages

Notwithstanding anything to the contrary, no party to Access Agreement shall be liable to the other party in respect of, -

- (a) loss of earnings, income, profits, investment opportunities, business interruption or other consequential damages;
- (b) reputational damages; or
- (c) any exemplary or punitive damages.

ARTICLE 18. INFORMATION EXCHANGE AND DISCLOSURES

18.1 Operational Cooperation

- 18.1.1 The Terminal Operator and terminal users shall fully cooperate with each other to meet the requirements of this Code and Access Agreement and, for the purpose, designate authorised representatives of each party who shall be the contact persons for all communications, information exchange at the first instance.
- 18.1.2 The Terminal Operator shall be entitled to cooperate with the operators of gas pipeline transportation system connected with the LNG terminal and any other Connected Systems to meet the requirements of this Code and the Gas Network Code.
- 18.1.3 The Terminal Operator shall timely provide the terminal users with information related to the Terminal Services, including information about unloading and storage of LNG cargoes, inventory of terminal user, amounts of gas send-outs or LNG re-loading, tariffs, invoicing and payments, and any other matters relating to the provision of Terminal Services.
- 18.1.4 The terminal users shall submit to the Terminal Operator their respective requests, notices and information in accordance with the procedure and conditions specified in this Code and Access Agreement.

18.2 Confidentiality

- 18.2.1 Any information provided in Access Agreement or relating to the business of each party to Access Agreement, which is not required by the Rules and this Code to be published, shall be kept confidential and shall not be used or disclosed without the prior written consent of the party to which such information relates, except where a law, judgment of a Court or decision of a Competent Authority imposes an obligation to disclose such information.
- 18.2.2 The Terminal Operator shall be entitled to provide the information concerning terminal users that may be required by the operators of gas pipeline transportation system connected with the LNG terminal and Connected Systems but only to the extent necessary to meet the requirements of this Code and the Gas Network Code. Any such disclosure shall not be treated as a violation of the confidentiality obligations under this Code and the Access Agreement, and the Terminal Operator shall duly inform the terminal users about the information so shared.
- 18.2.3 Neither party is required to obtain a previous written consent for any sharing information to its management, officers, agents and contractors to the extent necessary for performance of their respective obligations in connection with the provisions of Terminal Services, or to its professional advisors in any manner deemed relevant by them, subject to a similar confidentiality obligation applied to them as provided in this clause.

18.3 Disclosures

Without prejudice to the requirements of disclosure and reporting under the Rules and this Code, the Terminal Operator shall publish the following information on its website and update it within [three (3) days] of any change or development in respect thereof, namely:

- (a) LNG Terminal Access Code;
- (b) Gas Network Code for gas pipeline transportation system
- (c) Technical Characteristics of LNG terminal;
- (d) Total Terminal Capacity, Allocated Terminal Capacities and Available Capacity;
- (e) Types of Terminal Services available at the LNG terminal;

- (f) Terminal Capacities, as re-allocated, transferred, released or reduced;
- (g) Types of LNG Carriers that conform to LNG terminal's specifications;
- (h) Capacity Allocation Mechanism;
- (i) Tariffs for different Terminal Services;
- (j) Form of Access Agreement;
- (k) Form of capacity transfer agreement;
- (l) All annexes mentioned in this Code;
- (m) Schedule of planned Maintenance;
- (n) Information about Emergencies and Emergency Procedures;
- (o) Operational Manual; and
- (p) Any other information required to be published by the Rules and this Code.

ARTICLE 19. GOVERNING LAW

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

ARTICLE 20. SETTLEMENT BY EXPERT

20.1 General

A party may refer any dispute, question or issue of a purely technical and operational nature ("Technical Dispute") to an Expert for determination or resolution and, in such event, the provisions of this Article shall apply notwithstanding the provisions of [Article 21].

20.2 Appointment of Expert

20.2.1 A party may, at any time, issue a notice in writing of the Technical Dispute to the other relevant parties for its determination or resolution by an Expert.

20.2.2 The parties to the Technical Dispute shall, within [fifteen (15) days] of the notice issued under [clause 20.2.1], mutually agree upon the selection of an Expert.

20.2.3 If the parties to the Technical Dispute are unable to agree upon the selection of an Expert within the time specified in [clause 20.2.2],-

- (a) the party that raised the Technical Dispute may refer the matter to the Authority for nominating the Expert; and
- (b) the Authority may nominate an Expert in accordance with [clause 20.3] within [ten (10) days] of such referral.

20.2.4 Upon selection of the Expert having been made, the parties to the Technical Dispute shall request the Expert to give its consent in writing within [five (5) days] to act as Expert for the determination or resolution of the Technical Dispute on such terms and conditions as may mutually be agreed with the Expert.

20.3 Qualifications of Expert

No person shall be appointed as an Expert, -

- (a) unless such person, -
 - (i) in the opinion of parties to the Technical Dispute, has the requisite qualification and experience to determine or resolve the Technical Dispute;
 - (ii) is generally recognized as an expert in the field relevant to the Technical Dispute; and
 - (iii) has fully disclosed in writing to parties to the Technical Dispute any conflict of interest or other facts and circumstances that are likely to affect the neutrality of that person; and
- (b) if that person, -
 - (i) is or has been at any time an employee of any party or any party's Affiliate in the immediately preceding period of three (3) years;
 - (ii) is or has been at any time a consultant to, or contractor of, any party or any party's Affiliate in the immediately preceding period of three (3) years; or
 - (iii) holds any financial interest in any party or any party's Affiliate.

20.4 Expert Determination

- 20.4.1 The party that raised the Technical Dispute shall, no later than [ten (10) days] following the Expert's appointment, submit a written statement of the Technical Dispute together with all the supporting materials (the "Statement") to the Expert and each other party to the Technical Dispute.
- 20.4.2 Each other party to the Technical Dispute may, no later than [ten (10) days] following the submission of the Statement, submit its written reply to the Statement together with all the supporting materials (the "Reply") to the Expert and all other parties to the Technical Dispute.
- 20.4.3 The Expert may review the Statement and Replies of the parties to the Technical Dispute and, if required, request for further information or materials from the parties. The Expert shall be entitled to make independent inquiries from any professional or technical experts as he may deem necessary for the purpose of determination or resolution of the Technical Dispute.
- 20.4.4 All information submitted by a party to the Technical Dispute to the Expert shall be kept confidential by the Expert except that the Expert shall be entitled to share it with the other parties to the Technical Dispute. The Expert shall be entitled to use any publicly available information that may be relevant to the determination or resolution of the Technical Dispute and the condition of confidentiality shall not apply to such kind of information.
- 20.4.5 The Expert shall hold meetings or discussions with any party to the Technical Dispute in the presence of all other parties to the Technical Dispute by giving them a reasonable notice to attend. Each party to the Technical Dispute shall be given due opportunity to make representations to the Expert in the presence of the other parties to the Technical Dispute and to be represented by professional and technical advisers.
- 20.4.6 The Expert shall make written determination or resolution of the Technical Dispute within [ninety (90) days] of his appointment along with the reasons justifying the determination or resolution. In case the aforesaid period is not sufficient for the proper determination or resolution of the Technical Dispute, the parties to the Technical Dispute may suitably extend such period.
- 20.4.7 The Expert's determination or resolution shall be final and binding on the parties to the Technical Dispute except in case of fraud, manifest error, acting beyond the scope of Technical Dispute or breach of the provisions of this Article; and, in such case, any aggrieved party shall be entitled to avail any or all remedies available to it under any applicable law.

