



EXCLUSIVE LICENCE NO. 2024/[...]
FOR EXPLOITATION OF HYDROPOWER RESOURCES
FOR PRODUCTION OF ENERGY

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EXCLUSIVE LICENCE FOR EXPLOITATION OF HYDROPOWER RESOURCES FOR PRODUCTION OF ENERGY

Under sections 3 and 5 of Greenland Parliament Act no. 5 of 27 November 2018 on exploitation of hydropower resources for production of energy, the Greenland Government hereby grants the licensee stated below an exclusive licence for exploitation of the Hydropower Resource for production of energy. The provisions of the Hydropower Act and the terms set below in this Licence shall apply to this Licence.

The licensee is the following company:

[name of company/companies], a [public limited liability company]/[private limited liability company] incorporated and existing under the laws of Greenland, which has the company registration number (CVR-number) [...] and which has its registered office at [address].

[Percentage share: [...] %]

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Article 1 Definitions, interpretations and appendices

1.01 In this Licence and its appendices, the following terms and expressions shall have the meanings stated below, unless otherwise stated or apparent from or required by the context:

- (a) "Adjusted Volume of Water" means the part of an Outflow of water which may be used in a hydropower plant for production of electricity. The Adjusted Volume of Water is the total Outflow less the loss of water. The loss of water is the volume of water running out of a Reservoir or an Intake Basin without being capable of being used in the hydropower plant.
- (b) "Annual Volume Royalty" means the annual volume royalty which is to be paid by the Licensee to the Greenland Government for the volume of the Hydropower Resources comprised by this Licence.
- (c) "Annual Volume Royalty Amount" means the annual volume royalty amount to be paid for each year of the Licence Period, as defined and provided in section 18.03.
- (d) "Associated Hydrological Area" means a geographical area from which there is an inflow of water to a Reservoir or and Intake Basin of a hydropower plant or from which there may be an inflow of water to a Reservoir or an Intake Basin of a future hydropower plant. The water inflow may be a result of rain or snow or ice melting (ablation) from the ice sheet or a local ice cap or glacier.
- (e) "Construction and Production Plan" means a construction and production plan which comprises a plan for and states and describes all exploitation activities which the Licensee plans to perform under this Licence and which includes all necessary activities to be performed and all necessary measures to be taken in relation to construction, operation and use of the hydropower plant and exploitation of the Hydropower Resource for production of electricity under this Licence. The Construction and Production Plan has been made by the Licensee, submitted by the Licensee to the Greenland Government and approved by the Greenland Government before the granting of this Licence. See section 19(1) of the Hydropower Act and section 13.01 of this Licence.
- (f) "DKK" means Danish kroner.
- (g) "EIA" means an Environmental Impact Assessment, as defined in section 1.01(i).
- (h) "EIA Report" means a report on an Environmental Impact Assessment (EIA), as defined in section 1.01(i). See section 9.01(a).
- (i) "Environmental Impact Assessment" means an environmental impact assessment of the impacts on the environment from the performance of the activities under this Licence. See section 9.01(a).
- (j) "Exploitation Period" means the period from the Greenland Government's approval of the Final Construction and Production Plan until expiry or termination of this Licence. See section 7.01.

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- (k) "Final Construction and Production Plan" means a comprehensive, specific, updated and final construction and production plan which comprises a plan for and states and describes all exploitation activities which the Licensee plans to perform under this Licence and which includes all necessary activities to be performed and all necessary measures to be taken in relation to construction, operation and use of the hydropower plant and exploitation of the Hydropower Resource for production of electricity under this Licence. The Final Construction and Production Plan shall be based on the Construction and Production Plan. The Final Construction and Production Plan shall contain more comprehensive and specific and updated plans for and information on construction, operation and use of the hydropower plant and all related installations, facilities, buildings and infrastructure and on exploitation of the Hydropower Resource for production of electricity and other related matters, including in relation to resources and resource exploitation and utilisation, transmission, use and utilisation of the produced electricity, technical matters, environmental, social and socio-economic matters and impacts, reporting and submission of reports, provision of information and data to the Greenland Government and reporting on and payment of royalty fees and amounts and taxes to the Greenland Government. See Article 13 of this Licence.
- (l) "Financial Security" means a financial security (1) which provides and maintains security for the Licensee's fulfilment of all its obligations under and in relation to this Licence and activities under this Licence and (2) which is in accordance with the terms and requirements in sections 29.01-29.10.
- (m) "Financial Security Amount" has the meaning stated in section 29.02.
- (n) "Greenland" means Greenland with its surrounding islands and sea areas, including the territorial sea, the continental shelf area and the exclusive economic zone.
- (o) "Greenland Enterprise" means an enterprise which fulfils all the following cumulative conditions:
- (1) The enterprise shall be, and be registered and carry out its activities, as an enterprise (in Danish: "virksomhed") of the type of enterprise concerned with a registered office (in Danish: "hjemsted") in Greenland in accordance with Greenland law and/or Danish law on such enterprises which have their registered offices in Greenland, as applicable in Greenland at any time.
 - (2) The enterprise shall have its real (actual) head office, from where the enterprise is managed, in Greenland.
 - (3) The enterprise shall fulfil one or both of the following two alternative conditions:
 - (i) The enterprise may neither directly nor indirectly (through one or more other enterprises, public authorities or other private or public entities) be subject to "decisive influence" (in Danish: "bestemmende indflydelse") from one or more persons, enterprises, public authorities or other private or public entities which are not a

Greenland Person, a Greenland Enterprise or the Greenland Government (irrespective of whether such persons, enterprises, public authorities or other private or public entities do or do not act in agreement, concert or concord or jointly in any manner). In relation to this, "decisive influence" shall have the meaning it has under Greenland or Danish company law in force in Greenland at any time.

- (ii) The enterprise shall have a real, close and long-term connection to Greenland and the Greenland society through the enterprise's former and current commercial activities in Greenland as an enterprise providing goods and/or services to customers in Greenland, performing activities in relation thereto in Greenland, employing and using Greenland Workers in relation thereto in Greenland, and having and using offices and places of work, production and sale etc. in relation thereto in Greenland. The Greenland Government may make a decision to the effect that an enterprise does or does not meet these requirements. The Licensee or an enterprise may request the Greenland Government to make such a decision.
- (p) "Greenland Government" means the Government of Greenland.
- (q) "Greenland Person" means a person who fulfils one or more of the following alternative conditions:
 - (1) The person was born in Greenland and had permanent residence in Greenland for the first 5 years of his or her life.
 - (2) The person has had permanent residence in Greenland in 7 years of the last 10 years.
 - (3) The person is married to, or proves to have lived at least 1 year in a civil partnership with, a person who fulfils condition no. (1) or (2) above or is employed by a public or private employer (authority or enterprise) in Greenland in accordance with Greenland law.
 - (4) The person otherwise has a real, close and long-term connection to Greenland and the Greenland society. The Greenland Government may make a decision to the effect that a person does or does not meet these requirements.

In condition no. (2) above, "permanent residence" includes residence outside Greenland for educational purposes if the person concerned fulfilled the conditions for obtaining public grants under the Greenland education grant and loan scheme when the education began.
- (r) "Greenland Supplier" means a supplier of goods and/or services, including construction services, which is either a Greenland Person, as defined in section 1.01(q), or a Greenland Enterprise, as defined in section 1.01(o).
- (s) "Greenland Worker" means a Greenland Person, as defined in section 1.01(q).

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- (t) "Hydrological Resource" means an Adjusted Volume of Water for a hydropower plant or a future hydropower plant.
- (u) "Hydropower Act" means Greenland Parliament Act no. 5 of 27 November 2018 on exploitation of hydropower resources for production of energy, as amended or replaced by any subsequent act on hydropower resources, hydropower resource activities and licences for performance of hydropower resource activities.
- (v) "Hydropower Resource" means the Hydrological Resource and its Associated Hydrological Area comprised by this Licence. The Hydropower Resource comprised by this Licence is stated in section 4.03 and Appendix 3. The term "hydropower resources" means all hydropower resources comprised by the Hydropower Act, unless otherwise stated or apparent from or required by the context.
- (w) "IBA" means an Impact Benefit Agreement, as defined in section 1.01(x).
- (x) "ICAA" means an Industrial and Commercial Activities Agreement, as defined in section (z).
- (y) "Impact Benefit Agreement" means an impact benefit agreement (1) which is negotiated, made and performed by the Licensee, the Greenland Government and the Municipality, as stated in section 1.01(hh), (2) which contains terms on creation and enhancement of positive effects and avoidance, mitigation and limitation of negative effects in the Greenland society in relation to social sustainability and other socioeconomic matters, including use of Greenland Workers and Greenland Suppliers in relation to performance of activities under this Licence, and (3) which is in accordance with Article 11.
- (z) "Industrial and Commercial Activities Agreement" means an agreement on industrial and commercial activities in relation to use of the electricity produced by the hydropower exploitation activities under this Licence (1) which is negotiated, made and performed by the Licensee and the Greenland Government, (2) which contains terms on the construction, operation and use of one or more industrial or commercial plants which perform industrial or commercial activities based on use of the electricity produced by the hydropower exploitation activities and a hydropower plant under this Licence, and (3) which is in accordance with Article 12.
- (aa) "Intake Basin" means a natural or artificial basin used to collect water flowing from an Associated Hydrological Area and to lead the water to the intake of a hydropower plant.
- (bb) "Licence" means this licence.
- (cc) "Licence Area" means the area comprised by this Licence, see section 4.03.
- (dd) "Licence Period" means the period in which this Licence is in force, see Article 6.

- (ee) "Licensee" means the holder of this Licence or, if several parties hold shares in this Licence, the holders of the shares in this Licence, as stated on page 3 (and any subsequent page or pages, if applicable) of this Licence.
- (ff) "Licensee Companies" means the companies which are the holders of shares of this Licence, as stated on page 3 of this Licence. This definition only applies if several companies hold shares in this Licence.
- (gg) "Licensee Company" means the company, which is the holder of this Licence, as stated on page 3 of this Licence, if one company holds all shares in this Licence. "Licensee Company" means one of the Licensee Companies, as defined in section 1.01(ff), if several companies hold shares in this Licence.
- (hh) "Municipality" means [insert the relevant municipality in relation to an IBA (if any)].
- (ii) "Outflow" means the volume of water flowing from an Associated Hydrological Area to a Reservoir or an Intake Basin of a hydropower plant or which may flow from an Associated Hydrological Area to a Reservoir or an Intake Basin of a future hydropower plant.
- (jj) "Reservoir" means a natural or artificial lake used to store water flowing from an Associated Hydrological Area.
- (kk) "SIA" means a Social Impact Assessment, as defined in section 1.01(mm).
- (ll) "SIA Report" means a report on a Social Impact Assessment (SIA), as defined in section 1.01(mm). See section 9.01(b).
- (mm) "Social Impact Assessment" means a social impact assessment of the impacts on social matters and social sustainability from of the performance of the activities under this Licence. See section 9.01(b).
- (nn) "Supervisory Authority" means the Greenland Government or the authority, persons or companies which the Greenland Government appoints to perform supervision of the Licensee's activities under this Licence. See Article 18.
- (oo) "Year 1 of the Licence Period", "Year 2 of the Licence Period", "Year 3 of the Licence Period", "Year 4 of the Licence Period", "Year 5 of the Licence Period" and "Year 6 of the Licence Period" each means the stated year of the Licence Period, as defined and stated in clause 18.01.

1.02 In this Licence, "including" means including without limitation or prejudice to the generality of any description, definition, term or expression preceding that word. In this Licence, "including" also means including but not limited to. The word "include" and its derivatives shall be interpreted accordingly.

1.03 In this Licence, any reference to the singular number shall include a reference to the plural number, and any reference to the plural number shall include a reference to the singular number, unless otherwise apparent from or required by the context.

1.04 All appendices to this Licence shall be and constitute an integral part of this Licence and shall be deemed to be incorporated in this Licence.

Article 2 General obligations of the Greenland Government and the Licensee

2.01 The Greenland Government shall act in accordance with and comply with Greenland law, Danish law and international law and agreements applicable in Greenland at any time.

