



NGS XX/2025

Publication Date: X XXX XXXX

NAME OF LICENSEE: [Company name] Limited/Ltd.

**ADDRESS OF LICENSEE: c/o [Address]
Nassau, The Bahamas**

LNG Terminal Construction Licence

Commencement Date: [day] [month] [year]

Licence Number: TCL – [XX]-[XXXX]

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PART A

1 GRANT OF THE LICENCE

- 1) The Utilities Regulation and Competition Authority (URCA) in exercise of its powers conferred by section 8(1)(a) of the Natural Gas Act, 2024,

HEREBY GRANTS to [insert company name], a company incorporated in the Commonwealth of The Bahamas with Registration Number [xxx] (the “Licensee”), an LNG Terminal Construction Licence authorising the Licensee to perform the Authorised Business at the location set out in Schedule A (“the Licence”), subject to the conditions of this Licence (the “Licence Conditions”).

- 2) This Licence shall be cited as the [insert company name] Liquefied Natural Gas Terminal Construction Licence.
- 3) This Licence shall come into effect on the [insert date] (“the Commencement Date”) and shall continue in full force and effect until termination or expiry unless amended, revoked or terminated pursuant to the terms and conditions set out herein.
- 4) The Conditions of this Licence are subject to amendment or modification in accordance with their terms or in accordance with the Natural Gas Act, 2024.
- 5) This Licence shall be governed by and construed, enforced and performed in accordance with the laws of the Commonwealth of The Bahamas.

Executed on behalf of the Utilities Regulation and Competition Authority on the [insert date].

Chief Executive Officer

2 ACCEPTANCE OF TERMS AND CONDITIONS OF LICENCE

Standard Condition 2 – Applicable to entities that licensed together with a subsidiary undertaking.

- 6) We, [XXX] Ltd., the named Licensee hereby accept the terms and conditions of this Licence on our behalf and on behalf of any Subsidiary Undertaking authorised in accordance with Section 32 of the Natural Gas Act, 2024 and jointly named above or endorsed below.

SIGNED this day of20XX

Signature

[XXX]

[Title]

Alternative Standard Condition 2 – Applicable to entities that licensed without a subsidiary undertaking

We, [XXX] Ltd., the named Licensee hereby accept the terms and conditions of this Licence.

SIGNED this day of20XX

Signature

[XXX]

[Title]

3 ENDORSEMENT OF AUTHORISED SUBSIDIARIES

Standard Condition 3 – Applicable to entities that licensed together with a subsidiary undertaking.

- 7) URCA grants this Licence jointly to the Licensee named in Condition 1) and to any Subsidiary Undertakings that have been notified to URCA in writing in accordance with Section 32 of the Natural Gas Act, 2024.
- 8) Notwithstanding the inclusion of its name on this licence, such Subsidiary Undertaking(s) shall cease to be licensed for the purposes of Condition 1) in the following circumstances:
 - a) fourteen (14) calendar days after URCA receives notice in writing from the named Licensee or the relevant Subsidiary Undertaking excluding the Subsidiary Undertaking from the licence; or

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- b) immediately subsequent to a determination by URCA excluding the Subsidiary Undertaking from the licence.

Standard Condition 3 – Applicable to entities that licensed without a subsidiary undertaking

URCA grants this Licence solely to the Licensee named in Condition 1). The Licensee shall notify URCA in writing immediately upon the establishment or acquisition of any Subsidiary Undertaking in accordance with Section 32 of the Natural Gas Act, 2024.

Upon such notification, URCA may amend this Licence to include the Subsidiary Undertaking as a licensee on the same terms and subject to the same obligations and conditions as apply to the named Licensee, mutatis mutandis. Any such Subsidiary Undertaking shall cease to be licensed for the purposes of Condition 1) either fourteen (14) calendar days after URCA receives notice in writing from the named Licensee or the relevant Subsidiary Undertaking excluding the Subsidiary Undertaking from the Licence, or immediately upon a determination by URCA excluding the Subsidiary Undertaking from the Licence.