20.5 Costs of Expert

- 20.5.1 Each party to the Technical Dispute shall bear its own costs, including costs associated with the preparation of statements, replies, documents and supporting materials, and engagement of professional and technical advisers.
- 20.5.2 The costs and expenses of the Expert in connection with the determination or resolution of the Technical Dispute, including any staff retained by him, shall be borne [equally by all parties].

ARTICLE 21. DISPUTE RESOLUTION

21.1 Resolution by Representatives

21.1.1 Any Dispute arising out of or relating to this Code or Access Agreement between the parties shall first be referred to the designated representatives of the parties for an amicable resolution.

21.1.2 In case the designated representatives of the parties are unable to amicably resolve a Dispute within a period of [thirty (30) days], the same shall be referred to arbitration which shall be the condition precedent to any other action or remedy under the law.

21.2 Arbitration

A Dispute may be referred to arbitration by any concerned party by a written notice issued to all concerned parties. An arbitration under this Code shall be conducted pursuant to the provisions of the Arbitration Act, 1940 of Pakistan, as amended or re-enacted from time to time, or such other law as may be agreed by the parties in the Access Agreement.

21.3 Arbitral Panel

The Arbitral Panel shall constitute three (3) arbitrators. One arbitrator shall be appointed by the party that raised the Dispute and the second arbitrator shall be mutually appointed by the other parties to the Dispute. In case the other parties fail to mutually appoint the second arbitrator, the matter shall be referred to the Authority. The Authority shall nominate the second arbitrator who shall be so appointed by the other parties. The two arbitrators so appointed shall select a third arbitrator who shall act as the Umpire.

21.4 Venue

The arbitration shall be held in any city of Pakistan, as may be decided by the Arbitral Tribunal.

21.5 Language

The language to be used in the arbitral proceedings shall be English.

21.6 Award

The award rendered by the Arbitral Tribunal shall be final and binding on the parties.

21.7 Costs

All the parties will contribute equally towards the costs of the arbitration proceedings, the fee of Umpire and any independent experts engaged in the arbitration. The fees and costs of the counsel and each of the two arbitrators appointed by the parties shall be borne by the party making such appointment. The foregoing shall not prevent any party from claiming any or all such costs in the arbitration proceedings and the Arbitral Tribunal shall have the authority to award such costs in its discretion.

ARTICLE 22. MODIFICATIONS

22.1 General

- 22.1.1 A party may propose to the Authority any modifications to the Code setting out in sufficient detail the nature and purpose of the proposed modifications and whether the modification should be treated as urgent or in the ordinary course.
- 22.1.2 The Authority shall place the proposed modifications on its website and refer the same to the Modification Panel for submission of its recommendations to the Authority with respect to the modifications within such time as may be given by the Authority.
- 22.1.3 The Authority may either accept the recommendations of Modification Panel with respect to the modifications, in whole or part, or reject any recommendations that the Authority considers unreasonable, impracticable or contrary to law.

22.2 Modification Panel

- 22.2.1 Within [thirty (30) days] of the approval of this Code, the Authority shall notify the Modification Panel, consisting of the following members:
- (a) A senior representative of the Authority who shall act as an independent and non-voting Chairperson;
 - (b) Three representatives of the Terminal Operators;
 - (c) Three representatives of the terminal users;
 - (d) Two representatives of the gas pipeline transportation system; and
 - (e) Two experts of the gas sector.
- 22.2.2 The Modification Panel shall, -
- (a) consider the proposed modifications;
 - (b) consult with any third party that it may deem appropriate;
 - (c) make recommendations to the Authority on the modifications; and
 - (d) undertake such other functions in relation to the modifications as the Authority may assign from time to time.
- 22.2.3 The Modification Panel may, in the discharge of its functions under this Code, engage any professional adviser or technical expert on such terms and conditions as it may deem fit.
- 22.2.4 The Secretariat support to the Modification Panel shall be provided by [the Authority].
- 22.2.5 All the costs and expenses of the Modification Panel in a year shall be met by the Authority at the first instance and shall be charged at the expiry of each calendar year to the Terminal Operator and terminal users in such proportions as may be specified by the Authority.

22.3 Modification Report

The report of the Modification Panel shall include:

- (a) Description of the original proposal for the modification;
- (b) Consultation in relation to the modification;
- (c) Analysis of the proposed modification in the context of relevant objectives specified herein; and

- (d) Recommendations whether the modifications should be implemented, with or without amendments, or declined, and the reasons for such conclusions.

22.4 Relevant Objectives

In carrying out its analysis, the Modification Panel shall consider whether the proposed modifications meets the following relevant objectives:

- (a) Promotion of efficiency in the implementation of the Code;
- (b) Economic and efficient operation of LNG terminals;
- (c) Efficient discharge of the obligations of terminal users;
- (d) Enhancing competition, non-discrimination and transparency;
- (e) Availability of economic and operational incentives for investment;
- (f) Security of gas supply; and
- (g) Increased compliance with law, rules and regulations.

22.5 Approval Process

- 21.5.1 Within [thirty (30) days] of the receipt of report of the Modification Panel, the Authority shall determine whether to accept or reject the proposed modifications of the Code.
- 22.5.2 Where the Authority approves the proposed modification, it shall not later than [seven (7) days] of the approval issue a notice of approval in writing to the Modification Panel and require it to incorporate the approved modifications into the Code.
- 22.5.3 The Modification Panel shall not later than [thirty (30) days] of the date of the Authority's notice of approval submit the modified Code containing the approved modifications to the Authority.
- 22.5.4 The Authority shall, on being satisfied that the approved modifications have duly been incorporated in the Code, approve the modified Code not later than [thirty (30) days] of its submission by the Modification Panel.
- 22.5.5 Where the modifications recommended by the Modification Panel are rejected by the Authority, the Authority shall not later than [seven (7) days] of its decision of rejection issue a notice of rejection in writing to the Modification Panel outlining the reasons for such rejection.

22.6 Urgent Modification Process

- 22.6.1 A party may submit proposed modifications to the Authority for urgent decision along with the reasons for urgency, in order to:
 - (a) comply with any particular legal requirement, or change of law, affecting the LNG terminal operations or use of the LNG services; or
 - (b) resolve any material technical or operational issue in the operation of the LNG terminal or use of the Terminal Services which may not be possible without effecting a change in the Code; or
 - (c) achieve effective performance of the obligations of the relevant party that are constrained by the provisions of the Code.
- 22.6.2 Where the Authority is satisfied that the proposed modification is urgently required, the Authority may refer the proposed modifications to the Modification Panel to provide its analysis and recommendations in such manner and time as the Authority may deem fit and accordingly grant its approval or rejection to such recommendations in a summary manner.