2.02 In the Greenland Government's making of assessments and decisions and other case processing, the Greenland Government shall act reasonably and in accordance with general rules and principles of Greenland administrative law, including the principle of objectiveness, the principle of proportionality and the principle of equal treatment. This shall apply to all assessments and decisions, including discretionary decisions and decisions on granting of approvals, setting of terms, requirements and time limits and granting of extensions of time limits.

2.03 The Licensee shall act in accordance with and comply with Greenland law, Danish law and international law and agreements applicable in Greenland at any time.

2.04 The Licensee's activities under this Licence shall be performed appropriately and in a proper and sound manner in relation to safety, health, the environment, appropriate resource utilisation and social sustainability. The Licensee's activities under this Licence shall be performed in accordance with recognised good national and international practice for such activities under similar conditions. See also section 1(2) of the Hydropower Act.

Article 3 Licensee

3.01 The Licensee shall fulfil the requirements for a licensee under the Hydropower Act and this Licence at the granting of this Licence and in the Licence Period.

3.02 The Licensee shall fulfil all of the following requirements at the granting of this Licence and in the Licence Period, see also section 8 of the Hydropower Act:

- (a) The Licensee shall be a public limited company (in Danish: aktieselskab) or a private limited liability company (in Danish: anpartsselskab) and have its registered office located in Greenland.

- (b) The Licensee shall have full disposal of its assets and shall not be in default of payment, in bankruptcy or in a similar situation.
- (c) The Licensee shall be the full and unconditional owner of all plants, facilities, installations, buildings and infrastructure etc. which are used or to be used to perform the activities under this Licence, including the hydropower plant, other plants, production facilities, other facilities, installations, dams, canals, tunnels, basins, turbines, transport facilities, infrastructure (such as pipelines, [transmission lines], roads, harbours and airports) and buildings (such as housing, accommodations, offices and storage facilities).
- (d) The Licensee shall have the necessary technical and professional ability (expertise) and economic and financial ability (financial capacity) for performing the hydropower exploitation activities, the other activities and the obligations under this Licence.

3.03 The requirement under section 3.02(d) regarding the Licensee's technical and professional ability (expertise) also entails that neither the Licensee nor any person being part of the Licensee's management team, including its executive board, board of directors and technical management team, have in a final judgment been held to violate, or accepted a fine for violating, a provision of the Criminal Code for Greenland (Consolidated Act No. 1045 of 7 September 2017), in Part 8 on terrorism etc., section 38 on bribery, section 57 on false statement, section 61 on forgery, section 67 on supply interruptions, including in particular water supply attacks, section 68 on illegal contact with radioactive substances or sections 104-105 on fraud and data fraud. The Licensee must be able to document (substantiate) this to the Greenland Government, and obtain the Greenland Government's approval of the documentation, if the Greenland Government requires the Licensee to do so. See section 9(4) of the Hydropower Act. The requirement under section 3.02(d) regarding the Licensee's technical and professional ability further entails that neither the Licensee nor any of the persons mentioned above have in a final judgment been held to violate, or accepted a fine for violating, any corresponding provisions of the laws of other relevant countries. In particular, such other relevant countries comprise other countries in which the Licensee operates or have operated and the home countries of the persons mentioned above and other countries in which the said persons or companies, which they own, manage or are employed with, operate or have operated. The Licensee must be able to document (substantiate) this to the Greenland Government, and obtain the Greenland Government's approval of the documentation, if the Greenland Government requires the Licensee to do so. See section 9(4) of the Hydropower Act. If two or more Licensee Companies jointly (together) are the Licensee under this Licence, the documentation shall comprise information on each of the Licensee Companies and each of the persons mentioned above in each of the Licensee Companies.

3.04 The requirement under section 3.02(d) regarding the Licensee's economic and financial ability (financial capacity) also entails that the Licensee does not have unpaid debt due on DKK [100,000] or more owed to

public authorities in Greenland regarding taxes, indirect taxes, payment under licences or social insurance contributions under legislation and licence terms thereon in Greenland. Payment under licences comprises, among others, the payment of royalties under Article 18. The Licensee must be able to document (substantiate) this by submitting a declaration thereon issued by the Greenland Government or 1 or more departments under the Greenland Government, if the Greenland Government requires the Licensee to do so. If it is not possible to obtain such declaration from the Greenland Government, the Licensee must submit a declaration thereon which has been prepared by the Licensee. The declaration shall be issued and signed by 1 or more persons being part of the Licensee's management team, including its executive board and board of directors, who individually or collectively are entitled to issue and sign the declaration for and with binding effect for the Licensee (are authorised signatories). If two or more Licensee Companies jointly (together) are the Licensee under this Licence, the documentation shall comprise each of the Licensee Companies. See article 9(4) of the Hydropower Act.

3.05 Two or more companies acting as a group of companies may jointly (together) be the Licensee under this Licence. All the Licensee Companies are then jointly and severally liable for the fulfilment of any obligation under the Hydropower Act and this Licence. See also Article 28 of this Licence. Each such Licensee Company must then meet all the requirements set under sections 3.02(a), 3.02(b), 3.02(c), 3.02(d), 3.03 and 3.04. In addition, each Licensee Company or the group of Licensee Company must jointly (collectively) meet the qualification requirements set under section 3.02(d).

Article 4 Activities and rights under this Licence

4.01 This Licence comprises exploitation of hydropower resources for production of energy/electricity.

4.02 This Licence is exclusive for the Hydropower Resource in the Licence Area. See Article 5.

4.03 Within the Licence Area, the Licensee may only exploit the hydropower resources from the specific Hydropower Resource specified in Appendix 3.

Article 5 Licence Area

5.01 This Licence comprises a geographical licence area delineated by connecting the corner coordinates by latitudes and longitudes in the order stated in Appendix 1 (Licence Area). All latitudes and longitudes are stated with reference to the geodetic system stated in Appendix 1. A map of the Licence Area is enclosed in Appendix 2.

- 5.02 In case of any inconsistency between the corner coordinates and delineations stated in Appendix 1 and the map of the Licence Area in Appendix 2, the corner coordinates and delineations stated in Appendix 1 shall take precedence over the map in Appendix 2 of the Licence Area.
- 5.03 The Licence Area comprises onshore areas only. This Licence does not comprise offshore areas, even if offshore areas may be comprised by the areas delineated by the corner coordinates in Appendix 1 to this Licence or are shown as the Licence Area in the map of the Licence Areas in Appendix 2 to this Licence. The boundary between the Licence Areas and the adjoining offshore areas follows the mean sea level.
- 5.04 The Licensee may relinquish parts of the Hydropower Resource or the Licence Area. The relinquishment must be approved by the Greenland Government. The relinquishment shall take effect from the date of the approval by the Greenland Government. After each relinquishment, the relinquished area or areas shall consist of contiguous and compact units of a form and a size which make them suitable for further exploitation of hydropower resources in the area or areas concerned.
- 5.05 If the Licence Area or part thereof cease to be under Danish sovereignty, the Licensee shall respect such change in the status of the Licence Area and have no claim against the Greenland Government or the Danish State as a result of or in relation to such change or its direct or indirect consequences. Any such change in the status of the Licence Area or part thereof shall not have any effect on the remainder of the Licence Area, if any.

Article 6 Licence Period

- 6.01 This Licence is in force and has effect for a Licence Period of 40 years from the day it is granted, that is the day it has been signed by the Licensee and the Greenland Government. See also sections 6.03-6.06 on a possible application for the granting of an extension of the Licence Period and a possible granting of such an extension of the Licence Period.
- 6.02 The granting, maintenance and effects of this Licence are subject to the Licensee's fulfilment of all the following conditions:
- (a) No later than [date] [month] [year], the Licensee shall have registered this Licence with the Court of Greenland. See section 23(1) of the Hydropower Act.
 - (b) No later than [date] [month] [year], the Licensee shall have made an Environmental Impact Assessment (EIA) and a report thereon (EIA Report), submitted the EIA Report to the Greenland Government and have obtained the Greenland Government's approval of the EIA Report. See also section 10.01 of this Licence and section 19(3) of the Hydropower Act and section 41 of the

Environmental Protection Act of 22 November 2011 and the general administrative order of EIA of 27 March 2013.

- (c) No later than [date] [month] [year], the Licensee shall have made a Social Impact Assessment (SIA) and a report thereon (SIA Report), submitted the SIA Report to the Greenland Government and have obtained the Greenland Government's approval of the SIA Report. See also section 10.02 of this Licence and section 19(3) of the Hydropower Act.
- (d) No later than [date] [month] [year], the Licensee shall have negotiated, made and concluded an Impact Benefit Agreement (IBA) with the Greenland Government and the Municipality. See also Article 11 of this Licence.
- (e) No later than [date] [month] [year], the Licensee shall have negotiated, made and concluded an Industrial and Commercial Activities Agreement (ICAA) with the Greenland Government. See also Article 12 of this Licence.
- (f) Before the granting of this Licence, the Licensee has prepared a Construction and Production Plan for construction, operation and use of the hydropower plant and exploitation of the Hydropower Resource for production of electricity. Before the granting of this Licence, the Licensee has submitted the plan and obtained the Greenland Government's approval of the plan. See also section 13.01 of this Licence and section 19(1) of the Hydropower Act. No later than [date] [month] [year], the Licensee shall have made a Final Construction and Production Plan, submitted the Final Construction and Production Plan to the Greenland Government and have obtained the Greenland Government's approval of the Final Construction and Production Plan. See also Article 133 of this Licence and section 19(2) of the Hydropower Act.
- (g) No later than [date] [month] [year], the Licensee shall have documented (substantiated) to the Greenland Government, and have obtained the Greenland Government's approval of the documentation, that the Licensee has sufficient financial capacity (1) to perform the construction of all plants, facilities, installations and buildings etc., including the hydropower plant, other plants, production facilities, other facilities, installations, dams, canals, tunnels, basins, turbines, transport facilities, infrastructure (such as pipelines, transmission lines, roads, harbours and airports) and buildings (such as housing, accommodations, offices and storage facilities), (2) to perform and complete the hydropower exploitation activities and the closure activities under and in relation to this Licence, and (3) to fulfil the Licensee's obligations under and in relation to this Licence.
- (h) No later than [date] [month] [year], the Licensee shall have provided Financial Security and a company guarantee (for each Licensee Company if there is several Licensee Companies) for the Licensee's fulfilment of all obligations under and in relation to this Licence, including obligations under the Hydropower Act, other Greenland law, such as the Environmental Protection Act of 22

November 2011 and the general administrative order on EIA of 27 March 2013, Danish law and international law and agreements applicable in Greenland, any plan for activities under this Licence, any approval of any such plan and any agreement relating thereto. See also section Article 2929 of this Licence.

- (i) No later than [date] [month] [year], the Licensee shall have commenced the construction of the hydropower plan for the production of electricity under this Licence. See section 6(1) of the Hydropower Act.
- (j) No later than [date] [month] [year], the Licensee shall have commenced exploitation of the Hydropower Resource and production of electricity thereby under this Licence. See section 6(1) of the Hydropower Act.
- (k) No later than [date] [month] [year], the Licensee shall have received reservation of area for the offtake project, and no later than [date] [month] [year], the Licensee shall have received area allotment.

6.03 The Licensee may apply for and the Greenland Government may grant one or more extensions of one or more of the time limits set in section 6.02. The Greenland Government may set terms for each extension of the time limits set in section 6.02. Any such extension of any such time limit set in section 6.02 shall be subject to the payment of Volume Royalty and any increased Volume Royalty under sections 18.01-18.04.

6.04 When half of the Licence Period has passed, the Licensee and the Greenland Government shall initiate negotiations concerning the time after the expiry of this Licence. See sections 14(1) and 14(5) of the Hydropower Act. However, such negotiations should not be commenced earlier than 10 years before the expiry of this Licence. See also section 23.01 of this Licence.

6.05 An application for extension of the Licence Period shall be sent to and received by the Greenland Government no later than 90 days before the expiry of the Licence Period.

6.06 The Greenland Government may extend the Licence Period in accordance with sections 14(2)-14(4) of the Hydropower Act. The Greenland Government may extend the Licence Period on the same or different terms. The Greenland Government may set terms for any such extension of the Licence Period. The total Licence Period cannot exceed 80 years. See section 14(4) of the Hydropower Act. The Greenland Government is not obliged to extend the Licence Period. An extension may be granted for all or a part of the Licence Area and for the whole or a part of the Hydropower Resource comprised by this Licence.

