

**DATED** \_\_\_\_\_ **2024**

**AB KN ENERGIES**

and

**HOEGH LNG KLAIPEDA, UAB**

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**OPERATING AND MANAGEMENT  
AGREEMENT**

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THIS AGREEMENT is made on

2024

## BETWEEN

- (1) **AB KN ENERGIES** incorporated and registered in the Republic of Lithuania with company number 110648893 whose registered office is at Burių 19, LT-92276 Klaipėda, Republic of Lithuania (the **Company**); and
- (2) **HOEGH LNG KLAIPEDA, UAB** incorporated and registered in the Republic of Lithuania with company number 302719517 whose registered office is at Lvivo 25, Vilnius, Republic of Lithuania (the **Supplier**),

each a **Party** and together, the **Parties**.

## BACKGROUND

- (A) Whereas the Company is engaged in the energy resource logistics business and, in connection therewith shall acquire the FSRU from the current owners, Hoegh LNG Klaipeda Pte.Ltd. in December 2024; and
- (B) Whereas the Supplier has the necessary expertise, equipment and personnel to operate and maintain floating, storage and regasification systems and is willing to provide such services as described herein to the Company; and
- (C) Whereas the Supplier, as the leading partner, and Höegh LNG Fleet Management AS entered into a joint venture agreement dated 7 December 2022 as set out in Schedule 9 for the purpose of being jointly and severally liable for implementing the services under this Agreement; and
- (D) Pursuant to such joint venture agreement the Supplier will enter into this Agreement and Höegh LNG Fleet Management AS shall provide a letter of comfort in favour of the Company, in the form set out in Schedule 8; and
- (E) As from the Commencement Date the Company wishes the Supplier to perform services including facilities operation, maintenance and technical management services in relation to the FSRU in Klaipeda Port; and
- (F) The Parties have therefore agreed to enter into this Agreement to set out the terms and conditions upon which the Supplier will perform such services.

**IT IS AGREED** as follows:

### 1. DEFINITIONS AND INTERPRETATION

- 1.1 Unless the context otherwise requires, the following words and expressions shall have the following meanings:

**Adverse Weather Conditions** means the weather conditions which exceed the limits set by the harbour master of the Port, such limits are detailed in the Operator's Technical Conditions (Annex No. 3) of the Regulations for use of Liquefied Natural Gas Terminal ([6\\_0.php \(kn.lt\)](#)), and Clause 4.2 (Terminal Work Regime), and the Klaipeda Port Information Booklet for the LNG Carriers ([11\\_0.php \(kn.lt\)](#)), Annex 3.

**Affiliate** means, in relation to a Party, or any other Person, a Person:

- (a) that is controlled by it; or
- (b) that controls it; or
- (c) that is controlled by a Person that also, directly or indirectly, controls it.

For the purposes of this definition, **control** means:

- (a) direct or indirect beneficial ownership of more than fifty percent (50%) of the issued share capital, stock or other participating interest of a Person; or
- (b) possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Party or Person, whether through exercise or ownership of voting securities, contract, trust or otherwise, even if its voting rights are registered in the name of (i) another Person or entity (or nominee), whether by security or in connection with the taking of security or (ii) its nominee; or
- (c) the right to, directly or indirectly, appoint the majority of the directors (or equivalent) of the Party or Person; and "controls", "controlled" and "under common control" shall be construed accordingly.

**Agreed HICP** means the Harmonised Index of Consumer Prices of Lithuania.

**Agreement** means this operating and management agreement and includes its Recitals, Sections, Parts, Annexes and Schedules.

**Annual Delivery Programme (ADP)** is the schedule of gas volumes to be delivered on certain dates or within certain periods in the forthcoming Contract Year.

**Annual Management Fee** means that part of the Total Fees being the annual fixed management fee of one million four hundred and fifty thousand euros (1,450,000 EUR) per annum payable by the Company to the Supplier in accordance with Schedule 4 and adjusted annually from the second year of operations in accordance with the Agreed HICP, in respect of the functions and services provided by the Supplier as set out in Section 10.1 of the Technical Specification.

**Annual Work Plan and Budget** means the Supplier's annual work plan and budget comprising the Opex Budget, the Capex Budget and the integrated work plan for each calendar year as proposed by the Supplier and agreed by the Company in accordance with Clause 33.

**Applicable Laws** means all laws (including any zoning law or ordinance or any environmental law), international convention, treaty, directive, statutes, statutory instruments, by-laws, regulations, rules, directives or governmental order, ordinance, code, decree, or other requirements having the force of law from time to time which apply with respect to the Parties, this Agreement, the Services, the Provided Facilities and/or the FSRU as well as any order, injunction, writ, determination, award, permit, license, authorisation, approval, consent, condition of use, policy, direction, requirement, decision or agreement of any Governmental Authority or any other authority acting on behalf of a Governmental Authority or with jurisdiction over the activities related to this Agreement.

**Business Day** means a day (other than a Saturday, a Sunday or a legal bank or public holiday in the Republic of Lithuania and Norway) on which clearing banks are or, as the context may require, were generally open for business.

**Capex Budget** means the amount, if any, agreed between the Parties in relation to any purchase, upgrade (capital project work), or extension of the life of an asset. Capital expenditure includes, without limitation, purchases of equipment, computers, furniture, and software, upgrades/restorations of current infrastructure, replacement of major component, transportation of assets, installation costs, initial testing and major inspections.

**Change in Law** means the occurrence of any of the following after the Effective Date:

- (a) The enactment or imposition of any new Applicable Law or Rules and Regulations or the imposition of authorisations, permits and approval not required at the Effective Date;
- (b) The modification or repeal of any existing Applicable Law, Regulation or the modification of the requirement of any authorisation, permit or Governmental approval;
- (c) The commencement of any Applicable Law or Rules and Regulation which has not become effective on the Effective Date; or
- (d) A change in the interpretation or application by any Governmental Authority of any Applicable Law or Rules and Regulation.

**Change of Control** means any person who does not have control of the Supplier at the date of this Agreement acquiring control of the Supplier, or any person who has control of the Supplier at the date of this agreement ceasing to have control. The expression **control** has the same meaning as in the definition of Affiliate, above.

**Claims** means all claims and losses of any kind or description, including claims for a monetary sum, damages, interest, costs or any remedy and whether in respect of suits, causes of action, accounts, proceedings, demands or liabilities (including civil but excluding criminal and arising in law, equity or in any jurisdiction), and for all and any liens, awards, judgments, charge, compensation, fines, penalties, expenses and costs (including reasonable and documented legal costs) and in each case whether paid by way of settlement or compromise.

**Classification Society** means DNV or any alternative appointed from time to time by mutual agreement of the Parties.

**Commencement Date** means 6 December 2024 or such other date as the Parties agree.

**Commercial and Operations Manual (COM)** means the commercial and operations manual to be developed and agreed between the Parties, not less than one (1) month prior to the Commencement Date (or such alternative date as the Parties otherwise agree) and subject to amendment from time to time, setting out the detailed procedures and requirements associated with the operation and maintenance of the FSRU including, without limitation, ship to shore interface, scheduling, detailed shipping arrangements, the transfer of LNG from LNG ships to the FSRU, regasification of LNG and delivery of natural gas at the downstream delivery point and setting out the manner and frequency of the Company's rights in relation to reporting, monitoring, inspections, audits and data exchange as well as procedures dealing with review

of daily performance indicators, maintenance schedules, downtime and any issues associated with procurement or other matters associated with the day-to-day operation of the FSRU.

**Company Group** means the Company and its respective Affiliates and any of its and their other contractors and subcontractors of any tier and, in respect of any of the aforementioned, all of its and their respective Affiliates and Personnel, servants, representatives and invitees but excluding any member of the Supplier's Group.

**Company Personnel, Personnel of Company Group, and Supplier Personnel, Personnel of Supplier Group** or similar shall be construed accordingly.

**Company Representative** has the meaning given in Clause 7.

**Company Scope** means such work, goods, equipment, services (i) as identified in Section 6 of the Technical Specification or (ii) otherwise identified in this Agreement as being the responsibility, cost and expense of the Company. The Company Scope excludes anything to be provided by the Supplier under this Agreement including the Services.

**Confidential Information** means this Agreement (including without limitation any and all Schedules to this Agreement and any document contemplated by this Agreement) and all information which is not in the public domain relating to or received in connection with this Agreement including:

- (e) all know-how and other information relating to engineering techniques and processes including all actual and planned operational programmes and schedules;
- (f) all corporate and business plans, reports and information of a strategic nature, as well as all information relating to the FSRU, the Provided Facilities or the Worksite;
- (g) any and all information technology and/or other computer and/or software systems which are or will be utilised by the Parties in connection with the Services;
- (h) all information relating to Personnel, Personnel recruitment, training and staff retention programmes, policies and plans and any information relating to industrial relations;
- (i) all management accounts, budgets, projections and other unpublished financial information;
- (j) all information relating to the creation, maintenance and protection of Intellectual Property; and
- (k) all other information which is in the nature of trade secrets or which would be of commercial advantage to a competitor of the relevant Party,

of a Party (in any form and irrespective of the means by or medium through which it is provided or obtained) which is provided by that Party to the other Party in the course of the performance of this Agreement or which is obtained by the other Party in the course of the performance of this Agreement. For the sole purposes of this definition references to Party and Parties are deemed to include Affiliates of that Party or Parties.

**Consequential Loss** means:

- (a) loss of use, loss of profit or anticipated profit, loss of interest, sales or revenues, loss of use of property, equipment, materials and services, loss of business, losses associated with business interruption, loss of goodwill, business reputation, loss of bargain, loss of contract and/or contract expectation or opportunity or any similar direct or indirect losses; or
- (b) any consequential or indirect loss whatsoever,

arising out of or in connection with the performance or non-performance of this Agreement whether or not the same is due to any breach of contract, negligence, intention to cause such damage or loss, recklessness and with knowledge that such damage or loss would probably result, or any other fault on the part of either Party, or any member of their group.

**Contract Period** means the Initial Term and the Extension Term.

**Contract Year** means a period of twelve (12) consecutive calendar months beginning on 1 January and ending on the 31 December in each year of the Contract Period on the understanding that the first Contract Year shall be for the period commencing on the Commencement Date and ending at 11:59 PM on 31 December 2025.

**Crew** means the master, officers and crew of the FSRU to be arranged by the Supplier.

**Crewing Philosophy** means the crewing philosophy as set out in Schedule 5.

**Data Protection Laws** means all applicable data protection and privacy legislation in force from time to time in Lithuania, Norway and other relevant jurisdictions including the General Data Protection Regulation (GDPR) (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016.

**Defects** has the meaning given in Clause 3.4.

**DOC** means the document of compliance.

**Drydocking Budget** has the meaning given in Clause 10.3.

**Emergency Response** means the implementation of the Supplier's procedures for the event of serious and imminent danger to persons or the environment or damage to the FSRU or the Provided Facilities. Such procedures have been reviewed and approved by the Company prior to the Commencement Date.

**Extension Term** has the meaning given in Clause 29.2.

**Fixed Crew Costs** mean that element of the Total Fees payable by the Company to the Supplier in accordance with Schedule 4 in the amount of three million four hundred thousand euros (3,400,000 EUR) per annum for fixed annual crew and related costs as set out in Section 8.3.1 of the Technical Specification (excluding the amount of applicable taxes for crew costs arising from Lithuanian legislation which shall be compensated by the Company as part of the Reimbursable Expenses) and adjusted annually from the second year of operations in accordance with the Agreed HICP.

**Flag State** means the Republic of Lithuania.

**Force Majeure** means any event or circumstance or combination of events and circumstances that prevent, hinder or delay the performance by either Party (the **Affected Party**) of its

obligation in accordance with the terms of this Agreement, but only to the extent that such events and circumstances are not within the Affected Party's reasonable control and the effects of which the Affected Party could not have prevented or overcome by acting as a Reasonable and Prudent Contractor, including but not limited to, the following events to the extent that they or their consequences satisfy the foregoing requirements:

- (a) acts of God, flood, tsunami, drought, landslides, earthquake, lightning, fire, explosion, atmospheric disturbance, named hurricane/tornado/cyclone, tidal wave, volcanic or seismic activity, or other natural disasters;
- (b) Adverse Weather Conditions;
- (c) epidemic, plague, or pandemic (but excluding the SARS-COVID 19 pandemic except in relation to any new measures or material increase in severity after the date of this Agreement);
- (d) acts of terrorism, piracy or terrorist attack, civil war, rebellion, revolution, insurrection or military or usurped power, civil disturbances, explosions, civil commotion, riots, invasions, acts of a public enemy, war (including the Russian-Ukrainian War and any extension thereof outside the borders of Ukraine), hostilities (whether or not war is declared), threat of or preparation for war, insurrections, armed conflict, blockade, imposition of sanctions, embargo, or breaking off of diplomatic relations;
- (e) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion or nuclear fuel and radioactive, toxic, explosive, or other hazardous properties of any explosive nuclear assembly or nuclear component thereof, nuclear, chemical, or biological contamination or sonic boom, pressure waves and other damage caused by aircraft or other aerial devices;
- (f) any action taken by or conduct of a government or public or other body or authority, in each case relating to sanctions, trade restrictions or embargoes (including imposing export or import restrictions, quotas or prohibitions);
- (g) collapse of buildings, structures, or accident;
- (h) loss of or interruptions to networks and IT facilities and data on the FSRU which interrupts the operations, receiving or offloading from the FSRU or results in a Shut Down;
- (i) strikes at a national or regional level or industrial disputes at a national or regional level, or strikes or industrial disputes by labour not employed by the affected Party or its Affiliate or its or their Subcontractors or its suppliers, lockouts or other similar industrial disturbances;
- (j) Protestor Action; and
- (k) suspension or termination of operations at the Provided Facilities by any act or order of the government of the Republic of Lithuania.

**FSRU** means the floating, storage and regasification vessel including all Materials onboard the FSRU as of the Effective Date and any and all Materials supplied to the FSRU during the Contract Term with the following details as at the date of this Agreement:

Name: Independence  
Flag: Singapore  
Place of Registration: Singapore  
Official Number: 398134  
Call Sign: 9V7190  
DNV Number: 32447  
IMO Number: 9629536

**Governmental Authority** means in respect of any country any national or regional, state, municipal, emirate or other local government, any other executive, legislative or administrative entity thereof or any instrumentality, ministry, bureau, agency, or department, office or other organisation thereof or any other authority, acting within its legal authority.

**Gross Negligence** means any act or failure to act (whether sole, joint, or concurrent) that is so great as to cause harm to people, property, or the environment and that:

- (a) seriously and substantially deviates from a diligent course of action; and
- (b) is in reckless disregard of or wanton indifference to a risk known or so obvious that it should have been known.

**Handover** has the meaning given in Clause 32.

**Höegh LNG Fleet Management AS** means the company incorporated and registered in Oslo, Norway with company number 993874639 whose registered office is at Drammensveien 134, 0277 Oslo, Norway.

**Initial Term** has the meaning given in Clause 29.1.

**Insolvency Event** means if a Party does or is subject to any of the following:

- (a) publicly announces or informs its creditors that it is unable to pay its debts as they fall due or admits inability to pay its debts or is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986;
- (b) makes a general arrangement or composition with its creditors with a view to rescheduling of its debts;
- (c) a resolution is passed, or an order is made, for its winding up other than for the sole purpose of a scheme for a solvent amalgamation with one or more other companies or a solvent reconstruction;
- (d) an order is made, for the appointment of an administrator, or if an administrator is appointed, over it; or
- (e) an event occurs, that has an effect equivalent to the events mentioned in (a) to (e) (inclusive).

**Intellectual Property or IP** means all and any of the following: Rights in inventions, patents, copyright (including rights in computer software and databases); brand, domain, business name, registered designs, design rights, know-how, trademarks or process, rights to goodwill or to sue for passing-off; and in each case of the foregoing including any rights or forms of protection of a similar nature to any of the foregoing and having equivalent effect to any of the foregoing; and in each case of the foregoing whether or not registered or capable of registration and whether subsisting now or in the future in any part of the world.

**Internal Use** means the use by the FSRU of LNG and MGO.

**Internal Use Limit** means Internal Use of LNG and MGO in the FSRU on any given day after the end of the first Contract Year, comprising of LNG consumed as fuel capped at the levels which will be calculated in accordance with section 10.4.3 of the Technical Specification and as may be further specified in the COM.

**ISM Code** means the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention.

**ISO** means the International Organisation for Standardisation.

**ISSC** means an International Ship Security Certificate as defined in the ISPS Code.

**ISPS Code** means the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of the International Convention for the Safety of Life at Sea.

**Key Personnel** means those members of the Supplier's Personnel identified as key personnel in Schedule 2.

**KPIs** means the key performance indicators set out in Clause 15.

**Liquidated Damages** has the meaning given in Clause 15.2(b).

**LNG** means liquefied natural gas.

**LNG Specification** means the specification for LNG set out in Annex 6 of the Klaipeda Port Information Booklet for the LNG Carriers (currently found at: [11\\_0.php \(kn.lt\)](#)), issued on 03.05.2022.

**LNGC** means a vessel for the transportation of a cargo of LNG to be discharged into the FSRU.

**Materials** has the meaning given to it in Clause 3.4.

**Material Breach** means a breach (including an anticipatory breach) of this Agreement which is serious in the widest sense of having a serious effect on the benefit which the non-defaulting party would otherwise derive from a substantial portion of the Contract Period.

**MGO** means marine gas oil.

**National Security and Procurement Legislation** means the Republic of Lithuania's Law on Public Procurement and the Republic of Lithuania's Law on the Protection of Objects of Importance to Ensuring National Security.

**Off-Specification LNG** means LNG tendered for delivery at the Upstream Delivery Point that does not meet the LNG Specification.

**Opex Budget** means the annual amount agreed between the Parties as being allocated for the purposes of operating, maintaining and managing the integrity of the FSRU and performed by the Supplier as part of the Services.

**Person** means any company, firm, partnership, body or body corporate, limited liability company, limited liability partnership, association, trust or individual or any other entity having legal capacity, as the context requires.

**Personnel** means directors, officers, employees, contracted workers, agency workers, agents (including any person hired or acting as a consultant and agency staff hired through an employment or other agency), consultants, secondees, invitees and temporary staff.

**Policies and Procedures** means reasonable prevention procedures to prevent Persons associated with the Company or any member of the Company Group from committing an offence.

**Properly Nominated Quantity** means the amount of regasified natural gas nominated by the Company for the relevant Gas Day (as defined in the COM) in accordance with the FSRU gas nomination procedure as set out in the COM.

**Protected Data** means personal information relating to a specific individual or group of individuals provided by, and/or received from, the other Party as a result of, or in connection with, the Services or otherwise under the provisions of this Agreement and as more fully described and defined within the Data Protection Laws.

**Protestor Action** means any action by any protestor(s) in respect of and/or adversely affecting the Provided Facilities, the Services, or the FSRU (or any activities carried out thereat, therefrom or in relation thereto) which prevents or impedes the performance (including rendering the same cost-prohibitive) of a Party of its obligations under this Agreement.

**Provided Facilities** means:

- (a) the FSRU;
- (b) the Worksite;
- (c) jetty and mooring system (jetty side) for the FSRU to be safely moored;
- (d) berth installation (including, without limitation, natural gas high pressure arms, mooring equipment, fire fighting equipment, fenders, lighting and any other equipment which will be designed and installed for the FSRU to be safely moored);
- (e) FSRU/pipeline tie-in and control system with ESD system on jetty;
- (f) pipeline between the FSRU and Lithuanian national grid; and
- (g) sending and receiving equipment for signals to and from the transmission system operator.

**RACI Matrix** means the matrix to be incorporated into the COM and to be agreed between the Parties prior to the Commencement Date describing both respective and shared duties, obligations and areas of responsibility of the Parties for the purposes of this Agreement.

**Reasonable and Prudent Contractor** means a person acting in good faith with the intention of performing its contractual obligations and in so doing and in the general conduct of its undertaking exercising that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced FSRU operator providing facilities management operations and maintenance services complying with internationally accepted industry standards engaged in the same type of undertaking under the same or similar circumstances and the Standard of a Reasonable and Prudent Contractor shall be construed accordingly.

**Reasonable and Prudent Owner** means a person acting in good faith with the intention of performing its contractual obligations and in so doing and in the general conduct of its undertaking exercising that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced FSRU owner complying with internationally accepted industry standards engaged in the same type of undertaking under the same or similar circumstances and the Standard of a Reasonable and Prudent Owner shall be construed accordingly.

**Reimbursable Expenses** means that element of the Total Fees payable by the Company to the Supplier in accordance with the Schedule 4 as set out in each Contract Year in the Annual Work Plan and Budget to cover any and all other elements of the costs and expenses incurred by the Supplier in relation to the provision of the Services other than those elements covered by:

- (a) the Annual Management Fee;
- (b) the Fixed Crew Costs; and
- (c) any other amounts of expenditure or costs for which the Supplier is liable to pay or reimburse under the terms of this Agreement, including, without limitation, any costs incurred by the Supplier in the performance of the Supplier's obligation to correct of Defects pursuant to this Agreement.

**Relevant Territory** means the Republic of Lithuania or any country in which any of the obligations of the Company or the Supplier are to be carried out, or any country in which the Company or the Supplier or any member of the Company Group or the Supplier Group is incorporated, has its main centre of activity or a branch is under a duty to pay Taxes imposed under the law of that country.

**Relief Event** means any one or more of the following events:

- (a) any breach by the Company of its obligations under this Agreement;
- (b) the FSRU or any part of the Provided Facilities are not available or accessible to the Supplier or in the condition required for performance of the Services when required to be available or accessible under this Agreement for any reason other than any breach by the Supplier of its obligations under this Agreement;

- (c) any acts or omissions of the Company's servants or contractors, the operator of the Terminal preventing the Supplier from performing the Services or any failure by any owner or operator of any LNGC to perform any of its obligations associated with STS operations (which for the avoidance of doubt shall include arriving at the Terminal and moving towards the Vessel) preventing the Supplier from performing the Services; or
- (d) lack of or insufficient gas off-take capacity.

**Required Consents** means those consents, licences, permissions, agreements, approvals, authorisations or permits of, or relaxations issued by, any Governmental Authority or any other Person acting on behalf of a Governmental Authority.

**Rules and Requirements** means any policy, rule, requirement, guideline or procedure of the Classification Society, Flag State or any third party mandatory applicable and notified to the Supplier from time to time, including any policies, rules or requirements referred to in this Agreement.

**Safety Policies and Procedures** means the integrated policies and procedures for safety at the Terminal and onboard the FSRU prepared by the Supplier and approved by the Company in accordance with Clause 3.1.

**Sanctions** means any applicable laws, regulations or orders relating to economic or financial, trade, immigration, aircraft, shipping, sanctions, decisions, notices from regulators, export controls, trade embargoes or other restrictive measures from time to time imposed, enacted, implemented, administered or enforced by or on behalf of any Sanctions Authority.