ARTICLE 23. NOTICES

23.1 Methods

- 23.1.1 Each communication to be made hereunder shall be made in writing and, unless otherwise stated, may be made by courier, facsimile, e-mail or hand-delivered letter. In order to facilitate communication, the parties may, from time to time, make available template documents by e-mail or by posting on website to complete activities described in this Code.
- 23.1.2 The Terminal Operator shall develop a secured online platform to allow all concerned parties to use such platform for notices and other communication under this Code and Access Agreement including, in particular, with respect to Delivery Schedules, Inventories of terminal users, Nominations and Re-nominations.

23.2 Delivery

Any communication or document to be made and/or delivered by one party to another pursuant to this Code shall, unless that other party has by [fifteen (15) days] written notice to the other parties specified another address, be made or delivered to that other party at the last-known address and shall be deemed to have been made or delivered such that:

- (a) in the case of any communication made by facsimile, when confirmed by a transmission report verifying the correct facsimile number and number of pages and that such transmission was well transmitted;
- (b) in the case of any communication made by letter, when left with an acknowledgement of receipt at the last-known address, whether by a courier, messenger, or otherwise; or
- (c) in the case of any communication made by e-mail or secured online platform, [five (5) minutes] after it has been sent or posted.

23.3 Language

Each communication and document made and/or delivered by one party to any other pursuant to this Code shall be in the English language.

ARTICLE 24. FINAL PROVISIONS

24.1 Amendment

This Code may not be amended, modified or changed except in accordance with [Article 20].

24.2 Entire Agreement

This Code shall, together with Access Agreement, constitute the entire access arrangement and understanding between the parties to the Access Agreement. This Code shall supersede all agreements, representations, negotiations and undertakings between the parties relating to the subject matter of this Code.

24.3 Disclaimer

Except as expressly provided in this Code, no party to the Access Agreement shall, -

- (a) be treated as the associate, agent, partner or legal representative of another party for any purposes whatsoever; and
- (b) make any representation or commitment on any other party's behalf.

24.4 Successors and Assigns

This Code shall be binding upon, and inure to the benefit of, each of the parties to Access Agreement and their respective successors-in-interest and lawful assigns.

24.5 Waiver or Discharge

24.5.1 No waiver by a party of any default by another party in the performance of or compliance with any of the provisions of this Code 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 Code available to the non-defaulting party and may not be relied upon by the defaulting party as a consent to that default or its repetition.

24.5.2 No default by a party in the performance of or compliance with any provision of this Code shall be waived or discharged except with the express written consent of the party or parties to which such obligation was owed.

24.6 Invalidity or Unenforceability

24.6.1 If at any time any provision of this Code is or becomes invalid, illegal or unenforceable under the law, or is declared by a Court of competent jurisdiction or any other Competent Authority to be invalid, illegal or unenforceable under the law, the validity, legality and enforceability of the remaining provisions of this Code shall not in any way be affected or impaired thereby and shall remain in full force and effect.