6.07 The Licensee may surrender this Licence to the Greenland Government prior the expiry of the Licence Period. See Article 255 of this Licence. The Licensee's surrender of this Licence is subject to the approval of the Greenland Government and any terms set by the Greenland Government for such approval.

Article 7 Minimum exploitation volume and use of produced electricity

- 7.01 The Licensee shall produce no less than [xxx] kWh (kilowatt hours) of electricity, by exploitation of hydropower under this Licence, in each calendar year in the Exploitation Period, subject to sections and 7.02 and 7.03 of this Licence. The said exploitation volume has, among other matters, been determined on the basis of the application for the granting of this Licence. See section 5(4) of the Hydropower Act.
- 7.02 In the first calendar year of the Exploitation Period, the minimum exploitation volume under section 7.01 shall be a proportionate part of the minimum annual exploitation volume corresponding to the proportionate part of the total number of days in the first calendar year which is the number of days comprised by the Exploitation Period in the first calendar.
- 7.03 In the last calendar year of the Exploitation Period, the minimum exploitation volume under section 7.01 shall be a proportionate part of the minimum annual exploitation volume corresponding to the proportionate part of the total number of days in the last calendar year which is the days comprised by the Exploitation Period in the last calendar year.
- 7.04 If the Licensee would like to exploit less than the minimum exploitation volume under sections 7.01-7.03, the Licensee shall apply for the Greenland Government's approval thereof. No later than 3 months after its receipt of an application to that effect from the Licensee, the Greenland Government shall inform the Licensee whether the Greenland Government approves the lower exploitation volume applied for. The Greenland Government's decision in relation thereto shall be based on a concrete assessment of all relevant matters in each case, including the volume of the Hydropower Resource which the Licensee is likely to exploit for the remaining part of the Exploitation Period. The Greenland Government may set terms for such approval.
- 7.05 All electricity produced by exploitation of hydropower under this Licence shall be used by the Licensee for the Licensee's industrial and commercial activities under the Industrial and Commercial Activities Agreement (ICAA), unless the Licensee applies for and the Greenland Government grants an approval to the effect that the Licensee may use some part of the produced electricity for one or more other purposes or activities, including to supply electricity to other public, private or commercial electricity user in Greenland. The Greenland Government may set terms for any such approval.

Article 8 Coordination of exploitation activities of two or more licensees

- 8.01 If the Licensee under this Licence and one or more other licensees under other licences for exploitation of other hydropower resources than the Hydropower Resource comprised by this Licence would like to

coordinate their exploitation activities, any agreement in relation thereto is subject to the approval of the Greenland Government and any terms set for such approval.

8.02 The Greenland Government may order two or more licensees under licences for exploitation under the Hydropower Act to coordinate their exploitation activities. The Greenland Government may set terms for such coordinated exploitation activities if the licensees do not make an agreement thereon. See sections 13(2) and 13(3) of the Hydropower Act. Such agreement is subject to the approval of the Greenland Government and any terms set for such approval. However, the Greenland Government shall not issue an order on coordinated exploitation activities if one of the licensees substantiate to the Greenland Government that all the electricity produced by the hydropower plant shall be used by the licensee itself or that coordinated exploitation activities will entail significant inconvenience or expense to the licensee. See section 13(4) of the Hydropower Act.

Article 9 Planning of development activities until commencement of exploitation of hydropower

9.01 Following the granting of this Licence, the Licensee and the Greenland Government shall jointly discuss the planning of development activities until commencement of exploitation of hydropower and production of electricity thereby. These discussions shall, among other matters, form the basis for preparing a joint time schedule for the development activities. The time schedule shall, among other matters, include the following activities and matters:

- (a) The Licensee's making of the Environmental Impact Assessment (EIA) and an EIA Report and submission of the EIA Report to the Greenland Government for its approval and the Greenland Government's approval of the EIA Report. See Article 10 and the time limit for this under section 6.02(b).
- (b) The Licensee's making of the Social Impact Assessment (SIA) and a SIA Report and submission of the SIA Report to the Greenland Government for its approval and the Greenland Government's approval of the SIA Report. See Article 10 and the time limit for this under section 6.02(c).
- (c) The Licensee's negotiation, making and conclusion of an Impact Benefit Agreement (IBA) with the Greenland Government and the Municipality. See Article 11 and the time limit for this under section 6.02(d).
- (d) The Licensee's negotiation, making and conclusion of an Industrial and Commercial Activities Agreement (ICAA) with the Greenland Government. See Article 12 and the time limit for this under section 6.02(e)

- (e) The Licensee's making of a Final Construction and Production Plan, submission of the plan to the Greenland Government and the Greenland Government's approval of the plan. See Article 13 and the time limit for this under section 6.02(f).
- (f) The Licensee's provision of Financial Security and a company guarantee (for each Licensee company if there is several Licensee Companies) as security for the Licensee's performance of its obligation under and in relation to this Licence and activities under this Licence. See Article 29 and the time limit for this under section 6.02(h).
- (g) The Licensee's making of any other relevant specific plans for activities under this Licence and submission of the plans to the Greenland Government for its approval and the Greenland Government's approval of the plans before the Licensee's commencement of exploitation of the Hydropower Resource for production of energy under this Licence. See the time limit for commencement of exploitation of the Hydropower Resource under section 6.02(j).
- (h) The Greenland Government's case processing and making of decisions in relation to the matters stated above in letters (a)-(g).

The timetable shall specify the time limits within which the parties, in cooperation, shall seek to perform their respective tasks. The Licensee and the Greenland Government shall use their best endeavours to perform their tasks in accordance with the timetable. The Licensee and the Greenland Government shall discuss and agree changes to the timetable to the extent this is necessary or required by the Greenland Government.

- 9.02 Following the granting of this Licence, and based on the discussions mentioned in section 9.01, the Greenland Government shall set reasonable time limits for the Licensee to perform the activities and obtain the approvals from the Greenland Government as stated in sections 9.01(a)-9.01(h), subject to sections 6.02 and 6.03.
- 9.03 The Licensee shall commence exploitation no later than the time limit set for this in section 6.02(j), unless another later time limit has been applied for by the Licensee and approved by Greenland Government under section 6.03.

Article 10 Environmental Impact Assessment (EIA) and EIA Report and Social Impact Assessment (SIA) and SIA Report

- 10.01 The Licensee shall make an Environmental Impact Assessment (EIA) and a report thereon (EIA Report), submit the EIA Report to the Greenland Government for its approval and obtain the Greenland Government's approval of the EIA Report. See section 11(4) of the Hydropower Act. The Licensee shall

do so no later than the time limit therefore set in section 6.02(b). The Environmental Impact Assessment (EIA) and the EIA Report shall comprise the activities comprised by the Construction and Production Plan. The EIA Report shall include a non-technical summary. The Greenland Government may require that the Licensee shall provide additional information and documents in relation to the Environmental Impact Assessment and the EIA Report to the Greenland Government, that the Licensee shall make additional or further studies or assessments of specific matters in relation to the Environmental Impact Assessment and the EIA Report, and that the Licensee shall submit an amended EIA Report to the Greenland Government and obtain the Greenland Government's approval of the amended EIA Report. If the electricity produced through the exploitation activities is produced primarily for use in one or more industrial plants or under similar circumstances, the Greenland Government may require that the Environmental Impact Assessment and the EIA Report in relation to the exploitation activities also shall comprise cumulative effects of the production and use of the electricity.

- 10.02 The Licensee shall make a Social Impact Assessment (SIA) and a report thereon (SIA Report), submit the SIA Report to the Greenland Government and obtain the Greenland Government's approval of the SIA Report. See section 11(4) of the Hydropower Act. The Licensee shall do so no later than the times limit therefore set in section 6.02(c). The Social Impact Assessment (SIA) and the SIA Report shall comprise the activities comprised by the Construction and Production Plan. The SIA Report shall include a non-technical summary. The Greenland Government may require that the Licensee shall provide additional information and documents in relation to the Social Impact Assessment and the SIA Report to the Greenland Government, that the Licensee shall make additional or further studies or assessments of specific matters in relation to the Social Impact Assessment and the SIA Report, and that the Licensee shall submit an amended SIA Report to the Greenland Government and obtain the Greenland Government's approval of the amended SIA Report. If the electricity produced through the exploitation activities is produced primarily for use in on or more industrial plants or under similar circumstances, the Greenland Government may require that the Environmental Impact Assessment and the SIA Report in relation to the exploitation activities also shall comprise cumulative effects of the production and use of the electricity.

Article 11 Impact Benefit Agreement (IBA)

- 11.01 The following general terms apply in relation to the Impact Benefit Agreement and any agreement on an update or an amendment of the Impact Benefit Agreement:
- (a) The Licensee shall negotiate, make, conclude and perform an Impact Benefit Agreement (IBA). See the time limit in relation to this under section 6.02(c).
 - (b) The Impact Benefit Agreement shall be negotiated and made with the Greenland Government and the Municipality.

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- (c) The Impact Benefit Agreement shall be negotiated, made and performed on the basis of and in accordance with this Licence and any other provisions, terms and guidelines on an Impact Benefit Agreement set by the Greenland Government, as applicable at any time.
- (d) The Impact Benefit Agreement shall contain terms on creation and enhancement of positive effects and avoidance and mitigation of negative effects in the Greenland society in relation to social sustainability and other socioeconomic matters, including use of Greenland Workers and Greenland Suppliers in relation to performance of activities under this Licence. See also the Greenland Parliament Act no. 25 of 19 December 2012 on building and civil engineering works in large scale projects section 7(5). (3) Creation and enhancement of positive effects and avoidance and mitigation of negative effects in the Greenland society in relation to social sustainability and other socio-economic matters. (4) Social sustainability. (5) Other socio-economic matters. The Impact Benefit Agreement and its terms shall be in accordance with provisions and principles of provisions in relation to such objectives and similar objectives. Such provisions include this Article 111 of this Licence and the any other provisions, terms and guidelines on an Impact Benefit Agreement set by the Greenland Government, as applicable at any time.
- (e) The Impact Benefit Agreement and any agreement on an update or an amendment of the Impact Benefit Agreement shall include terms on the following matters:
- (1) The Impact Benefit Agreement shall be subject to and governed by Greenland law and Danish law, as applicable in Greenland at any time.
 - (2) Any dispute arising out of or in relation to the Impact Benefit Agreement shall be brought before and decided by the Greenland and Danish courts with jurisdiction in Nuuk, Greenland. The said courts shall have exclusive jurisdiction in relation to any such dispute. A decision by any such court may be appealed according to the rules thereon.
- (f) Any dispute between the Licensee and the Greenland Government arising out of or in relation to negotiation, making or conclusion of the Impact Benefit Agreement or any agreement on an update or an amendment of the Impact Benefit Agreement shall be brought before and decided by the Greenland and Danish courts with jurisdiction in Nuuk, Greenland. The said courts shall have exclusive jurisdiction in relation to any such dispute. A decision by any such court may be appealed according to the rules thereon. The courts may set any time limit for the making of the Impact Benefit Agreement or any agreement on an update or an amendment of the Impact Benefit Agreement.

