



AGREEMENT ON  
INDUSTRIAL AND COMMERCIAL ACTIVITIES

between

GOVERNMENT OF GREENLAND

and

LICENSEE

UNDER HYDROPOWER EXPLOITATION LICENCE

---

## Table of contents

Clause 1	The Greenland Government and the Licensee	3
Clause 2	Definitions, interpretations and appendices	4
Clause 3	Background	8
Clause 4	Scope of this Agreement	9
Clause 5	General obligations of the Greenland Government and the Licensee	9
Clause 6	Agreement Period	10
Clause 7	Establishment, production and use of the Project Plant and Project Facilities (harbours etc.)	10
Clause 8	Environmental Impact Assessment (EIA) and EIA Report and Social Impact Assessment (SIA) and SIA Report	11
Clause 9	Impact Benefit Agreement (IBA)	12
Clause 10	Use of workers and suppliers of goods and services, including construction services	13
Clause 11	Ownership and transfer of the Project Plant and Project Facilities	14
Clause 12	Ownership and transfer of this Agreement	15
Clause 13	Reporting on direct and indirect taxes etc.	15
Clause 14	Notices and communication	18
Clause 15	Termination and expiration of the Agreement	19
Clause 16	Obligations on termination of activities	20
Clause 17	Liability in damages, insurance and indemnification	20
Clause 18	Joint and several liability of Licensee Companies	21
Clause 19	Obligations on termination of this Agreement	21
Clause 20	Applicable law	22
Clause 21	Dispute resolutions by court proceedings	22
Clause 22	Arbitration	22
Clause 23	Coming into force	23
Clause 24	Agreement language and translation	23
Appendix 1	[text]	26

---

**Clause 1 The Greenland Government and the Licensee**

1.01 This agreement on industrial and commercial activities is made between the following parties:

Government of Greenland  
Ministry of Agriculture, Self-Sufficiency, Energy and Environment  
(the "Greenland Government")

and

the licensee under Exclusive Licence no. 2024/[...] for Exploitation of Hydropower Resources for Production of Energy which was granted by the Greenland Government to the licensee on [date] [month] 2024 (the "Licence")

The Licensee under the Licence is the following company:  
[name of company], [a public limited liability company]/[a private limited liability company]  
incorporated and existing under the laws of Greenland with company registration number (CVR-number) [...] and with is registered address at [address]

[If there are several licensee companies:] Percentage share of the Licence: [...]

---

**Clause 2 Definitions, interpretations and appendices**

2.01 In this Agreement 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) "Agreement" means this agreement on industrial and commercial activities which is made between the Greenland Government and the Licence.
- (b) "Agreement Period" means the period in which this Agreement is in force, see Clause 6.
- (c) "Construction and Production Plan" means a comprehensive and specific construction and production plan, (1) which comprises a plan for and states and describes all activities which the Licensee plans to perform under this Agreement, (2) which includes all necessary activities to be performed and all necessary measures to be taken in relation to construction, operation and use of the Project Plant and the other Project Facilities for performance of the industrial and commercial activities of the Industrial and Commercial Project, and (3) which also includes all other necessary industrial and commercial activities to be performed as part of the Industrial and Commercial Project. The Construction and Production Plan shall also contain comprehensive and specific plans for and information on other related matters, including in relation to operational matters, technical matters, environmental, social and socio-economic matters and impacts, reporting and submission of reports, information and data to the Greenland Government.
- (d) "DKK" means Danish kroner.
- (e) "EIA" means an Environmental Impact Assessment, as defined in section 2.01(g). See also section 8.01.
- (f) "EIA Report" means a report on an Environmental Impact Assessment (EIA), as defined in section 2.01(g). See also section 8.01.
- (g) "Environmental Impact Assessment" means an environmental impact assessment of the impacts on the environment from the performance of the activities under this Agreement. See also section 8.01.
- (h) "Greenland" means Greenland with its surrounding islands and sea areas, including the territorial sea, the continental shelf area and the exclusive economic zone.
- (i) "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) Half (1/2) or more of the members of each management entity (board of directors (in Danish: "bestyrelse"), executive board (in Danish: "direktion") and/or any other management entity) of the enterprise shall be Danish nationals who have permanent residence in Greenland or Denmark.
  - (4) 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.
- (j) "Greenland Government" means the Government of Greenland.
- (k) "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.