24.6.2 In the circumstances set out in this clause, the Authority shall substitute one or more provisions for such invalid, illegal or unenforceable provision to maintain an appropriate balance of the interests of all concerned parties on a fair, transparent and non-discriminatory basis.

~~~~~

**Annexure A – Technical Characteristics of LNG Terminal**

| <b>S. No.</b>                        | <b>Description</b>                                                                                                                         | <b>Data</b> |
|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>General</b>                       |                                                                                                                                            |             |
| 1.                                   | Name of the Terminal                                                                                                                       |             |
| 2.                                   | Name of the Terminal Operator                                                                                                              |             |
| 3.                                   | Address of the Terminal                                                                                                                    |             |
| 4.                                   | Geographic coordinates of Terminal                                                                                                         |             |
| 5.                                   | Connecting Gas Pipeline Transportation System                                                                                              |             |
| 6.                                   | Other Connected Systems                                                                                                                    |             |
| 7.                                   | Any other pertinent information                                                                                                            |             |
| <b>Details of various facilities</b> |                                                                                                                                            |             |
| 8.                                   | Floating Storage and Regasification Unit (FSRU)                                                                                            |             |
| 9.                                   | Land based storage and regasification facility (if applicable)                                                                             |             |
| 10.                                  | Berthing and Mooring dolphins                                                                                                              |             |
| 11.                                  | Catwalks between facilities                                                                                                                |             |
| 12.                                  | High Pressure gas platform                                                                                                                 |             |
| 13.                                  | Service platform                                                                                                                           |             |
| 14.                                  | Connecting Pipelines                                                                                                                       |             |
| 15.                                  | Gas metering stations                                                                                                                      |             |
| 16.                                  | Any other pertinent information                                                                                                            |             |
| <b>Technical</b>                     |                                                                                                                                            |             |
| <b>Main parameters of FSRU</b>       |                                                                                                                                            |             |
| 17.                                  | Name of FSRU                                                                                                                               |             |
| 18.                                  | IMO number                                                                                                                                 |             |
| 19.                                  | Length                                                                                                                                     |             |
| 20.                                  | Width                                                                                                                                      |             |
| 21.                                  | Gross tonnage                                                                                                                              |             |
| 22.                                  | Relevant international accreditations                                                                                                      |             |
| 23.                                  | Storage capacity                                                                                                                           |             |
| 24.                                  | Details of flexible LNG loading hoses                                                                                                      |             |
| 25.                                  | Any other pertinent information                                                                                                            |             |
| <b>Regasification system</b>         |                                                                                                                                            |             |
| 26.                                  | Maximum NG send-out rate (in M <sup>3</sup> /hr, MMCF/Hr/Day)                                                                              |             |
| 27.                                  | Nominal NG send-out rate (in M <sup>3</sup> /hr, MMCF/Hr/Day)                                                                              |             |
| 28.                                  | Minimum NG send-out rate (in M <sup>3</sup> /hr, MMCF/Hr/Day)                                                                              |             |
| 29.                                  | Number of regasification units installed on the FSRU / Land                                                                                |             |
| 30.                                  | Operational pressure of the regasification system (in Psig / bars)                                                                         |             |
| 31.                                  | Maximum cargo tanks operating pressure (in bars)                                                                                           |             |
| 32.                                  | Intermediate fluid used in vaporizers                                                                                                      |             |
| 33.                                  | Any other pertinent information                                                                                                            |             |
| <b>Retainage</b>                     |                                                                                                                                            |             |
| 34.                                  | General details of Retainage as per manufactures specifications including boil-off, unaccounted for, measurement error, flare or vent etc. |             |
| <b>FSRU Heel inventory</b>           |                                                                                                                                            |             |
| 35.                                  | Minimum operational LNG Heel inventory (in M <sup>3</sup> )                                                                                |             |
| <b>Terminal Services</b>             |                                                                                                                                            |             |
| 36.                                  | LNG Regasification                                                                                                                         |             |
| 37.                                  | LNG Reloading                                                                                                                              |             |
| 38.                                  | Others                                                                                                                                     |             |
| <b>Truck Filling Services</b>        |                                                                                                                                            |             |
| 39.                                  | Details of storage, weighing, re-loading, trucks filling etc.                                                                              |             |
| 40.                                  | Cool-down services                                                                                                                         |             |
| 41.                                  | Details of allocation of LNG Re-loading Capacities                                                                                         |             |
| 42.                                  | Measurement Procedures                                                                                                                     |             |
| 43.                                  | Any other pertinent information                                                                                                            |             |

## Annexure B – Application Form for Allocation of Terminal Capacities

| <b>Terminal Capacities Allocation Request</b> |                                        |
|-----------------------------------------------|----------------------------------------|
| <b>To:</b>                                    | Company Name:<br>Registration details: |
| <b>From:</b>                                  | Company Name:<br>Registration details: |
| <b>Date / Time</b>                            |                                        |

In accordance with the provisions of the LNG Terminal Access Rules and LNG Terminal Access Code, the undersigned as applicant applies to the Operator with the request to allocate the following liquefied natural gas terminal capacities:

- LNG Regasification Capacities (in terms of volume in MMCFD)  
*berthing, unloading, storage, regasification and send-out*
- LNG Reloading Capacities (in terms of Tonnage)  
*berthing, unloading, storage and re-loading of LNG*
- Others Services  
*measurement, metering, testing, cool-down*

Along with the request, the Applicant shall conform / provides the following documents:

1. It has obtained the requisite license from the Authority;
2. It has obtained any other consent under an applicable law;