4 DEFINITIONS AND INTERPRETATION

9) In this Licence, except in so far as the context otherwise requires:

“Act” means the Natural Gas Act, 2024;

“Allowed Activities” means activities, other than the Authorised Business, which the Licensee may engage in, subject to the provisions of Paragraph 33);

“Allowed Activity” means any one of the allowed activities

“Assets” mean the material assets and facilities owned, operated or leased by the Licensee, including real estate and resources of economic value that the Licensee owns or controls with the expectation of future benefit;

“Authorised Business” means, in relation to a person to whom a Terminal Construction Licence has been granted, the activities which that person is authorised to undertake pursuant to such licence, namely the design, development, installation, testing and commissioning of liquefied natural gas terminal or facility. Without limitation, Authorised Business includes, mutatis mutandis:

- (a) the preparation and submission of site layouts and designs for LNG terminals, including the conduct of geotechnical and marine studies, dredging, piling and foundation works for storage tanks, jetties and berths;
- (b) the construction of LNG storage and regassification facilities, whether full containment, membrane or single containment, and the installation of vaporizers, compressors, boil-off gas handling systems, flare systems and gas metering skids, together with marine unloading arms,

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cryogenic piping, pumps and associated control systems;

- (c) the establishment of utility and safety systems to support terminal operations, including power, water and auxiliary services, and the installation of fire suppression, gas detection, emergency shutdown and spill containment systems; and
- (d) the testing and commissioning of LNG facilities, including cold commissioning, hydro-testing of tanks, leak detection tests and performance verification of storage and regasification systems, together with the safe introduction of LNG or natural gas into such facilities.

“Close relation” means a spouse, parent, child or sibling;

“Constitution” means the Constitution of the Commonwealth of The Bahamas;

“Financial Year” means the twelve (12) month period at the end of which the Licensee’s annual accounts are closed;

“Force Majeure” means an event or circumstance which prevents the Licensee from performing its obligations under this Licence, which event or circumstance is not within the reasonable control of, or the result of the negligence of, the Licensee, and which the Licensee is unable to overcome or avoid or cause to be avoided through the exercise of due diligence. Events of Force Majeure may include, but are not limited to:

- a) acts of God;
- b) pandemics,
- c) fire including fire resulting from an earthquake;
- d) flood including flood caused by an earthquake or hurricane;
- e) volcanic eruption;
- f) earthquake;
- g) hurricane, cyclone, tornado or windstorm;
- h) overflow of the sea caused by hurricane, cyclone, tornado or windstorm the elements listed above;
- i) war, riots or acts of terrorism;
- j) strikes, walkouts, lockouts and other labour disputes

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- k) requirements, actions or failure to act on the part of governmental authorities;
- l) adoption or change in any law, regulation, statute, rule or regulation imposed by governmental bodies, including, without limitation, a change in the interpretation thereof; or
- m) any lawful order by any court or administrative agency (so long as the Licensee has not applied for or assisted in the application for such court or governmental action);

"Gas" means any hydrocarbon or mixture of hydrocarbons (including regasified LNG) consisting principally of methane, other hydrocarbons and non-combustible gases (but is not required to contain ethane, butane or propane), all of which are in a gaseous phase under Basic Conditions;

"Gas Licence" has the meaning ascribed to that term in the Act;

"Gas Licensee" means a Person holding a Gas Licence;

"Gas Metering Code" means the code of practice that sets out the obligations of meter owners, gas shippers and the Licensee with regards to meter installations and metering data;

"Gas Network Code" means The Bahamas Gas Network Code issued by URCA in accordance with the Act;

"Government" means the Government of the Commonwealth of The Bahamas;

"Licence Condition" means the conditions set out in this Licence.

"Licence Year" means (i) for the first Licence Year, the period beginning on the Effective Date and ending on the next occurring December 31; (ii) for the last Licence Year, the period beginning on January 1 and ending on the date of expiration of this Licence; and (iii) for all other Licence Years, the twelve (12) month period beginning on January 1 and ending on the next occurring December 31;

"Licensee" means the entity granted a licence in section 1 and includes any entity exercising step-in rights on a named Licensee;

"LNG" means liquefied natural gas;

"LNG Terminal" means an on-shore or offshore structure within The Bahamas (including The Bahamian waters) with the intent to receive, unload, load, store, gasify, liquefy or process natural gas;

"Minister" means the Minister with portfolio responsibility for the Energy Sector;

"Named Licensee" means the person whose name appears in the grant and issuance of a licence by URCA;

"Person" means any individual, corporation, partnership, trust, unincorporated organisation, institution,