**Sanctions Event** has the meaning set out in Clause 51.4.

**Sanctions Authority** means the Republic of Lithuania, the UK, Norway, the European Union (EU) and any of its member states and the European Economic Area (EEA), the USA, the United Nations (UN) (and any other governmental authority with jurisdiction over a party or any part of its business or operations Agreement), and in each case their respective governmental, judicial, official or regulatory institutions, agencies, departments and authorities acting on behalf of any of them in connection with Sanctions.

**Sanctions List** means any of the lists issued or maintained by or on behalf of any Sanctions Authority designating or identifying persons or entities that are subject to Sanctions (whether published as consolidated lists or as contained directly in Sanctions laws), in each case as amended, supplemented or substituted from time to time, including but not limited to the Lithuanian Sanctions list and the list of Lithuanian Blacklisted Persons, the UK Sanctions List, Consolidated List of Financial Sanctions Targets in the UK, U.S. Treasury Department's Specially Designated Nationals and Blocked Persons List, the consolidated list of persons, groups and entities subject to financial sanctions maintained by the European Commission and the Consolidated United Nations Security Council Sanctions List.

**Sanctions Proceedings** means any actual or threatened:

- (a) litigation, arbitration, action, suit, settlement or other proceedings (including alternative dispute resolution, criminal and administrative proceedings); or

- (b) investigation, inquiry, claim, formal notice, enforcement action (including the imposition of fines or penalties) by any governmental, administrative, regulatory or similar body or authority,

in each case relating to, or in connection with, any actual or alleged contravention of Sanctions.

**Sanctions Target** means a person, entity (including for the avoidance of doubt any vessel) that is:

- (e) listed on a Sanctions List; or
- (f) directly or indirectly owned, controlled by, or acting on behalf of at the direction or for the benefit of (as interpreted under any relevant Sanctions) a person listed or entity referred to in (a) above or (c) below;
- (g) resident, domiciled or located, registered as located or having its main place of business in, or incorporated or organised under the laws of, a country or territory that is subject to any Sanctions and in respect of whom the performance of an obligation under this Agreement, in the reasonable opinion of either Party, would be prohibited or subject to restrictions or authorisation or licensing requirements by virtue of the Sanctions.

**Senior Management** means the top management of a company, having authority to make commercial and strategic decisions. For the avoidance of doubt, for the Supplier, the senior management shall be deemed to include persons the Supplier will be identified with under section 3-36 of the Nordic Marine Insurance Plan, which may also include the general manager of Höegh LNG Fleet Management AS.

**Services** means the services to be provided by the Supplier under this Agreement (as more fully described in Schedule 1 and the Technical Specification) including:

- (a) the operation, maintenance and technical management of the FSRU in accordance with the Technical Specification; and
- (b) all services pertaining to the FSRU included within the Annual Work Plan and Budget,

but excluding any of the Company Scope.

**Shut Down** means any period during which the flow of LNG to the FSRU is completely shut down because the FSRU is not capable of receiving, storing or regasifying LNG (as the case may be).

**SIRE** means the Oil Companies Marine Forum's ship inspection report programme.

**SMS** means the FSRU's Safety Management System.

**Subcontractor** means any party to whom the Supplier has subcontracted any of its obligations hereunder in respect of the provision of the Services and shall include subcontractors of any such subcontractor of any tier.

**Supplier Group** means the Supplier, its Affiliates and Subcontractors, its and their respective Personnel and agents of any of the aforementioned but excluding any member of the Company Group.

**Supplier Representative** means the individual appointed by the Supplier in accordance with Clause 8.1.

**Tax Evasion Laws** means the Anti-Tax Avoidance Directive (ATAD I) Council Directive (EU) 2016/1164 and all other applicable laws, legislation, statutory instruments and regulations in relation to tax evasion and similar activities and any similar or equivalent laws in any Relevant Territory.

**Technical Specification** means the technical specification provided to the Supplier during the procurement process and set out in Schedule 7.

**Terminal** means the terminal at Klaipeda Port in the Republic of Lithuania where the FSRU is situated.

**Time Charterparty** means the time charterparty dated 2 March 2012 between Höegh LNG Limited, as the owner (which has later been novated to Hoegh LNG Klaipeda UAB as the owner), and the Company, as charterer.

**TMSA** means the Tanker Management and Self-Assessment programme.

**Total Fees** means total fees payable by the Company to the Supplier in accordance with the Schedule 4 for the performance of the Services by the Supplier under and pursuant to this Agreement and comprising the Annual Management Fee, the Fixed Crew Costs and the Reimbursable Expenses.

**Upstream Delivery Point** means the point at which the flange coupling of the discharge manifold of a relevant LNGC joins the flange coupling of the loading arms or flexible hoses on the FSRU.

**Variations** means any addition, removal, variation, change or other modification to the scope of the Services agreed in writing by the Parties under Clause 49.

**VAT** means valued added tax.

**Wilful Misconduct** means an intentional, conscious or reckless act or omission in utter disregard of the avoidable and harmful consequences which the person knew or should reasonably have known such act or mission would have but shall not include any act or omission or error of judgment or mistake made in good faith or which is justifiable by special circumstances including but not limited to safeguarding of life, property or the environment and other emergencies.

**Withholding Tax** means those taxes which are required to be deducted or withheld in accordance with the requirements of a Governmental Authority.

**Worksite** means the location of the FSRU, and the workshops, warehouses, offices and places where Materials are being obtained, stored or used, or work is being carried out, for the purposes of the Services.

1.2 In this Agreement, unless the context otherwise requires or as otherwise stated, references to:

- (a) Recitals, Clauses, Schedules, Appendices and Paragraphs are references to the recitals, clauses, schedules, appendices and paragraphs of this Agreement.

- (b) statutory provisions shall be construed as references to those provisions in effect at the date of this Agreement, as respectively amended or re-enacted or as is modified by other provisions (before or after the Commencement Date) and shall include references to any provisions to which there are re-enactments (whether with or without modification).
  - (c) any agreement shall be construed as a reference to such agreement as the same may be supplemented, amended, assigned, novated and/or replaced from time to time.
  - (d) day(s), week(s) and month(s) shall mean calendar, rather than working, day(s), week(s) and month(s) respectively, and to time shall mean the time in Lithuania.
  - (e) the singular shall include the plural and vice versa, reference to any gender shall include all genders.
- 1.3 Contents pages and headings are included solely for convenience only and shall be ignored in interpreting this Agreement.
- 1.4 The words "including", "include", "includes", "other" or any similar variation shall be construed as meaning "by way of example" and "including, without limitation".
- 1.5 The Parties acknowledge and agree that the terms and conditions of this Agreement are also governed by the provisions contained in the Schedules to this Agreement.
- 1.6 In the event of any conflict or inconsistency between any of the provisions of this Agreement and the Schedules (or any document, plan or procedure agreed pursuant to this Agreement), the provisions of this Agreement shall prevail. In the event of any conflict or inconsistency between the Schedules (or any document, plan or procedure agreed pursuant to this Agreement), the conflict or inconsistency shall be resolved in favour of the provision which best gives effect to and/or is the more consistent with the provisions of this Agreement (excluding the Schedules or any document, plan or procedure agreed pursuant to this Agreement).

## **2. THE SUPPLIER AS OPERATION AND MANAGEMENT CONTRACTOR**

From the Commencement Date the Company appoints the Supplier to be the manager and operator of the FSRU and the Supplier accepts such appointment.

## **3. THE SUPPLIER'S GENERAL OBLIGATIONS**

- 3.1 Not less than three (3) months prior to the Commencement Date, the Supplier shall provide the Company with:
- (a) the RACI Matrix;
  - (b) the COM;
  - (c) the Annual Work Plan and Budget for the first Contract Year;
  - (d) Emergency Response procedures;
  - (e) such information and guidance necessary to align the Company's Safety Plan with the Supplier's current Safety Plan;

- (f) such information and guidance necessary to enable the Company to align the Company's cyber security plan with the Supplier's current cyber security plan; and
- (g) such information and guidance necessary to enable the Company to align the Company's security plan with the Supplier's current security plan,

for review and approval by the Company, such approval not to be unreasonably withheld. The Company shall give their approval within fourteen (14) Business Days after the submission by the Supplier (the **Approval Period**). In the absence of a notice from the Company of non-approval of the documents listed in (a) to (d) above within the Approval Period, the documents shall be deemed to be approved by the Company.

If the Company provides a notice of non-approval to the respective documents listed above within the Approval Period, the notice shall be accompanied by comments in sufficient detail for the Supplier to assess, discuss and revise the relevant document(s). The Parties shall use all reasonable efforts to ensure that the documents listed in (a) to (d) above are agreed not later than one (1) month before the Commencement Date.

3.2 Without prejudice to the remaining obligations of the Supplier under this Agreement, the Supplier shall:

- (a) provide and perform the Services and its obligations under this Agreement as and to the standards of a Reasonable and Prudent Contractor and a first class FSRU operator with effect from the Commencement Date and throughout the Contract Period;
- (b) procure that Høegh LNG Fleet Management AS shall execute and deliver the letter of comfort in favour of the Company, in the form set out in Schedule 8 not later than ten (10) Business Days after signature of this Agreement and ensure that the same remains in full force and effect throughout the Contract Period;
- (c) comply with all Applicable Laws including, without limitation, the National Security and Procurement Legislation, Rules and Requirements and the Required Consents throughout the Contract Period in relation to the provision and performance of the Services and its other obligations under and pursuant to this Agreement;
- (d) provide such assistance to the Company as the Company shall reasonably require to ensure the FSRU is reflagged to the Flag State on the Commencement Date and maintained registered with the Flag State throughout the Contract Period;
- (e) operate the FSRU in compliance with the ISM Code and ISPS Code with effect from the Commencement Date and throughout the Contract Period;
- (f) ensure that the FSRU complies with the requirements of the Flag State with effect from the Commencement Date and throughout the Contract Period;
- (g) provide the Company with access to (but not control) the SMS, computerised maintenance system, planned maintenance system, the software used in the operational control systems (to the extent practicably possible and within the Supplier's license with the provider of the relevant software) and any other data reasonably requested by the Company with effect from the Commencement Date and throughout the Contract Period;

- (h) with effect from the Commencement Date and throughout the Contract Period, comply with the Technical Specification, Applicable Laws and the Rules and Requirements of the Classification Society and Flag State in relation to health, safety and environmental protection applicable to the FSRU's operations at the Provided Facilities;
  - (i) make reasonable efforts to ensure that the Company is a party to any agreement entered into between the Classification Society and the Supplier in relation to the FSRU throughout the Contract Period;
  - (j) obtain the Required Consents agreed pursuant to Clause 14.1, except such Required Consents that can only be obtained in the name of the Company, including the nomination of the Supplier as holder of the DOC from the Flag State registry and the IPPC on or before the Commencement Date and maintain the same throughout the Contract Period; and
  - (k) with effect from the Commencement Date and throughout the Contract Period ensure that the Safety Plan, the cyber security plan and the security plan are reviewed and if necessary suggest amendments and supplements to ensure the safe and reliable operation of the FSRU with compliance to relevant policies of the Company, Flag State and international Rules and Requirements, to the standards of a Reasonable and Prudent Contractor any requirements of any Applicable Laws and as otherwise agreed by the Parties.
- 3.3 In providing the Services, the Supplier shall arrange for the provision of all management, supervision, Personnel, Materials (except management, supervision, Personnel, Materials, things or matters specified in the COM and/or RACI Matrix as to be provided or performed by the Company or by any other Person and further excepting any matter or thing relating to the Company Scope), plant, consumables and facilities so far as the necessity for providing the same by the Supplier is specified in or may reasonably be inferred from this Agreement including those set out in the RACI Matrix.
- 3.4 The Supplier will as part of the Services procure or provide equipment, supplies, and spare parts (**Materials**). The Supplier shall act as a Reasonable and Prudent Operator in the procurement and provision of such Materials and exercise the same level of diligence and care as if procuring and providing Materials to its own vessel. Ownership to the Materials shall transfer to the Company in accordance with Clause 22.11.
- 3.5 In the event there are any warranty claims for any Materials, the Supplier shall notify the Company and take instructions from the Company on whether to pursue any such claim, and shall keep the Company informed as to the status and progress of any such claim. The Supplier and the Company shall work together to recover claims against sellers of Materials.
- 3.6 If the Supplier fails to act as a Reasonable and Prudent Contractor and:
- (a) procures or provides any spare parts which do not comply with the FSRU's specifications;
  - (b) incorrectly installs any spare parts onto the FSRU; or
  - (c) damages any spare parts whilst installing such spare part onto the FSRU,
- the Supplier shall at its cost arrange for a suitable replacement part to be procured.

3.7 The Supplier will, at its cost, promptly carry out all work necessary to correct Defects. **Defects** means any failure of the Services (including for clarity in relation to the procurement or provision, installation or maintenance as part of the Services) to comply with the requirements of this Agreement (whether relating to operation, maintenance, Materials, workmanship, regulatory matters or otherwise) as a result of a breach of this Agreement by the Supplier and excluding any failures expressly excused by this Agreement or as a result of a breach of the Agreement by the Company or the Company Group. The Supplier shall take into account any reasonable directions from the Company on how and when the Defects shall be corrected.

3.8 The Supplier shall act in accordance with the reasonable instructions of the Company but shall nevertheless at all times remain responsible for the safe operation of the FSRU, and subject further to Clause 3.9.

3.9 Notwithstanding any other provision of this Agreement:

- (a) the Supplier shall not be held to be in breach of this Agreement and shall have no liability to the Company Group; and
- (b) nothing in this Agreement shall oblige or require the Supplier to act (or omit to act) in any way,

where the Supplier refuses to act or acts based on its reasonable view that to do otherwise would conflict with its obligations under any Applicable Laws or Required Consents or where such act is required or prohibited (as the case may be) under Applicable Law, provided that the Supplier shall promptly notify the Company of all such matters and of its action (or omission to act). In any such case, the Parties shall meet to discuss in good faith the steps to be taken in order to resolve such matters.

3.10 Subject to compliance by the Company with its obligations under Clause 6, the Supplier shall liaise with and co-operate generally with the Company's other contractors operating on or in proximity to the FSRU, the Provided Facilities and/or the Worksite and the Parties shall co-operate with each other with a view to ensuring that all work on or in close proximity to the FSRU, the Provided Facilities and/or the Worksite is carried out in accordance with an appropriate integrated management plan for all works. The Supplier shall permit access to the FSRU, the Provided Facilities within the boundary points and/or the Worksite to such other contractors and shall co-operate with them and provide all reasonable amenities and facilities to them. The Supplier shall have no responsibility for any delay, reduced performance or any other impact on the Services, damages or loss caused by the Company's other contractors at the FSRU, the Provided Facilities and/or the Worksite or the services provided by such other contractors.

3.11 The Supplier shall ensure that the Supplier's Representative, or another employee of the Supplier or any of its Affiliates with equivalent or higher seniority to the Supplier's Representative, shall, to the extent practically possible, attend and participate in any meetings with any Government Authority including, without limitation, the Lithuanian National Security Committee, or any other stakeholders as may be required by the Company, and shall provide and present such documents, reports, data and information as the Company or the stakeholders may require provided that the Supplier has been given adequate advance notice.

#### 4. **TRAINING**

Upon the Company's request at any time during the Contract Period, the Supplier shall provide training to the Company's employees in accordance with a training development plan to be agreed between the Parties within nine (9) months of the date of this Agreement. The training development plan (as amended from time to time to include a cadet development program and/or how to attain a document of compliance) will be added to the Services as set out in the Technical Specification at Schedule 7, and the training will form part of the Services and the cost of such training shall be a Reimbursable Expense.

#### 5. **RELIEF EVENTS**

- 5.1 If the Supplier is prevented or delayed from performing any of its obligations under this Agreement by a Relief Event, then it shall notify the Company of the circumstances constituting the Relief Event and of the obligations the performance of which are thereby prevented or delayed. The Supplier shall from the time a Relief Event occurs be excused from the performance or punctual performance, as the case may be, of such obligation for so long as the consequences of the Relief Event may continue.
- 5.2 The Supplier shall not be responsible for the consequences of a Relief Event, but shall endeavour to mitigate the effects of a Relief Event on the performance of its obligations under this Agreement.

#### 6. **COMPANY'S GENERAL OBLIGATIONS**

- 6.1 The Company shall:
- (a) prior to the Commencement Date, use best endeavours to make available to the Supplier all records relating to the FSRU;
  - (b) provide the Supplier all rights of access to and use of the FSRU and/or the Provided Facilities required by the Supplier to perform its obligations and to exercise its rights under this Agreement, including the Company providing all approvals and permits necessary, in each case free of any charge, lien or encumbrance whatsoever;
  - (c) provide all assistance reasonably requested by the Supplier and generally collaborate with the Supplier during the Contract Period with a view to providing a commercially sound working environment in which the Services may be performed;
  - (d) abide by and comply with all Applicable Laws and the Required Consents agreed between the Parties (in the RACI Matrix or elsewhere) to be the responsibility of the Company;
  - (e) not change the flag of the FSRU at any time except with the prior written consent of the Supplier, not to be unreasonably withheld or delayed;
  - (f) comply with all Applicable Laws and the Rules and Requirements of the Classification Society and Flag State in relation to health, safety and environmental protection applicable to the FSRU's operations at the Provided Facilities in so far as they apply to the obligations of the Company under and pursuant to this Agreement;

- (g) be responsible for the performance of the Company Scope and any other activities attributable to the Company to be agreed between the Parties, whether included in the COM, RACI Matrix or elsewhere; and
- (h) procure that all Company Group and its contractors comply with all safety and management systems operated by the Supplier in relation to the FSRU provided the Supplier has provided copies of such to the Company.

## 7. COMPANY REPRESENTATIVE

- 7.1 The Company shall appoint and maintain an individual as its representative (the **Company Representative**).
- 7.2 The Company Representative:
  - (a) shall be suitably qualified, skilled and experienced;
  - (b) shall have full authority to commit the Company on all operational matters under this Agreement;
  - (c) shall be responsible for issuing to and receiving from the Supplier all notices, information, instructions and decisions; and
  - (d) shall have no powers to amend this Agreement or to relieve the Supplier from any of its obligations under this Agreement.
- 7.3 The Company shall notify the Supplier in writing at least thirty (30) days prior to replacing the Company Representative identifying the individual proposed to be appointed, and the provisions of Clause 8.1 shall apply to any such replacement. The Company will use reasonable endeavours to minimise changes of the Company Representative.
- 7.4 The Company Representative and any person authorised by them shall have access at all reasonable times to the FSRU and the Worksite, provided that such access shall not interfere with the operation of the FSRU or performance of the Services and the Supplier shall afford all reasonable facilities to the Company Representative and any such person.
- 7.5 The Company may also appoint a third -party entity to advise the Company when reviewing the work of the Supplier under this Agreement, and the Supplier will co-operate with such entity and respond promptly to any reasonable requests for information by such entity. Without limiting the generality of Clauses 7.1 or 7.4, The Company Representative may be an employee or contractor of a third-party entity, and persons authorised by the Company Representative under Clause 7.4 may include personnel of such entity.

## 8. THE SUPPLIER REPRESENTATIVE

- 8.1 Subject to the Company's prior written approval of the individual proposed to be appointed (such approval not to be unreasonably withheld or delayed), the Supplier shall appoint and maintain a representative (the **Supplier Representative**), who shall be suitably qualified, skilled and experienced, to oversee the performance of the Supplier's obligations under this Agreement and to act as its liaison with the Company. The Supplier Representative shall liaise with the Company Representative and shall have authority to commit the Supplier on all

operational matters under this Agreement, but shall for the avoidance of doubt not have powers to amend this Agreement.

- 8.2 The Supplier shall notify the Company in writing at least thirty (30) days prior to replacing the Supplier Representative identifying the individual proposed to be appointed, and the provisions of Clause 8.1 shall apply to any such replacement. The Supplier will use reasonable endeavours to minimise changes of the Supplier Representative and other Key Personnel.

## 9. **SUPPLIER PERSONNEL**

- 9.1 All Personnel used by the Supplier in the performance of the Services shall be fully and properly qualified by training and/or experience to perform their assigned tasks. Such Personnel shall be competent to perform the Services as determined by the Supplier competency management system referred to in Clause 10 below. Without prejudice to the generality of the foregoing, the Supplier shall comply with the Crewing Philosophy and Crew Training Programme set out in Schedule 5 and make adequate provision of such Personnel to adequately manage Emergency Response on the FSRU.
- 9.2 Unless otherwise agreed between the Parties, the Crew shall always be employed by the Supplier or an Affiliate of the Supplier, as principal. The Crew shall always be considered Personnel of the Supplier whether or not employed in accordance with this Clause 9.2.
- 9.3 The Supplier shall ensure that the Crew comply with all Applicable Laws including, without limitation, the National Security and Procurement Legislation and shall meet the minimum requirements details in the Crewing Philosophy and Crew Training Programme set out in Schedule 5.
- 9.4 The Supplier shall submit, for the Company's prior written approval (not to be unreasonably withheld or delayed), a team or staffing proposal for the Services as part of the Annual Work Plan and Budget.
- 9.5 The Supplier shall not reassign any Key Personnel to other matters or projects without the prior written consent of the Company, such consent not to be unreasonably withheld or delayed. The Supplier shall endeavour to advise the Company of any proposed changes in Key Personnel by giving Company thirty (30) days' notice before any such proposed change (or such shorter period as may be agreed between the Parties). Any replacement Key Personnel shall work with the reassigned person for a reasonable handover period. The Supplier will use reasonable endeavours to minimise changes of the Key Personnel.
- 9.6 The Supplier Representative, the Key Personnel and any other Supplier Group supervisory Personnel shall be fluent in oral and written communication in and fully comprehending of the English language.
- 9.7 The Company Representative may request the Supplier to remove forthwith from the performance of the Services any person who in the reasonable opinion of the Company Representative, following presentation of reasonable supporting evidence, is incompetent or negligent in the performance of their duties, is guilty of serious misconduct, is engaged in activities which are contrary or detrimental to the interests of the Company or persists in any conduct likely to be prejudicial to safety, health or the environment. Such misconduct shall include failure to adhere to instructions and the possession of alcohol, drugs, (except prescribed

medicines), firearms, other offensive weapons, non-safety matches and/or single action lighters.