3. It has received letters of intent or other written communication from LNG suppliers that evidence potential LNG sales equivalent to the amount of Terminal capacities applied for; and
4. It has the financial ability or planned funding arrangements to pay for the LNG supplies and use of the Terminal Capacities applied for.
5. Copies of Incorporation Certificate, memorandum and articles of association, resolution of its Board of Directors authorising the submission of the application of allocation of Terminal Capacities;
6. Security bond to secure validity of the application for such reasonable amount and validity period as may be determined and published by the Terminal Operator in the invitation for allocation of Terminal Capacities.
7. Confirmation from the applicant that he understands and agrees to all the provisions of the Policy, Rules and Access Code, undertakes to obtain the requested Terminal Capacities, in case they are allocated to him, obligates to comply with other terms of the LNG Terminal Access Rules and code at any course of action governed by the LNG Terminal Access Rules and code.

[Applicant Company name]  
[address]  
Tel. No.: [telephone number]  
Fax No: [fax number]  
E-mail address: [e-mail address]

Applicant: \_\_\_\_\_  
(Title, name and signature)  
(stamp)

### Annexure-C – Form of Security Bond

|                                                     |
|-----------------------------------------------------|
| Security Bond No:<br>Secured Amount:<br>Issue Date: |
|-----------------------------------------------------|

To:  
[Terminal Operator]  
[Address]

1. At the request of [name and address of the applicant] (hereinafter the “Applicant”), we hereby issue this Security Bond in your favour in the sum of [secured amount] to enable the Applicant to submit to you the Request for Allocation of Terminal Capacities.
2. We hereby irrevocably undertake to make unconditional payment to you for a sum not exceeding [secured amount] on your first written call and without recourse to the Applicant, if the Applicant, -
  - (a) withdraws or unilaterally modifies its Request for Allocation of Terminal Capacities after its acceptance by you; or
  - (b) on your acceptance of the aforesaid Request, refuses or fails to execute the access agreement within the period specified in the LNG Terminal Access Code; or
  - (c) refuses or fails to provide the Performance Security and/or Inter-user Guarantee in accordance with the LNG Terminal Access Code.
3. This Security Bond shall remain valid and in full force until [*e.g., sixty (60) Days after the deadline for submission of Requests for Allocation of Terminal Capacities*].
4. Any claim arising out of this Security Bond must be lodged in writing within the validity period hereof and by certifying that the Applicant failed to meet the requirements of this Security Bond; provided that no claim shall be entertained after expiry of the validity period of this Security Bond.
5. You shall have the right to demand payment at any time under this Security Bond, and all or any payments under this Bond shall be made in the currency specified above, subject to the maximum limit set out in paragraph-1 above.

For and on behalf of the Guarantor

[signature and stamp]  
[Guarantor’s Address]

## Annexure D – Form of Access Agreement

THIS ACCESS AGREEMENT FOR TERMINAL SERVICES (hereinafter called the "Access Agreement") is executed on this [•] day of [month] [year] by and between:

[*terminal operator's name*], a company incorporated and operating under the laws of [•] and having its registered office at [•] (hereinafter called the "Terminal Operator") of the one part;

AND

[*terminal user's name*], a company incorporated and operating under the laws of Pakistan and having its registered office at [•] (hereinafter called the "Terminal User") of the second part.

Each of the terminal operator and terminal user shall individually be referred to as a "Party" and collectively as the "Parties".

### RECITALS

- A. WHEREAS the Terminal Operator operates the LNG terminal located at [•] pursuant to a license No. [•] dated [•], issued by the Authority, and provides Terminal Services of different types to the parties that fulfil the requirements of the LNG Terminal Access Code (the "Code").
- B. AND WHEREAS the Terminal user holds a license No. [•] dated [•], issued by the Authority for [transportation and/or sale] of gas, and fulfils the applicable regulatory requirements to use the Terminal Services.
- C. AND WHEREAS the Terminal User submitted the Request for Allocation of Terminal Capacities dated [•] and the Terminal Operator approved the aforesaid Request on [•] whereby the Terminal Operator shall provide the Terminal Services to the Terminal user in accordance with this Agreement and the Code.

### WITNESSETH

NOW, THEREFORE, in consideration of mutual benefits and promises, the Parties hereby agree on the following terms and conditions:-

#### 1. Definitions and Interpretation

- 1.1 In this Access Agreement, the following words shall have the meanings respectively assigned to them hereinafter, unless the context requires otherwise:

"Additional Conditions" means the terms and conditions of this Access Agreement, as mutually agreed by the Parties and provided in Schedule-A to this Access Agreement;

"Effective Date" means the effective date of this Agreement, as specified in the Term Sheet;

"Term Sheet" means the Term Sheet containing key elements of this Access Agreement, as provided in Schedule-B to this Access Agreement.

- 1.2 The words and expressions not defined herein shall have the meanings given to them in the Code.

#### 2. Compliance with the LNG Terminal Access Code

The provisions of the LNG Terminal Access Code shall be binding on the Parties and read as an integral part of this Access Agreement. In case any conflict arises between the Code and the provisions of this Access Agreement, the Code shall prevail.

**3. Term**

This Access Agreement shall commence from the Effective Date for the term specified in the Term Sheet, unless terminated earlier in accordance with the conditions herein.

**4. Use of LNG Terminal**

Subject to the terms and conditions of this Access Agreement and the Code, -

- (a) the Terminal Operator allows the Terminal User to access the LNG terminal to the extent of its Allocated Terminal Capacities and shall provide the Terminal Services to the Terminal User, as specified in the Term Sheet; and
- (b) the Terminal User shall deliver LNG at the LNG terminal, use the Allocated Terminal Capacities to take delivery of gas or LNG and pay the applicable Tariff and other charges, as specified in the Term Sheet.

**5. Additional Conditions**

The Terminal Operator and Terminal user shall duly comply with the Additional Conditions that may be provided in Schedule-A except to the extent that any such Additional Condition is contrary to or inconsistent with the Code and Rules.

**6. Representations and Warranties**

Each of the Parties hereby represents and warrants that:

- (a) it is duly incorporated and operating, and will continue to operate, in compliance with the laws of Pakistan;
- (b) it will duly and timely perform all its obligations under this Access Agreement and the Code;
- (c) it will procure and maintain in full force and effect all approvals, consents, authorizations, grants, licenses and entitlements required for due performance of its obligations under this Access Agreement and the Code;
- (d) it shall not default on its obligations under this Access Agreement and the Code; and
- (e) there are no arrangements or proceedings pending for its insolvency or liquidation.

**7. Schedules**

The Schedules attached to this Access Agreement shall be read as an integral part thereof.

**8. Amendment or Waiver**

No amendment or waiver of any provision of this Access Agreement, including the Schedules, shall be valid unless agreed by both the Parties through an instrument in writing.

**9. Severability**

The various clauses and paragraphs of this Access Agreement are severable. The invalidity of any part of this Agreement shall not affect the validity of the other parts of this Access Agreement.

**10. Surviving Obligations**

Any cancellation, expiration or earlier termination of this Access Agreement shall not relieve the Parties of their obligations under this Agreement and the Code that, by their nature, should survive the cancellation, expiration or termination, including, for example, warranties, remedies, indemnities and confidentiality.





**Schedule-A**  
**Additional Conditions of Access Agreement**

*[Number, Heading and Provision]*

*[Number, Heading and Provision]*

*[Number, Heading and Provision]*

In acceptance thereof, the Parties have signed the above conditions below:

**For Terminal Operator:** \_\_\_\_\_  
*[signature, name and designation]*

**For Terminal User:** \_\_\_\_\_  
*[signature, name and designation]*



|                                                                                |                                          |
|--------------------------------------------------------------------------------|------------------------------------------|
| <b>G. Authorised Representatives</b>                                           | <i>[For terminal operator]</i>           |
|                                                                                | <i>[For terminal user]</i>               |
| <b>H. Date</b>                                                                 |                                          |
| <b>In confirmation of this Term Sheet, the Parties have signed it below: -</b> |                                          |
| <b>For Terminal Operator</b>                                                   | <i>[signature, name and designation]</i> |
| <b>For Terminal User</b>                                                       | <i>[signature, name and designation]</i> |

## Annexure E – Form of Capacity Transfer Agreement (Permanent)

THIS AGREEMENT FOR TRANSFER OF ALLOCATED TERMINAL CAPACITY (hereinafter called the “**Agreement**”) is executed on this [●] day of [month], [year] by and between:

[**transferor terminal user**], a company incorporated and operating under the laws of [●] and having its registered office at [●] (hereinafter called the “**transferor terminal user**”) of the first part;

**AND**

[**transferee terminal user**], a company incorporated and operating under the laws of [●] and having its registered office at [●] (hereinafter called the “**transferee terminal user**”) of the second part;

**AND**

[**terminal operator**], a company incorporated and operating under the laws of [●] and having its registered office at [●] (hereinafter called the “**terminal operator**”) of the third part.

Each of the transferor user, transferee user and terminal operator shall individually be referred to as a “**Party**” and collectively as the “**Parties**”.

### RECITALS

A. WHEREAS the terminal operator operates the LNG terminal at [●] and allocated [●] MMSCFD of Terminal Capacity to the transferor terminal user in terms of the access agreement dated [●] between the terminal operator and transferor terminal user.

B. AND WHEREAS the transferor terminal user wishes to transfer the following amount of its Allocated Terminal Capacities to the transferee terminal user subject to the terms and conditions herein (hereinafter the “**Transferred Terminal Capacity**”):

*[Amount of terminal capacity to be transferred].*

C. AND WHEREAS the words and expressions not defined herein shall have the meanings given to them in the LNG Terminal Access Code (hereinafter the “**Code**”).

NOW, THEREFORE, in consideration of mutual benefits and promises, the Parties agree on the following terms and conditions: -

### WITNESSETH

#### 1. Compliance with Code

The provisions of the Code shall be binding on the Parties and read as an integral part of this Agreement.