Article 12 Industrial and Commercial Activities Agreement (ICAA)

12.01 The following general terms apply in relation to the Industrial and Commercial Activities Agreement (ICAA) and any agreement on an update or an amendment of the Industrial and Commercial Activities Agreement:

- (a) The Licensee shall negotiate, make, conclude and perform an Industrial and Commercial Activities Agreement. See the time limit in relation to this under section 6.02(e).
- (b) The Industrial and Commercial Activities Agreement shall be negotiated and made with the Greenland Government.
- (c) The Industrial and Commercial Activities Agreement shall be negotiated, made and performed on the basis of and in accordance with this Licence and any other provisions, terms and guidelines on an Industrial and Commercial Activities Agreement set by the Greenland Government, as applicable at any time.
- (d) The Industrial and Commercial Activities Agreement shall contain terms on the Licensee's construction, operation and use of one or more industrial or commercial plants which perform industrial or commercial activities based on use of the electricity produced by the hydropower exploitation activities and a hydropower plant under this Licence. The Industrial and Commercial Activities Agreement shall also contain terms on any other relevant activity and matter in relation thereto.
- (e) The Industrial and Commercial Activities Agreement and any agreement on an update or an amendment of the Industrial and Commercial Activities Agreement shall include terms on the following matters:
 - (1) The Industrial and Commercial Activities Agreement shall be subject to and governed by Greenland law and Danish law, as applicable in Greenland at any time.
 - (2) Any dispute arising out of or in relation to the Industrial and Commercial Activities Agreement shall be brought before and decided by the Greenland and Danish courts with jurisdiction in Nuuk, Greenland. The said courts shall have exclusive jurisdiction in relation to any such dispute. A decision by any such court may be appealed according to the rules thereon.
- (f) Any dispute between the Licensee and the Greenland Government arising out of or in relation to negotiation, making or conclusion of the Industrial and Commercial Activities Agreement or any agreement on an update or an amendment of the Industrial and Commercial Activities Agreement shall be brought before and decided by the Greenland and Danish courts with jurisdiction in Nuuk, Greenland. The said courts shall have exclusive jurisdiction in relation to any such dispute. A decision by any such court may be appealed according to the rules thereon. The courts may set any

time limit for the making of the Industrial and Commercial Activities Agreement or any agreement on an update or an amendment of the Industrial and Commercial Activities Agreement.

Article 13 Final Construction and Production Plan

- 13.01 Before the granting of this Licence, the Licensee has prepared and submitted to the Greenland Government and obtained the Greenland Government's approval of a Construction and Production Plan for the construction, operation and use of the hydropower plant and exploitation of the Hydropower Resource for production of electricity. See section 19(1) of the Hydropower Act.
- 13.02 The Licensee shall prepare and submit a Final Construction and Production Plan to the Greenland Government and obtain the Greenland Government's approval of the Final Construction and Production Plan. See the time limit in relation to this under section 6.02(f). The Final Construction and Production Plan shall be based on and in accordance with the first Construction and Production Plan. The Final Construction and Production Plan shall be more comprehensive and specific and updated and based on the Licensee's further planning and related investigations, assessments and discussions with the Greenland Government, including also the Licensee's Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) and the Impact Benefit Agreement (IBA) between the Licensee, the Greenland Government and the Municipality.
- 13.03 The following terms shall apply to the process of the Licensee's preparation, making and submission of the Final Construction and Production Plan to the Greenland Government and the Greenland Governments approval of the Final Construction and Production Plan:
- (a) The Licensee and the Greenland Government shall jointly discuss the planning of planning and development activities until commencement of exploitation of hydropower resources and production of electricity. These discussions shall, among other matters, form the basis for preparing a first draft of the Final Construction and Production Plan (a "First Draft Plan").
- 13.04 The Final Construction and Production Plan shall comprise all the following information and documents:
- (a) The Final Construction and Production Plan shall comprise a plan for and state and describe all exploitation activities which the Licensee plans to perform under this Licence and shall include all necessary activities to be performed and all necessary measures to be taken in relation to construction, operation and use of the hydropower plant and exploitation of the Hydropower Resource for production of electricity under this Licence.
 - (b) The Final Construction and Production Plan shall comprise all activities and matters in relation to the following matters (to the extent this is relevant) and any other relevant matters:

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- (1) Exploitation of the Hydropower Resource for production of electricity under this Licence.
 - (2) Establishment, operation and use of the hydropower plant, other plants, production facilities, other facilities, installations, dams, canals, tunnels, basins, turbines, transport facilities, infrastructure (such as pipelines, transmission lines, roads, harbours and airports) and buildings (such as housing, accommodations, offices and storage facilities) etc.
 - (3) Activities in relation to hydropower exploitation and electricity production and transmission (transport) activities, sale of electricity and other activities in relation thereto.
 - (4) Activities and measures in relation to protection of health and safety.
 - (5) Activities and measures in relation to protection of the environment and nature, emissions which may affect the environment or nature, prevention and mitigation of pollution and its effects.
 - (6) Contingency plans regarding safety, health, the environment, electronic and other communication and other relevant matters.
- (c) The Final Construction and Production Plan shall also comprise (1) relevant maps, drawings and other similar documents, (2) calculations or estimates of the production capacity of the hydropower plant, and (3) estimations of the water outtake to be used for production of the calculated production capacity. See section 19(1) of the Hydropower Act.
- (d) The Final Construction and Production Plan shall also comprise a plan for the Licensee's provision and maintenance of Financial Security and a company guarantee (for each Licensee Company if there is several Licensee Companies) as security for the Licensee's performance of its obligation under and in relation to this Licence and activities under this Licence. The Licensee shall provide and maintain such security. The Licensee's provision and maintenance of such security is subject to the approval of the Greenland Government and any terms set for such approval. See section Article 29 of this Licence.
- (e) A proposed time schedule for the Licensee's performance of the activities and obligations under sections 13.04(a)-13.04(e) shall also be included in the Final Construction and Production Plan. The time schedule shall be in accordance with the time limits for the Licensee's submission and the Greenland Government's approval of the Final Construction and Production Plan under section 6.02(a) and for the Licensee's provision of Financial Security and a company guarantee (for each Licensee Company if there is several Licensee Companies) as security and the Greenland Government's approval thereof under section 6.02(h).

- (f) The Final Construction and Production Plan shall also comprise information and documents on the matters stated in sections 13.04(a)-13.04(e) and on such other matters as the Greenland Government may reasonably require.

13.05 The Final Construction and Production Plan shall be subject to the approval of the Greenland Government and any terms set for such approval. The Final Construction and Production Plan shall be updated regularly and shall furthermore be amended to reflect substantial changes in the exploitation activities or other activities or matters relating to the plan. Any update or amendment of the Final Construction and Production Plan is subject to the approval of the Greenland Government and any terms set for any such approval. The Greenland Government may require the Licensee to submit an updated or amended Final Construction and Production Plan to the Greenland Government for its approval. The Greenland Government may also require that the Licensee shall provide additional security for the performance of the Licensee's obligations in relation to an updated or amended Final Construction and Production Plan or changed exploitation activities or other activities or matters. Any update or amendment of the Final Construction and Production Plan, and any change to the security provided or to be provided, is subject to the approval of the Greenland Government and any terms set for such approval.

13.06 If the Licensee terminates activities regarding exploitation of the Hydropower Resource for production of electricity under this Licence, then the Licensee shall negotiate and make an agreement with the Greenland Government on the transfer or reversion of the hydropower plant to the Greenland Government and on the Licensee's closure and decommissioning activities etc. See Article 233 of this Licence.

13.07 The Licensee may not commence any activities under or in relation to this Licence, including any building, civil engineering or other construction activities, before the Greenland Government has approved the Final Construction and Production Plan. See section 19(2) of the Hydropower Act.

Article 14 Use of workers and suppliers of goods and services, including construction services

14.01 The Licensee and its Contracting Parties shall employ and use Greenland Workers to perform work in the performance of the Licensee's activities under this Licence. See section 11(1) of the Hydropower Act. However, the Licensee and its Contracting Parties may employ and use other workers if Greenland Workers with the necessary qualifications do not exist or are not available in Greenland. See section 11(2) of the Hydropower Act. This will be part of the Social Impact Assessment (SIA) and a report thereon (SIA Report), see also Article 10 and 11 of this License.

14.02 The Licensee and its Contracting Parties shall make contracts with and use Greenland Suppliers to supply good and services, including constructions services, in the performance of the Licensee's activities under this Licence. However, the Licensee and its Contracting Parties may make contracts with and use other

suppliers if Greenland Suppliers do not have the necessary technical and professional abilities or are not commercially competitive. See section 11(3) of the Hydropower Act. This will be part of the Social Impact Assessment (SIA) and a report thereon (SIA Report), see also Article 10 and 11 of this Licence.

- 14.03 At least once a year, the Licensee shall submit plans to the Greenland Government for the Licensee's implementation and use of measures and procedures ensuring that the Licensee and its Contracting Parties provide for the greatest possible employment and use of Greenland Workers and the greatest possible contracting with and use of Greenland Suppliers. The plans shall include programmes for the Licensee's recruitment, employment and use of Greenland Workers and programmes for the Licensee's invitations for tender for contracts, award of contracts and making of contracts with and use of Greenland Suppliers. The plans and programmes are subject to the approval of the Greenland Government. The submission and the contents of the plans and programmes shall be in accordance with any provisions and terms thereon set by the Greenland Government.
- 14.04 The Licensee and its Contracting Parties shall ensure that any person employed or otherwise engaged in activities under this Licence has received a proof of employment containing all relevant information regarding the employment. This includes all information regarding salary and terms of employment and other rights and duties in the relation between the employer and the employee.
- 14.05 The Licensee and its Contracting Parties shall ensure that any person employed or otherwise engaged in activities under this Licence is ensured medical treatment in relation to any illness, sickness or accident, including evacuation, emergency treatment, rehabilitation and transport to the country and place of permanent residency if this is necessary.
- 14.06 The Licensee and its Contracting Parties shall ensure that any person employed or otherwise engaged in activities under this Licence is provided with comprehensive medical insurance cover, including cover of medical costs, emergency treatment and any required rehabilitation. The Greenland Government may order the Licensee to make hospital care and service agreements with Greenland hospital care authorities and entities regarding hospital care and services.
- 14.07 If the Licensee contracts with and use other suppliers than Greenland Suppliers, then the Licensee shall ensure that the other suppliers are aware of and comply and act in accordance with the Hydropower Act, this Licence, plans under this Licence and approvals of plans under this Licence and any other provisions, terms and guidelines applicable in Greenland at any time.

Article 15 Performance and approval of activities under this Licence etc.

- 15.01 The Licensee's activities under this Licence shall be performed appropriately and in a proper and sound

manner in relation to safety, health, the environment, appropriate resource utilisation and social sustainability. See also section 1(2) of the Hydropower Act.

- 15.02 The Licensee's activities under this Licence shall be performed in accordance with recognised good national and international practice for such activities under similar conditions. See also section 1(2) of the Hydropower Act.
- 15.03 The Licensee's activities under this Licence shall be performed in accordance with the Hydropower Act, the Government of Greenland's Environmental Protection Act other statutes and rules, this Licence, the Greenland Government's approval of the Final Construction and Production Plan, the Environmental Impact Assessment (EIA), the Social Impact Assessment (SIA), the Impact Benefit Agreement (IBA) and decisions of the Greenland Government under the Hydropower Act and this Licence.
- 15.04 In addition to the Final Construction and Production Plan, see 13 of this Licence, the Licensee shall make any other relevant plans for its activities under this Licence and submit the plans to the Greenland Government for its approval. The Greenland Government may require the Licensee to submit a plan for specific activities or matters to the Greenland Government for its approval.
- 15.05 All plans are subject to the approval of the Greenland Government and any terms set by the Greenland Government for any such approval. All plans shall include pollution contingency measures to the extent this is relevant. An activity may not be commenced unless the Greenland Government has approved the relevant plan or plans regarding the activity. In its approval, the Greenland Government may determine that specific types of plants, equipment and material etc. may not be used, or that certain activities may not be performed or not performed in specific areas or in specific periods. The Greenland Government may set specific terms for the approval, including with respect to safety, health, the environment, resource utilisation and socio-economic matters, including social sustainability and the making of agreements thereon. The Greenland Government may order the Licensee to monitor biological, environmental and physical conditions concerning areas affected by the activities under this Licence.
- 15.06 All the plans under sections 15.03-15.04 shall be updated regularly and shall furthermore be amended to reflect substantial changes in the exploitation activities or other matters relating to the plans. Any update or amendment of a plan under sections 15.03-15.04 is subject to the approval of the Greenland Government and any terms set by the Greenland Government for any such approval. The Greenland Government may require the Licensee to submit an updated or amended plan to the Greenland Government for its approval.
- 15.07 Any agreements made between the Licensee and a third party in relation to services or activities comprised by this Licence, including, among others, a power purchase agreement (PPA), shall be subject to and in

accordance with this Licence. The Licensee shall require and ensure that the terms of such agreements are subject to and in accordance with this Licence.