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government authority or any other legal entity;

"Licensed Business" means in respect of the Licensee, the Licensed Business of the LNG Importer as might be described by URCA:

"Regasified LNG" means gas derived from the conversion of LNG from its liquefied state to a gaseous state:

"Related Enterprise" in relation to the Licensee or its Subsidiary Undertaking means any corporation or partnership over which the Licensee or its Subsidiary Undertaking, as the case may be (either directly or through another Subsidiary Undertaking) is able to exercise control, that is, to direct the decision-making process of the corporation or partnership, whether through holding issued share capital or voting power of the company or partnership;

"Subsidiary Undertaking" shall the meaning specified under the Act;

"Terminal Operator" means the operator of an LNG Terminal;

"URCA Fees" mean the Fees prescribed by URCA pursuant to the Act.

"Utilities Appeal Tribunal" or **"UAT"** means the Utilities Appeal Tribunal established under the Utilities Appeal Tribunal Act, 2009.

For the purpose of interpreting the Conditions in this Licence:

10) except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in:

- a) the Licence, and otherwise;
- b) the Natural Gas Act, 2024 and otherwise;
- c) the URCA Act, and otherwise; and
- d) the UAT Act;

11) for ease of reference, in this Licence terms defined in the Natural Gas Act have been capitalised;

12) subject to Paragraph 10) above, where there is any conflict between the provisions of this Licence and the Act, the provisions of the Act shall prevail;

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- 13) references to Conditions, paragraphs, schedules, subparagraphs and appendices are to Conditions, paragraphs, subparagraphs of and to the appendices to the Licence, as modified from time to time in accordance with this Licence and the Act;
- 14) a Document will be incorporated into and form part of the Licence if it is referred to in this Licence and a reference to a Document is to a Document as modified from time to time;
- 15) headings and titles used in this Licence are for reference only and shall not affect its interpretation or construction;
- 16) references to any law or statutory instrument include any modification re-enactment or legislative provisions substituted for the same;
- 17) reference to a body, whether statutory or not, which ceases to exist or whose functions are transferred to another body includes a reference to the body which replaces it or which substantially succeeds to its functions, powers or duties;
- 18) where in this licence the licensee is required to comply with any obligation within a specified time limit, that obligation shall be deemed to continue after that time limit if the Licensee fails to comply with that obligation within that time limit;
- 19) use of the word “include” or “including” is to be construed as being without limitation;
- 20) expressions cognate with those referred to in this Licence shall be construed accordingly;
- 21) words importing: (i) the singular only shall include the plural and vice versa; (ii) the whole shall be treated as including a reference to any part; and (iii) any gender shall include all other genders;
- 22) reference to persons shall include firms or companies; and
- 23) cross references are marked with an open parenthesis. It is expressly stated that the use of an open parenthesis in these cross references bears no legal interpretation. The sole legally pertinent element is the reference number.

5 ROLE AND DUTIES OF URCA

- 24) The Licensee shall be subject to the regulatory supervision of URCA. URCA shall perform its functions and carry out its duties pursuant to the URCA Act, the Act and any other relevant laws, this Licence and have regard to relevant Government policy.
- 25) In carrying out its functions URCA shall act proportionately and non-discriminatorily balancing the interests of consumers with those of the Licensee.

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6 NATURE AND SCOPE OF THE LICENCE

26) This Licence authorises and gives the Licensee the right to conduct the Authorised Business, subject to the Licence Conditions, the Act, regulatory measures issued by URCA from time to time and any other relevant law for the time being in force.

7 DURATION AND RENEWAL OF LICENCE

27) Subject to the provisions herein contained, the duration of this Licence shall be for a period not exceeding five (5) years from the Commencement Date.

28) The Licensee may, no later than one (1) year prior to the expiry of the Licence, apply to URCA, in writing, for a renewal of the Licence. URCA's decision on the renewal application will be notified to the Licensee, in writing, no later than one and a half years prior to the expiry of the Licence. Where approved, the renewal shall be on such terms and conditions as URCA deems fit.

29) This licence shall be renewed by URCA in accordance with the procedure prescribed under Section 33 of the Act.