- 9.8 The Supplier shall upon receipt of particulars of the complaint promptly investigate the matter and if the complaint proves to be well founded, the Supplier shall as soon as reasonably practicable make appropriate changes in the appointment, which may include the Supplier providing a suitable replacement within a reasonable period of time, and at an appropriate time of the operations, as may be agreed by the Company. Any such person removed for any of the reasons set out in Clause 9.7 shall not be engaged again in the Services or any other work of the Company without the prior written approval of the Company.
- 9.9 The Company Representative shall have the right to refuse access to the Company to the Supplier or third party provided transportation to any of the Supplier's Personnel who, in the Company's reasonable opinion, is under the influence of alcohol, drugs or any other intoxicating substance or is otherwise in contravention of the Company's policy in relation to substance abuse.
- 9.10 The Supplier Representative shall have the right to refuse access to Company, the Supplier or third party personnel who, in the Supplier's reasonable opinion, is under the influence of alcohol, drugs or any other intoxicating substance or is otherwise in contravention of any policy adopted by the Supplier in relation to substance abuse provided that such policy (i) is no less stringent than the Company's own policy in respect of the same and (ii) is notified to the Company from time to time.
- 9.11 The Supplier shall seek to maintain good industrial relations and shall keep the Company Representative informed of matters related to labour relations which will impact upon the performance of the Services to the extent permitted under Applicable Laws, any duty of confidentiality and the relevant employment contract. The Supplier shall have an established procedure for dealing with grievances and disputes with its Personnel, prior to commencement of the Services and for the duration of the provision of the Services.
- 9.12 The Supplier's Personnel shall, at all times while employed on the Services comply with applicable immigration laws and, where required, be in possession of a valid work permit. When requested, details of such work permits shall be submitted to the Company prior to the employee being engaged in the Services.
- 9.13 The Supplier shall make its own arrangements for the engagement of Personnel, local or otherwise, and unless this Agreement otherwise provides, for their payment and transportation, housing, maintenance, board and lodging.
- 9.14 In the event that the Annual Delivery Program shows that the number of forecasted ship to ship transfers to occur at the Provided Facilities will increase or decrease by ten (10) transfers compared to the current Contract Year, each of the Parties shall have the right to request that the size and/or composition of the Crew, subject to the Supplier's minimum FSRU manning requirements, and the Fixed Crew Costs for the subsequent Contract Year, are appropriately varied in accordance with the variation procedure set out in Clause 49.

## 10. **DRYDOCKING**

- 10.1 In the event that the FSRU requires a partial or full drydocking at any time during the Contract Period the Supplier, if so requested by the Company, shall facilitate arranging and supervising

such drydocking at a shipyard nominated by the Supplier and approved by the Company and the Supplier shall submit to the Company for approval all such drawings, work lists, repair specifications and technical specifications as may be required to ensure that FSRU complies with the Rules and Requirements of the Classification Society and of the Flag State and Applicable Laws.

- 10.2 The Supplier, if so requested by the Company, shall arrange and plan a partial or full drydocking of the FSRU as soon as reasonably practicable and, in any event, not less than 12 months from the date of such request. The Supplier agrees and undertakes to consult with the Company and keep them informed at all times in relation to any and all communication with all potential shipyards (and where requested to include them in copy on all communications), Subcontractors and third parties in relation to the partial or full drydocking. The Supplier also agrees and undertakes to discuss and agree all draft work plans, designs and instructions in full consultation with the Company prior to issuing the same to any shipyards, Subcontractors or third parties and will not finalise any such work plans, designs or instructions without the prior consent of the Company.
- 10.3 The arrangements relating to any drydocking shall not be included in the Annual Work Plan and Budget. Instead the Parties shall prepare a separate work plan and budget for any such drydocking (each a **Drydocking Work Plan and Budget**), in accordance with the procedures set out in Clauses 33.2 to 33.8, provided that the reference to "1 November of the preceding Contract Year" in Clause 33.7 and to "30 November of the preceding Contract Year" in Clause 33.8 shall be read as references to the dates falling respectively twelve (12) months and eleven (11) months days before the scheduled date of such drydocking. Each Drydocking Work Plan and Budget shall include an agreed schedule of invoices and payments to be made by the Company to the Supplier in accordance with Schedule 4. The Parties acknowledge that the Drydocking Work Plan may develop and change until completion of the drydocking and that this will have an impact on the corresponding Budget. The Supplier shall keep the Company updated on developments and potential changes in the Drydocking Work Plan and Budget.
- 10.4 Without prejudice to the provisions of Clause 11.2, upon the Company's request, the Supplier shall provide to the Company all relevant documents, information, work specifications and Classification Society technical status reports and surveys relating to any partial or full drydocking the FSRU may undergo during the Contract Period.
- 10.5 The Supplier shall use all reasonable endeavours to ensure that any partial or full drydocking shall be completed as quickly as possible in order to minimise disruption of the Services. The Company currently estimates that a drydocking should be possible to conduct within twenty five (25) days) from the start of the drydocking and until the vessel is again afloat.

## 11. **MANAGEMENT SYSTEM**

- 11.1 The Supplier shall maintain a management system in compliance with the agreed requirements set out in the Technical Specification, the remaining provisions of this Agreement and the requirements of the Flag State and the ISM Code.
- 11.2 From the Commencement Date and throughout the Contract Period, the Supplier shall ensure that it operates and maintains:
- (a) a quality system in compliance with ISO standard 9001:2015;

- (b) an environmental management system in compliance with ISO standard 14001:2015; and
- (c) and such systems are accredited by a recognised authority.

In addition, the Supplier shall ensure that it operates and maintains a management system compliant with level 2 under OCIMF's TMSA.

In the above, OCIMF is an abbreviation for Oil Companies International Marine Forum and TMSA is an abbreviation for Tanker Management and Self-Assessment.

- 11.3 The Company may, at reasonable intervals, carry out audits and surveys, in conjunction with the applicable authorities or on its own, to inspect the quality of the Services and/or FSRU equipment provided that the audits and surveys are performed without interfering with the Supplier's operation of the FSRU and/or the performance of the Services. The Company shall give the Supplier reasonable notice, and in any event not less than fifteen (15) Business Days prior notice, of any and all planned audits of the management systems. The Supplier shall cooperate in such inspections and shall make readily available all relevant procedures, certificates, approvals, statements, and any other compliance documentation if so required. In the event that the applicable authorities notify the Company in writing of an ad hoc audit and/or survey to inspect the quality of the Services and/or FSRU equipment, the Supplier shall use all reasonable efforts to cooperate with the Company in preparing for such ad hoc audit and/or survey.

## 12. **AUTHORISATION AND APPROVAL OF EXPENDITURE**

## 13. **SUBCONTRACTING**

- 13.1 Not less than three (3) months prior to the Commencement Date, the Supplier shall submit to the Company a subcontracting protocol, including a list of subcontractors, for review and approval by the Company.

- 13.2 The Supplier shall engage Subcontractors strictly in accordance with the subcontracting protocol as agreed between the Parties and the provisions of this Clause 13.
- 13.3 The Supplier may engage Subcontractors to perform part or parts of the Services, provided that the Supplier shall not subcontract the whole of the Services.
- 13.4 The Supplier shall enter into all subcontracts as principal and not as agent for the Company, except where this Agreement expressly states otherwise, or the Company expressly agrees in writing. For the avoidance of doubt, this shall not apply for contracts the Supplier may enter into for purchase of items the Company is to provide or be responsible for under this Agreement or contracts the Company instruct the Supplier to enter into.
- 13.5 The Supplier shall not enter into any subcontract the costs of which, either incurred or to be incurred, have not been included in the applicable Annual Work Plan and Budget, without the Company Representative's prior written approval, which shall not be unreasonably withheld or delayed.
- 13.6 The Supplier shall upon the Company's request, provide the Company with copies of all subcontracts.
- 13.7 The Supplier shall use reasonable endeavours to procure that such subcontracts which are exclusively entered into for the benefit of and relate solely to the Company in respect of the FSRU shall provide for their assignment/novation to the Company or its nominee where the Company terminates this Agreement in whole or in part.
- 13.8 The Supplier shall be responsible for all defective work, conduct, acts, omissions and defaults of any Subcontractor as if they were the work, conduct, acts, omissions or defaults of the Supplier.
- 13.9 Without limiting the Company's other rights, the Supplier will to the extent practically possible promptly replace any Subcontractor whose performance does not comply with the requirements of this Agreement.

#### 14. **REQUIRED CONSENTS**

- 14.1 Subject to Clause 14.4, the Supplier shall be responsible for obtaining, maintaining and renewing the following Required Consents:
- (a) the Integrated Pollution Prevention and Control permit;
  - (b) the DOC;
  - (c) ISSC; and
  - (d) other consents that can only be obtained in the name of the Supplier.
- 14.2 Subject to Clause 14.4, the Company shall be responsible for obtaining, maintaining and renewing all other Required Consents required for the operation of the Vessel as a FSRU at the Terminal which are not included in the list in Clause 15.1, including, but not limited to the Regasification Licence.
- 14.3 Each Party shall use reasonable endeavours to assist the other Party in obtaining their respective Required Consents.

- 14.4 If the Supplier or the Company is the only Party legally entitled to obtain, maintain or renew any Required Consents then notwithstanding the provisions of Clauses 14.1 and 14.2 respectively, the Supplier or the Company as the case may be shall so obtain, maintain and renew.
- 14.5 Either the Company or the Supplier (as the case may be) (the **Consent Party**) shall notify the other (the **Other Party**) as soon as reasonably practicable, but in any event forthwith upon any Required Consents expiring or otherwise being withdrawn or within five (5) Business Days of:
- (a) any application for a Required Consent;
  - (b) grant of any Required Consents or notice of any decision in relation a Required Consent; and
  - (c) any amendment or replacement of a Required Consent, or any proposal by a Governmental Authority to make such an amendment or replacement.
- 14.6 The Consent Party shall provide the Other Party with all information regarding Required Consents reasonably requested by it, including:
- (a) copies of applications for, and copies of, Required Consents;
  - (b) information in the Consent Party's possession or control with respect to the matters referred to in Clause 14.1;
  - (c) copies of correspondence with any relevant Governmental Authority regarding any Required Consent; and
  - (d) information with respect to progress in obtaining any Required Consent,
- and shall, if so requested, consult with the Other Party regarding the same.
- 14.7 The Other Party shall:
- (a) provide the Consent Party timeously (having regard to the nature of the information required) with any information reasonably required and requested in writing by the Consent Party in relation to, or for the purposes of, obtaining or renewing any Required Consent; and
  - (b) co-operate with the Consent Party in any discussion with Governmental Authorities for the purposes of obtaining or renewing any Required Consent.
- 14.8 Any period of delay or non-performance by the FSRU as a result of the Supplier's failure to obtain or maintain the Required Consents for which the Supplier is responsible for obtaining or maintaining the FSRU shall only be considered a Defect if such failure is caused by the Supplier's negligence.

15. **KEY PERFORMANCE INDICATORS AND PERFORMANCE BASED BONUS**

## **16. ACCOUNTING AND AUDIT**

- 16.1 The Supplier shall at all times maintain and keep true and correct accounts in accordance with the relevant International Financial Reporting Standards or such other standard as the Parties may agree, including records of all costs and expenditure incurred. The accounting for the FSRU shall be performed with full transparency to the Company.
- 16.2 The Supplier shall at the request of the Company make such accounts and records for the FSRU available for inspection by the Company and/or its representatives.

The Company shall audit (itself and/or using a third-party independent auditor) the actual operational expenditure relating to the FSRU incurred by the Supplier in the immediately preceding accounting year. In addition, the Company will have the right to audit (itself and/or using a third-party independent auditor), during the Contract Period and for two (2) years afterwards, all records relating to operating expenses pertaining to the Services, and to make copies of all such records.

- 16.3 The Supplier shall co-operate within ordinary office hours with the Company and/or its representatives in the carrying out of any inspection or audit required by the Company under this Clause 16.
- 16.4 Without limiting any other right of the Company, if following any such inspection or audit the Parties agree that any amounts have been invoiced to the Company in error, the Supplier will immediately correct the error and issue a corresponding credit note or invoice.

## **17. REPORTING AND INSPECTION**

- 17.1 The Supplier shall prepare and submit to the Company, unless instructed otherwise by the Company, all reports, analyses, plans, work product, data and other information specified in Schedule 1, to be detailed in the COM and on the timescales therein stipulated.
- 17.2 The Supplier will provide the Company with monthly performance reports in a form to be agreed between the Parties at the monthly meetings as detailed in Clause 18. The Company shall compensate the Supplier for all costs associated with any further changes to the agreed form of the monthly performance reports as requested by the Company, subject to the Company providing prior written approval of such costs.
- 17.3 The operational reports shall contain, among other things, the following, as well as such further information as the Company may reasonably request:

- (a) safety and operational critical maintenance events for the month, planned, completed, backlogged or incurred, including a safety report;
- (b) technical and verification status;
- (c) major repairs/capital investment/upgrading investment planned or incurred;
- (d) workforce status; and
- (e) operational availability during the month and loss reporting against downtime,

and such further information as the Company shall reasonably request.

17.4 The Supplier will provide the Company with monthly and quarterly financial reports in accordance with the deadlines in and which shall amongst other things contain the following in a format to be agreed in the COM:

- (a) actual year to date results (i.e. operations result and costs report) compared with the Annual Work Plan and Budget provided on a monthly basis; and
- (b) description/analysis of variations in excess of ten percent (10%) between actual results compared with the Annual Work Plan and Budget fully explaining the reason for such deviations and if appropriate actions taken to remedy the situation provided on a quarterly basis,

and such further information as the Company shall reasonably request.

17.5 The Supplier will provide the Company with standard daily operating reports in the format specified by the Company from the FSRU together with such other reports as the Company may reasonably require. The Company shall compensate the Supplier for all documented costs associated with any further changes to the agreed format of the daily operating reports as requested by the Company, subject to the Company providing prior written approval of such costs. For the avoidance of doubt, in the event that the Company requests any additional material changes to be included in the daily operating reports which require the Supplier to update their reporting systems after the date of this Agreement, the Company shall bear the associated cost of such changes, and this shall be considered a Reimbursable Expense.

17.6 The Supplier will also respond without undue delay to any reasonable ad hoc requests for information made by the Company.

17.7 The Supplier shall furnish the Company with the necessary accounts/financial data which shall comprise the same information as required under Clause 17.4 together with analysis and justification for year-end accruals in sufficient time to enable Company to prepare and finalise its annual accounts and financial reports. All reports shall be in a format which is compatible with the agreed reporting standards and procedures.

17.8 The Supplier shall promptly notify and provide a written report to the Company of any accident giving rise to death or serious injury to Personnel and/or serious damage to the FSRU and a copy of all reports in connection therewith submitted by the Supplier to any regulatory or government body.

17.9 The Supplier shall to the extent not prevented by any confidentiality obligations provide to the Company such access as the Company reasonably requires to the operating and maintenance systems and data associated with the provision of the Services including, without limitation, the Supplier's maintenance planning system and operating and performance data (both daily reporting data and all historical data over any prior twenty-four (24) month period).

17.10 Throughout the Contract Period, the Supplier shall:

- (a) allow the Company to monitor the Supplier's performance of its obligations under this Agreement including, without limitation, the opportunity to review and query the reports and any other information submitted by the Supplier;
- (b) provide such access to the FSRU to the Company and any Government Authority representative as they may reasonably require, to enable the Company and any Government Authority to examine, inspect and review the performance by the Supplier of its obligations under or pursuant to this Agreement including, without limitation, the provision of the Services, performance and operation and maintenance of the FSRU, any maintenance works, surveys and audits, provided that such access, survey and audits shall not interfere with the performance of the Services;
- (c) provide such additional access to the FSRU to any Government Authority which it reasonably requires for the performance of its functions;
- (d) provide such access to the FSRU to public services (including the fire brigade, public utilities, police, permitting agencies and third-party users of the Provided Facilities) as such public services may require; and
- (e) extend all co-operation to the Company in relation to all activities related to the FSRU and Provided Facilities and provide all information, access, support and data and documents as may be reasonably required by the Company to enable the Company to determine the Supplier's compliance with its obligations under or pursuant to this Agreement,

provided in all cases in relation to any request for access to the FSRU the Company shall:

- (i) provide the Supplier not less than seven (7) days' prior notice of any planned visit (except in the case of emergency visits for which no notice is required);
- (ii) ensure that it complies with the Supplier's health, safety and security requirements (as such requirements may be agreed with the Company) whilst onboard the FSRU; and
- (iii) not interfere with the operations of the Supplier.

17.11 The Supplier acknowledges that the inspection by the Company or any Government Authority under this Agreement shall not:

- (a) amount to any consent or approval by the Company of any action by the Supplier nor shall the same be deemed to be a waiver of any of the rights of the Company under this Agreement; and/or
- (b) release or discharge the Supplier from its obligations or liabilities under this Agreement.

## 18. MEETINGS

- 18.1 The Parties shall conduct daily (Business Days), weekly and monthly meetings to discuss the operation and maintenance of the FSRU and the Provided Facilities and any and all aspects of the Parties respective obligations under or pursuant to this Agreement. The daily and weekly meetings shall be attended by representatives of each of the Supplier and the Company who shall be suitably qualified and capable of discussing the agenda agreed between the Parties for such meetings and on the understanding that either Party may co-opt additional representatives to discuss particular issues to be addressed at such meetings. Monthly meetings shall be attended by the Supplier's Representative and the Company's Representative, and any such other individuals as the Parties consider necessary.
- 18.2 The Parties agree that all meetings shall be held in Klaipeda, the Republic of Lithuania or by video conference and otherwise in accordance with the COM.
- 18.3 The Parties agree that the daily meetings shall be conducted via video call between the key members of the operations teams of both Parties, shall be as brief as practicable and the agenda for such daily meetings may include, without limitation:
- (a) a brief update in relation to the performance of the Services on the FSRU;
  - (b) a brief update in relation to any operational issues associated with the performance of the Services at any of the Provided Facilities; and
  - (c) a brief update on any recent incidents which have occurred at any of the Provided Facilities in relation to the performance of the Services.
- 18.4 The Parties agree that the agenda for such weekly meetings shall include, without limitation:
- (a) a review of the standard operating reports issued by the Supplier in accordance with Clause 17.5;
  - (b) a review of the KPIs as set out in Clause 15; and
  - (c) a discussion of any recent minor/mid-range problems experienced.
- 18.5 The Parties agree that the agenda for such monthly meetings shall include, without limitation:
- (a) relationship/contractual issues which cannot be resolved at an operational level;
  - (b) KPIs, bonuses granted and penalties awarded;
  - (c) performance of the Services and that of the Senior Management involved with the Services provided by the Supplier and a proposal of actions where improvement is required;
  - (d) performance of major subcontracts between the Supplier and a Subcontractor for the provision of Services and propose actions where improvement is required;
  - (e) reporting obligations of the Supplier and a proposal of actions where improvement is required;
  - (f) development of the relationship between the Company and the Supplier, both in respect of the FSRU and other opportunities that may be proposed at the meeting; and

(g) any other issues deemed necessary by either the Supplier's Representative or the Company's Representative.

18.6 The Parties agree that the attendees shall use reasonable endeavours to achieve a consensus at all weekly and monthly meetings in respect of any and all action points discussed during such meeting proposed and a written record of all such actions shall be made by the Company's Representative or any person attending on behalf of the Company.

18.7 In the event that the attendees cannot reach a consensus on any action point they may engage additional operational personnel to consider the issue on a collaborative workshop basis and report back to the attendees of such meeting.

19. **COMPANY WARRANTIES**

23. **INSURANCES**

- 23.1 In the first Contract Year, the Supplier shall facilitate procuring and maintaining the insurances set out in Schedule 3, or as otherwise agreed, with such first-class insurance companies as are approved in writing by the Company, which shall not to be unreasonably withheld. Not less than six (6) months prior to the commencement of the second and subsequent Contract Years, the Parties shall agree which Party shall be responsible for procuring and maintaining such insurance for the subsequent Contract Year. The Parties agree that protection and indemnity insurance for the FSRU shall always entered with a member of the International Group and shall be equivalent to the insurances in place at the time of this Agreement. In the event that the Parties are not able to agree which Party shall be responsible for arranging the insurances, each Party shall obtain quotes from first-class insurance companies and shall share such quotes with the other

Party. The Party able to secure the most favourable quote on the most suitable terms shall be responsible for procuring and maintaining such insurance for the subsequent Contract Year. For the avoidance of doubt, procuring and maintaining insurance shall be for the Company's cost.

- 23.2 The Party arranging any such insurances shall procure that both the Company and the Supplier shall be named on all such policies as co-assured or otherwise protected by the insurance policies and the terms of all of the policies (including the amount of any deductibles) shall be agreed between the Parties.
- 23.3 In the event that the Supplier is responsible for arranging the insurances they shall first submit to the Company for approval not less than forty-five (45) days before the relevant renewal date, details of the proposed scope and terms of the insurances including all deductibles and exclusions and shall not place such insurances unless the Company has agreed in writing to such terms, which shall not to be unreasonably withheld. Notwithstanding the above, the Supplier may place insurances on similar terms (equivalent insurer, scope, price and deductible) as the previous year without prior approval from the Company, unless receiving written objections to the proposed insurance within fourteen (14) Business Days after sending the proposed insurance to the Company.
- 23.4 In the event that the Company is responsible for arranging the insurances they shall first submit to the Supplier for approval full details of the proposed scope and terms of the insurances including all deductibles and exclusions and shall not place such insurances unless the Supplier has agreed in writing to such terms (which shall not be unreasonably withheld).
- 23.5 The Company may request to see any and all insurances arranged by the Supplier including any insurances in respect of its obligations under or pursuant to this Agreement and the Supplier shall provide the Company with copies of the requested insurance policies within a reasonable time.
- 23.6 Unless otherwise directed by the Company, the Supplier shall handle and settle all insurance claims and disputes and shall keep the Company appropriately informed in a timely manner of any updates.
- 23.7 For the avoidance of doubt the insurances taken out under this Agreement shall include cover for claims notwithstanding the gross negligence or wilful misconduct by any member of the crew of the Supplier Group.

#### **24. CLAIMS AND LIENS**

- 24.1 The Supplier shall at all times protect and hold the FSRU, the Provided Facilities, any LNG stored in the FSRU and any Materials, plant or other items provided by the Supplier Group for use for or in connection with the performance of the Services free of liens, charges or other encumbrances by any member of the Supplier Group (other than routine retention of title provisions pending payment of the purchase price for the specific item concerned).
- 24.2 The Supplier shall defend, indemnify, and hold harmless the Company Group against any and all Claims in respect of liens, charges or other encumbrances (other than routine sellers' retention of title provisions pending payment of the purchase price for the specific item concerned) on property of the Supplier Group used for or in connection with the performance of the Services. Subject to any mortgage granted to any financiers to the Company (on the

basis that such financiers provide a suitable quiet enjoyment letter), the Company shall not allow members of the Company Group (in their dealings with the Company) to have lien, charges or other encumbrances against the FSRU, the Provided Facilities or any LNG stored in the FSRU that may interfere with the operations of the FSRU and the Supplier's performance of the Services.