- 15.08 The Greenland Government may set specific provisions and terms on the performance of activities under this Licence in and outside the Licence Area, including provisions and terms regarding technical, health, safety, environmental, social sustainability and resource matters.
- 15.09 The Licensee may establish, operate and use plants, production facilities, other facilities, installations, dams, canals, tunnels, basins, turbines, transport facilities, infrastructure (such as pipelines, transmission lines, roads, harbours and airports) and buildings (such as housing, accommodations, offices and storage facilities) etc. in and outside the Licence Area. However, the Licensee may only do so after this has been approved by the Greenland Government. The Greenland Government may set terms for any such approval. See also section 19 of the Hydropower Act.
- 15.10 Building, civil engineering and other construction activities shall be performed safely and in accordance with best national and international practices for performance of activities under similar conditions. Plants, facilities, installations, infrastructure and buildings etc. shall be in a fully safe, satisfactory and functional working order.
- 15.11 The Licensee shall perform all relevant activities and take all relevant measures to ensure that activities under this Licence and plants, facilities, installations, infrastructure and buildings etc. which are established, operated and used in relation to activities under this Licence do not create a risk of damage to persons or third-party property. The Licensee shall, among other matters, perform activities and take measures to prevent unauthorized access to the plant etc. and any other part of the Licence Area which is posing a special risk to persons entering the plants etc. or areas concerned.
- 15.12 The Licensee shall take all necessary measures to ensure that the risk of pollution and other harmful effects on the environment in and outside the Licence Area is reduced as much as possible.
- 15.13 The Licensee shall take measures to minimize any degrading of plant and wildlife conditions in the areas which are directly or indirectly affected by activities comprised by this Licence. The Greenland Government may set further provisions and terms thereon.
- 15.14 If activities under this Licence may be expected to damage, destruct, move, change or hide cultural sites, including such sites which have not been known before, the Licensee shall immediately notify the Greenland Government thereof and discontinue the activities if they may affect the cultural site. See the Greenland Parliament Act no. 11 of 19 May 2010 on the preservation and other cultural heritage protection of cultural sites (Cultural Sites Protection Act) (In Danish: *Inatsisartutlov nr. 11 af 19. maj 2010 om fredning og anden kulturarvsbeskyttelse af kulturminde*), as amended by any subsequent Acts.

- 15.15 If the Licensee's activities under this Licence create a risk of damage to persons or third-party property, or if the risk of pollution or harmful effects on the environment exceeds a level acceptable to the Greenland Government, the Greenland Government may order the Licensee to remedy the situation and rectify any damage within a time limit set by the Greenland Government. If it is considered necessary by the Greenland Government, the Greenland Government may further order the Licensee to suspend activities in whole or in part until the Licensee has remedied the situation and rectified any damage. Moreover, the Greenland Government may order the Licensee to prepare a plan for remedying the situation. If the Licensee does not comply with an order or does not do so within a time limit set by the Greenland Government, the Greenland Government may implement the order and take any necessary preventive, remedial and/or rectifying measures at the Licensee's expense and risk.
- 15.16 If the Licensee fails to comply with an order made under section 15.15, the Licensee shall compensate any damage, loss and cost incurred as a result thereof, irrespective of whether such damage, loss or cost is incurred by the Greenland Government, the Danish State and/or any third party.
- 15.17 The Licensee shall continuously perform clean-up and rectify damage caused to terrain, vegetation and the environment as a result of the Licensee's activities under and in relation to this Licence. The final clean-up and rehabilitation shall be completed by the licensee and have been approved by the Greenland Government no later than 3 months before the termination of this Licence.
- 15.18 After termination of this Licence, the former Licensee (the former Licensee Company or Licensee Companies) shall continue to perform activities and fulfil obligations in relation to the former Licence and the activities and obligations under the former Licence, to the extent the former Licensee has an obligation to do so under the Hydropower Act, the former Licence or any approval of surrender of the former Licence or any other decision of the Greenland Government.

Article 16 Third party activities in the Licence Area

- 16.01 The Licensee shall respect all existing rights in the Licence Area. This Licence shall not entail any restrictions in the right of any third party to perform lawful activities in the Licence Area, including the activities mentioned in section 16.02. However, the Licensee may close off limited areas, to the extent necessary, for the purpose of performing specific hydropower resource activities and for the purpose of preventing unauthorized access to the hydropower plant or part of the Licence Area posing a special risk to persons entering the areas concerned, provided that the Greenland Government has given prior permission thereto.
- 16.02 Within the Licence Area, other parties than this Licensee may be granted the following licences and

approvals and may perform the following activities etc.:

- (a) Other parties may be granted a licence for prospecting for and/or exploitation of other hydropower resources than the Hydropower Resource comprised by this Licence for production of electricity if the Licensee and each of the said other parties only expect to exploit a part of the total hydropower potential of the Hydropower Resource comprised by this Licence and the other hydropower resources concerned. See sections 3(3) and 13(1) of the Hydropower Act. Any such possible licence for prospecting for and/or exploitation of other hydropower resources than the Hydropower Resource comprised by this Licence for production of electricity granted to any other party shall be subject to this Licence and the right of the Licensee under this Licence to exploit all parts of the total Hydropower Resource which the Licensee plans to exploit and actually exploits.
- (b) Other parties may be granted a licence or an approval for exploitation of water to supply water to local users or a licence for prospecting for or exploitation of ice and water to use or sell ice and water commercially.
- (c) Other parties may be granted a licence for prospecting for, exploration for or exploitation of minerals or hydrocarbons (oil and gas).
- (d) Other parties may be granted a licence for performance of tourist activities.

16.03 When the Greenland Government grants a licence to or an approval of the activities under section 16.02, then the licence or the approval will include terms stating that the activities shall be performed in a manner which does not interfere unnecessarily with the activities of the Licensee under this Licence. The Licensee shall also ensure that its activities under this Licence do not interfere unnecessarily with such third party activities in the Licence Area.

Article 17 Hydropower plants and transmissions lines and production, transmission and delivery of electricity

17.01 Hydropower plants and transmission lines shall be designed, established and operated using the best available technology and using materials approved by the European Union, unless the Greenland Government approves the use of other materials of a similar or better quality.

17.02 The Licensee shall design, establish, operate and finance transmission lines in [...], [...], [...] and [...]. See sections 9(2) and 9(3) of the Hydropower Act. The Licensee shall not be required to finance, establish and operate transmission lines to public transmission networks and public and private consumers of electricity, unless otherwise determined by the Greenland Government in relation to its approval of the Final Construction and Production Plan. See Article 133 of this Licence.

17.03 In relation to the approval of the Final Construction and Production Plan, see Article 13 of this Licence, the Greenland Government may set provisions on surplus production capacity and on the supply of surplus production capacity or a part of the production to public transmission networks and public and private consumers of electricity. See section 9(1)(2) of the Hydropower Act.

Article 18 Royalty

18.01 In relation to calculation of Annual Volume Royalty under this Article 18, the calendar year in which this Licence is granted shall be considered year 1 of the Licence Period ("Year 1 of the Licence Period"). The first subsequent calendar year shall be considered year 2 of the Licence Period ("Year 2 of the Licence Period"), the second subsequent calendar year shall be considered year 3 of the Licence Period ("Year 3 of the Licence Period ") and the later subsequent calendar years shall be considered later years of the Licence Period (for example "Year 4 of the Licence Period", "Year 5 of the Licence Period" and "Year 6 of the Licence Period").

18.02 The Licensee shall for each calendar year and each part of a calendar year pay an Annual Volume Royalty for a calendar year or a proportionate part of the annual volume royalty which corresponds to the part of the calendar year which is comprised by the License Period.

18.03 The Annual Volume Royalty to be paid by the Licensee to the Greenland Government shall be the following amounts ("Annual Volume Royalty Amount") in the following years of the Licence Period:

- (a) In Year 1 of the Licence Period: DKK [...]
- (b) In Year 2 of the Licence Period: DKK [...]
- (c) In Year 3 of the Licence Period: DKK [...]
- (d) In In Year 4 of the Licence Period: DKK [...]
- (e) In In Year 5 of the Licence Period: DKK [...]
- (f) In Year 6 of the Licence Period and any subsequent years of the Licence Period: DKK [...]

18.04 Each Annual Volume Royalty Amount stated in sections 18.03(a)-18.03(f) shall be increased with an amount corresponding to one hundred per cent (100%) of the stated Annual Volume Royalty Amount for each extension of 12 months of one or more of the time limits stated in section 6.02 applied for by the Licensee and granted by the Greenland Government. If the Greenland Government grants an extension of

one of the time limits stated in section 6.02, then such extension shall apply correspondingly to all the other time limits stated in section 6.02.

18.05 The Greenland Government may set terms on the Licensee's payment of different royalties to the Greenland Government based on the following royalty schemes and royalty (see section 10 of the Hydropower Act): (1) The size of the Hydropower Resource which is comprised by this Licence (a volume royalty). (2) The size of the Hydropower Resource which is exploited under this Licence (an exploitation royalty). (3) Electricity which is produced from the Licensee's activities under this Licence (a production royalty). (4) A share of the profit realised from the Licensee's activities under this Licence (a profits royalty). The Greenland Government will decide whether the Greenland Government will or will not set terms on the Licensee's payment of royalty (consideration) to the Greenland Government which shall apply from the period when the Licensee produces electricity under this Licence.

18.06 [Other terms on royalty may be inserted here by the Greenland Government before it grants this Licence.]

Article 19 Reporting etc.

19.01 For all activities performed under this Licence, the Licensee shall submit data and reports etc. to the Greenland Government regarding all hydrological, geological, geochemical, geophysical, glaciological, meteorological, technical, environmental, health and financial studies, including socio-economic studies, and other studies which are performed in respect of the Licence Area and/or activities under this Licence. See section 11(4) of the Hydropower Act and section 19.02 of this Licence. At the Greenland Government's request, the Licensee shall submit to the Greenland Government samples from material obtained in relation to such studies.

19.02 The Licensee shall make an annual report on the activities performed under this Licence in a calendar year and any relevant matter in relation thereto. See section 7(1) of the Hydropower Act. The Licensee shall submit the annual report to the Greenland Government no later than 1 February in the following year. The annual report is subject to the approval of the Greenland Government and any terms set for such approval. The Licensee shall make a report on all or some specific activities performed or to be performed under this Licence and/or any matter in relation thereto and submit the report to the Greenland Government if the Greenland Government requests the Licensee to do so. The Licensee shall provide information and documents to the Greenland Government regarding this Licence, activities performed or to be performed under this Licence and/or any matter in relation thereto if the Greenland Government requests the Licensee to do so.

19.03 The Greenland Government may set provisions and terms, including terms in approvals of plans for activities and decisions of the Greenland Government, on the Licensee's reporting on activities performed under this Licence, including reporting on financial matters, and on the types of documents, information, data, interpretations and other matters to be included in the reports. The Greenland Government may also determine the form and media for submitting such documents, information and data etc. The Greenland Government may demand further documents, information and data etc. from the Licensee regarding the activities performed under this Licence and matters in relation thereto.

19.04 All costs and expenses in relation to the Licensee's making and submission of reports, documents, information and data etc. under this Licence shall be paid and borne by the Licensee.

Article 20 Confidentiality

20.01 All reports, documents, information and data etc. submitted by the Licensee to the Greenland Government under Article 19 shall be confidential and be treated as confidential by the Greenland Government for a period of one (1) year from the date when the data, reports, documents and information were received by the Greenland Government. See also section 7(2) of the Hydropower Act.

20.02 However, the period of confidentiality shall terminate no later than the date of expiry or termination of this License or the date of surrender of this Licence if the Greenland Government has approved the surrender of this Licence under Article 255.

20.03 Notwithstanding the provisions of section 20.01, the Greenland Government shall be entitled to do all the following:

- (a) The Greenland Government may make general statements concerning the Licence Area and the activities under this Licence, based on the material and data etc. submitted by the Licensee.
- (b) The Greenland Government may use and publish, without any restrictions and conditions, data reports, documents and information regarding environmental, health, socio-economic, technical, navigational, meteorological or glaciological matters, including bathymetric maps, if this is considered to be in the general interest of the Greenland society or the Greenland Government in the opinion of the Greenland Government. However, the Greenland Government may not do so in relation to any material patented or in the process of being patented.
- (c) The Greenland Government may use and publish material submitted by the Licensee regarding general geological, geophysical and technical conditions, including generalized interpretations.