- (l) "Greenland Supplier" means a supplier of goods and/or services, including construction services, which is either a Greenland Person, as defined in section 2.01(k), or a Greenland Enterprise, as defined in section 2.01(i).
- (m) "Greenland Worker" means a Greenland Person, as defined in section 2.01(k).
- (n) "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.
- (o) "IBA" means an Impact Benefit Agreement, as defined in section 2.01(p) of this Agreement.
- (p) "Impact Benefit Agreement" means an impact benefit agreement (1) which is negotiated, made and performed by the Licensee, the Greenland Government and the Municipality (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 Agreement, and (3) which is in accordance with Clause 9 of this Agreement.
- (q) "Impact Benefit Facilities" means [...]
- (r) "Industrial and Commercial Activities" means [...]
- (s) "Industrial and Commercial Project" means the Licensee's industrial and commercial project under this Agreement, which comprises the establishment, operation and use of a Project Plant and the other Project Facilities for energy-intensive industrial activities, which are based on the use of electricity produced by a hydropower plant and by the Licensee under the Licence, and which comprises performance of energy-intensive industrial activities and/or commercial activities and other commercial activities by use of and in relation to the Project Plant and the Project Facilities.
- (t) "Investment Screening Act Rules" means the rules of the Investment Screening Act as applicable to this Licence and the Licensee etc. under section **Fejl! Henvisningskilde ikke fundet..**

- 
- (u) "Licence" means Exclusive Licence no. 2024/[...] for Exploitation of Hydropower Resources for Production of Energy which was granted by the Greenland Government to the Licensee on [date] [month] 2024.
- (v) "Licence Area" means the area comprised by the Licence, see section 5.03 of the Licence.
- (w) "Licence Period" means the period in which the Licence is in force, see Article 7 of the Licence.
- (x) "Licensee" means [name of company], [a public limited liability company]/[a private limited liability company] incorporated and existing under the laws of Greenland, which has the company registration number (CVR-number) [...], which has its registered office at [address], and which is the licensee under the Licence with a percentage share of [...] %. The Licensee is also the holder of the Licence or, if several parties hold shares in the Licence, the holders of the shares in the Licence.
- (y) "Licensee Companies" means the companies which are the holders of shares of the Licence, as stated on page 3 of the Licence. This definition only applies if several companies hold shares in the Licence.
- (z) "Licensee Company" means the company, which is the holder of the Licence, as stated on page 3 of the Licence, if one company holds all shares in the Licence. "Licensee Company" means one of the Licensee Companies, as defined in section 2.01(y) of this Agreement, if several companies hold shares in the Licence.
- (aa) "Municipality" means [insert the relevant municipality in relation to an IBA (if any)].
- (bb) "Project Facility" means a fundamental or a basic plant, building, machine, technical installation or other physical infrastructure used for the Industrial and Commercial Project. The term "Project Facility", among others, includes the Project Plant and any other fundamental or basic physical asset used for the Industrial and Commercial Project, including a plant, a building, a building for working, production, storage, cooking, eating and drinking, sleeping or another residential purpose, an electricity transmission line, a pipeline, a back-up or other electricity generator or producer, another fundamental or basic machine, technical installation or other physical infrastructure, for example a production, storage or parking area, a road, a harbour, a heliports or an airport.
- (cc) "Project Plant" means the main industrial and/or commercial plant, which is used for the main industrial and/or commercial activities of the Industrial and Commercial Project, and which uses electricity produced by a hydropower plant and by the Licensee under the Licence. If there are several of such main industrial and/or commercial plants, then "Project Plant" means all such plants.
- (dd) "SIA" means a Social Impact Assessment, as defined in section 2.01(ff).
- (ee) "SIA Report" means a report on a Social Impact Assessment (SIA), as defined in section 2.01(ff). See also section 8.02

(ff) "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 the Licence. See also section 8.02.

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

2.03 In this Agreement, 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.

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

### **Clause 3 Background**

3.01 Under sections 3 and 5 of the Hydropower Act, the Greenland Government granted to the Licensee an exclusive licence for exploitation of a hydropower resource for production of electricity ("the Licence") on [date/month] 2024.

3.02 The 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. The Licensee may apply for and the Greenland Government may grant an extension of the Licence Period. [See sections 6.03-6.06 of the Licence.] The granting, maintenance and effects of the Licence are subject to the Licensee's fulfilment of all the conditions stated in section 6.02 of the Licence. Among other matters, it follows from sections 6.02 and 12 of the Licence that the Licensee shall have negotiated, made and concluded an Industrial and Commercial Activities Agreement (ICAA) no later than [date] [month] [year] and shall perform the agreement during the Licence Period.