- 24.3 The Supplier shall promptly notify the Company, as soon as the Supplier is aware, of any possible such lien, charge or encumbrance as aforesaid which might reasonably be expected to affect the FSRU, the Provided Facilities, any LNG production, any LNG stored in the FSRU, the Services or any part thereof and the Company may discharge any such lien, charge or other encumbrance on property of the Supplier Group and may recover from the Supplier all documented and necessary costs and expenses reasonably incurred in so doing. The Company shall promptly notify the Supplier, as soon as the Company is aware, of any possible lien, charge or encumbrance as aforesaid which might reasonably be expected to interfere with the operations of the FSRU and the Supplier's performance of the Services or any part thereof.
- 24.4 Notwithstanding the other provisions of this Clause 24, the Supplier shall defend, indemnify and hold harmless the Company Group against any Claims arising from any lien, charge or other encumbrance or bear the cost of discharging any such lien, charge or other encumbrance, to the extent that any such lien, charge or other encumbrance is created or arises in respect of any Company Group property, including, without limitation, the FSRU, the Provided Facilities, any LNG production and any LNG stored in the FSRU, and which arose as a result of the actions or omissions of any member of the Supplier Group.
- 24.5 Where any liens, charges or other encumbrances are created or arise in respect of the Company Group property and which might reasonably be expected to affect adversely the ability of the Supplier to perform the Services expeditiously or which might otherwise involve extra costs or delay on the part of the Supplier in so doing, subject to Clause 24.4, the Company may at its sole cost procure the prompt and effective release of any such lien, charge or other encumbrance and shall save, indemnify, defend and hold harmless the Supplier Group from and against all and any Claims in respect of such liens, charges or other encumbrances.

## 25. **INTELLECTUAL PROPERTY**

- 25.1 Subject to Clause 25.2, neither the Company nor the Supplier shall have the right of use, whether directly or indirectly, of any Intellectual Property provided by the other Party and the rights in such Intellectual Property shall remain with the Party providing such Intellectual Property (or the relevant third party owner or licensor), at all times.
- 25.2 Each Party grants to the other a non-exclusive, irrevocable, royalty-free, FSRU-specific only right to use its Intellectual Property rights provided in relation to this Agreement and necessary for the operation of the FSRU (whether in existence at the date of this Agreement or created during the Contract Period). Such rights shall terminate on termination of this Agreement howsoever caused.
- 25.3 Where any Intellectual Property rights in any country in the world result:
- (a) from developments by the Supplier Group which are based wholly on data, equipment, processes, substances and the like in the possession of the Supplier Group at the Commencement Date or are otherwise produced outside of the Services; or

- (b) from enhancements of or in existing Intellectual Property rights of the Supplier Group, including any modification or improvements to such Intellectual Property rights and any software used by the Supplier in the performance of the Services; or
- (c) solely from ideas generated by the Supplier Group and are not enhancements of or in the existing Intellectual Property rights of or paid in whole or part by the Company Group,

such rights shall vest in the Supplier Group.

25.4 Where any Intellectual Property rights in any country in the world result:

- (a) from developments by the Company Group which are based wholly on data, equipment, processes, substances and the like in the possession of the Company Group at the Commencement Date or otherwise produced outside the Services; or
- (b) from enhancements of or in the existing Intellectual Property rights of the Company Group; or
- (c) solely from ideas generated by the Company Group and are not enhancements of or in existing Intellectual Property rights of the Supplier Group,

such rights shall vest in the Company Group.

25.5 If either Party believes that a patent application or other appropriate registration or other protection of Intellectual Property should be filed on or a right registered in any such joint interest, that Party shall notify the other Party in writing accordingly. The other Party must advise the notifying Party within a sixty (60) day period thereafter of its agreement to participate in the application or registration process in the manner set out below. If the other Party does not, within the notice period, agree to participate in such process, the notifying Party shall be the assignee of all the other Party's rights in the interest.

25.6 Those participants who agree to co-operate fully in the preparation and filing of such patent application, or registration of such right, shall each pay an equal share of all necessary fees to prepare, establish and maintain any jointly owned application or patent, or registered right in force throughout its full term; provided however, that any such participant may elect to discontinue payment of such fees and shall thereafter promptly notify the other participant(s) of such election and, at no cost to the other participant(s), assign such patent or registered right to the other participant(s), retaining no interest therein.

25.7 The Supplier shall indemnify, defend and hold harmless the Company Group from and against all Claims of every kind and nature for, or arising out of, any alleged infringement of any Intellectual Property right by the Supplier arising out of or in connection with:

- (a) subject to (b) below, the performance of the Supplier's obligations under this Agreement except to the extent that such infringement arises from the use of documents, data, technical information or materials or equipment supplied or disclosed by the Company or from the use of documents, data, technical information, materials, equipment or processes in existence at the FSRU on the Commencement Date unless Company has specifically advised the Supplier of such Intellectual Property right; or

- (b) prior to the Company issuing any instructions that may affect the Supplier's freedom of choice in its method of performance of the Services, the Company shall use reasonable endeavours to investigate the existence of any such Intellectual Property rights and shall advise the Supplier of the results of that investigation at the time of the instruction. the Supplier shall also use reasonable endeavours to investigate the existence of any such Intellectual Property right at the time of receiving such instructions and shall thereafter advise the Company of the results of its investigation.

25.8 The Company shall defend, indemnify and hold harmless the Supplier Group from and against all Claims of every kind and nature for, or arising out of, any alleged infringement of any Intellectual Property right by the Company arising out of or in connection with:

- (a) the performance of the obligations of the Company under this Agreement, the imposition by the Company on the Supplier of instructions which deprive the Supplier of freedom of choice in its method of performance of the Services or the use by the Supplier of technical information or materials or equipment supplied by the Company unless the Company has specifically advised the Supplier of such Intellectual Property right; or
- (b) the use by the Supplier in the performance of its obligations under this Agreement of technical information, data, materials or equipment supplied or disclosed by the Company or of technical information, data, materials, equipment or processes in existence at the FSRU on the Commencement Date unless the Company has specifically advised the Supplier of such Intellectual Property right.

## 26. **CONFIDENTIALITY**

26.1 Each Party undertakes to hold Confidential Information in the confidence and not to disclose, trade or otherwise divulge Confidential Information to any Person without the prior written consent of the other Party, except as permitted by this Clause 26.

26.2 A Party may disclose Confidential Information without the prior written consent of the other Party only to the extent that immediately prior to such disclosure the Confidential Information:

- (a) is already lawfully known to the relevant Party or its Affiliates under no applicable obligations of confidentiality or restrictions on use;
- (b) is in the public domain other than through the act or omission of the relevant Party or of any other Person to whom Confidential Information is disclosed pursuant to this Agreement;
- (c) is available to the relevant Party or its Affiliates having become so available through any third party that expressly represents that it has the right to disclose such information at the time that it is acquired by the relevant Party or its Affiliates;
- (d) is required to be disclosed by law or by any government, statutory or regulatory body (provided that, if it may lawfully do so, the relevant Party informs the receiving third party of the confidential nature of such Confidential Information and makes all reasonable efforts to give prompt written notice to the other Party prior to such disclosure of the request made by such receiving third party and the extent of the intended disclosure); or

- (e) is required to be disclosed by a Party or any of its Affiliates to comply with the rules and regulations of any recognised stock exchange upon which the Party's or its Affiliates' stock is quoted or of the Securities and Exchange commission of the United States of America (provided that, if it may lawfully do so, the disclosing Party informs the receiving third party of the confidential nature of such Confidential Information and makes all reasonable efforts to give prompt written notice to the other Party prior to such disclosure of the request made by such receiving third party and the extent of the intended disclosure).
- 26.3 Notwithstanding any of the above, the Supplier shall have the right to disclose any and all information which does not specifically relate to the FSRU, the Company (and its Affiliates) or this Agreement (including without limitation any and all Schedules to this Agreement and any document contemplated by this Agreement) and which has not been supplied by or on behalf of any member of the Company Group.
- 26.4 Each Party may disclose the other Party's Confidential Information without the prior written consent of the other Party, to the following Persons but only to exercise its rights and perform its obligations under or in connection with this Agreement (the **Permitted Purpose**):
- (a) Personnel and subcontractors of a disclosing Party who need to know such Confidential Information for the Permitted Purpose;
  - (b) its Affiliates and such Affiliates' Personnel but only to those who need to know such Confidential Information for the Permitted Purpose;
  - (c) any insurer, insurance broker, professional adviser, legal adviser, consultant or agent retained by a Party or its Affiliates, who need to know such information for the purposes of exercising the Party's rights or carrying out the Party's obligations under or in connection with this Agreement; or
  - (d) any bank, financial institution, fund or funding entity which a Party proposes or intends to involve in the financing of the Permitted Purpose, and their professional advisers.
- 26.5 Prior to the disclosure of any Confidential Information to any Person under Clause 26.4, the relevant Party shall procure that the proposed recipient of such Confidential Information if disclosure is made under Clause 26.4(c) or Clause 26.4(d), is bound to the disclosing Party to maintain the confidentiality of such Confidential Information on terms no less onerous than those set out in this Agreement.
- 26.6 The disclosing Party shall be liable to the other Party for any loss or damage suffered by the other Party arising out of the disclosure of Confidential Information in breach of this Clause 26 by any Person to whom it has been disclosed directly or indirectly by the disclosing Party to the same extent as if the Confidential Information had been disclosed by the disclosing Party.
- 26.7 No Party shall use the other Party's Confidential Information for any purpose other than the Permitted Purpose.
- 26.8 The above confidentiality obligations shall continue for the duration of this Agreement, and for a period of five (5) years after termination or expiry of this Agreement.
- 26.9 The Supplier shall use reasonable endeavours to incorporate the provisions of this Clause 26 (on similar or standard terms no less onerous) in any subcontract.

## 27. **FORCE MAJEURE**

- 27.1 The obligations a Party under this Agreement to the extent performance thereof is prevented or impeded by an event of Force Majeure shall be suspended and the Party shall not be responsible for any failure to fulfil any term or condition of this Agreement for the duration of Force Majeure.
- 27.2 If either Party is affected by an occurrence of Force Majeure, it shall give notice to the Company Representative (in the case of the Supplier) or to the Supplier Representative (in the case of the Company) as soon as reasonably possible after it becomes aware of the commencement of the occurrence of Force Majeure effect or as soon as practically possible thereafter. Such notice shall contain available details of the nature of the Force Majeure occurrence, its estimated duration, proposed remedies, an estimate of the impact of the occurrence on the time of the Services, and other relevant information.
- 27.3 The Party affected by an occurrence of Force Majeure shall use every reasonable effort to overcome and/or minimise the effects of the occurrence on the performance of its obligations under this Agreement and shall promptly resume performance of its obligations as soon as reasonably possible after removal of the circumstances of Force Majeure.
- 27.4 Without prejudice to Clause 27.3, each of the Parties shall use all reasonable endeavours and shall discuss in good faith how to co-operate and co-ordinate their respective reasonable endeavours to facilitate the FSRU continuing to operate to the extent reasonably possible at the Terminal in accordance with the provisions of this Agreement or to otherwise be of use and benefit for the Company and in particular to:
- (a) mitigate the impact of any event of Force Majeure; and
  - (b) provide regular updates to the unaffected Party as to the impact of the event of Force Majeure.
- 27.5 If Force Majeure prevents provision of the whole or a substantial part of the Services for more than ten (10) days, the Company may require the Supplier temporarily to stand down or suspend particular resources and operations, and where this results in cost savings for the Supplier, the Parties shall act in good faith to discuss and agree the appropriate reductions of the amount of monthly part of the Annual Work Plan and Budget paid to the Supplier, and/or fees payable to the Supplier.

## 28. **SUSPENSION**

- 28.1 The Supplier may suspend performance of this Agreement:
- (a) on three (3) days written notice to the Company, if the Company has not paid when due an undisputed amount or amounts under this Agreement and has not remedied the failure within five (5) Business Days after receipt of notice from the Supplier specifying the amounts which have not been paid, demanding payment unless paid; or
  - (b) on written notice to the Company if the Company is in breach of Clause 51 or a Sanctions Event occurs in relation to the Company but may only suspend performance of that part of its obligations which is reasonably considered necessary by the Supplier to avoid itself being in breach of Applicable Law.
- 28.2 The Company may suspend performance of this Agreement on written notice to the Supplier if:

- (a) the Supplier is in breach of Clause 51 or a Sanctions Event occurs in relation to the Company, but may only suspend performance of that part of its obligations which is reasonably considered necessary by the Company to avoid itself being in breach of Applicable Law; or
- (b) the Supplier is in breach of National Security and Procurement Legislation; or
- (c) on written notice to the Supplier if the Flag State registry suspends the DOC held and obtained by the Supplier.

28.3 If the Company suspends performance of this Agreement in accordance with Clause 28.2 for more than fourteen (14) days, the Company shall have the right to withhold payment of the Annual Management Fee until the Supplier rectifies the breach.

## 29. **CONTRACT PERIOD**

29.1 The term of this Agreement is five (5) years after the Commencement Date (such five-year period, the **Initial Term**).

29.2 The term of this Agreement may be extended by mutual written agreement (neither party being obliged to give such agreement) for a further period of up to five (5) years (such further period, the **Extension Term**).

29.3 The Parties agree that the Fixed Crew Costs for the Extension Term may be increased subject to the Supplier submitting a estimated value of the Fixed Crew Costs for the Extension Term and evidence demonstrating a material increase in the Crew costs based on data from Boston Consulting Group's Shipping Benchmark, or any other reputable shipping benchmark (the **Price Review**), to the Company at least two (2) years prior to the commencement of the Extension Term. The Company shall review the Price Review and shall notify the Supplier of its decision to approve or reject the Price Review within three (3) months of receipt. At least eighteen (18) months prior to the commencement of the Extension Term, the Supplier shall submit a finalised value of the Fixed Crew Costs for the Extension Term which the Company shall approve or reject.

29.4 Unless sooner terminated in accordance with Clause 30, this Agreement shall terminate at the end of the Initial Term or the Extension Term as the case may be, provided always that the termination shall only become fully effective from the completion of Handover.

## 30. **TERMINATION**

32. **HANDOVER ON TERMINATION**

32.1 The provisions of Schedule 10 shall apply to handover on termination due to Clause 31.1 (**Handover**).

33. **BUDGET**

33.1 The Annual Work Plan and Budget for the first Contract Year will be prepared by the Supplier in their capacity as the previous owner and operator of the FSRU and provided to the Company in accordance with the Technical Specification.

- 33.2 In respect of each Contract Year, the Supplier will provide an initial Annual Work Plan and Budget for the FSRU to the Company no later than 15 September in the preceding Contract Year. For the subsequent Contract Years, the Annual Work Plan and Budget will be developed by the Supplier in consultation with the Company and submitted to the Company for approval.
- 33.3 Such Annual Work Plan and Budget shall contain back-up documentation in relation to the operational profile of the FSRU, and all assumptions of a material nature shall be clearly stated, and such assumptions shall be provided to the Company by 1 September of the preceding Contract Year. The Company shall provide to the Supplier information on their operational forecast, production profile and any other plans that may affect the work to be performed by the Supplier for the coming Contract Year in due time to allow the Supplier to take the Company's plans into account when preparing the Annual Work Plan and Budget.
- 33.4 The Annual Work Plan and Budget is subject to this Agreement and approval of the Company. The Company shall within forty-five (45) days after submission by the Supplier (the **Approval Period**) make a decision on the proposed Annual Work Plan and Budget for the subsequent Contract Year. In the absence of any such decision, the Annual Work Plan and Budget shall be deemed to have been accepted as submitted.
- 33.5 If the Company notifies the Supplier in writing within the expiry of the Approval Period that a proposed Annual Work Plan or Budget is not approved and giving reasons for such non-approval in as much details as possible, the Supplier shall without undue delay produce a revised Annual Work Plan and Budget, taking the Company's comments to the proposed Annual Work Plan and Budget into account.
- 33.6 The Parties shall use all reasonable efforts to ensure that a new Annual Work Plan and Budget for the subsequent year is agreed no later than 1 November in the preceding Contract Year.
- 33.7 If the Parties fail to agree such Annual Work Plan and Budget by 1 November of the preceding Contract Year, the Company shall immediately inform the Supplier of any such specific elements or line items of the proposed Annual Work Plan and Budget that are approved (**Approved Items**).
- 33.8 If the Annual Work Plan and Budget remains unapproved by 30 November of the preceding Contract Year, the matters in dispute shall be referred to dispute resolution in accordance with Clause 41 but if the matters in dispute are not resolved under Clause 41.1, the matters in dispute may be referred to an expert for determination under the provisions of Clause 53. Until such time as the Annual Work Plan and Budget is so resolved or otherwise approved, the Annual Work Plan and Budget shall be deemed to have increased by the rate of inflation for the current Contract Year as published by the relevant Governmental Authority for the preceding Contract Year, amended as necessary to incorporate the Approved Items. A reconciliation for the period from 1 January and until the dispute is resolved against the outcome of the dispute resolution process shall take place within fourteen (14) days after the dispute is resolved.
- 33.9 If at any time during a Contract Year the Supplier is of the view that the actual annual operating budget is likely to exceed the (then current agreed) Budget by ten percent (10%), the Supplier shall as soon as possible prepare and present an amended proposed Budget for the approval of the Company, and the Company shall address the same as soon as possible.

34. **CHANGES IN RULES AND REQUIREMENTS AND APPLICABLE LAWS**

- 34.1 If the Supplier incurs costs or there is an increase in the costs of performing the Services (including costs relating to modifications of the FSRU) due to any Change in Law, the Company shall compensate the Supplier for these costs. The Supplier shall present evidence of all increases in the cost of performing the Services due to a Change in Law (to the Company without undue delay of becoming aware of such changes. The compensation payable by the Company under this Agreement shall be adjusted to reflect the Changes in Law.
- 34.2 This will not extend to any costs of the Supplier in remaining up to date with the Rules and Requirements, Applicable Laws applicable at the Commencement Date or modifying its own (or its Affiliates') administrative procedures or in relation to its own (or its Affiliates') internal costs, unless caused by a Change in Law.

35. **REMUNERATION AND PAYMENTS**

- 35.1 For the performance of the Services, the Company shall pay or cause to be paid to the Supplier the sums due in accordance with Schedule 4.
- 35.2 The Company shall pay or cause to be paid to the Supplier:
- (a) the Annual Management Fee;
  - (b) the Fixed Crew Costs;
  - (c) all Reimbursable Expense including, without limitation, any and all Lithuanian tax on the Crew's wages, and
  - (d) any other amounts payable by the Company under this Agreement,
- all payable in accordance with Schedule 4.

36. **GENERAL PROVISIONS RELATING TO PAYMENTS**

**37. TAX**

- 37.1 For the purpose of this Clause 37, Tax shall be defined as all taxes and levies imposed by the Governmental Authority on the Supplier including any interest or penalties thereon arising directly as a result of the Supplier's performance of the Services under this Agreement but shall exclude all import/export taxes, customs duties and licence fees.
- 37.2 The Company agrees to pay or reimburse the Supplier for any and all Lithuanian taxes due and payable in respect of the items covered by the Fixed Crew Costs.
- 37.3 Subject to Clause 36.11, it is acknowledged and agreed by the Parties that all remuneration due to the Supplier under this Agreement is stated inclusive of Tax.
- 37.4 With the exception of import/export taxes, customs duties, Lithuanian taxes due and payable in respect of the items covered by the Fixed Crew Costs and licence fees which are dealt with under Clause 54, Supplier shall be responsible for:
- (a) the payment of all taxes for which Supplier is liable as imposed by any Governmental Authority and those of the Flag State relating to the Supplier and the Crew; and
  - (b) compliance with all statutory obligations to make deductions and remit the required amounts to any Governmental Authority in respect of taxes.
- 37.5 The Supplier shall supply to the Company all such information in connection with its performance of the Services under this Agreement as is reasonably necessary to enable the Company to comply with the lawful demands for relevant information relating to the Services made by any Governmental Authority.

- 37.6 If the Company receives a notice requiring it to pay any Tax with respect to the Supplier's performance of the Services under this Agreement, the Company shall forthwith notify the Supplier who shall work with the Company and use all reasonable endeavours to reduce, mitigate and/or eliminate such payment and assist the Company in making any available appeal or challenge against such payment.
- 37.7 If the Supplier receives a notice requiring it to pay any Tax, and the Supplier believes such to be reimbursable by the Company then the Supplier shall work with the Company and use all reasonable endeavours to reduce, mitigate, eliminate and/or manage such payment and will make any available appeal or challenge against such payment and must obtain written agreement from the Company prior to payment being made.
- 37.8 The Supplier undertakes that neither it nor any Affiliate shall, by any act or omission, place the Supplier in breach of any Tax Evasion Laws and shall comply with all applicable Tax Evasion Laws in connection with performance of this Agreement.
- 37.9 The Company undertakes that neither it nor any Affiliate shall, by any act or omission, place the Company in breach of any Tax Evasion Laws and shall comply with all applicable Tax Evasion Laws in connection with performance of this Agreement.

38. **NOTICES**

39. **ASSIGNMENT**

- 39.1 Except as permitted by this Clause 39:

- (a) this Agreement shall not be assigned by either Party without the prior written consent of the other Party, which consent will not be unreasonably withheld, and any purported assignment without such prior written consent shall be null and void; and
  - (b) neither Party may novate this Agreement without prior written consent of the other Party, and any purported novation without such prior written consent shall be null and void.
- 39.2 The Company may assign this Agreement this Agreement on the basis that it ceases to be responsible for performance of any of the obligations under this Agreement and without prior written consent from the Supplier, but subject to the Supplier's reasonable standard KYC checks, in whole or in part, to any of its subsidiaries, parent, affiliate or successor organizations (whether as a result of spin-off, reorganization, restructuring or sale), provided that, in any of such cases such assignment does not materially affect the Supplier's rights and obligations under this Agreement, the assignee or novate is not a sanctioned person, and the assignee novate (or any guarantor provided by it) has the necessary financial strength to perform the obligations of the Company hereunder.

#### 40. **RELATION OF PARTIES**

The Supplier shall perform the Services as an independent contractor and the relationship of the Parties hereunder shall in no event be construed to be one of partnership or of principal and agent or employee or employer. The Supplier shall save insofar as otherwise expressly provided in this Agreement, have exclusive direction of its Personnel, Subcontractors and their own respective personnel and shall control the manner and method of performing the Services. Neither the Supplier nor the Company shall purport to represent the other or bind or pledge the credit of the other in any way unless previously expressly authorised in writing by the other to do so.

#### 41. **DISPUTE RESOLUTION**

- 41.1 Any dispute in connection with or arising out of this Agreement or the performance of the Services shall be resolved by means of the following procedure:
- (a) Such dispute shall initially be referred to the Company Representative and the Supplier Representative who shall discuss the matter in dispute and make all reasonable efforts to reach an agreement within seven (7) Business Days of referral.
  - (b) If no agreement is reached under Clause 41.1 the dispute shall be referred to the Managing Director of the Company and the Managing Director of the Supplier.
  - (c) If no agreement is reached under Clause 41.1(b) within fourteen (14) Business Days of it being referred to the Chief Executive Officer and the Managing Director, the dispute shall be resolved in accordance with the procedure set out in Clause 41.2 save where this Agreement otherwise requires or permits expert determination under Clause 41.3.
- 41.2 All disputes arising out of or in connection with this Agreement (including any question regarding its existence, validity, breach or termination thereof, if not resolved pursuant to Clause 41.1 shall be referred to and finally resolved by arbitration in accordance with the following provisions:
- (a) The arbitral tribunal shall be composed of three (3) arbitrators.