20.04 Before publishing any material under section 20.03(b) or 20.03(c), the Greenland Government shall notify the Licensee thereof and consult with the Licensee to receive any comments thereto which the Licensee may have.

Article 21 Reporting on direct and indirect taxes etc.

21.01 In this Article 21, "Taxes" means any direct taxes and indirect taxes, including payroll tax, corporate tax, and dividend tax, and "tax laws" and "tax regulations" means tax laws and tax regulations regarding such Taxes, as applicable in Greenland at any time.

21.02 Enterprises and persons performing activities and work in Greenland shall observe and act in accordance with tax laws and tax regulations applicable in Greenland at any time.

21.03 The Licensee and its Contracting Parties shall observe and act in accordance with tax laws and tax regulations applicable in Greenland at any time, including requirements on reporting and payment of Taxes set or decided by the tax authorities in Greenland.

21.04 The Licensee and its Contracting Parties shall also observe and act in accordance with provisions and terms on reporting and payment of Taxes under this Licence, including requirements on reporting and payment of Taxes set or decided by the Greenland Government.

21.05 For each reporting period set by the tax authorities in Greenland and no later than the due date for reporting of information relating to Taxes set by the tax authorities in Greenland, the Licensee shall demonstrate to the Greenland Government that the Licensee has reported information relating to Taxes to the tax authorities in Greenland, as required under Greenland law. The Licensee shall furthermore send copies to the Greenland Government of the information relating to Taxes which the Licensee has reported to the tax authorities in Greenland.

21.06 For each payment period set by the tax authorities in Greenland and no later than the due date for payment of Taxes set by the tax authorities in Greenland, the Licensee shall demonstrate to the Greenland Government that the Licensee has paid Taxes to the tax authorities in Greenland and the amounts paid. The Licensee shall furthermore send copies to the Greenland Government of documents showing the payments of Taxes which the Licensee has made to the tax authorities in Greenland.

21.07 In the Licensee's agreements with its Contracting Parties, the Licensee shall require that its Contracting Parties shall report information relating to Taxes and pay Taxes to the tax authorities in Greenland, as required under Greenland law. In the Licensee's agreements with its Contracting Parties, the Licensee shall also require that its Contracting Parties shall send documentation relating to reporting and payment of Taxes

to the Greenland Government and the Licensee. Information in the documentation relating to Taxes, which the Contracting Parties considers to be confidential or sensitive, may be made unreadable in the documentation sent to the Licensee. The Contracting Parties shall also send the said documentation to the Greenland Government and the tax authorities with no information made unreadable. The Licensee shall provide its Contracting Parties with all necessary information in relation to their reporting of information relating to Taxes and payment of Taxes.

- 21.08 For each reporting period set by the tax authorities in Greenland and no later than the due date for reporting of information relating to Taxes set by the tax authorities in Greenland, the Licensee shall check and ensure that the Licensee's Contracting Parties have reported information relating to Taxes to the tax authorities in Greenland, as required under Greenland law, and have sent copies of the reported information and documentation to the Greenland Government and the Licensee. If the Greenland Government informs the Licensee that the Greenland Government has not received the said copies of the reported information and documentation from a Contracting Party within the said time limit, the Licensee shall take all reasonable measures to ensure that the Greenland Government receives the said information and documentation from the said Contracting Party as soon as possible. The Greenland Government may order the Licensee to do so within a specified time limit.
- 21.09 For each payment period set by the tax authorities in Greenland and no later than the due date for payment of Taxes set by the tax authorities in Greenland, the Licensee shall check and ensure that the Licensee's Contracting Parties have paid Taxes to the tax authorities in Greenland, as required under Greenland law, and have sent documentation for the payment to the Greenland Government and the Licensee. If the Greenland Government informs the Licensee that a Contracting Party has not sent the said documentation for the payment to the Greenland Government or has not paid Taxes as required under Greenland law, the Licensee shall take all reasonable measures to ensure that the Contracting Party sends the said documentation for payment to the Greenland Government or pays the Taxes as required under Greenland law, as applicable, as soon as possible. The Greenland Government may order the Licensee to do so within a specified time limit.
- 21.10 The Greenland Government may demand that the Licensee ensures that the Greenland Government and the tax authorities receives further information from the Licensee and Contracting Parties concerning reporting of information relating to Taxes and payment of such Taxes to the tax authorities in Greenland, as required under Greenland law. The Licensee shall then ensure that the Greenland Government and the tax authorities receives the requested information from the Licensee or the Contracting Parties, as applicable.
- 21.11 The Licensee shall ensure that any Contracting Party is registered in the Central Business Register for Greenland (the CVR Register) with a registration number (CVR number) if the Contracting Party is required to be registered under Greenland law or Danish law applicable in Greenland. If a Contracting Party is

required to be registered, the Contracting Party shall not perform any activity under or in relation to this Licence before the Contracting Party is registered.

- 21.12 The Licensee shall ensure that any Contracting Party is registered as an employer in the register of employers (Sulinal) if the Contracting Party is required to be registered under Greenland law. If a Contracting Party is required to be registered, the Contracting Party shall not perform any activity under or in relation to this Licence before the Contracting Party is registered.
- 21.13 The provisions on the Licensee's Contracting Parties shall apply similarly to the employees of the Licensee and its Contracting Parties.
- 21.14 The Licensee may apply for and the Greenland Government may grant an exemption from the application of the terms in sections 21.02-21.04 and 21.07-21.13 for specific identified Contracting Parties which are domiciled in Greenland, are fully liable to taxation to Greenland, are registered in the Central Business Register with a company number (CVR number) and are registered as employers in the Greenland register of employers (Sulinal). The Greenland Government may set any terms for such an exemption.
- 21.15 Reports shall be submitted electronically in a format and design approved by the Greenland Government before the first submission. Changes in reporting shall be pre-approved by the Greenland Government and may be required by the Greenland Government.
- 21.16 The Licensee shall also act in accordance with any additional terms on reporting and payment of Taxes set by the Greenland Government in an approval or a decision thereon.

Article 22 Transfer of this Licence and legal proceedings against this Licence

- 22.01 This Licence or any part of it can neither directly nor indirectly be transferred to any other party or parties, unless such transfer has been approved by the Greenland Government. The Greenland Government may set terms for any such approval. See section 23(2) of the Hydropower Act.
- 22.02 This Licence cannot be made the subject of any legal proceedings.

Article 23 Reversion of hydropower plant and other plants, facilities, installations and buildings etc.

- 23.01 When half of the Licence Period set in 6.01 is expired, the Greenland Government and the Licensee may initiate negotiations in relation to the reversion of the plants, facilities, installations and buildings etc., including the hydropower plant, other plants, production facilities, other facilities, installations, dams,

canals, tunnels, basins, turbines, transport facilities, infrastructure (such as pipelines, transmission lines, roads, harbours and airports) and buildings (such as housing, accommodations, offices and storage facilities) comprised by this Licence to the Greenland Government at the termination of this Licence. See section 14(1) of the Hydropower Act. If the Greenland Government and the Licensee do not make an agreement in relation to the reversion of the mentioned plants, facilities, installations and buildings etc. at the termination of this Licence, the Greenland Government may decide that the mentioned plants, facilities, installations and buildings etc. shall revert to the Greenland Government at the termination of this Licence. See section 14(5) of the Hydropower Act.

- 23.02 The plants, facilities, installations and buildings etc., including the hydropower plant, other plants, production facilities, other facilities, installations, dams, canals, tunnels, basins, turbines, transport facilities, infrastructure (such as pipelines, transmission lines, roads, harbours and airports) and buildings (such as housing, accommodations, offices and storage facilities) comprised by this Licence are subject to reversion and shall revert to the Greenland Government.
- 23.03 On reversion of the plants, facilities, installations and buildings etc. to the Greenland Government under section 23.02, the Licensee shall transfer to the Greenland Government the full, unencumbered and uncharged ownership of and title to the plants, facilities, installations and buildings etc and shall do so without receiving any payment of any consideration, charge, remuneration or any other amount from the Greenland Government. See section 15(1) of the Hydropower Act.
- 23.04 On reversion of the plants, facilities, installations and buildings etc. to the Greenland Government under section 23.02, the Greenland Government may decide that the plants, facilities, installations and buildings etc. shall be transferred to the Greenland Government in full working order and condition unless this would be a disproportionate burden for the Licensee. See section 15(3) of the Hydropower Act.
- 23.05 The Greenland Government shall have full and unrestricted access to the plants, facilities, installations and buildings etc. to perform activities in relation to the reversion of the plants, facilities, installations and buildings etc. in three (3) years before the reversion. Such activities shall be performed without significant inconvenience or expense to the Licensee. See section 15(4) of the Hydropower Act.
- 23.06 On reversion of the plants, facilities, installations and buildings etc. to the Greenland Government under section 23.02, any and all ownership rights, mortgages, encumbrances, easements, covenants and any other third party rights in, on and/or in relation to the plants, facilities, installations and buildings etc. shall lapse and be terminated and without any legal effect in relation to the Licensee and any other party, including any party which has any such right. The Licensee shall make any relevant agreement and transaction, perform any relevant activity and do any relevant thing to ensure that and that effect in relation to the Licensee and any other party, including any party which has any such right.

Article 24 Revocation and expiry of this Licence

24.01 This Licence may be revoked in the following instances:

- (a) If the Licensee fails to comply with the Hydropower Act, this Licence, provisions or terms set under the Hydropower Act or this Licence or terms of an approval or a decision of the Greenland Government under the Hydropower Act or this Licence, or if the Licensee fails to meet specific time limits.
- (b) If the Licensee fraudulently misrepresents facts or information to the Greenland Government.
- (c) If a condition for granting and/or upholding this Licence is no longer met and/or complied with, including the conditions under section 8(1) of the Hydropower Act and the conditions set in section 6.02 of this Licence.
- (d) If the Licensee, or one of the Licensee Companies if there are several Licensee Companies, suspend its payments, request the opening of negotiations for a compulsory composition, is declared bankrupt, enter into liquidation or is in a similar situation.
- (e) If the Licensee does not fulfil and comply with an order made by the Greenland Government under this Licence.

24.02 This Licence may not be revoked under section 24.01(a), 24.01(c) or 24.01(e) if the Licensee remedies the breach, non-performance or non-compliance within a reasonable time limit set by the Greenland Government. If the breach, non-performance or non-compliance has not been remedied within the time limit set by the Greenland Government, this Licence may be revoked without further notice, unless otherwise provided in section 24.03.

24.03 This Licence may not be revoked under section 24.01(a), 24.01(c), 24.01(e) and/or section 24.02 if the breach, non-performance or non-compliance is due to circumstances (hindrances) which (1) make it impossible to prevent, avoid and overcome the breach or non-compliance, (2) are beyond the Licensee's control and (3) could not have been foreseen, prevented, avoided and/or overcome by the Licensee (force majeure). However, such circumstances (hindrances) shall not comprise the Licensee's illiquidity, insolvency or similar lack of means of payment or options available for payment. When such circumstances (hindrances) occur, the Licensee shall promptly give written notice thereof to the Greenland Government, stating the nature, extent and expected duration of the circumstances (hindrances). If such circumstances (hindrances) terminate at a later time or can be prevented or overcome at a later time, and the Licensee does

not bring to an end the breach, non-performance or non-compliance within a reasonable period of time thereafter, this Licence may be revoked under section 24.01(a), 24.01(c), 24.01(e) and/or section 24.02.

24.04 This Licence shall not be revoked under section 24.01(d) if there are several Licensee Companies and the Greenland Government approves the transfer of the licence share of the Licensee Company concerned to the other Licensee Company or to one or more of the other Licensee Companies if there are several other Licensee Companies, provided that the Licensee continues to have the necessary professional and technical ability and financial capacity to perform the activities under this Licence and fulfil the obligations in relation to this Licence and the activities under this Licence.

