

MM DD, 20YY

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H.E. Inkyo Cheong

Minister for Trade

Ministry of Trade, Industry and Energy

Republic of Korea

Your Excellency,

In connection with the signing of the Comprehensive Economic Partnership Agreement between the United Arab Emirates (“**UAE**”) and the Republic of Korea (“**Korea**”) (the “**Agreement**”) on May 29, 2024, I have the honour to confirm UAE’s understanding as follows:

The UAE is an independent, sovereign, federal State, with seven sovereign Member Emirates (“**Member Emirates**”), and pursuant to its Constitution, each Member Emirate retains full sovereignty, sovereign rights and exclusive jurisdiction over its natural resources and wealth of which the Energy Resources Sector is the subject matter of this letter. For the purposes of this letter, “**Energy Resources Sector**” shall mean all hydrocarbons such as oil, gas, and condensates, derivatives and primary by-products thereof with respect to ownership, management, exploration, development and production, exploitation (including reservoir management), transportation, storage, refining and processing, and distribution up to and including retail distribution.

In recognition of the foregoing, the Agreement shall not grant any rights to Korea or create any obligations for the UAE or any of its Member Emirates with regard to the Energy Resources Sector. Accordingly, the Energy Resources Sector is excluded from all aspects and provisions of the Agreement, including the Chapter on Dispute Settlement (Chapter 15). All matters pertaining to the Energy Resources Sector of any of the Member Emirates are within the exclusive jurisdiction of the Member Emirates, and all determinations and decisions of

each Member Emirate made by such Member Emirate's competent authorities pertaining to the Energy Resources Sector ("**Competent Authorities**") that are the subject of its jurisdiction shall be final, binding and not subject to review or challenge.

Subsequent to the date of entry into force of the Agreement and in the event that the UAE with the concurrence of the Member Emirates' Competent Authorities grants any rights excluded by this letter to a third country with respect to the Energy Resources Sector by a regional trade agreement, such rights shall be granted to Korea.

Notwithstanding the above, in the event of a difference in the interpretation or application of this letter, the UAE and Korea commit to have recourse to consultations at the request of either Party to this letter. For the purpose of such consultation, Article 15.6 (Consultations) of the Chapter on Dispute Settlement (Chapter 15) except paragraph 6, shall apply *mutatis mutandis*. The Parties shall make every attempt through consultation to arrive at a mutually satisfactory resolution within 60 days from the request.

In the event that the UAE and Korea have failed to achieve a mutually agreed solution within 60 days following recourse to consultations, or if the UAE fails to comply with the mutually agreed solution within the agreed timeframe, the only recourse of Korea shall be that it may suspend benefits under the Agreement proportionate to the trade effects which the measure in question causes or threatens to cause. Moreover, Korea shall repeal its compensatory measure to the extent that the UAE's measure in question ceases to apply. The above-mentioned procedure shall also apply in case of any dispute relating to whether Korea's compensatory measure is proportionate, with the UAE likewise ultimately having the right to suspend benefits proportionately.

The UAE and Korea agree that this letter shall constitute an integral part of the Agreement and that, in the unlikely event of any inconsistency between this letter and any provisions of the Agreement, this letter shall prevail to the extent of that inconsistency.

I would be grateful for your confirmation that Korea agrees with this understanding.

Please accept, Your Excellency, the assurances of my highest consideration.

Sincerely yours,

H.E. Dr. Thani bin Ahmed Al Zeyoudi

Minister of State for Foreign Trade

Ministry of Economy

United Arab Emirates