- (b) The seat of the arbitration shall be Stockholm, Sweden.
- (c) The language to be used in the arbitral proceedings shall be English.
- (d) The arbitration shall be conducted under the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce in force as at the date of the commencement of the arbitration.
- (e) In the event of default by any Party in respect of any procedural order made by the tribunal, the tribunal shall have the power to proceed with the arbitration and to deliver its award.
- (f) All awards shall be final and binding on the Parties. By agreeing to arbitration under this clause the Parties waive irrevocably their right to any form of appeal, review or recourse to any state court or other judicial authority, insofar as such waiver may be validly made.
- (g) The Parties agree to keep confidential the existence of the arbitration, the arbitral proceedings, the submissions made by the Parties and the decisions made by the arbitral tribunal, including its awards, except as required by Applicable Law and to the extent not already in the public domain.

41.3 Without prejudice to Clause 41.1, where any provision of this Agreement requires or provides for any matter to be referred to an expert for determination the provisions of Clause 53 (Expert Procedure) shall apply. Provided that the steps and stages in Clause 41.1(a), Clause 41.1(b) and Clause 41.1(c) have first been followed, and further provided that notice of arbitration has not been given by the Parties to each other and save as already provided for elsewhere in this Agreement, the Parties may, by mutual agreement, refer any disputes of the following nature or type to an expert, using the provisions of Clause 53: Disputes relating to technical, operational, financial or commercial matters under this Agreement.

#### 42. **AMENDMENTS**

No amendment of this Agreement shall be valid unless it is in writing, signed by both duly authorised representatives of both the Company and the Supplier.

#### 43. **SUCCESSION**

For the avoidance of doubt, this Agreement is binding on the Parties' successors and permitted assignees/novatees.

#### 44. **NON-WAIVER**

The failure by either Party to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not constitute a waiver of that right or remedy or of any other rights or remedies that may be available. No single or partial exercise by a Party of a right or remedy provided by this Agreement or by law prevents further exercise of that right or remedy or the exercise of any other right or remedy that may be available.

45. **ENTIRE AGREEMENT AND SOLE REMEDIES**

- 45.1 This Agreement and the documents referred to in it represent the entire agreement and understanding between the Parties and supersede any previous communications, representations, warranties, undertakings, agreements or understandings (whether written or oral) between the Parties relating to the subject matter of this Agreement.
- 45.2 The Parties hereby acknowledge that they have not entered into this Agreement in reliance upon any warranty, representation, statement, agreement or undertaking of any nature whatsoever other than those expressly set out in or incorporated by reference into this Agreement.
- 45.3 Any terms or conditions implied by law in any jurisdiction in relation to matters contemplated by this Agreement are excluded to the fullest extent permitted by law (which exclusion shall specifically extend to Sections 14(2) and 14(3) of the Sale of Goods Act 1979) or, if incapable of exclusion, any right, or remedies in relation to them are irrevocably waived.
- 45.4 Except for any liability in respect of a breach of this Agreement, no Party shall owe any duty of care or have any liability in tort or otherwise to the other Party or that other Party's Group in relation to matters contemplated by this Agreement.

46. **RIGHTS OF THIRD PARTIES**

- 46.1 A Person who is not a Party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to directly enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that act.
- 46.2 The Supplier is obliged to deal solely with the Company who has full authority, rights of enforcement and liability vis-à-vis the Supplier.

47. **GOVERNING LAW**

The construction, validity and performance of this Agreement (and any non-contractual obligations arising out of or in connection with it) shall be governed by English law.

48. **COUNTERPARTS**

- 48.1 This Agreement may be executed in any number of counterparts with the same effect as if the signatures to each counterpart were on the same document, and each of which when executed and delivered shall constitute a duplicate original, but all counterparts shall together constitute the one agreement, provided that this Agreement shall not be effective until a counterpart has been executed and delivered by each Party to the other.
- 48.2 Transmission of an executed counterpart of this Agreement (but for the avoidance of doubt not just a signature page) by email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this Agreement. If delivery by email is adopted, without prejudice to the validity of this Agreement thus made, each Party shall provide the other(s) with the original of such counterpart as soon as reasonably possible thereafter.
- 48.3 No counterpart shall be effective until each Party has executed and delivered at least one counterpart to the other Party.

49. **VARIATIONS**

- 49.1 The Company shall have the right to issue instructions to the Supplier at any time to vary the Services which may include additions, omissions, substitutions and changes in the quality, form or nature of the Services that are within the capability and resources of the Supplier. All such variations as aforesaid must be the subject of prior mutual agreement of the Parties, but the Supplier will use reasonable commercial endeavours to accommodate such variations.
- 49.2 Any reimbursement due to the Supplier resulting from agreed variations shall be valued in accordance with the principles, rates and prices set down in this Agreement or, in the absence of any appropriate rates and prices, on the basis of a fair valuation shall be made (as agreed between the Parties).
- 49.3 If the Supplier considers that any instruction received from the Company constitutes a variation to the Services then, before proceeding with any work affected by such occurrence, shall request without delay in writing that the Company issue a confirmation of such variation to the Services or that the contemplated work will be covered under the provisions of a Variation. Any such request shall include details of the occurrence and the basis under which the Supplier considers itself to be entitled to said contract amendment or Variation.
- 49.4 The Company shall within a reasonable time of receiving the Supplier's request give notice that the proposed Variation is either accepted or rejected and shall provide its stated reasons for any rejection. Should the Supplier wish to pursue any request for a proposed Variation which has been rejected by Company it shall proceed in accordance with the provisions of Clause 41.

50. **SANCTIONS**

- 50.1 Each Party warrants that at the date of this Agreement it is not:
- (a) a Sanctions Target and has not been a Sanctions Target and nothing has occurred that could reasonably be expected to result in it becoming a Sanctions Target;
  - (b) contravening and has not contravened any applicable Sanctions; and
  - (c) and has not in any way been involved in any Sanctions Proceedings (other than for the sole purpose of providing information or evidence in respect of such proceedings) and to the best of its knowledge and belief, having made reasonable enquiries there are no circumstances likely to give rise to any such Sanctions Proceedings.
- 50.2 At all times during the Contract Period, each Party shall and shall procure that their respective employees, directors and officers comply with applicable Sanctions, and not do or omit to do anything which results in the imposition of Sanctions against either Party. Notwithstanding anything in this Clause 50 to the contrary, the Parties shall not (and shall use reasonable efforts to ensure that the members of its group – Company Group and Supplier Group respectively – involved in the performance of the Agreement) will:
- (a) not take any actions or make any omissions that: contravene any applicable Sanctions or results in the imposition of Sanctions against either Party;
  - (b) not be required to do, or omit to do, any act that will constitute a violation of Sanctions cause or lead the other party to contravene any Sanctions, or which results in the imposition of Sanctions against either Party;

- (c) implement adequate Policies and Procedures to ensure compliance with Sanctions; and
- (d) have the right to request, and shall approve any request, to carry out an audit of the other Party's Policies and Procedures and the implementation of such Policies and Procedures to ensure compliance with Sanctions with reasonable notice.

50.3 Each Party shall as soon as reasonably practicable notify the other Party in writing if:

- (a) at any time during the Contract Period, there is any fact or circumstance that would give rise to a breach of warranties given in Clause 50.1 or Clause 50.2 if the warranties were repeated; or
- (b) it becomes aware of any breach of this Clause 50.3,

and it shall provide such information as soon as reasonably practicable about such fact or circumstance or about the breach as the other Party requires to comply with its obligations to any Sanctions Authority or otherwise reasonably requests.

50.4 If at any time during the Contract Period, in the reasonable opinion of either Party, either Party (including their employees, directors and officers) or a Subcontractor contravenes Sanctions this shall constitute a **Sanctions Event** in relation to that Party (for the avoidance of doubt, where a Subcontractor contravenes applicable Sanctions, this shall be deemed to be a Sanctions Event in relation to the Supplier). If a Party becomes, in the reasonable opinion of either Party, prevented from performing its obligations under the Agreement due to changes in Sanctions, changes in the interpretation of Sanctions (as may for example be advanced in guidance, decisions or statements of relevant Sanctions Authorities, or the decisions or views of judicial authorities) or changes in factual circumstance during the Contract Period, Clause 28 (Force Majeure) shall apply accordingly.

50.5 The Supplier:

- (a) shall use reasonable endeavours to include obligations equivalent to those it has accepted in this Clause 50 in its agreements with Subcontractors that they comply with those obligations, including an express requirement that the Subcontractors shall not do or omit to do anything which would place the Company in breach of Sanctions or which could be the basis for the imposition of Sanctions against the Company; and
- (b) shall, if so requested by the Company (and without prejudice to the Supplier's rights under Clause 50.4), at any time replace any Subcontractor in relation to which a Sanctions Event occurs.

50.6 The Company:

- (a) shall use reasonable endeavours to include obligations equivalent to those it has accepted in this Clause 50 in its agreements with other entities in relation to this Agreement that they comply with those obligations; and
- (b) shall, if so requested by the Supplier, at any time replace any entity in relation to which a Sanctions Event occurs

## 51. BUSINESS ETHICS AND ANTI BRIBERY COMPLIANCE

### 51.1 Business Ethics

- (a) Both the Supplier and the Company shall uphold the highest standards of business ethics in the performance of this Agreement. Honesty, fairness and integrity shall be paramount principles in the dealing between the Parties.
- (b) The Supplier shall comply with its own business principles as in force from time to time. The version current at the date of this Agreement can be found at <https://www.hoeghln.com/sustainability/default.aspx>.
- (c) Neither Party shall knowingly involve itself in any business in connection with, or use information arising from, this Agreement, in any manner which conflicts with the interests of the other Party.

### 51.2 Anti-Bribery Compliance

With reference to the performance of the Services and associated activities under this Agreement, each Party hereby (either directly or through any of their affiliates, directors, officers, employees, masters, crewmembers, agents, representatives or parties acting for or on behalf of them or their affiliates) represents and warrants and undertakes at the time of entry into this Agreement and throughout the Contract Period that:

- (a) they will comply with all Applicable Laws, statutes, regulations, legislation, rules, decrees and/or official government orders as amended, codes and conventions relating to anti-bribery and anti-corruption including, without limitation, (i) those of the jurisdiction of incorporation of the Supplier, the Supplier's ultimate parent company, the Company and the Company's ultimate parent Company; (ii) those of the principal place of business of the Supplier and the Company; (iii) the Foreign Corrupt Practices Act of 1977 15 U.S.C. §§ 78dd-1, et seq. (United States of America); (iv) the Bribery Act 2010 (United Kingdom); (v) the Norwegian Penal Code and (vi) the principles described in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on 17 December 1997, which entered into force on 15 February 1999, and the Convention's Commentaries, or other anti-bribery and anti-money laundering laws applicable to each Party; all as may be amended and/or superseded from time to time and they shall each respectively take no action which would subject themselves or the other to fines or penalties under such Applicable Laws, statutes, regulations, legislation, rules, decrees and/or official government orders as amended, codes and conventions (**Relevant Requirements**);
- (b) they have in place and will maintain an anti-bribery and anti-corruption policy and adequate procedures that to the best of its knowledge and belief are designed to prevent any act of bribery or corruption being committed by them and to ensure compliance with all Relevant Requirements. Upon request, both Parties will provide each other with a copy of such policy and procedures;
- (c) during the Contract Period, both Parties agrees to keep and retain detailed, accurate and up to date books, accounts and records of all financial transactions made pursuant to this Agreement which are sufficient to enable verification of compliance of their respective obligations under this Clause. and either Party shall have the right to audit

the other Party's records and reports in relation to this Agreement at any time during and within seven (7) years after expiry or termination of the Agreement. Such records and information shall include at a minimum all invoices for payment submitted by the other party along with complete supporting documentation. The auditing party shall have the right to reproduce and retain copies of any of the aforesaid records or information. If there are anti-trust issues with a direct audit, or a party objects to a direct audit, the auditing party may appoint an independent company who is approved by the audited party (such approval not to be unreasonably withheld and to be given within seven (7) days of the request) to conduct the audit and provide the auditing party with its findings on the audited party's compliance with the Relevant Requirements without disclosing the records or information to the auditing party. Neither Party will not make any off-the-book accounts, payments or expenditures;

- (d) no member of the Supplier Group has made, offered, or authorized and that no member of the Supplier Group will make, offer, or authorize any payment, gift, promise or other advantage, whether directly or through any other person or entity, to or for the use or benefit of any public official or any person holding a legislative, administrative or judicial office (including any person employed by or acting for a public agency), any officer or employee of a public international organisation, any employee or other representative of a state-owned entity, or any political party or political party official or candidate for office, or any other person, individual or entity at the suggestion, request or direction or for the benefit of any of the above described persons and entities for the purpose of influencing any act or decision of such person in favour of either Party, or inducing such person to act in violation of his or her lawful duty, or rewarding such person for violating his or her lawful duty in order to obtain, retain or direct business to any person, or to secure any improper business advantage, in violation of any of the Relevant Requirements;
- (e) no member of Company Group has made, offered, or authorized and that no member of the Company Group will make, offer, or authorise any payment, gift, promise or other advantage, whether directly or through any other person or entity, to or for the use or benefit of any public official or any person holding a legislative, administrative or judicial office (including any person employed by or acting for a public agency), any officer or employee of a public international organisation, any employee or other representative of a state-owned entity, or any political party or political party official or candidate for office, or any other person, individual or entity at the suggestion, request or direction or for the benefit of any of the above described persons and entities for the purpose of influencing any act or decision of such person in favour of either party, or inducing such person to act in violation of his or her lawful duty, or rewarding such person for violating his or her lawful duty in order to obtain, retain or direct business to any person, or to secure any improper business advantage, in violation of any of the Relevant Requirements;
- (f) during the Contract Period and following its expiry or termination, each Party will promptly report to the other if it becomes aware or has reasonable grounds to believe that any payment, gift, promise or other advantage has been requested, demanded, offered, accepted, paid or received in relation to the Services and associated activities under this Agreement. In such a circumstance, the Parties shall cooperate in good faith with any investigations which either Party may seek to initiate in order to determine

whether any such payment, gift, promise or other advantage has been requested, demanded, offered, accepted, paid or received;

- (g) each Party shall promptly notify the other Party if, at any time during the Contract Period, its circumstances, knowledge or awareness changes such that it would not be able to repeat the representations, warranties and undertakings set out in this Clause at the relevant time. The Parties shall work together to provide assistance to one another for the purpose of compliance with any of the Relevant Requirements;
- (h) breach of any provision of this Clause shall be deemed a material breach if it provides basis for termination in accordance with the terms of Clauses 30.2(d) and 30.7(d). If either Party suspends or terminates this Agreement for a known breach of this Clause 51, the other Party shall not be entitled to claim any compensation or remuneration in respect of such period of suspension or following termination, regardless of any activities or contracts with additional third parties entered into before termination;
- (i) without limiting any other rights the Company may have against the Supplier, the Supplier shall be responsible for and shall save, indemnify, defend and hold harmless each member of the Company Group, from and against all fines, penalties, claims, losses, damages, costs (including court and legal costs), expenses and liabilities which such member of the Company Group may suffer, sustain, pay or incur arising by reason of any breach by the Supplier or any member of the Supplier Group of any of the representations, warranties and obligations under this Clause. This Clause will survive the expiry or termination of this Agreement, notwithstanding anything to the contrary contained herein; and
- (j) without limiting any other rights the Supplier may have against the Company, the Company shall be responsible for and shall save, indemnify, defend and hold harmless each member of the Supplier Group, from and against all fines, penalties, claims, losses, damages, costs (including court and legal costs), expenses and liabilities which such member of the Supplier Group may suffer, sustain, pay or incur arising by reason of any breach by the Company or any member of the Company Group of any of the representations, warranties and obligations under this Clause.

## 52. DATA PROTECTION AND GDPR

- 52.1 Each Party agrees that it will comply with the requirements of Data Protection Laws in respect of any Protected Data.
- 52.2 Each Party shall, and shall require any person acting under its authority who has access to Protected Data to:
  - (a) maintain an appropriate data protection policy and will comply as a minimum with the Company's Data Protection policy in respect of the processing of any Protected Data;
  - (b) ensure all relevant consents have been obtained prior to the disclosure of Protected Data;
  - (c) ensure that it has and will maintain procedures to prevent any accidental or unlawful destruction, loss, alteration, unauthorised use or disclosure of, or access to, Protected Data;

- (d) not sub-contract the processing of any Protected Data without express written permission of the other Party;
- (e) promptly notify the other Party if Protected Data will be processed other than as required for the purposes of this Agreement;
- (f) promptly notify the other Party of any accidental or unlawful destruction, loss, alteration, unauthorised use or disclosure of, or access to, of Protected Data upon becoming aware of the same; and
- (g) securely delete and/or return all Protected Data to the disclosing Party at the end of this Agreement or, if earlier, when processing of such Protected Data is no longer required. Should the storage of Protected Data be required by Applicable Law beyond the duration of this Agreement, the processing Party shall notify the disclosing Party accordingly.

Any notices to be provided under this Clause 52.2 shall be provided in accordance with the provisions of Clause 38 and copied to the Data Protection Officer appointed by the Company at (currently) [dap@juridicon.lt](mailto:dap@juridicon.lt).

52.3 The Supplier shall comply with the Company's reasonable instructions regarding Protected Data. Without limiting any other rights that the Company may have against the Supplier, the Supplier shall be responsible for and shall save, defend, indemnify and hold harmless each member of the Company Group from and against all claims, losses, damages, costs (including legal costs), expenses and liabilities which such member of the Company Group may suffer, sustain, pay or incur as a result of, or arising from, any breach by any member of the Supplier Group of any of the representations, warranties and obligations under this Clause 52. This Clause 52 will survive the expiry or termination of this Agreement, notwithstanding any other provision to the contrary.

52.4 The Company shall comply with the Supplier's reasonable instructions regarding Protected Data. Without limiting any other rights that the Supplier may have against the Company, the Company shall be responsible for and shall save, defend, indemnify and hold harmless each member of the Supplier Group from and against all claims, losses, damages, costs (including legal costs), expenses and liabilities which such member of the Supplier Group may suffer, sustain, pay or incur as a result of, or arising from, any breach by any member of the Company Group of any of the representations, warranties and obligations under this Clause 52. This Clause 52 will survive the expiry or termination of this Agreement, notwithstanding any other provision to the contrary.

52.5 In addition to the specific rights and obligations set out within this Clause 52, any Party in receipt of Protected Data shall also comply with the other provisions relating to the handling of information contained within this Agreement for example, without limitation Clause 15 and Clause 26. In the event of any conflict or ambiguity, the provisions of this Clause 52 will take precedence in the treatment of Protected Data.

### 53. **EXPERT PROCEDURE**

53.1 As further specified in Clause 41.3, the Parties may by mutual agreement refer a dispute to an independent expert.

53.2 The request for Expert Determination shall contain:

- (a) a concise summary of the nature and background of the dispute and the issues arising;
- (b) copies of all documents which have an important and direct bearing on the issues; and
- (c) the name, address, contact numbers and qualifications of at least one and not more than three (3) individuals each of whom is ready, willing and able to act as the Expert in the reference.

53.3 The Party who receives a request for Expert Determination shall within ten (10) Business Days of service of such request serve upon the other Party a written response to the matters raised in the request and copies of all documents not already included in the request which the responding Party considers have an important and direct bearing on the issues. Such response shall indicate which, if any, of the individuals proposed by the Party serving the Request is acceptable to the responding Party and, if none, include the name, address, contact numbers and qualifications of at least one and not more than three (3) other individuals each of whom is ready willing and able to act as the Expert in the reference and who would be acceptable to the responding Party.

#### 53.4 **Choice of Expert**

- (a) If the Parties have not agreed upon the identity of the individual to be appointed as the Expert within five (5) Business Days of the written response to the service of the request for Expert Determination, either Party may apply to the president for the time being of the UK Energy Institute to appoint an individual to act as the Expert in the reference requesting that the appointment be made within five (5) Business Days of receipt of the application.
- (b) The Expert shall be qualified in a discipline appropriate to the nature of the deadlock.
- (c) No individual shall be appointed as an Expert under this Clause in any dispute in respect of which that individual has any financial or personal interest in the result of the Expert determination except by written consent of the Parties. For the avoidance of doubt, no individual shall be appointed as Expert under this Agreement who at the time of appointment is a director, office holder, shareholder or employee of or directly or indirectly retained as a consultant or in any other professional capacity by either Party or any Affiliate or company or other Person associated with either Party.
- (d) If the Expert appointed by the Parties shall become incapable of continuing to act for any reason, the Parties shall appoint a new Expert by agreement or, if they have been unable to agree upon the identity of a new Expert within five (5) Business Days of a written request by one Party to the other to do so, either Party may apply for the appointment of a new Expert pursuant to this Clause 53.4(d). Any such new Expert shall conduct the reference ab initio.
- (e) The Expert shall be required as a condition of their appointment to keep all matters relating to his appointment, the dispute and his determination confidential.

#### 53.5 **Powers and duties of the Expert**

- (a) Subject to Clause 53.6 below, the Expert shall have the widest discretion permitted by law to determine the procedure of the Expert determination and to ensure the just, expeditious and economical determination of the dispute after such investigation as the

Expert may think fit and may adopt all and any procedures agreed by the Parties to be appropriate to the determination of the dispute. Without prejudice to the generality of their powers, the Expert may:

- (i) require the delivery of written submissions and limit or extend the time for delivery of such submissions;
  - (ii) permit a Party to amend its submissions;
  - (iii) require the production of documents or the attendance of people whom he considers could assist;
  - (iv) meet and question the Parties and their representatives;
  - (v) meet the Parties separately;
  - (vi) limit the length of any written or oral submission;
  - (vii) proceed with the reference and reach his decision even if a Party fails to comply with a request or direction of the Expert;
  - (viii) obtain legal or technical advice provided that at least one of the Parties so requests or consents;
  - (ix) review and revise any of his previous directions or requests; and
  - (x) reach his decision with or without holding an oral hearing.
- (b) The Parties shall comply with any request or direction of the Expert in relation to the conduct of the Expert determination.
- (c) The Expert may not receive any written communications or submissions from one Party that are not also made available to the other Party.

#### **53.6 The Expert's decision**

- (a) The Expert shall reach their decision within twenty (20) Business Days of the date of acceptance of their appointment or such longer period as the Parties may agree in writing or the Expert may decide, provided that in the absence of agreement of the Parties they shall not extend the period of twenty (20) Business Days for reaching their decision by more than ten (10) Business Days in total.
- (b) The Expert may in their decision open up, review and revise any certificate, decision, direction, instruction, opinion, requirement or valuation made under this Agreement, provided that they may only determine such matters as are in dispute and which have been submitted to them in the same manner as if no such certificate, decision, direction, instruction, opinion, requirement or valuation had been given.
- (c) The Expert shall reach their decision as to such matter on the basis of such criteria set out in Schedule 4 and this Agreement, and on such basis as is fair and reasonable, taking into account the objectives of the Parties in entering into this Agreement and all of the circumstances that the Expert believes are relevant to enable them to make their decision.

- (d) The decision of the Expert shall (save in the case of manifest error) be considered as an expert advice and shall not be final and binding on the Parties. The Parties shall implement the decision without delay, unless a Party declares that it does not agree with the decision, in which case the procedure in Clause 41.2 will be applicable.
- (e) The Expert shall act as expert and not as arbitrator. The provisions of the Arbitration acts shall not apply to the Expert or their decision or the procedure whereby they reach their decision. Neither the Expert nor any employee or agent of the Expert shall be liable to any Party for anything done or not done in the discharge or purported discharge of their functions as Expert, whether in negligence or otherwise, unless the act or omission is fraudulent or in bad faith.

#### **53.7 Costs of the Expert**

The Parties shall be jointly liable for the Expert's fees and expenses. In their decision the Expert shall have discretion to make directions with regard to those fees and expenses. If no such directions are made the Parties shall bear such fees and expenses in equal shares.

#### **54. CUSTOMS PROCEDURES**

- 54.1 Unless otherwise agreed between the Parties, the Supplier shall be responsible to the Company for importing Materials, plant, tools, equipment and supplies required for the performance of the Services and the clearance of the same through customs.

## **SCHEDULE 1 SERVICES**

The Supplier shall provide the following Services in accordance with this Agreement:

1. technical support and maintenance including supply, installation and maintenance of all Materials;
2. regas expertise to keep required availability;
3. in-house DFDE competence;
4. ship to ship transfer experience;
5. cargo and LNG expertise for the management of tanks and cargos, efficient boil-off management, assessment, and mitigation of roll over risks;
6. Crew management services;
7. health, safety, environment and quality support;
8. performance and digitalisation development;
9. development, implementation and support of FSRU maintenance system;
10. development, implementation and support of SMS for FSRU operation;
11. in-house support during preparation, planning and execution of drydock, UWILD inspection and Classification Society renewal surveys;
12. new regulations and obsolescence monitoring;
13. LNGC approval and clearance processes;
14. ensuring compliance with pollution and environmental permits, including maintaining of such permits;
15. ensuring compliance with ISPS requirements as well as execution of ISPS audits;
16. preparation for and execution of ISO, ISM, SIRE audits;
17. provision and support of information technology services (including, without limitation, maintenance systems, SMS and vessel support);
18. ensuring compliance with IMO Cyber Security Regulation requirements (limited to IMO 2021);
19. maintenance and resupply of spare part stock;
20. execution of procurement function, including the administration of procured service contracts;
21. procurement of insurance if requested by the Company;
22. development of annual operating plans, including an annual maintenance programme;

23. annual operating expenses budgeting including support during operating expenses audits;
24. ensuring environmental compliance including emission management, a duty to obtain comply with the IPPC permit;
25. assisting Company with LNG inventory management in accordance with agreed procedures;
26. technical assistance in feasibility evaluation of potential FSRU modifications and optimisations;
27. daily, monthly, annual reporting;
28. ensuring that conditions of use agreements are in place prior to the commencement of any and all ship to ship transfer experiences
29. ensuring the Company is aware of any issues the Supplier has with ensure the conditions of use agreements are in place; and
30. all other services in relation to the operation and maintenance of the FSRU as the Parties may agree in the COM or from time to time during the Contract Period.

**SCHEDULE 2  
KEY PERSONNEL**

<b>NAME</b>	<b>JOB TITLE</b>
	Asset Manager
	Commercial Operator
	Technical Superintendent

**SCHEDULE 3  
INSURANCES**

**SCHEDULE 4  
COMPENSATION**

**SCHEDULE 5**  
**CREWING PHILOSOPHY AND CREWING TRAINING PROGRAMME**

**SCHEDULE 6  
HOEGH'S PROPOSAL**

**SCHEDULE 7  
TECHNICAL SPECIFICATION**

**TECHNICAL SPECIFICATION**

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## 1 Introduction

Klaipėdos Nafta (KN) is obliged by the national law to purchase and own an FSRU which shall be installed at its existing jetty facilities and shall be equipped to moor LNG carriers in a double banking side-by-side arrangement for LNG transfer to/from FSRU storage tanks, to commence operation from end of 2024 for a minimum period of 20 years.

KN has decided to use its purchase option for the FSRU Independence with takeover in 2024. The FSRU is due for 10-year special survey renewal (dry docking) in the second quarter of 2024, the dry docking will be planned and carried out by the current FSRU Owner and KN.

KN will gain full ownership of the FSRU after the current lease agreement is over in December 2024. At the time of transfer of its ownership, the new contracted O&M Service Agreement (Agreement) will enter into force and become operational.

With this tender KN is seeking to secure continued and safe operation of the FSRU during and after taking the full ownership of the FSRU Independence, thus KN invites tenders from experienced and reputable FSRU operators and managers to bid on the O&M contract for the FSRU Independence from the end of 2024. The minimum Agreement duration is 5 years, with possibility for the extension for up to 5-year period.

## 2 Background

The FSRU Independence is a strategically important asset to Lithuania and its energy security therefore it must be available to the terminal users on permanent basis. Principally, the FSRU is moored to the existing infrastructure at Klaipėda Port, receives LNG from ocean going LNG carriers into its LNG storage tanks, vaporizes LNG in its regasification unit and sends out natural gas via Jetty based high pressure loading arms. In addition, it is a requirement that the FSRU can reload LNG from its integral storage tanks into ocean going LNG carriers as well as small scale LNG carriers.

The LNG terminal is currently serviced by the FSRU Independence under a Time Charter Party agreement with Höegh LNG, which expires in December 2024 when the 10-year contract ends.

The KN facilities, in brief, comprise:

- Jetty for an FSRU to be safely moored (while simultaneously an LNG carrier can be moored side-by-side to the FSRU in a double banking arrangement).
- Berth installation (which features two off natural gas high pressure loading arms (HPLAs), mooring equipment, firefighting equipment, fenders, lighting and other equipment, etc.).
- FSRU / export pipeline tie-in and control system with ESD on Jetty.
- Pipeline between FSRU and Lithuanian national grid with gas metering station.
- Sending and receiving equipment for signals to / from transmission system operator.

Supplier may seek further clarification in writing on details of KN's existing infrastructure and technical details of FSRU Independence.

### 2.1 Site Location

Location	Klaipėda Port, Lithuania
Longitude	21° 08' 30" E
Latitude	55° 39' 50" N

### 3 Definitions and Acronyms

Following are definitions of terms and acronyms that are used in this document.

#### 3.1 Definitions

For the purpose of the tender, the following definitions apply:

The Company: refers to AB Klaipėdos nafta (KN);

The Supplier: the Party responsible for the Operation and Maintenance (O&M) of the FSRU.

#### 3.2 Acronyms

Abbreviation	Full form
BOG	Boil Off Gas
CAPEX	Capital Expenditure
COM	Commercial and Operations Manual
DFDE	Dual Fuel Diesel Engine(s)
DOC	Document of Compliance
EIA	Environmental Impact Assessment
ESD	Emergency Shutdown
ESHS	Environment, Social, Health and Safety
EU	European Union Directives or requirements
FSRU	Floating storage regasification unit
GIIGNL	International Group of Liquefied Natural Gas Importers
HAZID	Hazard identification
HAZOP	Hazard and operability (study)
HSE	Health, Safety and Environmental
HSSEQ	Health, Safety, Security, Environment and Quality
IACS	International Association of <i>Classification Societies</i>
IGC	International Gas Code
IMO	International Maritime Organisation
IPPC	Integrated Pollution Prevention and Control
ISM	The International Safety Management Code
ISO	International Standards Organisation
ISPS	International Ship and Port Facility Security Code
KN	AB Klaipėdos nafta
KPI	Key Performance Indicator
Local	in general means within the Republic of Lithuania
LNG	Liquefied Natural Gas
LNGC	Liquefied Natural Gas Carrier

Abbreviation	Full form
LPG	Liquefied Petroleum Gas
LT	Lithuanian regulatory requirements
LTI	Lost Time Injury
LTIF	Lost Time Injury Frequency
MGO	Marine Gasoil
NG	Natural Gas
OEM	Original Equipment Manufacturer
O&M	Operation and Maintenance
OPEX	Operational Expenditure
PSC	Port Service Charge
QA/QC	Quality assurance/quality control
QRA	Quantitative Risk Assessment
TRC	Total Recordable Cases
TRCF	Total Recordable Case Frequency
SMS	Vessel's Safety Management System
SIGTTO	Society of International Gas Tanker and Terminal Operators
SIRE	OCIMF's Ship Inspection Report Programme
STCW 95	International Convention on Standards of Training, Certification and Watchkeeping for Seafarers 1978, as amended in 1995
STS	Ship-to-ship operation for LNG transfer to/from FSRU
UWILD	Underwater Inspection in Lieu of Dry-Docking

#### 4 FSRU details

Item	Value
Flag	Singapore (will be flagged under the Lithuanian flag post takeover)
IMO	9629536
Classification	+ 1A1, Tanker for liquified Gas, Ship Type 2G (-163 degC 500 kg/m <sup>3</sup> , 25kpa), NAUTICUS (Newbuilding), REGAS-2, E0, NAUT-OC, CLEAN, BIS, CSA-FLS2, PLUS, COAT-PSPC (B), Recyclable, GAS FUELLED, TMON, OPP-F FSRU mode: Ship Type 2G (-163 degC 500 kg/m <sup>3</sup> , 70kpa)
Cargo capacity	170 132.271 m <sup>3</sup>
Number of cargo tanks	4 26 147.840 m <sup>3</sup> 47 139.260 m <sup>3</sup> 47 143.510 m <sup>3</sup> 47 149.660 m <sup>3</sup>
Deadweight	103 800 ton
LOA	294.04m

Breadth	46.0m
Depth	33.0m
Draught (design)	11.6m
Builder	Hyundai (2549)
Delivered	12.05.2014
LNG containment system	GTT Mark III Reinforced
Engine type	Dual Fuel Diesel Electric Driven Wärtsilä-Hyundai / Converteam 20 000kW x 76 rpm
Maximum filling rate	9 000 m <sup>3</sup> /h

#### 4.1 Operational modes

The FSRU has capabilities to operate in seven (7) different operational modes including a worldwide trading LNG Carrier mode. The Supplier shall at all times maintain and operate the FSRU so that all modes are achievable.

1. FSRU in LNG holding mode with no regasification
2. FSRU in regasification mode exporting high pressure natural gas ashore
3. A supply LNG carrier moored alongside transferring cargo to FSRU with FSRU in holding mode
4. A supply LNG carrier moored alongside transferring cargo to FSRU combined with FSRU exporting high pressure natural gas ashore
5. FSRU loading small LNG carrier moored alongside with FSRU in holding mode
6. FSRU loading small LNG carrier moored alongside combined with FSRU exporting high pressure natural gas ashore
7. FSRU in LNGC mode

The Supplier shall be qualified for all relevant cargo operations for the FSRU, including also LNGC subcooling, stripping of LNG from FSRU tanks and later subcooling of FSRU tanks, etc.

Company's expectation on the mode no. 7 (i.e., FSRU in LNGC mode) is that the Supplier with its standard setup of the crew shall be ready to start LNGC mode operation any time at a separate request by the Company. Details of such operation including operational profile and frequency, should be agreed separately between the parties.

## 5 Design Parameters of the FSRU Operation

Parameter	Value
Capable of ship-to-ship transfer to/from LNG carrier	Mooring system and cryogenic flexible hoses (plus associated equipment) for starboard ship mooring and ship to ship LNG transfers
Maximum LNG Boil-off from FSRU Storage	Not greater than 0.15 Vol% of the gross storage capacity per day
BOG management	Efficient BOG management with no venting under all normal operating modes and conditions
LNG loading rate	9,000 cbm / hr (using flexible hoses)
LNG discharge rate	Not less than 9,000 cbm/ hr (using flexible hoses) (no regasification) 5,000 cbm/ hr (using flexible hoses) (with regasification)
Maximum NG Send out Rate capability	460,000 Nm <sup>3</sup> / hr @ 20°C (with 1 regas train in spare)
Minimum NG Send out Rate	61,300 Nm <sup>3</sup> / hr @ 20°C
Minimum NG Send out Temperature	5°C
Design NG Send out Pressure	60 barg

Acceptance of LNG carriers/LNG Bunker vessels size

Up to 215,000 cbm

Availability

Not less than 100%, except planned and approved annual maintenance stops which are agreed between the parties prior to the commencement of upcoming calendar year

The northern location of Klaipėda means a wide range of seawater temperatures, which can vary from a maximum of 25.5°C to a minimum of 0°C, thus the local water temperatures during the winter months are too cold for year-round operation in open loop seawater vaporisation regime, so the FSRU features a combined loop, closed loop (using boilers for seawater heating) and open loop systems. During the winter period air temperature can be sub-zero for prolonged periods. For that reason, the regasification trains and equipment are 'winterized'.

## 6 Stakeholders

The FSRU is a part of LNG terminal which is identified as critical infrastructure essential to national security and falls under supervision of national authorities regarding cybersecurity, personnel screening, and other requirements of compliance with national security interests.

The Company's operation unit is responsible for the control of Jetty, pipeline with gas metering station equipment and the supervision control of the FSRU operation. The Company's LNG commerce unit plans all commercial activities of the LNG terminal and will provide the Supplier with all necessary tasks for fulfilling the commercial obligations for the FSRU. Jetty mechanical and electrical maintenance is carried out by qualified Company's staff.

Amber Grid is the Lithuanian gas transmission system operator and expects uninterrupted operation of the LNG terminal, before, during and after the handover and change in ownership of the FSRU.

The Supplier shall ensure that the operation and management of FSRU shall be performed following the rules and regulations of the Terminal as well as all personnel involved in the operation at all times have knowledge of and adheres to the rules and regulations of the Terminal.

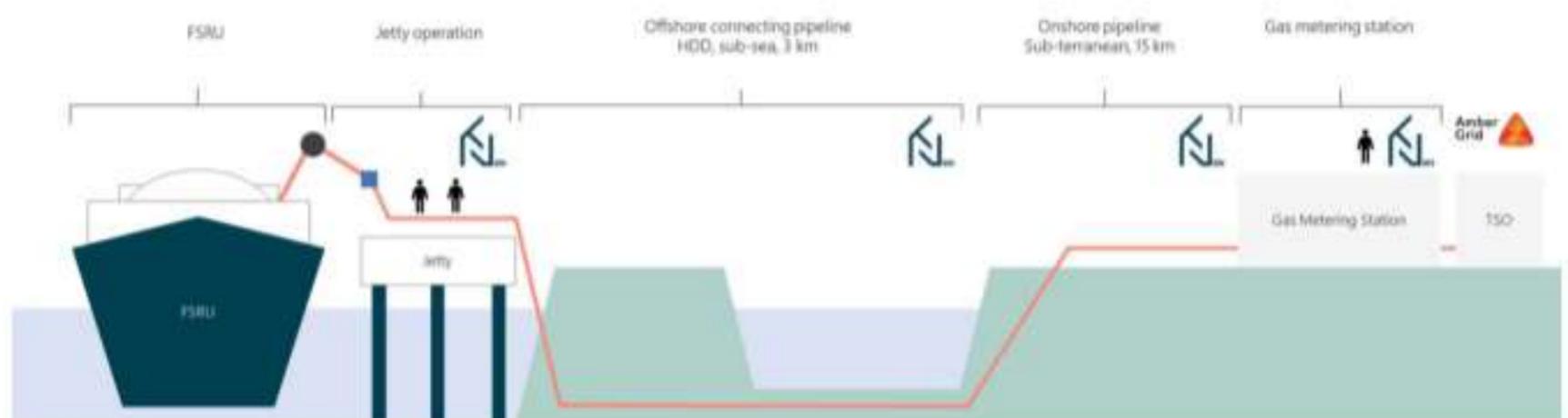


Figure 1: Identification of the shareholders from FSRU to shore

## 7 Rules and requirements

### 7.1 Codes and Standards

The FSRU shall be operated to comply with applicable international and local (Lithuanian) codes and standards, and obtain and maintain in effect all necessary permits, authorizations, and certificates to provide FSRU operations and maintenance services in the Republic of Lithuania.

The on-board LNG regasification plant and the associated high-pressure natural gas systems are

designed to oil and gas offshore standards such as American Petroleum Institute (API), American Society of Mechanical Engineers (ASME) and International Standards Organisation (ISO) standards or equivalent Classification Society rules for LNG regasification plants.

The Suppliers Quality and Environmental Management Systems shall meet the requirements of related ISO standards. Accordingly, ISO 9001:2015 for Quality System and ISO 14001:2015 for Environmental Management System shall be met and accredited by recognized authority.

The Company may from time to time arrange audits and/or surveys alone or with applicable authorities to inspect quality of Supplier's services and/or FSRU equipment. The Supplier shall cooperate in such inspections and shall make available all relevant procedures, certificates, approvals, statements, and other compliance documentation.

## 7.2 Environmental Requirements

The Supplier shall ensure and maintain the FSRU to meet the following environmental requirements as relevant to the size of thermal input (i.e., more than 5 MW and less than 100MW):

- EU directive 2015/2193; for existing medium combustion plants with a rated thermal input greater than 5 MW
- LT LAND 43-2013, annex no.2. (Document D1-244 dated 2013-04-10 adopted by Ministry of Environment of the Republic of Lithuania - Regarding the approval of emission standards for combustion plants LAND 43 2013)
- Approval of average emission standards from combustion plants. (Document D1-778 dated 2017-09-18 adopted by Ministry of Environment of the Republic of Lithuania)
- EU directive 2010/75; Directive 2010/75/EU of the European parliament and of the council of 24 November 2010 on industrial emissions (integrated pollution prevention and control)
- Approval of special requirements for large combustion plants (Document 486 dated 2001-09-28 adopted by Ministry of Environment of the Republic of Lithuania)
- Flue gas emissions from engines should be in accordance with Annex VI MARPOL Convention and shall comply with the Tier III NOx standard.

The Supplier shall ensure all necessary permits are in place and maintained through the period of Agreement. The Supplier shall meet the requirements defined in EIA report, EIA decision, IPPC (Integrated Pollution Prevention and Control) permit, Safety Report and Emergency Response Plan.

## 8 Operation and Maintenance Service

This Tender includes the full scope of technical and operational management of the FSRU Independence, including but not limited to being approved by Lithuanian flag authority as holder of Document of Compliance (DOC), managing and performing all cargo and vessel related operations, manning, storing, ensuring supply of lubricating oils and spares, the overall responsibility for the maintenance and repair of the unit and (if requested by the Company) insurance of the FSRU and its personnel on behalf of the Company.

The FSRU is currently located at the Port of Klaipeda and operating as an FSRU in regasification mode, but the Supplier shall also be able to operate and maintain the FSRU in all modes as detailed in section 4.1 Operational modes, as per agreement with the Company.

The Supplier shall provide its services in reasonable and prudent manner and shall ensure safety of personnel, environment, and property as well as maximum availability of FSRU while focussing on efficiency, energy and costs.

An availability target of 100% shall be incorporated into the entire operation, planning and execution.

Annual maintenance allowance for the FSRU shall be of maximum seven (7) days (which can be performed on separate occasions e.g., two (2) and five (5) day or three (3) and four (4) day stops, etc.), which shall be aligned with and approved by the Company prior to the commencement of upcoming calendar year. Additionally, to the seven (7) day annual maintenance allowance the Supplier is allowed to perform maintenance and repairs on any of the FSRU's equipment on the days when there is no nominated gas send-out assuming that the FSRU shall be ready to start gas send-out in case a nomination is received.

The Company may undertake an independent audit and provide comments for Supplier's QA/QC system to ensure conformance with International Standards, established safety, quality, security and environmental objectives and continuous improvement of the HSSE Management Programme.

#### 8.1 Technical management service

The Supplier shall always ensure full compliance and management of the FSRU in line with applicable rules and regulations, which shall not be limited to classification requirements, flag state and port state requirements. Should there be any changes in requirements and regulations, the Supplier shall act in due course and implement the required changes with no delay.

Table 1 - Major regulators compliance

Parameter	Value
Flag State requirements	Compliance with applicable laws and regulations
International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code)	Compliance
International Code for the Security of Ships and Port Facilities (ISPS Code)	Compliance
Classification Society	Compliance with the class, arranging surveys and appointing surveyors when required
Port State requirements	Compliance with all requirements in the Port of Klaipeda

The Supplier shall keep the Company informed of all changes in rules, regulations, commercial and operational requirements that may require upgrades and/or modifications to the FSRU or its systems.

The Company may request additional requirements for upgrades or modifications of the FSRU or its systems that are required for commercial or operational reasons. The Supplier shall provide technical assistance in feasibility evaluation of such potential FSRU modifications and optimizations.

In line with the strategic initiatives of the Company, energy efficiency shall be strived for during the entire operation. The Supplier shall follow the developments in the market for applicable environmental improvements related to its FSRU services and keep the Company updated on potential options.

The Supplier shall ensure that the planned maintenance is in line with the Original Equipment Manufacturers (OEM) guarantees and in line with their recommended maintenance and overhaul intervals and guidelines.

The Supplier shall ensure and maintain a prudent level of critical spares and service parts to ensure continued operations.

Within the first three (3) months after taking over of FSRU management, the Supplier shall provide the FSRU maintenance and repairs policy for Company's review and approval. Throughout the operational phase, the Supplier shall update the policy when necessary.

The Supplier shall with no delay plan, arrange and supervise dry dockings, repairs, alterations,

and maintenance of the FSRU to the standards agreed with the Company and ensure that the FSRU complies with all requirements and recommendations of the classification society, the law of the Flag State and Port State rules.

## 8.2 Operation Management Service

The Supplier shall provide the operational management of the FSRU where the Supplier shall act as a reasonable and prudent operator managing FSRU in operational modes defined in section 4.1 of this Annex, meeting Key Performance Indicators that include key operational, safety and environmental criteria. The Supplier shall ensure communication with the relevant parties including but not limited to the Company, the visiting LNGC, the agents in the port, tugboats and other third-party service providers.

The Supplier shall be in charge of the functional management of the FSRU including all the operational orders nominated by the Company, such as regasification, loading and discharging operations, ensuring they are handled within the required target quantity, timing and allowable deviations.

The Supplier shall ensure that the FSRU is capable to carry out LNG loading or discharge and regasification operations simultaneously.

Upon request from the Company, the Supplier shall be able to deploy the FSRU as an LNG Carrier.

Supplier shall provide technical assistance and participate in HAZID/HAZOP/Risk assessment workshops as required by the Company or other third party nominated by the Company in order to review and evaluate new additions or modifications of the existing equipment, interfaces, and/or operation profiles.

In case of emergency, the Supplier shall be always in a state of readiness to unfasten the moorings and sail the FSRU out of the port. The Supplier might be also required to unfasten and unmoor the FSRU in case of a planned dredging works of the channel – this is usually planned during the annual maintenance scheduling.