3.03 It follows from section 12 of the Licence that the Industrial and Commercial Activities Agreement (ICAA) 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 the power from a hydropower plant. [...].

3.04 Based on the matters stated above and other matters, the Greenland Government and the Licensee has agreed to make this agreement on industrial and commercial activities (this "Agreement").



---

**Clause 4 Scope of this Agreement**

- 4.01 This Agreement is made between and shall be performed by the Greenland Government and the Licensee.
- 4.02 This Agreement shall be performed on the basis of and in accordance with the Licence and any other provisions, terms and guidelines on an Industrial and Commercial Agreement set by the Greenland Government, as applicable at any time.
- 4.03 The Licensee shall develop and perform the Industrial and Commercial Project under this Agreement in connection with the hydropower project under the Licence in accordance with the terms of the Licence and this Agreement. See Clause 77 of this Agreement. The Licensee shall construct, operate and use a Project Plant and the other Project Facilities for performance of the industrial and commercial activities of the Industrial and Commercial Project which shall be based on the power from a hydropower plant in accordance with the terms of the Licence and this Agreement.
- 4.04 This Agreement contains terms on, among other matters, the establishment, operation and use of a Project Plant which is used for the main industrial and/or commercial activities of the Industrial and Commercial Project, and which uses electricity produced by a hydropower plant and by the Licensee under the Licence. This Agreement also contains terms on the establishment, operation and use of the other Project Facilities used for the Industrial and Commercial Project. [...]

**Clause 5 General obligations of the Greenland Government and the Licensee**

- 5.01 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.
- 5.02 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. This shall apply to all such assessments and decisions to be made under or in relation to this Agreement, irrespective of whether any term under this Agreement on any assessment or decision makes or does not make a reference to the terms of this section 5.02.
- 5.03 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.

- 5.04 The Licensee's activities under this Agreement 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 Agreement shall be performed in accordance with recognised good national and international practice for such activities under similar conditions.

**Clause 6 Agreement Period**

- 6.01 This Agreement shall enter into force when this Agreement has been made and signed by duly authorised representatives of the Parties. The date this Agreement enters into force is the "Commencement Date" of this Agreement.
- 6.02 The Agreement Period of this Agreement shall commence at the Commencement Date and shall from the Commencement date and thereafter be the same period as the Licence Period under the Licence. This means that this Agreement Period shall be extended if, and then to the same extent, as the Licence Period is extended, and that the Agreement Period shall end when the Licence Period ends by expiry of the Licence Period, a surrender of the Licence by the Licensee to the Greenland Government which is approved by the Greenland Government or a termination of the Licence by the Greenland Government. See also Clause 155 of this Agreement.
- 6.03 If the Licensee applies for and the Greenland Government grants an extension of the Licence Period of the Licence, then the Agreement Period of this Agreement shall be extended automatically with the same period of extension as the Licence Period.

**Clause 7 Establishment, production and use of the Project Plant and Project Facilities (harbours etc.)**

- 7.01 The Licensee shall develop and perform the Industrial and Commercial Project under this Agreement in connection with the hydropower project under the Licence in accordance with the terms of the Licence and clauses 7.02-7.06 of this Agreement.
- 7.02 The Licensee shall establish, operate and use a Project Plant and the other Project Facilities for performance of the industrial and commercial activities of the Industrial and Commercial Project and other industrial and commercial activities to be performed as part of the Industrial and Commercial Project.
- 7.03 The Project Plant and the Project Facilities 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.

- 7.04 The Licensee shall design, establish and operate transmission lines between the Project Plant and the hydropower plant [...] in accordance with the Construction and Production Plan.
- 7.05 Any costs and expenses in relation to designing, establishing and operating the financially and technically most appropriate connection between the Project Plant and the hydropower plant shall be paid and born by the Licensee.
- 7.06 The Licensee shall design, establish and operate any other matter which follows from the Impact Benefit Agreement (IBA), including the Impact Benefit Facilities.
- 7.07 The Licensee shall design, establish and operate harbours [...]
- 7.08 [...]

**Clause 8 Environmental Impact Assessment (EIA) and EIA Report and Social Impact Assessment (SIA) and SIA Report**

- 8.01 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. The Licensee shall do so no later than [...]. The Environmental Impact Assessment (EIA) and the EIA Report shall comprise the Industrial and Commercial Activities and any other activities comprised by this Agreement. 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.
- 8.02 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. The Licensee shall do so no later than [...]. The Social Impact Assessment (SIA) and the SIA Report shall comprise the Industrial and Commercial Activities and any other activities comprised by this Agreement. 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.

## **Clause 9 Impact Benefit Agreement (IBA)**

9.01 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 ("Impact Benefit Agreement" or "IBA"). The Licensee shall do so no later than [...].
- (b) The Impact Benefit Agreement shall be negotiated and made with the Greenland Government and the Municipality.
- (c) The Impact Benefit Agreement shall be negotiated, made and performed on the basis of and in accordance with this Agreement 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 the Licensee's performance of the Industrial and Commercial Activities and any other activities under this Agreement. The Impact Benefit Agreement and its terms shall in particular promote and ensure the following objectives in relation to performance of the Industrial and Commercial Activities and any other activities under this Agreement: (1) Employment and use of Greenland Workers in accordance with the terms and principles in 10.01. (2) Contracting with and use of Greenland Suppliers in accordance with the terms and principles in 10.02. Also see 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 Clause 99 and Clause 100 of this Agreement 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 the negotiation or the making 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.

**Clause 10 Use of workers and suppliers of goods and services, including construction services**

- 10.01 The Licensee and its Contracting Parties shall employ and use Greenland Workers to perform work in the performance of the Licensee's Industrial and Commercial Activities and any other activities under this Agreement. 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.
- 10.02 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 Agreement. 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.
- 10.03 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.

- 10.04 The Licensee and its Contracting Parties shall ensure that any person employed or otherwise engaged in activities under this Agreement 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.
- 10.05 The Licensee and its Contracting Parties shall ensure that any person employed or otherwise engaged in the Industrial and Commercial Activities and any other activities under this Agreement 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.
- 10.06 The Licensee and its Contracting Parties shall ensure that any person employed or otherwise engaged in the Industrial and Commercial Activities and any other activities under this Agreement 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.
- 10.07 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 this Agreement, plans under this Agreement and approvals of plans under this Agreement and any other provisions, terms and guidelines applicable in Greenland at any time.

**Clause 11 Ownership and transfer of the Project Plant and Project Facilities**

- 11.01 The Project Plant and Project Facilities established, operated and used by the Licensee under this Agreement can neither directly nor indirectly be transferred to any other party or parties, unless such transfer has been approved by the Greenland Government.
- 11.02 Any direct or indirect transfer of ownership and any security right, including lien, of Project Plant and Project Facilities established, operated and used by the Licensee under this Agreement is without legal effect unless this has been approved by the Greenland Government by a declaration in writing which has been registered with the Court of Greenland. The Greenland Government may set terms for any such approval of a transfer of ownership and any security right, including lien, of the Project Plant and Project Facilities established, operated and used by the Licensee under this Agreement.

---

**Clause 12 Ownership and transfer of this Agreement**

- 12.01 The contracting party to this Agreement with the Greenland Government is the Licensee which at any time is the holder of the Licence or, if several parties hold shares in the Licence, the holders of the shares in the Licence. Any direct or indirect transfer of ownership and any security right, including lien, of the Licence and any part of it to any other party or parties is subject the approval of the Greenland Government. The Greenland Government may set terms for any such approval. If such transfer has been approved by the Greenland Government, then this Agreement and any part of shall also automatically be transferred directly nor indirectly to any such other party or parties in accordance with the terms stated in this Clause 122.
- 12.02 A transfer of this Agreement or a part of it, is made automatically if the Licence is transferred by a direct transfer from the Licensee to a new licensee, or if the Licence is transferred by an indirect transfer where the Licensee Company, or a Licensee Company if there are several Licensee Companies, is the subject of the transfer. An indirect transfer of the Licence will, for example, be any transfer of ownership interests in the Licensee Company which will or may have an impact on the controlling interest (in Danish: "bestemmende indflydelse") in the Licensee Company.
- 12.03 The transfer of ownership and any security right, including lien, of this Agreement and any part of it to any other party or parties shall take place when the transfer of ownership and any security right, including lien, of the Licence and any part of it to any other party or parties, takes place. The Licensee and the Greenland Government shall make and enter into an addendum to this Agreement which shall comprise terms on the transfer of ownership and any security right, including lien, of this Agreement and any part of it to the other party or parties, including any relevant changes in relation thereto. If the Greenland Government has set any terms for an approval of the transfer of ownership and any security right, including lien, of the Licence and any part of it to any other party or parties, then the addendum to this Agreement shall contain the same or similar terms to the extent this is relevant and/or necessary.