30) Any request for the termination of this Licence by the Licensee is subject to the approval of URCA, whose approval shall not be unreasonably delayed or withheld beyond a ninety (90) calendar day period. The Licensee shall continue to be bound by the terms of this Licence until such time as URCA notifies the Licensee in writing of such approval. The Licensee shall not be released from any obligation arising under the Licence prior to such date.

8 CHANGE IN CONTROL

31) The Licensee shall obtain URCA's written approval of any change in control of the Named Licensee or any notified licensee prior to the change in control occurring whether such change is affected directly or indirectly through its immediate, intermediate or ultimate holding company(ies).

32) Without limiting URCA's ability and duty to apply the merger control provisions in Part VI the Act, URCA may object to a change in control if in URCA's view the acquirer would not meet any of the criteria referred to in, or set by URCA pursuant to, Section 24 of the Act.

9 ASSIGNMENT OR TRANSFER OF LICENCE

33) The Licensee shall not, without the prior written approval of URCA, transfer, sub-license, assign or grant any right, interest or entitlement in the Licence to any person or transfer or dispose of any of its assets that are necessary to provide the Authorised Business that the Licensee is obliged to provide under this Licence save in the ordinary course of replacement of such assets necessary to provide the Authorised Business. Such approval shall not be unreasonably withheld.

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- 34) URCA shall approve an application for the assignment or transfer of the Licence where URCA is satisfied that the proposed assignee or transferee satisfies the criteria set out under the Act and any other criteria established by URCA.
- 35) Should the Licensee wish to assign or transfer the Licence, it shall request, in writing, the approval of URCA and URCA shall reply in writing within sixty (60) calendar days of the receipt of such request informing of its decision on the application.
- 36) URCA shall publish its decision regarding a request to assign or transfer the Licence and its decision on its website.
- 37) Where URCA refuses to give its approval it shall give reasons in writing for such refusal to the Licensee.
- 38) The Licensee may apply to URCA within seven (7) calendar days of the notification of refusal by URCA in accordance with paragraph 37) for a reconsideration of its decision not to approve the assignment or transfer its Licence and may appeal any decision made by URCA to the UAT following any such reconsideration by URCA.
- 39) Any purported transfer of this Licence without the approval in writing of URCA shall be void.

10 AMENDMENT, MODIFICATION AND REVOCATION OF LICENCE

- 40) URCA may amend, modify or revoke this Licence in accordance with the procedures set out in Section 40 of the Act.

11 COMMUNICATIONS AND NOTICES

- 41) Notices, orders and other documents under this Licence may be in writing or in print or in electronic format (permitting confirmation of receipt) and shall, if served on:
 - a) URCA be addressed to:
the Chief Executive Officer; and
 - b) the Licensee, be addressed to:
the Chief Executive Officer/Managing Director.
- 42) Any notice, order or document required or authorised to be served upon a body or person under this Licence may be served by the same being addressed to such body or person and being left at or transmitted by electronic mail or facsimile or by registered post to the address of such body or to the usual or last known place of abode of such person. Where served by post it shall be deemed to have been served at the time when the containing letter would be delivered in the ordinary course of post and in proving such service it shall be sufficient to prove that such letter was properly addressed, registered and put into the post. Where served by electronic mail or facsimile it shall be deemed to have been served when the electronic mail or facsimile shall have been transmitted by the sender.

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- 43) Notwithstanding the above, the Licensee shall designate a person that will act as a primary contact with URCA on matters related to this Licence and shall notify URCA promptly should the contact details change.
- 44) URCA may designate the Director of Utilities and Energy as the primary contact on matters related to this Licence.
- 45) Notwithstanding Paragraphs 41) through 43), publication on URCA’s website of any communication shall be deemed sufficient notice to the Licensee.

PART B - GENERAL OBLIGATIONS

12 OBLIGATIONS TO COMPLY WITH LAWS, REGULATIONS AND LICENCE CONDITIONS

- 46) The Licensee shall comply with the Act and any other Act of the Commonwealth of The Bahamas that has application to it in the discharge of its performance under this Licence.
- 47) The Licensee shall comply with regulatory and other measures including any directive, order, rule, decision or approval issued, made or granted by URCA in accordance with its duties and functions under the Act or this Licence and any other relevant regulations, codes of practice as URCA may issue from time to time.