For the sake of good order, the Company and the Supplier shall in due course after the signing of the Agreement develop a Commercial and Operations Manual. Such manual shall define main operational and communication principles between the parties. The preliminary content of COM is enclosed to this Annex as Appendix 3.

### 8.2.1 Operational profile

The forecasted operational profile involves 90% of technological regasification capacity (gas send-out capacity) and around sixty (60) ship to ship transfers (STS) per year including loading/discharge operations.

Should it become clear, that during the annual scheduling (annual delivery program) there is a significant change in forecasted terminal operational profile, both parties shall have the right to request revision of crew size or composition and its costs for the upcoming operational year. This mechanism shall work in both ways meaning that the cause for such request shall be an increase or decrease of ten (10) STS operations per year. Despite the above, the Supplier shall ensure that minimum FSRU manning requirements are met.

Supplier shall be aware that the Company intends to increase FSRU's operational capabilities in the mid-term future. As already defined in this Annex, the Supplier shall provide technical assistance related to such Company's intentions and modifications on a feasibility study levels, however should these plans move forward in a form of the project, parties shall discuss Supplier's involvement separately.

### 8.2.2 LNG Carrier approval

The Supplier shall arrange and execute LNG Carrier approval process in line with the Company's

LNG Carrier Approval Procedure (reference ), including, compatibility/interface assessment and relevant meetings between the parties.

The costs incurred for third-party service of vessel screening and mooring study (if ordered by the Supplier) shall be compensated by the Company via OPEX element.

For the avoidance of doubt, only LNG Carriers approved by the Supplier shall be permitted to deliver LNG to the FSRU.

### 8.2.3 Jetty operations

The Company plans over time to establish jetty operations and control onboard the FSRU with its 24/7 operational personnel in order to optimize current staff setup as well as to improve decision making and information flow between the parties. The Supplier shall assist the Company by providing relevant information and technical/operational support during integration of operations. Once the integration is completed, the parties and their respective operational personnel shall work in cooperative spirit and share workplace and other facilities available onboard FSRU.

### 8.3 Crewing

The Supplier shall act as a principal and shall be responsible for all aspects of safe and sufficient Crew management, including retainment of the trained and qualified crew for the FSRU. The services shall include but not limited to (see figure below):



Figure 2 – Crewing related services

The Supplier shall provide suitable qualified crew that complies with the requirements of the latest version of International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW). The individual sea time of the FSRU's deck and engineering officers and the aggregate combined sea time of the FSRU's deck and engineering officers (including time in rank, time with owner/manager, sea time on all vessels and sea time on LNG carriers), shall, in each case, not be less than the SIGTTO LNG and LPG Experience Matrix - First Edition 2011 as amended, updated or replaced from time to time. In addition, the Supplier shall ensure that 3 (three) key positions of the crew, i.e Master, Chief Officer and Gas Engineer, shall have at least 1 year experience on board of the FSRU before being assigned to operate the FSRU Independence throughout the whole duration of the Agreement.

The FSRU will be flagged under the Flag of Lithuania, thus the applicable requirement of the law of the Flag State in respect of rank, qualification, nationality and certification of the crew and employment regulations shall govern.

The crew shall be conversant in English language and English shall be the working language. Supplier shall provide data, reports, studies and other documents with Lithuanian translation when required by applicable Law.

The Supplier's crew management shall be in line with the requirement from the International

Labour Organization (ILO) and International Transport Workers Federation (ITF).

The Supplier shall handle all the crew support services, including but not limited to the below services as indicated in the figure below.



Figure 3 – Crew support services

According to the Law of the Republic of Lithuania on Enterprises and Facilities of Strategic Importance to National Security and other Enterprises of Importance to ensuring National Security, the crew supplied to the FSRU must comply with the requirements for persons applying for or holding positions in the companies important for ensuring the National Security of the Republic of Lithuania.

Crew screening on the compliance of the prescribed requirements shall be performed by the institutions authorized by the Government of Republic of Lithuania in accordance with the approved list of positions by the Lithuanian Authorities.

#### 8.3.1 Crewing cost

For the provision of services and in order to meet operational profile detailed in Section 8.2.1, the Supplier shall provide the manning structure of the FSRU which shall include the number of Crew members and Crew positions. Such Crew costs shall be fixed (excluding applicable local taxes on seafarers' wages) on an annual basis for the contract period of 5 (five) years. Fixed Crew costs shall be adjusted (increased or decreased) by the reference to the Harmonised Index of Consumer Prices (HICP)<sup>1</sup> starting from the second year of operations. The Company and the Supplier will mutually agree on the respective HICP market and geographic location (Applicable Market) upon signing the Agreement. The amount of applicable taxes for Crew costs arising from Lithuanian legislation shall be compensated by the Company. Fixed annual Crew costs shall be revised on an annual basis in case there is an increase or decrease of the number of planned STS operations by ten (10), compared to operational profile defined in Section 8.2.1. Despite the above, the Supplier shall ensure that minimum FSRU manning requirements are met. The annual fixed rate

<sup>1</sup> [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc\\_hicp\\_mv12r&lang=en%20of%20monthof%20September2019](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc_hicp_mv12r&lang=en%20of%20monthof%20September2019).

shall take into account all crewing related cost, including but not limited to:

- Officers' wages and overtime
- Ratings' wages and overtime
- Applicable taxes, excluding taxes arising from Lithuanian legislation
- Crew travel
- Manning expenses and agency fees
- Crew support costs
- Crew victualling
- Cabin Stores

#### 8.3.2 Crewing philosophy

The Supplier shall present the Crewing philosophy defining its approach towards the Crewing of FSRU Independence. The Crewing philosophy shall define the following: i) minimum requirements for officers' positions (experience of relevant sea operations, necessary trainings, etc.); ii) Crew source (e.g., in-house or outsourced); and iii) the number of in-house substitute availability for each of the key positions. For the sake of clarity, the in-house crew means the employment within the Supplier for at least 1 year.

The format of simplified Crewing philosophy is provided in an Appendix 4 of this specification. Inputs to Annex 12 is a part of bidding model and will be assessed during the bidding process by the Company. The Supplier shall ensure that the principles of Crewing philosophy are in force during the term of its services.

#### 8.4 Insurance

At the Company's request, Supplier shall on behalf of the Company procure and maintain applicable insurance cover during the Agreement period and any optional extended period(s). The insurance policies are described below.

The cover shall be confirmed by full copies of the policies and, in respect of P&I only, certificates of insurance issued by the insurers or brokers:

- All Risks Hull and Machinery, Hull Interest, including war risk and strikes insurance.
- Protection and Indemnity, including P&I war risk and Wreck Removal insurance with a member of the International Group of P&I Clubs.
- Business Interruption insurance covering the loss of revenues of the Company following physical loss or damage to the Vessel.

All insurances shall be with insurers acceptable to Company and on such terms as the Company shall have instructed or agreed, in particular regarding conditions, insured values, deductibles, excesses and limits or liability. The cover the FSRU against physical loss or damage shall be up to 120% of its market value as advised by Company. The Company may instruct the Supplier to effect additional insurances as may be agreed (such as FD&D, Freight Interest and COFR if unit is in LNGC mode trading to US).

The Supplier shall handle and settle all claims and disputes arising out of the O&M Services. The Supplier shall keep the Company appropriately informed on a timely manner throughout the handling of such claims and disputes.

The Supplier shall note that at any point during the Agreement period, the Company may at its sole discretion effect any or all the above insurances in respect of the FSRU directly with insurers or through its own broker.

#### 8.5 Accounting and budgeting

The Supplier shall at all times maintain and keep true and correct accounts in accordance with the relevant International Financial Reporting Standards or such other standard as the parties may agree, including records of all costs and expenditure incurred, and produce a comparison

between budget and actual expenditure of the FSRU in such form and at such interval as shall be mutually agreed.

The Supplier shall handle the accounting for the FSRU with full transparency to the Company. The Supplier shall make such accounts available for inspection and audits by the Owners and/or their representatives.

There shall be full transparency for the FSRU's year to date cost position and the status for the remaining budget year. Monthly reports with actual costs that includes a comparison with year-to-date budget, a credible and accurate commitment report shall be provided. Any budget deviations are to be provided with descriptive substantiation with regards to the reasons for deviation.

Any expenditure over an agreed sum between the Company and Supplier shall be preapproved by the Company, unless otherwise agreed. In case the actual costs for the certain month is lower than initially budgeted costs, then the difference of spent/saved OPEX shall be transferred to next month. If at the end of the year the actual costs are lower than budgeted, the Supplier shall return to the Company such difference (shall issue a credit invoice).

As a minimum, a yearly review of the status and plans for the next budget year period should be included as part of the service, this should be with an option to increase to quarterly reviews. The Company shall audit the actual operating expenditure relating to the FSRU incurred by the Supplier in the immediately preceding Agreement Year. All books in relation to activities of the FSRU, its operations and maintenance shall always be clearly separated from other activities of the Supplier.

Real time data with digital dashboard views or similar with key day-to-day operation data and values should be provided to the Company.

The 12 months budget shall be for normal running operation, at all times maintaining the high standards of the unit, taking into account the required maintenance overhauls, repairs, surveys and fees for licenses etc.

Initial planning and budgeting for year 2025 will be done by the current FSRU operator. Such plan and budget shall be provided by the Company to the Supplier prior to year 2025 for their review and acceptance. Details of this process shall be agreed by the parties in the Agreement. For the first operational year, after signing of Agreement, the Company shall assist the Supplier with identification and provision of the spare parts. For this purpose, the Company shall: i) transfer the available spare parts from the previous operator; ii) provide a spare part list of the previous operator where the missing spare parts, required for the daily operations and maintenance are identified. The Supplier shall review such list as soon as reasonably possible and identify any missing spare parts in addition to those which were identified by previous operator. When such list is finalized and agreed with the Company, the Supplier shall proceed with the procurement.

The initial budget for Operational and Maintenance costs for the second year shall be prepared and presented by the Supplier to the Company in the middle of September. After mutual discussions the Supplier and the Company shall agree on the next year's budget no later than November. Under these conditions, OPEX costs shall be reconciled annually by the Supplier.

After the end of each Contract Year, the Company shall audit the actual operating expenditure incurred by the Supplier relating to the FSRU against the approved budget. If actual costs are higher, the Company shall pay to the Supplier the resulting difference considering that the additional expenditures were agreed in advance with the Company and proven by the Supplier. If actual costs are lower than budgeted, the Supplier shall return to the Company such difference (shall issue a credit invoice).

From the second year onwards, the Crew costs and Annual Management Fee shall be adjusted

based on the last published HICP in the Applicable Market (as defined in Section 8.3.1) upon fixing the annual OPEX costs.

#### 8.6 HSSEQ

The Supplier shall ensure the FSRU is operated in a safe, environmentally friendly manner, with a strong focus on quality. The Supplier shall have high focus on risk containment and continuously work to proactively identify risk to prevent accidents and incidents from happening.

The Supplier shall be responsible for implementing the Company's and their own policies related to Health, Safety, Security, Environment and Quality and the Code of Conduct. Supplier shall be responsible for establishing and implementing a Sustainability Policy that respects the HSSEQ requirements to ensure a zero-accident policy, providing working conditions and quality of life for its employees and all people directly and indirectly impacted by the execution of its activities. The Supplier shall be responsible for handling the audits of the unit, certification, registration, and day to day issues related to cargo operations, compliance management and all emergencies. The Supplier shall have an emergency response team in place for the unit and ensure fast response to short term situations and incidents. At least once a year emergency drills acting out different scenarios shall be held with the involvement of Company organization and other of the units' stakeholders. The Supplier shall be responsible for dimensioning the response structure, plans and providing all human and material resources required for emergency response consistent with the accidental scenarios. The Supplier should be responsible for necessary trainings and personal protective equipment and gear.

Supplier should be responsible for all incidents related to the units' activities, (Key Incident, First-Aid Treatment, Recordable Injury/Illness, Near Miss, Process safety) investigation and communication with the Company.

After signing of the Agreement, the Supplier together with the Company shall coordinate and prepare the FSRU security plan which shall be in line with the requirements of ISPS code. Such plan shall be finalized no later than the date of commencement of Services.

Supplier shall operate through a Management System which complies with the Sustainability Policy and the Integrated Management System. Supplier shall demonstrate that safety management system is in place, providing necessary evidence. Supplier shall ensure that its own HSSEQ Management System, its ESHS policy and its ESHS Plan are compatible with the Company's ESHS management system, as applicable.

All Vetting matters shall be handled by the Supplier, and compliance with all applicable rules and regulations shall be maintained in a timely manner. All Vetting, third party audits, inspection from state authorities, matters shall be handled by the Supplier.

Supplier should be responsible for any necessary communication with state and port authorities

#### 8.7 Purchasing and Subcontracting

The Supplier shall handle the procurement and contract management of third-party suppliers and subcontractors which are necessary for technical management, operations and maintenance of the FSRU including executing procurement contracts, vendor evaluation, bulk purchase, consumables store supply and control. The Supplier shall submit with the tender overview of the key suppliers under frame agreements, or similar, and their contracted subcontractors. The Supplier shall not subcontract nor assign any portion of the O&M services without prior written approval of the Company except for any subcontract work or services identified in the tender.

There shall be full transparency with the Company on all the contracts and agreements applied and/or entered into for the unit. Rebates and discounts on agreements etc. shall be passed on to the Company, and no "kickbacks" to Supplier are allowed. These could be bunker contracts, maintenance contracts, catering, and other external service or spare parts agreements. When

quotations are sourced for new equipment or services, a minimum of three quotes shall be collected from the market and the selection for a given quote substantiated.

The Supplier shall ensure that the FSRU have the sufficient and necessary stores, spare parts and lubricating oils, in addition to arranging for provisions for crew and other personnel working onboard the FSRU.

The Supplier shall always ensure the FSRU has sufficient amount of bunkers onboard, and when bunkering, arrange for the required quality & quantity measurements, sampling and testing of bunkers taken onboard.

Major and/or key partners and cooperations that will be involved in the operation and maintenance of the FSRU shall be listed.

All purchasing of items and subcontracting of suppliers related to identified critical information infrastructure on FSRU should be done according to legal acts related to interests of national security and public procurement requirements of the Republic of Lithuania.

When purchasing goods/services/works, the Supplier shall strive to use the funds allocated for the purchasing in a rational manner, with minimal impact on a climate change, environmental pollution, waste generation, use of natural resources, the condition of ecosystems and their services, and/or other negative environmental impacts.

If the Supplier procures and purchases goods/services/works that are related to the items described in the list (Appendix 4 of this Annex), the Supplier shall ensure that they will not pose threat to national security. It is determined that goods/services/works procured by the Supplier pose a threat to national security and/or are not reliable if and when:

- a) the manufacturer of the hardware or software or the person controlling it is registered (if the manufacturer or the person controlling it is a natural person - permanent resident or having citizenship) in the states or territories specified in the prescribed list<sup>2</sup> of Article 92(14) of the Law of Procurement (LP);
- b) maintenance or support of hardware or software would be carried out from states or territories specified in the prescribed list of Article 92(14) of the LP.

## 8.8 Digital Services

The Supplier shall be responsible for setting up and maintaining Assets of IT/OT infrastructure.

### 8.8.1 Cyber security

Cyber security shall be state of the art, to ensure safe and reliable operation of the FSRU with compliance to relevant Company's Policies, flag state regulations and Lithuanian Republic legal acts requirements and applicable International Maritime Organisation Standards and Guidelines without limitation to:

- Designate a competent person or unit responsible for the organization and maintenance of cyber security and provide the contact details of that person or unit to the Company.
- Perform a risk assessment and implement other technical and organizational cyber security measures based on the latest technical developments and proportionate to the identified risks, in accordance with the procedure set out in the description of the organizational and technical cyber security requirements in local legal acts applicable to the Company.

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<sup>2</sup> States or territories to which related public procurement offers are subject to Article 92 of the Public Procurement Act. 14th provisions, list: 1) Russian Federation; 2) Republic of Belarus; 3) People's Republic of China, excluding the separate customs territory of Taiwan (Penghu, Kinmen, and Matsu); 4) Crimea annexed by the Russian Federation; 5) the territory of Transnistria not controlled by the Government of the Republic of Moldova; 6) The territories of Abkhazia and South Ossetia not under the control of the Sakartvel Government.

- In accordance with the local legal requirements, approve and submit to the Company plans for the management of cyber security incidents in FSRU. At least once in a calendar year Supplier should test the operations and measures provided for in the plan for the management of cyber security incidents and submit the test results to the Company.
- Identification, detection and respond to cyber security incidents should be done on 24/7 basis.
- Organize and perform a risk assessment in accordance with the local legal requirements at least once a year or after significant organizational or systematic changes. The Cyber Security Risk Treatment Controls will be subject to approval by the Company.
- Be compliant to applicable organizational and technical cyber security requirements for critical information infrastructure managers and operators. The compliance should be evaluated, and results presented to Company annually.

#### 8.8.2 Digital reporting

The Supplier shall prepare a standard set of reports, as agreed with Company, that will provide a detailed overview of the FSRU's condition, vetting standard, performance, and technical status, including access to "read only view" of the planned maintenance system and the safety management system.

The Supplier's standard reporting format will normally be accepted, eventual changes to be agreed between the parties.

Reporting should be done electronically, preferably via the Supplier's web portal or similar.

The following data shall as a minimum be always available in real time reporting format:

- Trading Certificates
- Personnel Data (Crew List)
- Maintenance Schedules
- Condition status report (Superintendents Report)
- Vetting Status report and future inspection schedule
- Accident/Incident/Reporting
- Energy Efficiency & Consumption report
- Operational performance
- Environmental performance
- KPI Reporting
- Financials

#### 8.8.3 IT

IT operations shall ensure safe and reliable operation of the FSRU with compliance to relevant Company's Policies, flag state regulations and Lithuanian Republic legal acts requirements and applicable International Maritime Organisation Standards and Guidelines.

The Supplier shall organize and perform IT audit in accordance with the local legal requirements at least once a year or after significant organizational or systematic changes. The IT audit will be subject to approval by the Company.

### 9 Local Office – Lithuania

By the current law the Supplier is required to hold the "Document of Compliance" (DOC) in an office located within Lithuania. At the time of bidding, this requirement is under review and is subject to be changed prior to the commencement of the Agreement, therefore the proposal shall be provided excluding local office establishment for the reason applying for Document of Compliance (DOC) issuance. Initiated changes will allow companies registered in EU, EEA and United Kingdom apply for Document of Compliance (DOC) for the ships flying Lithuanian flag.

While consideration to establish local office for tax and/or other purposes is the Supplier's right.

#### 10 Contract period and Costs

The initial term of the Agreement is 5 (five) years, whereas the Company holds the right to extend the Agreement term up to additional 5 (five) years. In case of extension, the Company shall notify the Supplier about such decision and the duration for the extension of the Agreement no later than 12 (twelve) months prior to the end of initial term of the Agreement.

The Agreement period shall include the UWILD inspection of 2029.

O&M Service costs shall be divided into the following groups:

- a) Annual Management Fee (as defined in section 10.1)
- b) Crewing Costs (as defined in 8.3.1)
- c) OPEX element (as defined in Appendix 1 of this Annex)  
The actual operating expenditures (OPEX element) of the Supplier shall be passed through to the Company based on 12 months running budget from the date of commencement of service with a set up at the end of the year. Respective costs and expenses shall be passed through without net of any margin of profit of the Supplier and administration fee.
- d) Pre-operation costs (costs that Supplier may occur and require for the start-up of its O&M Services, including but not limited to mobilization, accommodation, travelling, etc.) that Supplier shall provide upon the bidding as a Lump Sum. The Lump Sum of such Pre-operational costs shall be compensated by the Company. The Supplier shall plan to carry out the preparatory works for the takeover of FSRU operations. The Company shall ensure the cooperation between the existing and the new operator – for such purpose, the current FSRU operator plans to keep three (3) of its key officers (Chief Officer, Second Engineer, and Cargo Manager) on board for the first operational month of the new operator who will act as consultants. It is currently foreseen that the actual takeover will take place at the end of 2024.

##### 10.1 Annual Management Fee

The Supplier shall provide an Annual Management Fee, which shall take into account all operational modes listed in Section 4.1 of this Specification and shall include the non-exhaustive list of services, as per below. The Annual Management Fee will be subject to Performance Based Bonus as per Section 10.3 and subject to Regas Nomination Fulfillment as per Section 10.4.1.

The Annual Management Fee shall include all Suppliers costs for its shore staff and office overhead cost, including, but not limited to the functions in technical, operation, finance, accounting, legal, communication, safety, and compliance. Management of FSRU operations and functions, supervision of repair and maintenance regime, supervision of procurement needs, and safety and compliance shall be also included in the Annual Management Fee. The Annual Management Fee is subject to HICP as defined in Sections 8.3.1. and 8.5.

Non-exhaustive list of services which shall be included into Annual Management Fee:

- Technical support and maintenance
- Provision of Regas expertise to keep required availability
- Provision of in-house DFDE competence
- STS experience to keep required availability,
- Cargo and LNG expertise to manage tanks and cargos, ensuring efficient boil-off management, assessment, and mitigation of roll over risks
- Crew management services
- HSEQ support

- Performance and digitalisation development
- Development, implementation and support of FSRU maintenance system
- Development, implementation and support of SMS for FSRU operation
- In-house support during preparation, planning and execution of Dry-dock, UWILD inspection and Class renewal surveys
- New regulations and obsolescence monitoring
- LNG Carrier approval/clearance processes
- Ensuring compliance with pollution and environmental permits, including maintaining of such permits
- Ensuring compliance with ISPS requirements as well as execution of ISPS audits
- Preparation for and execution of ISO, ISM, SIRE audits
- Provision and support of IT services (Maintenance systems, SMS, vessel support)
- Ensuring compliance with IMO Cyber Security Regulation requirements (limited to IMO 2021)
- Maintenance and resupply of spare part stock
- Executing procurement function, including administration of procured service contracts
- Procurement of insurance, if requested by the Company
- Development of annual operating plans, including annual maintenance programme
- Annual OPEX budgeting including support during OPEX audits
- Ensuring environmental compliance, including emission management, duty to obtain Integrated pollution prevention and control (IPPC) permit, control it and ensure compliance.
- Assisting Company in LNG inventory management as per agreed procedures
- Technical assistance in feasibility evaluation of potential FSRU modifications and optimisations
- Daily, monthly, annual reporting of as per agreed forms

#### 10.2 Long Lead Items

After signing of the Agreement, The Company shall provide for Supplier's review and comments a provisional list of Long Lead Items (LLIs). The Supplier shall in due course, but no later than 60 days after receiving such list shall review, provide its comments, and approve it. No later than 3 months after the final list of LLIs is confirmed by the Company, the Supplier shall issue the purchase order for LLIs. The Company then shall either pay for such LLIs directly or reimburse the Supplier based on the invoices provided.