**Clause 13 Reporting on direct and indirect taxes etc.**

- 13.01 In this Clause 133, "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.
- 13.02 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.

- 
- 13.03 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.
- 13.04 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 Agreement, including requirements on reporting and payment of Taxes set or decided by the Greenland Government.
- 13.05 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.
- 13.06 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.
- 13.07 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.
- 13.08 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.

- 13.09 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.
- 13.10 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.
- 13.11 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 Agreement before the Contracting Party is registered.
- 13.12 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 Agreement before the Contracting Party is registered.
- 13.13 The provisions on the Licensee's Contracting Parties shall apply similarly to the employees of the Licensee and its Contracting Parties.
- 13.14 The Licensee may apply for and the Greenland Government may grant an exemption from the application of the terms in sections 13.02-13.04 and 13.07-13.13 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.

- 13.15 Reports shall be submitted electronically in a format and design approved by the Greenland Government prior to the first submission. Changes in reporting shall be pre-approved by the Greenland Government and may be required by the Greenland Government.
- 13.16 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.

#### **Clause 14 Notices and communication**

- 14.01 If a Party (the Non-Performing Party) does not perform an obligation under this Agreement and the other Party (the Affected Party) wants to exercise a right or a remedy or make a claim in relation thereto under this Agreement, then the Affected Party shall give notice thereof in writing in English to the Non-Performing Party within a reasonable time after the Affected Party has become or ought to have become aware of the non-performance of the obligation. The determination of the time which is a reasonable time to give notice shall be based on an assessment of all relevant matters and circumstances. The notice requirement shall not apply if the Affected Party proves the Non-Performing Party was or ought to have been aware of the Affected Party's intention of exercising a right or a remedy or making a claim in relation to the non-performance. If the Affected Party cannot prove a required notice was given by the Affected Party to the Non-Performing Party within a reasonable time, then it shall be presumed that there was no non-performance unless the Affected Party proves that there was a non-performance.
- 14.02 Any notice required to be given under this Agreement shall be given in writing and in English. Any such notice shall be dated and include a reference to this Agreement and any relevant information and documents. Any such notice may be sent or served by personal delivery, ordinary post (mail), courier service, email (electronic mail) or telefax. Any such notice given by a Party shall generally be considered received by or served on the other Party if the notice was sent as a registered letter or registered post to a correct address of the other Party or as or by an email to a correct email address of the other Party or one of its contact persons or other employees.
- 14.03 The Non-Performing Party shall confirm receipt of any such written notice given from the Affected Party as soon as possible. The Parties shall then commence discussions and negotiations in relation to the matters stated in the notice and seek to reach and make an agreement on all relevant matters in relation thereto. The

Parties shall act reasonable and in good faith in the discussions and negotiations and making of any such agreement.

14.04 [...]

14.05 Any legal notices and/or claims to be made between the Parties in relation to this Agreement shall generally be made to the following addresses and/or email addresses unless otherwise agreed by the Parties:

Greenland Government

Ministry of Agriculture, Self-Sufficiency, Energy and Environment

Imaneq 1A, 8. floor

Postbox 1614

3900 Nuuk

Greenland

Att.: [contact person names] and [contact person names]

Email: [contact person email addresses] and [contact person email addresses]

The Licensee

[Company name]

[Company address]

[Company country]

Att.: [contact person names] and [contact person names]

Email: [contact person email addresses] and [contact person email addresses]

## **Clause 15 Termination and expiration of the Agreement**

15.01 This Agreement may not be terminated by the Licensee while the Licence is still in force.

15.02 If the Licence is revoked by the Greenland Government under Article 24 of the Licence, then this Agreement shall automatically expire with effect from the day when the Licence expires.

15.03 If the Licensee apply for and the Greenland Government grants an approval to the Licensee to surrender the Licence to the Greenland Government before expiry of the Licence Period, then then this Agreement shall automatically expire with effect from the day when the Licence is surrendered.

15.04 Notwithstanding clauses 15.02 and 15.03, this Agreement shall continue to apply and have effect in relation to the Parties' rights and obligations and claims, including claims for compensation, which, according to their purpose and effects, shall also apply or have effect after the Agreement expires. This comprises,

amongst others, the following terms and rights and obligations in relation to these terms:

- (a) The general obligations of the Greenland Government and the Licence, see Clause 5.
- (b) The Licensee's obligations on termination of activities under this Agreement, see Clause 15.
- (c) The Licensee's liability and indemnification obligations, see Clause 177.
- (d) Applicable law, jurisdiction and arbitration, see Clause 1920 and Clause 21.

#### **Clause 16 Obligations on termination of activities**

16.01 On termination of the Industrial and Commercial Activities and any other activities under this Agreement, the Licensee shall do the following:

- (a) Remove the Project Plant and Project Facilities which have been established for the activities under this Agreement, unless the non-removal thereof have been approved by the Greenland Government and after agreement with the Greenland Government.
- (b) Perform final and full clean-up and rectification of any damage to and impact on the environment, nature, vegetation and wildlife in all affected areas. The clean-up and rectification are subject to approval by the Greenland Government and any terms set for such approval.

16.02 If the Licensee fails to comply with orders to implement the measures mentioned above 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.

16.03 Prior to termination of the activities, the Licensee is entitled to sell or otherwise transfer the Project Plant and the Project Facilities established for performance of Industrial and Commercial Activities under this Agreement, to other parties, including Greenland authorities. Any such sale or transfer is subject to approval of the Greenland Government as settled in an agreement with the Greenland Government prior to termination of the activities.

#### **Clause 17 Liability in damages, insurance and indemnification**

17.01 The Licensee shall pay compensation for any damage and loss caused by activities performed under this Agreement, 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.

17.02 The Licensee's activities under this Agreement 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.

17.03 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 Agreement, 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 prior to the occurrence of the damage.
- (d) An arbitral award, provided that the Licensee has accepted the referral of the dispute to arbitration.

#### **Clause 18 Joint and several liability of Licensee Companies**

18.01 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 Agreement, including any obligation to pay compensation for any damage or loss caused by activities performed under this Agreement.

#### **Clause 19 Obligations on termination of this Agreement**

19.01 The termination of this Agreement, including its expiry, shall not release the Licensee from fulfilling its obligations in relation to this Agreement and activities under this Agreement, including obligations under the applicable law under section 20.01.

**Clause 20 Applicable law**

20.01 This Agreement 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 Agreement or activities performed under this Agreement shall be decided in accordance with Greenland law and Danish law as applicable in Greenland at any time.

**Clause 21 Dispute resolutions by court proceedings**

21.01 Any dispute or claim arising out of or in relation to this Agreement or its making, validity, legality, interpretation, application, performance or non-performance, or any non-contractual obligation or liability in relation thereto, which amounts to under [DKK 10 million] shall be brought before and decided by the Greenland and Danish courts with jurisdiction in Nuuk, Greenland, unless otherwise agreed between the Parties.

21.02 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 20.01 or under this Agreement, shall be brought before and decided by the Greenland and Danish courts with jurisdiction in Nuuk, Greenland.

21.03 The said courts shall have exclusive jurisdiction in relation to any such dispute or claim stated in sections 21.01 and 21.02.

21.04 Any decision or judgment by the said courts may be appealed according to the rules thereon.

**Clause 22 Arbitration**

22.01 Any other dispute or claim between the Greenland Government and the Licensee arising out of or in relation to this Agreement or activities under this Agreement than those stated in sections 21.01 and 21.02 shall be decided exclusively, finally and conclusively by an arbitration tribunal under sections 22.02-22.08.

22.02 Subject to sections 20.01 and 22.03-22.08, the arbitration tribunal shall apply Greenland law to decide any procedural matter relating to the arbitration proceedings.

22.03 Subject to sections 20.01 and 22.04-22.08, 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.

- 
- 22.04 The arbitration tribunal shall have its place of arbitration (seat) in Nuuk, Greenland.
- 22.05 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.
- 22.06 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.
- 22.07 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.
- 22.08 The right to submit a dispute to arbitration under this Agreement shall remain in force after its termination, including expiry or surrender.
- 22.09 Any judgment or arbitration award pronounced against the Licensee under this Clause 21 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.

**Clause 23 Coming into force**

- 23.01 This Agreement shall come into force on the day when this Agreement has been signed by duly authorised representatives of the Parties.

**Clause 24 Agreement language and translation**

---

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

\*\*\*\*\*

*(signatures on the following page)*

DRAFT



For and on behalf of

Licensee

Government of Greenland

---

Name:

Title:

Address:

Nationality:

Place of signing:

Date of signing:

---

Name:

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

Place of signing:

Date of signing:

---

Name:

Title:

Address:

Nationality:

Place of signing:

Date of signing:

**Appendix 1**      [text]

DRAFT