13 BREACH OF OBLIGATION TO COMPLY WITH LAWS, REGULATIONS AND LICENCE CONDITIONS

- 48) Where URCA has reason to believe that the Licensee has failed to comply with any relevant law, regulation or condition of this licence, URCA may exercise all such powers and duties as are afforded to or required of it under the Act or any other relevant law and may take all such action as is permitted to it thereunder against either the Licensee or its Subsidiary Undertaking.
- 49) The Licensee shall be liable for all the acts and omissions of each of its Subsidiary Undertakings in respect of its obligations under this Licence.
- 50) Without prejudice to the Licensee’s other obligations under this Licence, where its Subsidiary Undertaking has done something which would if done by the Licensee:
- a) be prohibited or not authorised by any relevant law, regulation and condition of this Licence; or
 - b) require the Licensee to take or refrain from taking a particular action under any relevant law, regulation and condition of this Licence and that no Licensee, including the Subsidiary Undertaking, has met that further requirement,

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then, where URCA is not satisfied that the Licensee has taken all reasonable steps to prevent its Subsidiary Undertaking from acting in that manner, URCA may direct the Licensee to take such steps as URCA deems appropriate for the purpose of remedying the matter, including restraining the defaulting Subsidiary Undertaking from carrying on with such activities connected with the Authorised Business as URCA may determine.

14 INTERNATIONAL OBLIGATIONS

- 51) The Licensee shall exercise its rights and powers and perform its duties and obligations under this Licence in a manner which is consistent with the Government's international obligations:
- a) by virtue of the Government being a member of an international organisation or a party to an international agreement; or
 - b) to attain or facilitate the attainment of that which is requisite and expedient in view of the Government being a member of such an organisation or a party to such an agreement,
- to the extent that the Licensee has notice of such membership or agreement pursuant to Paragraph 52).
- 52) URCA shall notify the Licensee from time to time of any membership or agreement to Condition 51) applies.

15 OBLIGATION TO PERFORM

- 53) The Licensee shall provide an adequate, safe and efficient service based on modern standards, to the Service Territory at reasonable rates so as to contribute to national economic development.
- 54) Subject to the Licence Conditions and directions of URCA, the Licensee shall ensure that the development of the gas supply system is implemented based on agreed long term planning procedures and methodologies and that investments are made consistent with such plans and in conformity with prudent utility practice so as to ensure adequacy and continuity of supply at the least economic cost while at the same time ensuring that the Licensee earns a reasonable return on its investment.
- 55) The Licensee shall provide its services on a non-discriminatory basis as practically possible in response to service requests by customers.
- 56) The Licensee shall, to the extent that it is technically feasible and economically reasonable employ modern and leading-edge technological solutions to secure optimal efficiencies in its operations.

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57) The Licensee shall take all reasonable steps to prevent and resolve unplanned interruptions to the provision of its Authorised Business.

58) The Licensee shall inform URCA about measures taken to resolve unplanned interruptions as required by URCA.

16 COMPLIANCE AND RISK MANAGEMENT

59) The Licensee shall adopt and implement reasonable and prudent policies in relation to the management risks associated with its Authorised Business.

60) The Licensee shall adopt and implement reasonable and prudent policies in relation to ensure compliance with this Licence, the provisions of the Act and all regulatory and other measures issued by URCA.

17 INSURANCE

61) The Licensee shall obtain and maintain insurance (including self-insurance) for the conduct of the Authorised Business.

62) The Licensee must ensure that the insurance policy guarantees the insurer will notify URCA of lapses, cancellation, or changes to the policy thirty (30) calendar days prior to the changes taking effect.

63) URCA shall notify the Licensee of required modifications to the insurance policy and the Licensee should procure that such modifications are made no later than sixty (60) calendar days from the notice date, or any date agreed with URCA.

64) The Licensee may have reduced obligations to maintain insurance policies, if the following alternatives are approved by URCA:

- a) self-insurance, where the Licensee has the financial capacity to meet any liabilities to a third party; and
- b) any other reasonable alternative that URCA may approve.

18 PREPARATION FOR EMERGENCIES AND SECURITY ARRANGEMENTS

65) The Licensee shall take such action as URCA may reasonably require, to plan and prepare for emergencies, including taking part in tests and exercises.

66) The Licensee shall develop and implement such arrangements as are prudent to ensure the safety and, where reasonably practicable, the continuity or restoration of its operations in the event of an emergency.