#### 2. Transfer of Terminal Capacities

2.1 Subject to clause 3, the transferor terminal user transfers to the transferee terminal user, and the transferee terminal user accepts the transfer of, the Transferred Terminal Capacity on an absolute and permanent basis.

2.2 The terminal operator hereby consents to the transfer of the Transferred Terminal Capacity as provided in clause 2.1.

2.3 To fully effect the transfer specified in clause 2.1, the transferee terminal user shall enter into access agreement with the terminal operator which shall be presented to the Authority for approval (hereinafter the “**Access Agreement**”).

**3. Vesting of Rights and Duties**

3.1 From the effective date of the Access Agreement, -

- (a) the transferee terminal user shall acquire, exercise and perform all rights and duties of the transferor terminal user, with respect to the Transferred Terminal Capacity, under the access agreement between the transferor terminal user and terminal operator;
- (b) the transferor terminal user shall be fully divested of the Transferred Terminal Capacity and shall neither be entitled to any right or interest nor responsible for any duty or claim with respect to the Transferred Terminal Capacity accruing after the effective date of the Access Agreement; and
- (c) the Access Agreement of the transferor terminal user and Performance Security and Inter-user Guarantee provided by it shall accordingly be modified or cancelled, as applicable.

3.2 It may be clarified that the transferor terminal user shall remain liable to the terminal operator for performance of all its obligations, and shall be entitled to exercise all its rights, with respect to such part of its Allocated Terminal Capacities that have not been transferred.

**4. Special Covenants**

The transferee terminal user hereby declares and confirms as follows:

- (a) it shall comply with all the conditions for the use of Transferred Terminal Capacity, as specified in the Code and Access Agreement;
- (b) it shall duly comply with all applicable laws, rules and regulations;
- (c) it has made arrangements for the requisite financial and technical resources to use the Transferred Terminal Capacity;
- (d) it has arranged the required supplies from LNG suppliers corresponding to the amount of Transferred Terminal Capacity;
- (e) it has entered into arrangements for the transportation of gas with the transporters, or shippers or other licensed parties, as the case may be; and
- (f) no proceedings for insolvency or liquidation are pending against it.

IN WITNESS WHEREOF, the authorized representatives of the Parties have executed this Agreement at the date and place given first above in the presence of the witnesses named herein.

---

**For Transferor User**

*[Signature, Name and Designation]*

Witness: \_\_\_\_\_

---

**For Transferee User**

*[Signature, Name and Designation]*

Witness: \_\_\_\_\_

---

**For Terminal Operator**

*[Signature, Name and Designation]*

Witness: \_\_\_\_\_

---

## Annexure F – Form of Capacity Transfer Agreement (Temporary)

THIS AGREEMENT FOR TRANSFER OF ALLOCATED TERMINAL CAPACITY (hereinafter called the “**Agreement**”) is executed on this [●] day of [month], [year] by and between:

[**transferor terminal user**], a company incorporated and operating under the laws of [●] and having its registered office at [●] (hereinafter called the “**transferor terminal user**”) of the first part;

**AND**

[**transferee terminal user**], a company incorporated and operating under the laws of [●] and having its registered office at [●] (hereinafter called the “**transferee terminal user**”) of the second part;

**AND**

[**terminal operator**], a company incorporated and operating under the laws of [●] and having its registered office at [●] (hereinafter called the “**terminal operator**”) of the third part.

Each of the transferor user, transferee user and terminal operator shall individually be referred to as a “**Party**” and collectively as the “**Parties**”.

### RECITALS

A. WHEREAS the terminal operator operates the LNG terminal at [●] and allocated [●] MMSCFD of Terminal Capacity to the transferor terminal user in terms of the access agreement dated [●] between the terminal operator and transferor terminal user.

B. AND WHEREAS the transferor terminal user wishes to temporarily transfer the following amount of its Allocated Terminal Capacities to the transferee terminal user subject to the terms and conditions herein (hereinafter the “**Transferred Terminal Capacity**”):

*[Amount of terminal capacity to be transferred].*

C. AND WHEREAS the words and expressions not defined herein shall have the meanings given to them in the LNG Terminal Access Code (hereinafter the “**Code**”).

NOW, THEREFORE, in consideration of mutual benefits and promises, the Parties agree on the following terms and conditions: -

### WITNESSETH

#### 1. Compliance with Code

The provisions of the Code shall be binding on the Parties and shall be read as an integral part of this Agreement.

#### 2. Temporary Transfer of Terminal Capacities

2.1 The transferor terminal user hereby transfers to the transferee terminal user, and the transferee terminal user hereby accepts the transfer of, the Transferred Terminal Capacity, on a temporary basis, for a term of [●] months which may be mutually extended by a written instrument up to a maximum period of [**two (2) years**].

2.2 The terminal operator hereby consents to the temporary transfer of the Transferred Terminal Capacity as provided in clause 2.1.

2.3 This Agreement shall be valid and effective from the date of its execution by the parties.

### **3. Vesting of Rights and Duties**

3.1 During the term specified under clause 2.1, -

- (a) the transferee terminal user shall temporarily use and exercise all rights and entitlements of the transferor terminal user, with respect to the Transferred Terminal Capacity, under the access agreement between the transferor terminal user and terminal operator; and
- (b) except as otherwise provided in clause 3.2, the transferor terminal user shall continue to be responsible to the terminal operator for all its obligations, with respect to the Transferred Terminal Capacity, under the Code and its respective access agreement.

3.2 If the transferee terminal user, -

- (a) enters into access agreement with the terminal operator for the term specified in clause 2.1; and
- (b) provides the Performance Security and Inter-user Guarantee to the terminal operator to the extent of the Transferred Terminal Capacity,

the transferor terminal user, -

- (i) shall be entitled to seek the proportionate reduction in value or cancellation of the Performance Security and Inter-user Guarantee provided by it to the terminal operator, as the case may be; and
- (ii) shall neither be entitled to any right or interest nor responsible for any duty or claim with respect to the Transferred Terminal Capacity under its respective access agreement during the term specified in clause 2.1.

### **4. Special Covenants**

For the term specified in clause 2.1, the transferee terminal user hereby declares and confirms as follows:

- (a) it shall comply with all the conditions for the use of Transferred Terminal Capacity, as specified in the Code;
- (b) it shall duly comply with all applicable laws, rules and regulations;
- (c) it has made arrangements for the requisite financial and technical resources to use the Transferred Terminal Capacity;
- (d) it has arranged the required supplies from LNG suppliers corresponding to the amount of Transferred Terminal Capacity;
- (e) it has entered into arrangements for the transportation of gas with the transporters, or shippers or other licensed parties, as the case may be; and
- (f) no proceedings for insolvency or liquidation are pending against it.



IN WITNESS WHEREOF, the authorized representatives of the Parties have executed this Agreement at the date and place given first above in the presence of the witnesses named herein.

---

**For Transferor User**

*[Signature, Name and Designation]*

Witness: \_\_\_\_\_

---

**For Transferee User**

*[Signature, Name and Designation]*

Witness: \_\_\_\_\_

---

**For Terminal Operator**

*[Signature, Name and Designation]*

Witness: \_\_\_\_\_

---

## Annexure G – Notice of Assignment of Berthing Slot

[Date]

[Assignee’s Authorized Officer]  
[Assignee’s Address, E-mail & Phone]

### NOTICE OF ASSIGNMENT OF BERTHING SLOT

You are hereby notified that the berthing slot (“Berthing Slot”) requested by you and specified herein has been assigned and allocated to you in accordance with the schedule given below:

\_\_\_\_\_  
\_\_\_\_\_.

Your entitlement to use the above Berthing Slot is subject to the acceptance of this assignment and execution of the access agreement within [**two (2) days**] of the receipt hereof.

Within [**five (5) days**] of the acceptance of this assignment or such longer time as may be determined by the terminal operator, you shall submit the details of LNG Carrier that will arrive at the LNG terminal as per the above schedule, and LNG cargo that will be delivered at the LNG terminal, in accordance with the relevant provisions of the access agreement and Code.

You shall be liable to fulfil all the applicable conditions of the Code.

You shall not assign the Berthing Slot to any other person.

|                                                                                                       |                                                                                                            |
|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Assignment made by:<br><br>[Terminal User / Terminal Operator]<br>[Contact Address, E-mail and Phone] | Assignment accepted by:<br><br>[Assignee’s Representative]<br>[Contact Address, E-mail and Phone]<br>Date: |
|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|

**Annexure H – Table of LNG Specifications**

| <b>Component</b>                                                                             | <b>Lean case (Mole %)</b> | <b>Rich case (Mole %)</b> |
|----------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| Nitrogen                                                                                     |                           |                           |
| Carbon dioxide                                                                               |                           |                           |
| Methane                                                                                      |                           |                           |
| Ethane                                                                                       |                           |                           |
| Propane                                                                                      |                           |                           |
| i-Butane                                                                                     |                           |                           |
| n-Butane                                                                                     |                           |                           |
| i-Pentane                                                                                    |                           |                           |
| n-Pentane                                                                                    |                           |                           |
| Total                                                                                        |                           |                           |
| Molecular Weight                                                                             |                           |                           |
| GHV-Btu/scf<br>Mj/Sm <sup>3</sup>                                                            |                           |                           |