#### 10.3 Performance Based Bonus

The Company is committed to constant improvement of operational excellence and is willing to pay the Supplier a performance-based bonus of up to 20% of the Annual Management Fee. The bonus shall be paid if the Supplier is able to meet the following annual KPIs:

- (i) 0 (zero) TRCF (Total Recordable Cases Frequency) with a weight of 7%;
- (ii) 0 (zero) environmental and process safety incidents with a weight of 7%; and
- (iii) 1 (one) or less SIRE survey recommendations with a weight of 6%.

Should the Supplier deviate from the excellence target in one or another of the element above, then it will lose the total weight of such element. For instance, in the scenario when the Supplier receives 2 (two) or more SIRE survey recommendations but reaches targets of zero TRCFs and zero environmental and process safety incidents, then the Supplier would be entitled to receive an annual bonus equal to 14% of Annual Management Fee.

#### 10.4 Key Performance Indicators

KPIs of Regas Nomination Fulfilment, STS Laytime as well as LNG and MGO consumption will be

tracked by the Company on a daily basis.

#### 10.4.1 Regas Nomination Fulfilment

The Supplier shall be obliged to Regasify natural gas quantities properly nominated by the Company with an allowable deviation of +/- 3 percent. In the event, when due to the reasons attributable to the Supplier, actual delivered natural gas quantities are i) less by more than 3 percent of the properly nominated quantities, or ii) greater by more than 3 percent of the properly nominated quantities, the Supplier shall be obliged to pay the Company Liquidated Damages ("LDs") for each such day calculated by the following formula:

$$\text{Payable LDs} = | \text{Monthly Management Fee} * \left( 1 - \frac{\text{Actual Delivered Quantity During Given Day}}{\text{Nominated Quantity for Given Day}} \right) |$$

For avoidance of doubt, in case actual delivered natural gas quantities by the Supplier are greater by more than 3 percent than the quantities properly nominated by Company, the Payable LDs shall be a modulus (non-negative number) of the amounts calculated by the formula above.

The amount of LDs payable by the Supplier to the Company shall be subject to the annual limit equal to 20% of the Annual Management Fee payable by the Supplier to the Company during a given year. The Agreement will provide the Company's termination right in case of accumulated LDs payable by the Supplier during any year exceed 20% or over the Agreement period exceed 50% of the Annual Management Fee.

#### 10.4.2 STS Laytime

Allowable STS laytime for the loading/discharge of the LNG Carrier shall be calculated as provided in the latest edition of the Regulations for the use of Klaipėda LNG terminal ([https://www.kn.lt/uploads/files/dir211/dir10/11\\_0.php](https://www.kn.lt/uploads/files/dir211/dir10/11_0.php)). In case actual laytime exceeds allowable laytime, the Supplier shall reimburse the Company the documented and payable demurrage including extra BOG losses.

#### 10.4.3 LNG/MGO Consumption

During the Supplier's first operational year, the design limits for LNG consumption shall be used as a reference data for allowable LNG consumption limits.

During the Supplier's first operational year, the historical data of the previous two years shall be used as a reference data for allowable MGO consumption limits.

Despite the above, during the first operational year the Supplier together with the Company shall evaluate the historical FSRU fuel consumption data and agree on the optimized LNG/MGO allowable limits for the remaining period of the Agreement.

If, based on monthly reconciliations, LNG and MGO consumption exceed the agreed limits, Supplier shall reimburse the Company the cost of excess LNG/MGO at a price provided in the Annex 2 Gas Accounting policy of the Regulations for the use of the Klaipėda LNG terminal ([https://www.kn.lt/uploads/files/dir189/dir9/6\\_0.php](https://www.kn.lt/uploads/files/dir189/dir9/6_0.php)) and MGO based on the documented price paid for the fuel.

#### 10.4.4. Other KPIs

The Company may want to track additional performance and safety KPIs. The process of tracking and identification of such KPIs shall be defined in Commercial and Operations Manual.

### 11 Qualification of Supplier

The Supplier shall be well qualified to take on the FSRU operations. The evaluation of the Supplier bid shall involve assessment of the following as a minimum:

#### 11.1 Technical management competence and fleet size

The Supplier shall have competence with management of FSRUs. The years of experience with different vessel types and the fleet size managed shall be indicated in response to the tender.

Experience with closed-loop system for the regasification operation to be specified.

#### 11.2 Operational management competence

The Supplier shall have relevant competence with operational management of FSRU.

#### 11.3 Key personnel assigned to the unit

The Supplier shall present a full organization chart of the persons and positions that will be involved in the provision of the Service to the Company. The Supplier shall assign key personnel dedicated to the project as per table below, whereas the name of the position might be different from the table below, but its key functions should match. Such persons shall be available on 24-hour notice. Upon the bidding, the Supplier shall provide CVs of such personnel that should meet the minimum experience criteria as per Annex 2 of this Tender – it will be rated during the bidding process as described in Annex 9 of this Tender. Should during the period of the Agreement the Supplier intends to change any of its key positions, it shall seek the Company's approval to do so. Nonetheless, the qualification experience of the new personnel shall be the same or higher as the Supplier has provided during the bidding process.

Position	Function
Contract/Asset Manager	Supplier's representative for the performance of Agreement, including crew management, procurement, compliance, security, environmental monitoring, etc. All technical and operational matters related to the Agreement provision of the FSRU (including procurement, planning, maintenance and repairs, survey schedules and budgeting). Perform systematic review of recommended codes, guidelines, and standards. Quick respond to any technical and operational queries. Attend vessel dry docking, repairs and survey when required and determine repair specifications for dry docking and maintenance. Monitor technical status of FSRU unit with relation to class certificate and survey
Technical Superintendent	

#### 11.4 Key partnerships/collaborations

Demonstration of key partnerships and collaborations with key suppliers/OEMs, consultants, memberships in SIGTTO, GIIGNL and similar, logistics, yards etc. by the Supplier shall be given due credit in the assessment of the bids to the tender.

#### 11.5 Performance track record

A proven track record on performance of the Supplier shall be provided in terms of management/occurrence of emergency incidents, compliance management, client feedback etc.

#### 11.6 Green operational profile and/or energy efficiency measures

In line with the ambitions of the Company, the Supplier that supports a green profile for operations or Supplier prudent in implementing energy efficiency measures shall get due credit during the assessment of the bid. This aspect shall be documented by way of evidence during the submission of response to the tender.

### 12 Company development

The Company intends to develop into an active FSRU Owner and operator in the long term and potentially build their organization to enable them to take on the O&M Service themselves following the end of the Agreement. For this purpose, the Supplier shall be aware that at the separate cost and request, it may be required to provide one or a combination of the following options:

#### 12.1 Option A – Company's personnel

The Supplier shall, if requested by the Company, provide adequate training of Company personnel for its familiarization with the operation and maintenance of the FSRU.

## 12.2 Option B - Cadet development

A cadet training program shall be set up in order to develop and train Lithuanian nationality crew including a career plan for raising in the ranks. The training program shall be part of a standard training program, but with an extra focus on training and development of knowledge of the FSRU Independence and technical and operational aspects.

## 12.3 Option C – Attaining DOC

Should the Company decide to obtain a Document of Compliance (DOC) for the FSRU, the Supplier shall provide its full support and guidance for the Company.

## 13 PAYMENT CONDITIONS

The prices proposed must be inclusive of all the taxes (direct and indirect) payable by the Supplier in relation to fulfilment of the tenderer's obligations under Agreement. Should there be any taxes, which are to be calculated and paid by the Company for the tenderer under applicable laws of the Republic of Lithuania (e.g., in case of application of VAT 'reverse charge scheme', application of withholding tax, etc.), excluding local taxes to seafarers wages as described in 8.3.1, for the purposes of equal treatment of all bidders, such taxes shall be added to the price proposed by the Supplier, if any. For the avoidance of doubt, should the obligation to calculate and pay respective tax under applicable laws rest with the Supplier, though the Supplier has failed to include such tax into the price, such taxes shall not be added by the Company to the price proposed by the Supplier and shall be deemed to be included in the price as proposed by the Supplier and indicated in the tender offer.

The annual amounts of OPEX costs, Annual Management Fee and Crew costs can be divided by 365 days or fixed as annual. The agreed and fixed amount for payments can be divided into twelve months. Parties may agree on this by signing the Agreement.

According to the Company's Payment guidelines, the Company shall pay the VAT invoices for the properly and timely provided services to the Service Provider within 30 (thirty) calendar days from the date of receipt of the VAT invoice, unless otherwise agreed. The VAT invoice is issued after the services have been provided. Parties may agree on different payment conditions upon signing the Agreement.

## 14 Handover/Transfer after Contract

The current FSRU O&M service contract expires at the end of 2024. The Company shall ensure the cooperation between the existing and the new operator for the purposes of transfer of FSRU operations – for such purpose, the current FSRU operator plans to keep three (3) of its key officers (Chief Officer, Second Engineer and Cargo Manager) on board of FSRU for the first operational month of the new operator who will act as consultants.

The selected Supplier for this Tender shall ensure, that at the end of its Agreement term it enables a handover period for the new supplier and allows time onboard while still under the Agreement with the Company. The Supplier shall be able to accommodate the crew of the new supplier and ensure a smooth and cooperative handover period.

After the Agreement is over, the Company shall be given access to all historical data including the SMS. Access to the SMS system shall also be possible during the Agreement period.

## 15 FEASIBILITY STUDIES

The Supplier shall provide its technical assistance in Company's ongoing feasibility studies and evaluations which may be related to FSRU modifications and modifications.

However, in case the performance of feasibility studies (i) requires any third-party services, or (ii)

requires evidenced substantial effort from the Supplier, such as the engagement of additional Supplier's personnel or feasibility shift into the project, then the scope and costs of the Supplier's involvement shall be agreed separately.

16 AppendixES

## 16.2 Appendix 2 – List of documents

#	Topic	Document requirement
1	Documentation of fleet experience and ship specific	<p>Documentation of the number of ships managed and details of FSRU and LNG fleet, number and for how long they have been under management</p> <p>The bidder is expected to provide a full vessel list with names/IMO numbers.</p> <p>The bidder shall provide the list and types of operated vessels main engines.</p> <p>The bidder shall also indicate whether the regasification operation is through a closed loop or open loop.</p> <p>The bidder shall provide an overview or list for number of vessels currently being managed.</p> <p>The bidder shall also present a 5-year record of the number of vessels managed during this period.</p> <p>The bidder to indicate the vessel type spilt (i.e., FSRU, LNGC, Tanker (incl. type), bulker, container etc.) including number of vessels for each vessel type.</p>
2	Qualification & competence	<p>The bidders are expected to provide a short CV summary highlighting the FSRU/LNG experience (No. of years, FSRU/LNGC types worked etc.) of the Fleet manager intended towards operation of KN's asset.</p>
3	Safety performance/Incident reporting	<p>Documentation of the fleet's key safety figures like LTI, TRC, LTIF, TRCF, insurance claim status</p> <p>The bidders are expected to provide the following:</p>

#	Topic	Document requirement
		<ul style="list-style-type: none"> <li>✓ Overview &amp; statistics of emergency incidents categorised by severity for fleet being managed over last five (5) years.</li> <li>✓ LTIs, near misses record for the fleet being managed over last five (5) years.</li> </ul>
4	Classification and statutory performance	<p>Documentation of CoC and Observations on the fleet for the last five (5) years</p> <p>The bidders are expected to provide the following:</p> <ul style="list-style-type: none"> <li>✓ Overview &amp; statistics of compliance related incidents categorised by severity for fleet being managed over last five (5) years across the fleet.</li> <li>✓ Compliance record shall cover class, statutory, records over last five (5) years across the fleet.</li> </ul>
5	Port State Control	Documentation of the fleets Port State Control performance for the last five (5) years
6	Vetting/SIRE performance	Number of inspections, number of observations
7	Vessel Reliability and Maintenance including Critical Equipment	Documentation of procedures and monitoring means
8	Maritime Security	Document of procedures for ensuring the security of the vessel
9	Customer feedback	<p>The bidder shall provide an overview of customer feedback for the fleet being managed across the last five (5) years.</p> <p>The bidder shall also clearly state the number of vessels with feedback and also the number of vessels lacking feedback (or no feedback received or requested).</p>
10	Environmental performance	Documentation of emission to air and water for the last three (3) years, carbon intensity and targets and goals for 2022 and towards 2030.
11	Energy management system	Documentation of energy management and performance system
12	Crew training programme	<p>Documentation of the Crew training program and description of the crew training policy.</p> <p>The bidder shall provide an overview of training regime followed for the Crew and indicate how the training &amp; competence is managed for different vessel segment (if relevant). It shall be clearly indicated if the training is inhouse, outsourced (with company names) &amp; the kind of agreements are in place. No need to submit such agreements but the nature of agreement (period, terms etc.) may be indicated as relevant.</p>
13	Crewing philosophy	<p>Documentation and description of the Crewing service to be provided and information of Crewing agents and pools utilized by the Supplier.</p> <p>The bidder shall provide the following:</p> <ul style="list-style-type: none"> <li>✓ Manning structure for FSRU including the number of Crew members and Crew positions</li> <li>✓ Minimum requirements for officers' positions (experience of relevant sea operations, necessary trainings, etc.) sea time;</li> <li>✓ An overview of the sailing Crew (No.) on bidder's payroll. If a Crewing agency or Crewing pool is utilised, the same to be indicated with numbers for substitute availability for each of the key positions.</li> <li>✓ A split of officers, rating, stewards etc. (No.)</li> </ul>

#	Topic	Document requirement
		<ul style="list-style-type: none"> <li>✓ A breakdown of the Crew in terms of number of years in the bidder company.</li> <li>✓ Overview of the turnover rate over the last five (5) years with a split of officers/ratings.</li> </ul>
14.	Retention rate	Retention rate for officers and crew calculate by Intertanko Officer Retention Formula
15.	Incident rate (LTIF)	Incident rate calculated based on OCIMF Marine injury reporting guideline for the LTIF (and Total recordable cases) calculations.

### 16.3 Appendix 3 – Preliminary content of Commercial and Operations Manual

1. Basic principles
2. Ship shore interface process
3. LNG carrier approval, scheduling, loading and discharge
4. LNG ship to ship transfer
5. Send out nomination procedures
6. Inventory management and reporting. the process and responsibilities
7. Crew (screening, approval, cadets, etc.)
8. FSRU stores, bunkers and garbage handling
9. FSRU ballast control and pollution control
10. Communication
11. Safety precautions
12. Ship's compliance with regulations
13. OPEX, procurement and budgeting
14. Dry-dock/partial dry-dock
15. FSRU in LNG carrier mode
16. Maintenance
17. Performance: regasification, internal use, etc
18. Reloading activity
19. Long-lead items

### 16.4 Appendix 4 – List of the good/service/work

No.	Description
1.	Computer equipment and supplies
2.	Data-processing machines (hardware)
3.	Various computer equipment
5.	Redundant Array of Independent Disk (RAID)
6.	Uninterruptible power supplies
7.	Microelectronic machinery and apparatus and microsystems
8.	Radio transmission apparatus with reception apparatus
9.	Video-conferencing equipment
10.	Mobile telephones
11.	Video-surveillance system
12.	Video camcorders
13.	Radio stations
14.	Radio installations
15.	Parts of radio and radar equipment

16.	Radar spare parts and accessories
17.	Networks
18.	Various Networks
19.	Various network equipment
20.	Telecommunications equipment and supplies
21.	Wireless telecommunications system
22.	Telecommunications cable and equipment
23.	Telecommunications equipment
24.	Telecommunications facilities
25.	Telecommunications system
26.	Satellite-related communications equipment
27.	Satellite communications equipment
28.	Satellite earth stations
29.	PABX equipment
30.	PABX systems
31.	Digital switching equipment
32.	Telephone equipment
33.	Telephone exchanges
34.	Telephone network
35.	Digital telephone exchanges
36.	Modems
37.	Coding equipment
38.	Communications equipment
39.	Communications infrastructure
40.	Communications control system
41.	Data equipment
42.	Data-communications equipment
43.	Railways traffic-control equipment
44.	Hang-gliders
45.	Radar sets
46.	Train-monitoring system
47.	Control tower equipment
48.	Air-traffic control
49.	Air-traffic control systems
50.	Surveillance and security systems and devices
51.	Various command, control and communication systems, other electronic military systems
52.	Navigational instruments
53.	Global navigation and positioning systems (GPS or equivalent)
54.	Radar apparatus
55.	Process timers
56.	Industrial process control equipment and remote-control equipment
57.	Industrial process control equipment
58.	Remote-control equipment
59.	Command and control system
60.	Access control system
61.	Scada or equivalent system
62.	Dispatch system
63.	Depot system
64.	Repair and maintenance of plant

65.	Installation of telecommunications equipment
66.	Installation of telephone exchanges
67.	Various software packages and information systems
68.	Maintenance and repair of various computer, telecommunications, radio communication equipment
69.	Installation services of navigating equipment
70.	Various communication, radio, television equipment installation services
71.	Various computer and information processing equipment installation services
72.	Installation services of guidance and control systems
73.	Various telecommunication services, rent
74.	Telecommunication consultancy services
75.	Information technology services: consulting, software development, Internet and support services
76.	Electronic signature certification services

**SCHEDULE 8  
LETTER OF COMFORT**

**SCHEDULE 9**  
**HOEGH ENTITIES' JOINT VENTURE AGREEMENT**

**SCHEDULE 10  
HANDOVER PLAN**

1. In connection with any termination of this Agreement, the Supplier shall:
  - 1.1 hand over the operation of the FSRU to the Company and/or a new supplier;
  - 1.2 exercise due diligence to enable a handover period of at least six (6) months for the Company and/or a new supplier and respond to their reasonable enquiries;
  - 1.3 co-operate with the Company and/or a new supplier during the handover process including without limitation providing a list of spare parts, and to respond to its reasonable enquiries;
  - 1.4 use reasonable endeavours to assign or novate to the Company, or a new supplier, or another nominee of the Company, to the extent desired by the Company, all or the relevant parts of the subcontracts specifically relating to the FSRU and the Services which the Supplier may have entered into and under the terms of such subcontracts it is able to assign or novate;
  - 1.5 on the Company's request and at the Company's cost, use reasonable endeavours to ensure that at least three (3) key crew members (including without limitation the Chief Officer, the Second Engineer and the Cargo Engineer) remain onboard the FSRU for the purpose of advising the new crew only for a period of one (1) month from the actual date of handover;
  - 1.6 on the Company's request, discuss with the Company in good faith, the possible transfer of the key personnel listed at Schedule 2 to the Company and/or a new supplier;
  - 1.7 allow the Company and/or a new supplier and its crew adequate time onboard for audits and familiarisation including, without limitation, familiarisation of the FSRU's equipment and its operation, and shall to the extent available provide accommodation on the FSRU for this purpose;
  - 1.8 to the extent permitted under applicable licenses allow the Company and/or a new supplier access as far as reasonably practicable to the operating and maintenance computerised systems including all historical data recorded for the period from the commencement of the FSRU's operations at Klaipeda Port to the handover date;
  - 1.9 provide information on the status of the work to be performed under the Annual Work Plan on the date of handover of the FSRU, as well as such information as the Company and/or a new supplier reasonably requires in order to take over operation and maintenance of the FSRU after the handover date;
  - 1.10 following completion of the handover provide to the Company and/or a new supplier at (to the extent not already covered by paragraph 1.5) the Company's cost such further ongoing assistance, clarification, support including the provision of any necessary documentation or information as might be reasonably required by the Company and/or a new supplier in relation to any uncertainties which might have arisen during the handover process for a period of six (6) months from the effective date of handover; and
  - 1.11 generally use its reasonable endeavours to ensure a smooth handover to the Company and/or a new supplier,

all steps required by this paragraph 32.1 shall be referred to as the **Handover**.

2. Where termination takes place at the end of the Initial Term or the Extension Term, or on notice under Clause 30.5, the Parties shall exercise due diligence to provide for that Handover is completed at the end of the Initial Term or Extension Term or on expiry of the notice, as the case may be.

**EXECUTION PAGE**

**THIS AGREEMENT** has been entered into by the Parties on the date stated at the beginning of this Agreement.

**SIGNED** by Darius Šilenskis )  
for and on behalf of )  
**AB KN ENERGIES** )

\_\_\_\_\_  
Chief Executive Officer

**SIGNED** by \_\_\_\_\_ )  
for and on behalf of )  
**HOEGH LNG KLAIPEDA, UAB** )

\_\_\_\_\_  
\_\_\_\_\_

**OFFER FOR PUBLIC PROCUREMENT <sup>1</sup>**  
**THE PROCUREMENT OF THE OPERATION AND MAINTENANCE SERVICE OF THE LNG FLOATING  
STORAGE AND REGASIFICATION UNIT**

2023-07-17

*(Date)*

Name of the Supplier / Names of members of the Supplier's group	Hoegh LNG Klaipėda, UAB
Registration number of the Supplier / Registration numbers of the Supplier's group	302719517
VAT number	LT100006638415
Supplier's or Suppliers' group address, phone number, e-mail	
Current account number, bank, bank code	
Contacts of the representative person for the offer: name, surname, phone number, e-mail	
Contacts of the person responsible for the execution of the Agreement	
Position, name and surname of the Supplier's manager/Supplier's group general representative or managing member signing the Agreement	
The Supplier will be able to sign the Agreement with an electronic signature (indicated Yes/No)	Yes

1. By submitting this offer, we declare that:

1.1. we have read and agree with all procurement documents (purchase announcement, procurement conditions, explanations (clarifications) of documents, answers to the Suppliers' questions (if any), other information provided by CVP IS);

1.2. we are ready to fulfil the expected conclusion of the Agreement;

1.3. we confirm that the services we offer fully comply with the requirements set out in the procurement documents and that all information provided in the proposal is correct, true and includes everything necessary for the proper execution of the Agreement;

1.4. our quoted prices and costs are inclusive of all costs and all taxes complying with the requirements set out in the procurement documents.

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<sup>1</sup> The Supplier shall fill all the tables, except table 3. If table 3 is left empty, it means the Supplier does not engage subcontractors for execution of the Agreement.

2. We offer:

No.	Service name	Offer price
1.	Annual Management Fee	1 450 000,00
2.	Annual Crew costs excluding LT taxes	3 400 000,00
3.	Pre-operation costs	0,00
<b>Offer price excluding VAT, EUR*</b>		<b>4 850 000,00</b>
<b>VAT (21%) value, EUR**</b>		<b>1 018 500,00</b>
<b>Offer price including VAT, EUR</b>		<b>5 868 500,00</b>

\* The indicated price is used for comparison of the offers.

\*\*If VAT is not specified, the reasons why VAT is not applicable must be indicated.

3. The following subcontractors will be engaged to execute the Agreement:

No.	Subcontractor 's name <sup>2</sup>	Description of the part of the Agreement the subcontractor will be engaged for <sup>3</sup>
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When required by the Contracting Entity we will submit the self-declarations of the known subcontractors to prove their agreement to be the subcontractors.