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19 INVESTIGATION OF OFFENCES

- 67) The Licensee shall monitor its activities with respect to compliance with this Licence and with the Relevant Legislation and shall report any suspected non-compliance to URCA. The Licensee shall also submit quarterly, or at such other frequency as notified by URCA in writing, a compliance statement to URCA that it has complied with the requirements in this Licence or describing any cases of any suspected non-compliance.
- 68) Where it comes to the attention of the Licensee that another gas licensee has breached its gas licence or the Relevant Legislation or any other person has breached the Relevant Legislation, the Licensee shall report such non-compliance to URCA.
- 69) Where the Licensee reports suspected non-compliance by itself, another gas licensee or any other person pursuant to Paragraph 68), or requests URCA to institute a prosecution against any person for contravening a provision of the Relevant Legislation in relation to the Licensee's Authorised Business, the Licensee shall furnish to URCA as soon as reasonably practicable:
- a) a written report on the suspected non-compliance or contravention; and
 - b) any relevant information and evidence in the possession or control of the Licensee and any relevant information and evidence requested by URCA.
- 70) Where URCA receives any information from any person other than the Licensee indicating that an offence under Relevant Legislation may have been committed in respect of activities or property belonging to or managed by the Licensee, URCA may inform the Licensee of such information and the Licensee shall furnish to URCA as soon as reasonably practicable:
- a) a written report on the suspected offence; and
 - b) any relevant information and evidence in the possession or control of the Licensee and any relevant information and evidence requested by URCA.
- 71) The Licensee and its directors and officers shall give full assistance and cooperation to URCA and its prosecuting officer or counsel in connection with any prosecution proceedings arising from Paragraphs 67) through 70).

20 PAYMENT OF FEES AND CONTRIBUTIONS

- 72) The Licensee shall pay to URCA the following fees and contributions as notified by URCA from time to time in accordance with the Act:
- a) annual URCA Fee pursuant to section 16(2)d of the Act;
 - b) the Tribunal Fee payable pursuant to Schedule 3 of the Utilities Appeal Tribunal Act, 2009; and

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- c) any other applicable fees and charges.

21 REPORTING OBLIGATIONS

- 73) The Licensee shall furnish to URCA without undue delay such information, documents and details related to the Authorised Business, as URCA may reasonably require in order for it to fulfil its functions and discharge its obligations under the Act.
- 74) The Licensee shall furnish to URCA without undue delay, or such other timeframe as URCA may from time to time notify, such information, documents and details related to the Authorised Business that have or is likely to have a significant impact its functions assigned to it by or under the Licence and the Act.
- 75) The Licensee shall provide such other specified and relevant reports to URCA as may be reasonably required from time to time.

22 CONFIDENTIAL INFORMATION

- 76) The Licensee shall take reasonable measures to ensure that confidential information received by it (including individual demand information) in relation to the Authorised Business:
 - a) is kept confidential by the Licensee except as otherwise permitted by URCA, this Licence, any applicable code of practice, and that access to such confidential information is provided only, and as is necessary for the due performance of their lawful functions, to directors, officers and employees of the Licensee or to an agent of the Licensee that has agreed in writing to observe this requirement of confidentiality;
 - b) is not used by the Licensee for any purpose other than that for which it was provided or for a purpose permitted by this Licence, any applicable code of practice; and
 - c) is not used by the Licensee for any commercial advantage in the provision of any service other than a service comprised in the Authorised Business and Allowed Activities.
- 77) The Licensee shall take such other action, including complying with restrictions upon the transfer, engagement, or re-engagement of employees, as URCA may from time to time require to ensure the confidential information acquired by it in connection with the Authorised Business is, except as otherwise permitted by URCA, this Licence or any applicable code of practice, kept confidential by the Licensee and not dealt with in a manner which may restrict, distort or prevent competition in any of the industries to which it provides its services.
- 78) The Licensee shall, if requested by URCA, procure that a certificate is issued by its auditors, in such form as URCA may require, which confirms that the Licensee is complying with the requirements of this Condition.

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79) Nothing in this Condition shall be construed as requiring the Licensee to keep confidential any information that is or becomes generally and publicly available other than as a result of a breach by the Licensee of Paragraph 76) or 77).