| Bubble point at -5 mbarg (°C)                                                                |                           |                           |
| Liquid Density (kg/m <sup>3</sup> )                                                          |                           |                           |
| Containment:<br>Hydrogen Sulphide, mg/ Nm <sup>3</sup><br>Total Sulphur, mg/ Nm <sup>3</sup> |                           |                           |

**Note:** MJ/SM<sup>3</sup> measured at 15 °C and 1.01325 bar

## Annexure I – Form Of Inter-User Guarantee

To:  
[Terminal Operator]  
[Address]

|                                                                                             |
|---------------------------------------------------------------------------------------------|
| Bank Guarantee No:<br>Guaranteed Amount:<br>Guarantee Start Date:<br>Guarantee Expiry Date: |
|---------------------------------------------------------------------------------------------|

1. At the request of [terminal user] (hereinafter the "**Principal**"), pursuant to the Access Agreement dated [•] (hereinafter the "**Access Agreement**") entered into between the Principal and [terminal operator] (hereinafter the "**Beneficiary**"), -

(a) We hereby guarantee and undertake, unconditionally and irrevocably, to the Beneficiary the due performance of the Principal's obligations in terms of [Article 9] of the LNG Terminal Access Code (hereinafter the "**Code**"), including the following obligations: -

- (i) to fully and timely deliver all LNG cargoes specified in the Access Agreement as confirmed, from time to time, by the approved schedules and plans for the delivery of LNG under the Code;
- (ii) to compensate the loss caused to the other terminal users on account of the Principal's failure to deliver LNG at the LNG terminal in accordance with the Code and Access Agreement; and
- (iii) to pay all or any sums of money incurred on the procurement of alternate LNG cargoes by the Beneficiary or other terminal users on account of the Principal's failure to deliver LNG in accordance with the Code and Access Agreement; and

(b) We will pay to the Beneficiary immediately on the Beneficiary's first written demand or respective written first demands in respect of each sum demanded; provided, however, that our total liability under this Guarantee shall not exceed the aggregate of [•].

2. This Guarantee shall not be affected by any time, arrangement or other indulgence which the Beneficiary may grant to or have with the Principal or any other person which might operate to diminish or discharge the liability of or otherwise provide a defense to a surety. Without prejudice to the generality of the foregoing, our liability hereunder shall not be discharged or impaired by (a) the existence or validity of any other security or any enforcement of or failure to enforce or release any security; (b) any amendment, variation, supplement or modification to or of the Access Agreement, and (c) any other act, event, neglect or omission which would or might but for this clause operate to impair or discharge our liability hereunder.

3. The Beneficiary shall have the right to demand payment at any time under this Guarantee, and all payments under this Guarantee shall be made in the currency specified above, subject to the maximum cap as set out in paragraph-1 above.

4. We agree that this Guarantee shall be effective from [•] (hereinafter the "**Start Date**") and shall expire upon [•] (hereinafter the "**Expiry Date**") and shall be an irrevocable guarantee throughout the said period. Any demands must be made in writing and received by us at our address specified below, on or before the Expiry Date.

5. You may make more than one claims under this Guarantee so long as the claims are made in accordance with the terms herein and that the total claims do not exceed the maximum sum set out under paragraph-1 above.

6. This Guarantee shall be governed by and construed in accordance with laws of Pakistan, and the parties agree to submit to the exclusive jurisdiction of the Courts of law of Pakistan in respect of this Guarantee.

7. We acknowledge and confirm that the terms "Principal" and "Beneficiary" shall include their respective successors-in-interest and permitted assignees.

For and on behalf of the Guarantor

[signature and stamp]  
[Guarantor's Address]

**Annexure J – Model Invoice Statement**

To:  
[Terminal User]  
[Lahore - Pakistan]  
[042-12345678 | abc@xyz.pk]

| INVOICE NO:     |              |
|-----------------|--------------|
| Issue Date:     | 01-02-2021   |
| Due Date:       | 15-02-2021   |
| Billing Period: | January 2021 |

|                                                       |                                                               |
|-------------------------------------------------------|---------------------------------------------------------------|
| <b>Terminal Access Agreement</b><br>Dated: 01-01-2021 | National Tax No: 000000000000<br>Sales Tax No: 00000000000000 |
|-------------------------------------------------------|---------------------------------------------------------------|

| MODEL INVOICE STATEMENT    |                  |                     |               |               |
|----------------------------|------------------|---------------------|---------------|---------------|
|                            | Capacity Charges | Utilization Charges | Other Charges | Total Charges |
| Service Days               |                  |                     |               |               |
| No-service Days            |                  |                     |               |               |
| Rate (USD/Day)             |                  |                     |               |               |
| Availability Factor        |                  |                     |               |               |
| Delivered Quantity (MMBTU) |                  |                     |               |               |
| Rate (USD/Day)             |                  |                     |               |               |
| Net Amount                 |                  |                     |               |               |
| Sales Tax (@ xx%)          |                  |                     |               |               |
| Gross Amount               |                  |                     |               |               |

|                             |           |  |
|-----------------------------|-----------|--|
| <b>Total Payable Amount</b> | (Numbers) |  |
|                             | (Words)   |  |
| <b>Notes</b>                |           |  |

|                   |                                       |
|-------------------|---------------------------------------|
| <b>Appendices</b> | 1. Calculation of Capacity Charges    |
|                   | 2. Calculation of Utilization Charges |
|                   | 3. Details of Other Charges           |
|                   | 4. Gas Measurement Table              |

|                             |                  |  |
|-----------------------------|------------------|--|
| <b>Payment Instructions</b> | National Tax No. |  |
|                             | Account Title    |  |
|                             | Account No.      |  |
|                             | IBAN             |  |
|                             | Bank             |  |
|                             | Branch Address   |  |
|                             | Branch Code      |  |
|                             | Swift Code       |  |

|                              |                    |
|------------------------------|--------------------|
| <b>For Terminal Operator</b> | [Signed & Stamped] |
|------------------------------|--------------------|

| CALCULATION OF CAPACITY CHARGES  |                             |                          |                          |         |              |                     | APPENDIX-1                  |                           |
|----------------------------------|-----------------------------|--------------------------|--------------------------|---------|--------------|---------------------|-----------------------------|---------------------------|
| Period: 01-01-2021 to 31-01-2021 |                             |                          |                          |         |              |                     |                             |                           |
| Date                             | Allocated Terminal Capacity | Daily Nominated Quantity | Daily Delivered Quantity | Outage  | Availability | Availability Factor | Capacity Fee Rate (USD/Day) | Capacity Charge (USD/Day) |
|                                  | A                           | B                        | C                        | D=(B-C) | E=(A-D)      | F=(E/A)             | G                           | H=(FxG)                   |
| 01-Jan-21                        | 200                         | 190                      | 180                      | 10      | 190          | 0.95                | 225,000                     | 213,750                   |
| 31-Jan-21                        | 200                         | 200                      | 200                      | 0       | 200          | 1.00                | 225,000                     | 225,000                   |
| <b>TOTAL</b>                     |                             |                          |                          |         |              |                     |                             |                           |
| Availability Factor              |                             |                          |                          |         |              |                     |                             |                           |
| Total No. of Days                |                             |                          |                          |         |              |                     |                             |                           |
| Capacity Fee Rate (USD/MMCFD)    |                             |                          |                          |         |              |                     |                             |                           |
| Total Capacity Charges (USD)     |                             |                          |                          |         |              |                     |                             |                           |
| Sales Tax (xx%)                  |                             |                          |                          |         |              |                     |                             |                           |
| <b>Gross Amount (USD)</b>        |                             |                          |                          |         |              |                     |                             |                           |
| Notes:                           |                             |                          |                          |         |              |                     |                             |                           |

| CALCULATION OF UTILIZATION CHARGES |                          |                                  | APPENDIX-2                |
|------------------------------------|--------------------------|----------------------------------|---------------------------|
| Period: 01-01-2021 to 31-01-2021   |                          |                                  |                           |
| Date                               | Energy Delivered (MMBTU) | Utilization Fee Rate (USD/MMBTU) | Utilization Charges (USD) |
|                                    | A                        | B                                | C                         |
| 01-Jan-21                          |                          |                                  |                           |
| 31-Jan-21                          |                          |                                  |                           |