24.05 If the Licensee has not fulfilled a condition set in any of the sections 6.02(a)-6.02(j) within the time limit set for fulfilment of the condition, then this Licence lapses without further notice. No later than 90 days before the end of the time limit set in sections 6.02(a)-6.02(j) for the condition concerned, the Licensee may request the Greenland Government to grant the Licensee an extension of the time limit for a specific period of up to [90] days. The Greenland Government determines freely and at its sole discretion whether such an extension of the time limit shall be granted or not granted and, if an extension is granted, on which terms an extension shall be granted. The Greenland Government may extend such time limit one or more times. If the Licensee has not fulfilled the condition set in one of the sections 6.02(a)-6.02(j) or any other terms for such an extension of the time limit at the end of such an extended time limit for fulfilment of the condition, then this Licence lapses without further notice.

Article 25 Surrender of this Licence

25.01 If the Licensee intends to surrender this Licence to the Greenland Government before expiry of the Licence Period, the Licensee shall notify the Greenland Government thereof in writing.

25.02 The surrender of this Licence shall be subject to the approval of the Greenland Government and shall have no legal or other effect before any such approval.

25.03 The Greenland Government may set terms for an approval of the Licensee's surrender of this Licence. Such terms may, among others, include terms which require that the Licensee makes and performs an agreement with the Greenland Government to the effect that the Licensee shall take measures and perform activities, including closure, clean-up, recovery and monitoring measures and activities, and that the Licensee shall provide security for performance of such measures and activities and possible future measures and activities, including monitoring of the environment and nature and performance of measures for protection and rehabilitation of the environment and nature.

Article 26 Obligations on termination of activities

- 26.01 On termination of the activities under this Licence, the Licensee shall do the following, unless otherwise agreed by the Licensee and the Greenland Government or approved by the Greenland Government:
- (a) Remove all plants, production facilities, other facilities, installations, dams, canals, tunnels, basins, turbines, infrastructure (such as pipelines, transmission lines, roads, harbours and airports) and buildings (such as housing, accommodations, offices and storage facilities) etc. in and outside the Licence Area which have been established for the activities under this Licence. The removal is subject to approval by the Greenland Government and any terms set for such approval.
 - (b) Perform final and full clean-up and rectification of any damage to and impact on the environment, nature, vegetation and wildlife in and outside of the Licence Area and other affected areas. The clean-up and rectification are subject to approval by the Greenland Government and any terms set for such approval.
- 26.02 If the Licensee fails to comply with orders to implement the measures under section 26.01 within a time limit set by the Greenland Government, the Greenland Government may have such measures performed at the Licensee's expense and risk. If the implementation of such measures results in a claim for compensation made by a party suffering damage or loss against the Greenland Government, the Danish State or a third party, the Licensee shall indemnify the Greenland Government, the Danish State or the third party for the claim and any related cost.
- 26.03 If plants, facilities or installations etc. have served their purpose and are not used anymore under this Licence before termination of this Licence, the Licensee shall negotiate and seek to make an agreement with the Greenland Government on transfer or reversion of such plants, facilities or installations etc. to the Greenland Government under Article 233.
- 26.04 If the Licensee exceeds a time limit for performance of closure activities and fails to comply with an order to perform these activities within a time limit set by the Greenland Government, the Greenland Government may have such activities performed at the Licensee's expense and risk.
- 26.05 Before termination of the exploitation activities, the Licensee is entitled to sell or otherwise transfer plants, buildings, installations, roads, pipelines and infrastructure etc., established for performance of activities under this Licence, to other parties, including Greenland authorities. Any such sale or transfer is subject to approval of the Greenland Government and any terms set for such approval. Any such agreement shall be made by the Licensee and the other party and approved by the Greenland Government before termination of the exploitation activities.

Article 27 Liability in damages, insurance and indemnification

- 27.01 The Licensee shall pay compensation for any damage and loss caused by activities performed under this Licence, regardless of whether the damage or loss can be considered accidental and whom the damage or loss is suffered by. If a party suffering damage or loss has contributed to the damage intentionally or with gross negligence, the claim for compensation may be reduced or extinguished.
- 27.02 The Licensee's activities under this Licence shall be comprised by insurance, including third-party liability insurance, which shall always provide reasonable cover for any insurance risks. At the end of each calendar year or at the request of the Greenland Government, the Licensee shall inform the Greenland Government of the existing insurance cover and the main insurance terms. The Greenland Government may require the Licensee to submit all insurance policies and terms and to take out and maintain additional insurance or insurance coverage. The Licensee shall comply with any provisions and terms set by the Greenland Government regarding insurance and documentation of insurance. Insurance shall be taken out with an internationally recognised first class insurance company. See sections 24(1) and 24(2) of the Hydropower Act.
- 27.03 The Licensee shall indemnify the Greenland Government and the Danish State for any claims made by any third party against the Greenland Government and/or the Danish State as a consequence of or in connection with any activity under this Licence, provided that the Licensee was given an opportunity in due time to participate in the defence against such claims and that the matter was decided in one of the following manners:
- (a) By a settlement previously approved by the Licensee.
 - (b) By a final judgment by a court of law.
 - (c) By an arbitral award, provided that the party making the claim was entitled to refer disputes to arbitration before the occurrence of the damage.
 - (d) An arbitral award, provided that the Licensee has accepted the referral of the dispute to arbitration.

Article 28 Joint and several liability of Licensee Companies

- 28.01 If there are more than one Licensee Company, then each Licensee Company shall be jointly and severally liable for the fulfilment of any obligation under this Licence, including any obligation to pay compensation for any damage or loss caused by activities performed under this Licence.

Article 29 Financial security and company guarantee*General terms on Financial Security*

29.01 The Licensee shall provide and maintain Financial Security for the Licensee's fulfilment of all its obligations under and in relation to this Licence and activities under this Licence, including obligations under the Hydropower Act, other Greenland law, such as the Environmental Protection Act of 22 November 2011 and the general administrative order of EIA of 27 March 2013, Danish law and international law and agreements applicable in Greenland, the Final Construction and Production Plan, and any other plans for activities under this Licence, any approval by the Greenland Government of any such plan, any approval by the Greenland Government of surrender of this Licence or part of the Licence Area and any agreement in relation thereto, all as applicable in Greenland at any time. See section 24(1) of the Hydropower Act. The said obligations shall, among other matters, include any obligations in relation to closure of plants, installations, facilities, buildings etc. and activities under this Licence, environmental liability, and any other liability under or in relation to this Licence. The said obligations shall, among other matters, also include obligations in relation to activities under this Licence in and outside the Licence Area and obligations in relation to closure and environmental monitoring and liability after closure.

Financial Security Amount

29.02 The Financial Security shall be provided and maintained by the Licensee in a Financial Security Amount set by the Greenland Government. The Greenland Government shall set the Financial Security Amount on the basis of an assessment of all relevant matters. Such matters shall in particular include expected, probable and possible obligations and liabilities of the Licensee under and in relation to this Licence, including the obligations stated in section 29.01. The Greenland Government may decide that the Financial Security Amount shall be changed when this, in the assessment of the Greenland Government, is required due to changed circumstances or other matters in relation to the Licensee's provision and maintenance of security for the Licensee's fulfilment of its obligations and liabilities under and in relation to this Licence, including the obligations stated in section 29.01.

Provision and maintenance of Financial Security

29.03 No activities under this Licence may commence or continue before the Licensee has provided and established the Financial Security in the Financial Security Amount, as stated in sections 29.01 and 29.02, and this has been approved by the Greenland Government, unless the Greenland Government approves that the Licensee may provide and establish the Financial Security in the Financial Security Amount at a later time. The Greenland Government may set terms for any of these approvals.

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- 29.04 Subject to section 29.01, the Licensee shall provide and maintain the Financial Security in the Financial Security Amount by establishing and maintaining one or more of the following securities in an aggregate (total) amount equal to the Financial Security Amount:
- (a) One or more segregated and interest-bearing escrow accounts of monies in one or more banks.
 - (b) One or more segregated securities escrow accounts, including yield accounts, in one or more banks.
 - (c) One or more guarantees issued by one or more guarantor banks or other financial institutions approved by the Greenland Government.
 - (d) One or more other securities proposed by the Licensee and approved by the Greenland Government or decided by the Greenland Government after consultation with the Licensee to receive any comments thereto which the Licensee may have. The Greenland Government may set any terms for any such approval or decision.
- 29.05 The Licensee shall prepare and submit to the Greenland Government a proposal for providing and maintaining the Financial Security in the Financial Security Amount by establishing and maintaining one or more of the securities stated in section 29.04 in one or more specific amounts and in an aggregate (total) amount equal to or greater than the Financial Security Amount. Based on this proposal and any other relevant matters, the Greenland Government decides in which manner the Financial Security in the Financial Security Amount shall be provided and maintained by establishing and maintaining one or more of the securities stated in section 29.04 in one or more specific amounts and in an aggregate (total) amount no less than the Financial Security Amount.
- 29.06 The Greenland Government may set terms to the effect that the Financial Security shall be provided and maintained on the basis of standard terms or model terms and other documents made by the Greenland Government. In relation thereto, the Greenland Government may for example set terms to the effect that the banks under sections 29.04(a)-29.04(c) shall meet certain requirements. The Greenland Government may also set other provisions and terms on the provision and maintenance of the Financial Security in the Financial Security Amount.
- 29.07 Notwithstanding sections 29.03-29.06, the Greenland Government may change the Financial Security Amount or decide that the Licensee shall change the Financial Security, including by providing additional

or other security as Financial Security or by changing the terms of or other matters relating to the Financial Security.

- 29.08 Any provision and maintenance of any Financial Security, including any security stated in section 29.04, and any change relating thereto are subject to the approval of the Greenland Government and any terms set for such approval.
- 29.09 The Greenland Government shall set a timetable for the provision and establishment of the Financial Security in the Financial Security Amount. The Licensee shall submit an application thereon to the Greenland Government and provide relevant information and documents in relation thereto to the Greenland Government as requested by the Greenland Government. The timetable shall be set by the Greenland Government on basis of an assessment of all relevant matters. Such matters shall include the status of specific activities, including development, exploitation, closure and post-closure activities, and phases of the construction, operation and closure of the hydropower plant and other specific plants, installations, facilities, buildings and infrastructure. The Greenland Government may set the timetable in its approval of plans for activities under this Licence or in a decision thereon.
- 29.10 The Greenland Government may set terms to the effect that the Financial Security shall be established and maintained in a specific Financial Security Amount which is increased or decreased one or more times with effect from one or more specific dates or days for commencement or conclusion of one or more specific activities, including development, exploitation, closure and/or post-closure activities, and/or phases of the construction, operation and/or closure of the hydropower plant and/or specific plants, installations, facilities, buildings and infrastructure etc. Such terms shall generally have the effect that any increase or decrease in the specific Financial Security Amount shall correspond to any increase or decrease in a Financial Security Amount set by the Greenland Government under section 29.02. The Greenland Government shall set such terms if the Licensee submits an application thereon to the Greenland Government and provides relevant information and documents in relation thereto to the Greenland Government as requested by the Greenland Government. The Greenland Government may set such terms in its approval of plans for activities under this Licence or in a decision thereon.

Company guarantee

- 29.11 In order to ensure fulfilment of the Licensees' obligations under and in relation to this Licence, including the obligations stated in section 29.01, the Licensee (each Licensee Company) shall provide one or more guarantees to the Greenland Government. See section 24(1) of the Hydropower Act. Such guarantee(s) shall be subject to the approval of the Greenland Government and any terms set for such approval. The guarantee(s) shall cover the Licensee's fulfilment of all obligations to Greenland and Danish public authorities under and in relation to this Licence, including the obligations stated in section 29.01 and any

obligation under the Hydropower Act. If the Licensee (a Licensee Company) is owned by one or more other companies, the Greenland Government will generally require a guarantee from its ultimate parent company and/or from other companies which are ultimate owners of material holdings of shares in the Licensee (a Licensee Company). A guarantor shall be jointly and severally liable with the Licensee (each Licensee Company). In relation to the Greenland Government's approval of plans for the exploitation activities, the Greenland Government may determine that the guarantee(s) shall be changed or supplemented.