23 ENGAGING IN OTHER BUSINESS

80) The Licensee may engage in other business activities and shall keep separate accounts for its different activities. The Licensee's profits and losses from such other business activities shall not be considered for the purpose of setting tariffs.

81) At URCA's approval, the Licensee may allow third parties to have access to and use its facilities on an arm's length basis where such access and use allow the Licensee to operate more efficiently.

82) The leasing or use of the Licensee's Assets is subject to prior written approval by URCA. Such approval shall not be unreasonably withheld.

83) The Licensee may charge a third party a fee for access and use of its Facilities. Such fee shall be determined on an arm's length commercial basis determined by the value of the access or use.

24 RELATED PARTY TRANSACTIONS

84) In the case of a Related Party, transactions shall be at arm's length and the Licensee shall apply the same tests for economic choice and financial probity as if the related party were an unrelated third party.

25 INFORMATION, AUDIT, INSPECTION AND ACCESS OBLIGATIONS

85) URCA may require:

- a) an inspection and/or audit of any aspect of the business of the Licensee and the Licensee shall assist or shall procure assistance to URCA as it may reasonably require;
- b) the Licensee or any of its Subsidiary Undertakings to provide URCA with such information, documents, accounts, returns, estimates, reports or other information required by URCA in the manner and at the times specified by URCA. URCA may use this information for, but not limited to, purposes of compiling statistics and publishing periodical reviews of the Electricity Sector, and as required or permitted by the Act or other laws or legal process;
- c) the Licensee to notify URCA of the details of all Subsidiary Undertakings providing a Authorised Business under this Licence; and
- d) the Licensee to permit a person authorised by URCA to carry out such inspection and/or audit;

86) The Licensee shall at the request of URCA furnish URCA, at the Licensee's expense, with copies (in such format as URCA may specify) of any book, register, record or accounts as URCA may reasonably

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require.

87) In relation to the Authorised Business, the Licensee shall not

- a) make, prepare, attest to or certify, orally or in writing, any representation or statement that is false, incorrect or misleading or open to misconstruction by any person; or
- b) make any representation or statement, orally or in writing, or give any answer, orally or in writing, or otherwise conduct itself in a manner that is likely to mislead any person; or
- c) mislead or confuse any person about its Authorised Business.

88) Where URCA is satisfied that the Licensee is contravening or has contravened any provision of Paragraph 87) above, URCA may, by notice in writing to the Licensee, direct the Licensee to take such steps as are specified in such direction to correct such false, incorrect or misleading representation, statement or answer or to correct such confusion, including but not limited to requiring the Licensee to publish a correction or to write to such persons to set out the correct facts within a specified period of time as directed by URCA.

89) URCA may take enforcement action against the Licensee in accordance with the provisions of the Act if the Licensee fails to comply with the direction of URCA issued under Paragraph 88).

90) The Licensee shall promptly inform URCA of any circumstances that result, or are likely to result, in a change in the information provided by the Licensee to URCA and shall provide updated information to URCA in a timely manner.

26 APPROPRIATE RESOURCES

91) The Licensee shall ensure that at all times it has appropriate physical, financial and human resources and arrangements in place to enable the Licensee to comply with the Licence Conditions.

92) The Licensee shall, in connection with the conduct of its Authorised Business ensure that its employees are appropriately trained and qualified.

27 APPEALS TO UAT

93) Appeals of regulatory or other measures taken by URCA in relation to this Licence shall be made to the Utilities Appeal Tribunal as provided for in the Act and the URCA Act.

28 AUTHORISED BUSINESS AND ALLOWED ACTIVITIES

94) The Licensee shall conduct the Authorised Business.

95) The Licensee may, upon approval of URCA in writing and subject to such conditions as may be imposed

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by URCA at the time of approval or at any time thereafter, engage in any Allowed Activity that:

- a) the Licensee is already competent in; and
- b) provides synergies with the activities comprised in the Authorised Business.

96) In making an application to URCA for approval to engage in an Allowed Activity, the Licensee shall provide an assessment of the extent to which its engagement in such activity complies with the criteria mentioned in Paragraph 95) of this Condition. The Licensee shall not change the nature or scope of such Allowed Activity or cease such Allowed Activity without URCA's prior approval in writing.

97) Other than the Authorised Business and Allowed Activities, the Licensee:

- a) shall not engage directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such other business activities; and:
- b) shall procure that each of its Subsidiaries and Related Enterprises do not engage, or seek to obtain from URCA a gas licence permitting it to engage, directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such business activities.