| <b>TOTAL</b>                       |                          |                                  |                           |
| Total LNG Regasification (MMBTU)   |                          |                                  |                           |
| Utilization Fee Rate (USD/MMBTU)   |                          |                                  |                           |
| Total Utilization Charges          |                          |                                  |                           |
| Sales Tax (xx%)                    |                          |                                  |                           |
| <b>Gross Amount (USD)</b>          |                          |                                  |                           |
| Notes:                             |                          |                                  |                           |

| DETAILS OF OTHER CHARGES         |             |                   | APPENDIX-3          |
|----------------------------------|-------------|-------------------|---------------------|
| Period: 01-01-2021 to 31-01-2021 |             |                   |                     |
| Date                             | Description | Charge Basis/Rate | Other Charges (USD) |
|                                  | A           | B                 | C                   |
| 01-Jan-21                        |             |                   |                     |
| 02-Jan-21                        |             |                   |                     |
| <b>TOTAL</b>                     |             |                   |                     |
| Total Other Charges              |             |                   |                     |
| Sales Tax (xx%)                  |             |                   |                     |
| <b>Gross Amount (USD)</b>        |             |                   |                     |

| GAS MEASUREMENT TABLE |                         |             |                         |             | APPENDIX-4                       |
|-----------------------|-------------------------|-------------|-------------------------|-------------|----------------------------------|
| GAS METER-1           |                         |             |                         |             | Period: 01-01-2021 to 31-01-2021 |
| Days                  | Volume Exported (MMSCF) |             | Energy Exported (MMBTU) |             | Average GCV<br>(Energy/Volume)   |
|                       | Meter-1                 |             | Meter-1                 |             |                                  |
|                       | Cumulative              | Daily Total | Cumulative              | Daily Total |                                  |
| 01-Jan-21             | 150,000.000             | 280.000     | 600,000,000.000         | 300,000.000 | 1071.429                         |
| 02-Jan-21             |                         |             |                         |             |                                  |
| 03-Jan-21             |                         |             |                         |             |                                  |
|                       |                         |             |                         |             |                                  |
|                       |                         |             |                         |             |                                  |
|                       |                         |             |                         |             |                                  |
|                       |                         |             |                         |             |                                  |
|                       |                         |             |                         |             |                                  |
| <b>TOTAL</b>          |                         |             |                         |             |                                  |
| Notes                 |                         |             |                         |             |                                  |

| GAS MEASUREMENT TABLE |                         |             |                         |             | APPENDIX-4                       |
|-----------------------|-------------------------|-------------|-------------------------|-------------|----------------------------------|
| GAS METER-2           |                         |             |                         |             | Period: 01-01-2021 to 31-01-2021 |
| Days                  | Volume Exported (MMSCF) |             | Energy Exported (MMBTU) |             | Average GCV<br>(Energy/Volume)   |
|                       | Meter-2                 |             | Meter-2                 |             |                                  |
|                       | Cumulative              | Daily Total | Cumulative              | Daily Total |                                  |
| 01-Jan-21             | 150,000.000             | 280.000     | 600,000,000.000         | 300,000.000 | 1071.429                         |
| 02-Jan-21             |                         |             |                         |             |                                  |
| 03-Jan-21             |                         |             |                         |             |                                  |
|                       |                         |             |                         |             |                                  |
|                       |                         |             |                         |             |                                  |
|                       |                         |             |                         |             |                                  |
|                       |                         |             |                         |             |                                  |
|                       |                         |             |                         |             |                                  |
| <b>TOTAL</b>          |                         |             |                         |             |                                  |
| Notes                 |                         |             |                         |             |                                  |

| GAS MEASUREMENT TABLE |                         |             |                         |             | APPENDIX-4                       |
|-----------------------|-------------------------|-------------|-------------------------|-------------|----------------------------------|
| GAS METER-3           |                         |             |                         |             | Period: 01-01-2021 to 31-01-2021 |
| Days                  | Volume Exported (MMSCF) |             | Energy Exported (MMBTU) |             | Average GCV<br>(Energy/Volume)   |
|                       | Meter-3                 |             | Meter-3                 |             |                                  |
|                       | Cumulative              | Daily Total | Cumulative              | Daily Total |                                  |
| 01-Jan-21             | 150,000.000             | 280.000     | 600,000,000.000         | 300,000.000 | 1071.429                         |
| 02-Jan-21             |                         |             |                         |             |                                  |
| 03-Jan-21             |                         |             |                         |             |                                  |
|                       |                         |             |                         |             |                                  |
|                       |                         |             |                         |             |                                  |
|                       |                         |             |                         |             |                                  |
|                       |                         |             |                         |             |                                  |
|                       |                         |             |                         |             |                                  |
| <b>TOTAL</b>          |                         |             |                         |             |                                  |
| Notes                 |                         |             |                         |             |                                  |

Annexure K - Form of Bank Guarantee

|                                                                                             |
|---------------------------------------------------------------------------------------------|
| Bank Guarantee No:<br>Guaranteed Amount:<br>Guarantee Start Date:<br>Guarantee Expiry Date: |
|---------------------------------------------------------------------------------------------|

To:  
[Terminal Operator]  
[Address]

1. At the request of [terminal user] (hereinafter the "**Principal**"), pursuant to the Access Agreement dated [•] (hereinafter the "**Access Agreement**") entered into between the Principal and [terminal operator] (hereinafter the "**Beneficiary**"),-

- (a) We hereby guarantee and undertake, unconditionally and irrevocably, to the Beneficiary the due payment of any and all sums payable as Tariff for the use of Terminal Services under the Access Agreement (as such terms are defined in the Access Agreement and the LNG Terminal Access Code); and
- (b) We will pay to the Beneficiary immediately on the Beneficiary's first written demand or respective written first demands in respect of each sum demanded; provided, however, that our total liability under this Guarantee shall not exceed the aggregate of [•].

2. This Guarantee shall not be affected by any time, arrangement or other indulgence which the Beneficiary may grant to or have with the Principal or any other person which might operate to diminish or discharge the liability of or otherwise provide a defense to a surety. Without prejudice to the generality of the foregoing, our liability hereunder shall not be discharged or impaired by (a) the existence or validity of any other security or any enforcement of or failure to enforce or release any security; (b) any amendment, variation, supplement or modification to or of the Access Agreement, and (c) any other act, event, neglect or omission which would or might but for this clause operate to impair or discharge our liability hereunder.

3. The Beneficiary shall have the right to demand payment at any time under this Guarantee, and all payments under this Guarantee shall be made in the currency specified above, subject to the maximum cap as set out in paragraph-1 above.

4. We agree that this Guarantee shall be effective from [•] (hereinafter the "**Start Date**") and shall expire upon [•] (hereinafter the "**Expiry Date**") and shall be an irrevocable guarantee throughout the said period. Any demands must be made in writing and received by us at our address specified below, on or before the Expiry Date.

5. You may make more than one claim under this Guarantee so long as the claims are made in accordance with the terms set out herein and that the total claims do not exceed the maximum sum set out under paragraph-1 hereof.

6. This Guarantee shall be governed by and construed in all respects in accordance with laws of Pakistan, and all parties hereby agree to submit to the exclusive jurisdiction of the Courts of law of Pakistan in respect of this Guarantee.

7. We acknowledge and confirm that the terms "Principal" and "Beneficiary" shall include their respective successors-in-interest and permitted assignees.

For and on behalf of the Guarantor

[signature and stamp]  
[Guarantor's Address]