

## TIMOR-LESTE SPECIAL CONDITIONS

### 1. Timor-Leste Offshore Waters

If the Contract relates to Timor-Leste or the Bayu-Undan contract area, or the Goods or Services relate thereto, these Special Conditions apply to the Contract.

#### 1.1 Definitions

In these Special Conditions:

**Bayu-Undan Legislative Regime** means the Treaty and the following Laws of Timor-Leste:

- a) Decree-Law No. 24/2019, of 27 August 2019, on the Transition of Petroleum Titles and Regulation of Petroleum Activities in the Bayu-Undan Field, including any regulations, directions and guidelines issued thereunder;
- b) Law No. 4/2019, of 27 August 2019, on Special Labor and Migration Law Framework to the Bayu-Undan Project; and
- c) Law No. 5/2019, of 27 August 2019, regarding the First Amendment of Law No. 8/2008, Law No.3/2003 and Law No. 4/2003 relating to tax and duties.

**Designated Authority** means the body established by the Treaty.

**Laws** are defined to expressly include:

- a) the Bayu-Undan Legislative Regime;
- b) laws of the sovereign state of the República Democrática de Timor-Leste. a. Decree-Law No. 24/2019, of 27 August 2019, on the Transition of Petroleum Titles and Regulation of Petroleum Activities in the Bayu-Undan Field, including any regulations, directions and guidelines issued thereunder;
- c) Law No. 4/2019, of 27 August 2019, on Special Labor and Migration Law Framework to the Bayu-Undan Project; and
- d) Law No. 5/2019, of 27 August 2019, regarding the First Amendment of Law No. 8/2008, Law No.3/2003 and Law No. 4/2003 relating to tax and duties.

**Treaty** means the term of the Treaty between Australia and Timor-Leste signed on 6 March 2018 and which came into force on 30 August 2019 (including all annexures, attachments, schedules, and exhibits thereto).

### 1.2 Requirements for Personnel in Timor-Leste Offshore Waters

#### 1.2.1 Details of Personnel

The Supplier must (i) comply with the Bayu-Undan Legislative Regime and any other Laws; and (ii) provide to Santos all such details thereby required at least fifteen (15) days prior to the date on which any the Supplier's Personnel are to be mobilized into Timor-Leste offshore waters. This information must include, but is not limited to, the names, passport particulars, copies of passports, copies of visas, and evidence of residency status of all Personnel.

#### 1.2.2 Approval of Personnel

All Supplier Personnel are subject to review and approval by Timor-Leste immigration authorities for entrance into Timor-Leste, including the Bayu-Undan contract area. Santos will use reasonable endeavors to assist the Supplier to the extent possible to obtain such approvals in a timely fashion. Any person deemed unacceptable by such authorities must be immediately replaced by the Supplier. No appeal by the Supplier regarding such acceptability is to be allowed. All Supplier Personnel must have in their possession their passports, visas and other valid travel documents when travelling to or from Timor-Leste, including the Bayu-Undan contract area.

#### 1.2.3 Movement of Personnel

Any Supplier Personnel bound for the Bayu-Undan contract area must have a valid visa to enter Timor-Leste.

### 1.3 Taxes

#### 1.3.1 Permanent Establishment and Withholding Taxes

- a) Unless the Supplier provides written notification to the contrary, Santos will assume that the Supplier has a "Permanent Establishment" in Timor-Leste and will withhold tax on services at the applicable non-resident withholding tax rate accordingly.
- b) Before starting the Services or providing the Goods the Supplier must notify Santos whether it has or does not have a "Permanent Establishment" for taxation purposes in Timor-Leste. The Supplier must immediately inform Santos if its Permanent Establishment status changes at any time during the term of the Contract.
- c) The Supplier authorizes Santos to make withholdings for tax from payments to the Supplier and to pay amounts withheld to the relevant taxing authority.
- d) The Supplier indemnifies the members of Santos Group against any assessment of withholding tax, plus any penalties and interest related to Santos' failure to properly withhold and remit withholding tax because of Santos' reliance upon a notification provided to any of the members of Santos Group by or on behalf of the Supplier. The Supplier must issue Santos with an invoice that clearly shows and includes the applicable withholding tax calculated, and that is in the manner and form requested by Santos.