98) This Condition shall not prevent the Licensee from:

- a) engaging in any business, undertaking or activity incidental to the performance of its Authorised Business, Allowed Activities or any of the businesses, undertakings or activities that were already performed by the Licensee on the date that this Licence comes into effect; or,
- b) subject to Paragraph 97), making available to its Subsidiaries the services of employees of the Licensee in order that such Subsidiaries may provide to third parties such technical services, advice and assistance in respect of the services comprised within the Authorised Business or any Allowed Activity.

99) URCA may, upon the application of the Licensee, relieve the Licensee from its obligations under Paragraphs 97) and 98) of this Condition in relation to any particular case to such extent and subject to such terms and conditions as URCA shall specify in writing.

100) The Licensee shall not sub-contract or assign the Licensee Services (other than ancillary and support services which are not directly related to the marketing of LNG and/or regasified LNG, such as external accounting, information technology, administrative and office maintenance services) or any part thereof without URCA's prior written approval.

29 NATIONAL INTEREST MATTERS

101) In accordance with Section 120 of the Act, the Government may directly or indirectly manage the affairs, business and property of the Licensee during any period in which Article 29 of the Constitution

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applies. In such an event, the Licensee shall allow the Government such access to or control of its property as required to permit the Government to meet its obligations under the special administration order during the period for which the order is in force.

PART C – SPECIAL PROVISIONS APPLICABLE TO THE CONSTRUCTION OF AN LNG TERMINAL

102) The Licensee shall comply with all applicable laws, regulations, codes, standards and conditions imposed by the following participating agencies of The Bahamas in relation to the Authorised Business, including without limitation:

- a) the Department of Environmental Protection and Planning (DEPP) in respect of environmental approvals and requirements;
- b) the Royal Bahamas Police Force Fire Department (RBPF) in respect of fire safety approvals and requirements;
- c) the Ministry of Works (MOW), including the Building Control Division, in respect of the Bahamas Building Code, construction approvals and requirements;
- d) the Department of Physical Planning (DPP) in respect of zoning and planning approvals;
- e) the Bahamas Port Department (PD) in respect of port and harbour use and regulation; and
- f) the Department of Environmental Health Services (DEHS) in respect of health and safety requirements.
- g) The Department of Transportation (DoT) in respect of road transportation.
- h) The Civil Aviation Authority (CAA) in respect of aviation.

103) The Licensee shall obtain and maintain all licences, permits and approvals required under the laws of The Bahamas in addition to this Licence, and shall comply with all reasonable instructions issued by such participating agencies in relation to the Authorised Business PROVIDED ALWAYS that any instruction or direction issued by URCA shall be followed in priority above the instructions of any participating agency.

104) The Licensee shall maintain records of all licences, permits, approvals, and instructions and furnish the same to URCA via email within one week of them being issued.

105) The Licensee shall not proceed with any phase of the Authorised Business for which it has not received the requisite approval or exemption from the relevant participating agency and has complied with the provision of relevant regulations issued by URCA.

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- 106) Prior to commencing construction, the Licensee shall provide URCA with a baseline project plan setting out the major phases of the Licensed Activity, and shall thereafter submit monthly updates to URCA reflecting progress and any changes to that plan.
- 107) The Licensee shall, upon reasonable notice from URCA, permit and facilitate inspections of the Licensed Activity by URCA, any participating agency or their authorised representatives. It shall be the obligation of the licensee to pay the expenses associated with such inspection including without limitation the cost of travel, accommodation and subsistence for the inspectors.
- 108) The Licensee shall provide URCA with evidence of compliance with applicable laws, regulations, permits and approvals upon written request.
- 109) The Licensee shall ensure that all contractors and subcontractors engaged in the Licensed Activity possess the necessary technical qualifications, certifications and training to perform the works in accordance with international best practice and applicable Bahamian law. Evidence of such qualifications shall be provided to URCA upon request.
- 110) Upon completion of construction, the Licensee shall restore any disturbed lands, marine areas or public infrastructure (including roads and utilities) to the condition required by participating agencies, and shall furnish URCA with evidence of such restoration works and approvals of acceptance from the relevant authority.

Schedule A

(Authorised location of construction)