29.12 The guarantee(s) to be provided under section 29.11 cannot be terminated by a unilateral declaration or act of the guarantor(s). The Greenland Government may release the guarantee(s) based on an assessment of all relevant matters, including the specific grounds for the request for release of the guarantee(s). The Greenland Government will usually release the guarantee(s) 3 months after the Greenland Government has approved that the Licensee has fulfilled all obligations and liabilities under and in relation to this Licence, including the obligations stated in section 29.01.

Article 30 Supervision and orders etc.

30.01 The Greenland Government supervises the Licensee's activities under this Licence. See section 22 of the Hydropower Act. The Greenland Government may appoint one or more authorities, persons or enterprises etc. as supervisory authority, to supervise the Licensee's activities under this Licence. The Supervisory Authority shall in all respects be entitled to supervise all the Licensee's activities and to demand information and documents from the Licensee regarding the Licensee's activities under this Licence. Against due evidence of authority and without a prior court order, the Supervisory Authority shall at all times have access to any part of the Licensee's activities under this Licence, to the extent required for the performance of the supervision.

30.02 The Supervisory Authority may take samples from material obtained as part of the Licensee's activities under this Licence. Such material may be materials regarding matters in relation to the environment and nature etc.

30.03 The Greenland Government and the Supervisory Authority may make orders in case of non-compliance with or non-performance of any obligation under any applicable law, legislation, regulations, this Licence, the Impact Benefit Agreement, the Industrial and Commercial Activities Agreement (ICAA), or any approval or decision of the Greenland Government or the Supervisory Authority under or in relation to this Licence, all as applicable in Greenland at any time. See also section 22(1) of the Hydropower Act.

30.04 The Greenland Government and the Supervisory Authority may make such orders as the Greenland Government and the Supervisory Authority finds necessary. The Greenland Government may also order

the Licensee to immediately discontinue activities under this Licence if the Greenland Government finds this necessary. Such orders may also be made under section 30.03.

- 30.05 If the Licensee fails to comply with an order made according to sections 30.03 and 30.04, the Licensee shall compensate any damage and loss incurred as a result thereof, irrespective of whether such damage or loss is suffered by the Greenland Government, the Danish State and/or any third party, including a private individual or a private enterprise.
- 30.06 In connection with the Supervisory Authority's inspection in the Licence Area, the Licensee shall provide transport of the Supervisory Authority between the place of inspection and the nearest public airport or heliport in Greenland with scheduled flights and shall arrange for such transport to be provided in accordance with any reasonable requirements of the Supervisory Authority. The same applies to accommodation for the Supervisory Authority at the place of inspection and to transport in the Licence Area to the extent necessary.
- 30.07 The Licensee shall reimburse all costs and expenses incurred by the Greenland Government and the Supervisory Authority, including the personnel of other authorities and external consultants etc., in connection with supervision and inspection of activities under this Licence. See the Government of Greenland's Executive Order on fees for the authorisation and reimbursement of costs for case processing in connection with preliminary studies and exploitation of hydropower for energy production. (In Danish: *Selvstyrets bekendtgørelse nr. 21 af 17. juni 2022 om gebyrer for tilladelser og refusion af udgifter ved sagsbehandling i forbindelse med forundersøgelser og udnyttelse af vandkraftressourcer til produktion af energi*). The reimbursement shall be made in accordance with the provisions of Article 322 and applicable law, including section 12 of the Hydropower Act on a licensee's reimbursement of costs and expenses incurred by the Greenland Government and the Supervisory Authority in connection with supervision and inspection of activities under the licensee's licence. Reimbursement in accordance with Article 322 shall include, but not be limited to, any costs and expenses in connection with supervision, investigation, consultancy and inspection. In relation to such activities, the reimbursement shall also comprise any transport of the Supervisory Authority and its equipment etc. and accommodation of the Supervisory Authority, including in connection with travels between the residence and the place at which the supervision, investigation, consultancy or inspection is performed, and accommodation at that place.

Article 31 Fees

- 31.01 The Licensee shall pay a fee of DKK 50,000 for an application for an exploitation licence to exploit hydropower for the production of energy. The application will be rejected if it is not accompanied by proof of payment of the fee. See The Government of Greenland's Executive Order on fees for the authorisation

and reimbursement of costs for case processing in connection with preliminary studies and exploitation of hydropower for energy production.

31.02 The Licensee shall pay a fee of DKK 100,000 to the Greenland Government for the granting of this Licence. See The Government of Greenland's Executive Order on fees for the authorisation and reimbursement of costs for case processing in connection with preliminary studies and exploitation of hydropower for energy production (In Danish: *Selvstyrets bekendtgørelse nr. 21 af 17. juni 2022 om gebyrer for tilladelser og refusion af udgifter ved sagsbehandling i forbindelse med forundersøgelser og udnyttelse af vandkraftressourcer til produktion af energy*).

31.03 The fee stated in section **Fejl! Henvisningskilde ikke fundet.** shall be adjusted every year with effect from 1 January on the basis of the change in the Greenland consumer price index from July [2022] to July in the year preceding the year concerned.

31.04 The fees stated in sections 31.01-**Fejl! Henvisningskilde ikke fundet.** shall be paid no later than 30 days after the granting of this Licence or any extension of this Licence, respectively.

Article 32 The Licensee's payment of the Greenland Government's costs and expenses in connection with authorities processing

32.01 The Licensee shall pay all costs and expenses of the Greenland Government relating to its case processing, supervision and other administrative work and administration in connection with this Licence and activities under this Licence, including cost and expenses for necessary translation and interpretation. See also See the Government of Greenland's Executive Order on fees for the authorisation and reimbursement of costs for case processing in connection with preliminary studies and exploitation of hydropower for energy production.

Article 33 Interest on amounts due (owed)

33.01 If the Licensee does not pay any amount due under or in relation to this Licence, including any fee, reimbursement amount, royalty amount, compensation amount or other amount due under this Licence, when the said amount is due to be paid, then the Licensee shall pay interest on the said amount for the period for which it remains unpaid. The rate of interest shall be determined in accordance with the legislation on interest on overdue payments etc. applicable in Greenland at any time.

Article 34 Relationship to other legislation

34.01 This Licence is subject to the rules of law applicable in Greenland at any time. See section 35.01. This Licence shall not restrict the general right of the Greenland Government to levy taxes or set general provisions concerning exploitation activities or other activities under this Licence.

34.02 This Licence shall not exempt the Licensee from obtaining such approvals and permits etc. as are required under the Hydropower Act or any other rule of law applicable in Greenland at any time. See section 35.01.

Article 35 Applicable law

35.01 This Licence is subject to and shall be governed by Greenland law and Danish law as applicable in Greenland at any time. Any dispute arising out of or in connection with this Licence or activities performed under this Licence shall be decided in accordance with Greenland law and Danish law as applicable in Greenland at any time.

Article 36 Jurisdiction and arbitration

36.01 Any decision to be made at the discretion or the order of the Greenland Government, the Ministry of Agriculture, Self-Sufficiency, Energy and Environment or other Greenland or Danish authorities, under the applicable law under section 35.01 or under this Licence, cannot be submitted to arbitration. Any dispute regarding such a decision shall be brought before and decided by the Greenland and Danish courts with jurisdiction in Nuuk, Greenland. The said courts shall have exclusive jurisdiction in relation to any such dispute. A decision by any such court may be appealed according to the rules thereon.

36.02 Any other dispute between the Greenland Government and the Licensee arising out of or in relation to this Licence or activities under this Licence shall be decided exclusively, finally and conclusively by an arbitration tribunal under sections 36.03-36.09.

36.03 Subject to sections 35.01 and 36.04-36.09, the arbitration tribunal shall apply Greenland law to decide any procedural matter relating to the arbitration proceedings.

36.04 Subject to sections 35.01 and 36.05-36.09, the arbitration shall be administrated by the Danish Institute of Arbitration in accordance with the rules of arbitration procedure adopted by the Danish Institute of Arbitration and in force at the time when the arbitration proceedings are commenced.

36.05 The arbitration tribunal shall have its place of arbitration (seat) in Nuuk, Greenland.

- 36.06 The arbitration tribunal shall consist of three members (arbitrators). The president and the two other members of the arbitration tribunal shall hold Danish law degrees and shall be Danish nationals.
- 36.07 The Greenland Government and the Licensee shall each appoint one member (arbitrator). If the Greenland Government or the Licensee has not appointed its member within 30 days of the other party appointing its member, then the President of the Danish Supreme Court shall appoint that member. The Greenland Government and the Licensee shall jointly appoint the president of the arbitration tribunal. If the parties fail to reach an agreement on the appointment of the president of the arbitration tribunal within 60 days of a party proposing a person for president of the arbitration tribunal, then the President of the Danish Supreme Court shall appoint the president of the arbitration tribunal.
- 36.08 The arbitration tribunal shall make its decision by a majority of votes. The arbitration tribunal shall make an order as to the parties' payment of costs in the arbitration.
- 36.09 The right to submit a dispute to arbitration under this Licence shall remain in force after its termination, including expiry or surrender.
- 36.10 Any judgment or arbitration award pronounced against the Licensee under this Article 36 shall be directly binding on and enforceable against the Licensee (the Licensee Company or each of the Licensee Companies, if there are several Licensee Companies) and any asset of the Licensee (the Licensee Company or each of the Licensee Companies, if there are several Licensee Companies) without any further judgment, arbitration award or order or decision of any court, arbitration tribunal or other authority being required. This shall apply regardless of the state in which the Licensee (the Licensee Company or each of the Licensee Companies, if there are several Licensee Companies) is domiciled and of the state in which any of its assets is located.

Article 37 Obligations on termination of this Licence

- 37.01 The termination of this Licence, including its expiry, lapse or revocation by the Greenland Government or the Licensee's surrender (return) of this Licence subject to the Greenland Government's approval, shall not release the Licensee from fulfilling its obligations in relation to this Licence and activities under this Licence, including obligations under the applicable law under section 35.01.
- 37.02 Within one (1) year after the termination of this Licence, the Greenland Government may free of charge take over all data and other samples acquired by the Licensee or on its behalf in respect of the Licence Area. After this period of time the Licensee may at any time discard such data and other samples.
- 37.03 The Greenland Government's right to take over data and other samples under section 37.02 may be

postponed if an agreement is made between the Licensee and the Greenland Government regarding satisfactory safekeeping of, and third-party access to, the data and other samples concerned.

Article 38 Coming into force

38.01 This Licence shall come into force on the day when this Licence has been signed by the Licensee and the Government of Greenland.

Article 39 Licence language and translation

39.01 This Licence has been drawn up in the English language. Any translation hereof shall have no validity.

(Signatures are on the following page.)

For and on behalf of

Government of Greenland

[Licensee]

Name:

Name:

Title:

Minister of Ministry of Agriculture, Self-Sufficiency,
Energy and Environment

Address:

Place of signing:

Nationality:

Date of signing:

Place of signing:

Date of signing:

Name:

Title:

Address:

Nationality:

Place of signing:

Date of signing:

Appendix 1 Licence Area

Delineation of the Licence Area.

The Licence Area comprises the land area delineated by connecting the corner coordinates stated below in the order stated below by latitudes or longitudes. See the map of the Licence Area in Appendix 2.

	Latitude				Longitude			
	Degrees	Minutes	Seconds	North/south	Degrees	Minutes	Seconds	East/west
1								
2								
3								
4								
5								
6								

All longitudes and latitudes are stated with geodetic reference to the World Geodetic System datum 1984 (WGS-84). If possible, the Licence Area is delineated by connecting the corner coordinates in the order mentioned above by latitudes or longitudes. Otherwise the points are connected by geodetic lines.

The Licence Area comprises [...] square kilometres.

The Hydropower Resource comprised by this Licence is specified in Appendix 3.

Appendix 2 Map of the Licence Area

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Appendix 3 The Hydropower Resource comprised by this Licence

The exclusive right under this Licence comprises the following Hydropower Resource:

[If the resource has a name, insert the name here.]

	Latitude				Longitude			
	Degrees	Minutes	Seconds	North/south	Degrees	Minutes	Seconds	East/west
1								
2								
3								
4								
5								
6								

The Hydropower Resource and its Associated Hydrological Area comprises the geographical area delineated by the corner coordinates connected with latitudes and longitudes as stated in the above table.

All latitudes and longitudes follow the World Geodetic System Datum 1984 (WGS-84).