#### 1.3.2 Applicable Timor-Leste Taxation Law

When any Services or Goods are to be provided in Timor-Leste it is acknowledged that the calculation and imposition of tax due and payable by the Supplier in relation to the Services or Goods are subject to applicable provisions of Timor-Leste law, including the Bayu-Undan Legislative Regime.

#### 1.3.3 Bayu-Undan Contract Area Tax Information

- a) The members of Santos Group and their respective Personnel make no representation or warranty in relation to the application of taxes to the Supplier for the performance of the Services or provision of the Goods in Timor-Leste, including Bayu-Undan contract area.
  - b) The members of Santos Group and their respective Personnel do not represent or warrant that any information provided to the Supplier in relation to taxes is correct, complete, or relevant to the Supplier, Contract, Services or Goods.
  - c) Santos will not be liable to the Supplier as a result of the Supplier's reliance on information supplied by or on behalf of Santos in relation to the application of taxes in Timor-Leste or the Bayu-Undan contract area.
  - c) to recover from the Supplier the whole or any part of payments made by Santos to The Supplier in respect of the undertakings;
  - d) to require the Supplier to use or provide goods, materials, services, or facilities in accordance with the Supplier's tender undertakings;
  - e) to request that the Supplier provide alternative remedies approved by Santos in order to satisfy the Supplier's tender undertakings;
  - f) to require the Supplier to take any steps requested by the Timor-Leste authorities; or
  - g) to terminate the Contract.
- 1.5.2** Upon request by Santos, the Supplier must certify that it has complied with all or any undertakings given in its tender for the Services or Goods and provide Santos with adequate evidence to demonstrate compliance.

#### **1.3.4 Timor-Leste Value Added Tax ("VAT")**

- a) When the Supplier is required by law to collect and pay any VAT amount to the relevant taxing authority, Santos must pay to the Supplier the amount of any VAT the Supplier is liable to pay in relation to the Services or Goods. Santos may withhold payment of any VAT until the Supplier issues Santos with a valid VAT invoice.
- b) When Santos is required by law to collect and pay any VAT amount to the relevant taxing authority, Santos indemnifies the Supplier in respect of such VAT. The Supplier must issue Santos with an invoice that clearly shows and includes the applicable VAT calculated and that is in the manner and form requested by Santos.

**1.5.3** The existence and extent of the Supplier's failure to comply with undertakings given in its tender for the Goods or Services will be determined wholly by Santos and Santos' determination in this regard will be binding on the Supplier.

**1.5.4** The Supplier releases the members of Santos Group from, and indemnifies them against, any Claim arising out of or in connection with the Supplier's failure to comply with the undertakings referred to in these Special Conditions.

#### **1.4 Timor-Leste Legislative Regime**

The Supplier must comply, and must ensure that its Personnel comply with the requirements of the Bayu-Undan Legislative Regime and the Supplier must not commit, and must ensure that its Personnel do not commit, any act or omission that would cause any member of Santos Group to be in breach of the Bayu-Undan Legislative Regime.

#### **1.5 Timor-Leste Content**

**1.5.1** The Bayu-Undan Legislative Regime imposes obligations on Santos with respect to Timor-Leste content. When the Supplier:

- a) gave undertakings with respect to Timor-Leste content that induced Santos to accept the Supplier's tender for the Services or Goods; and
- b) fails to comply with the whole or a discrete portion of the given undertakings;

then Santos will have, at its absolute discretion and in addition to any other remedy available to it, unlimited recourse under this provision with respect to any or all of the following actions: