DRAFT

LNG Hrvatska d.o.o.

PROPOSAL OF THE RULES OF OPERATION OF LIQUEFIED NATURAL GAS TERMINAL

Zagreb, May 2018
TABLE OF CONTENTS

I General Provisions.................................................................................................................................1

II Technical Characteristics and Technical Conditions of the Terminal.................................................................8

III Development and Construction of the Terminal..............................................................................................8

IV Operator Services.........................................................................................................................................10

V Contracting the LNG Regasification Services and LNG Regasification Capacity Allocation...........................................11

VI Trade in LNG Regasification and LNG Capacities..........................................................................................17

VII Service Schedule for Terminal Use........................................................................................................19

VIII Joint Terminal Use..................................................................................................................................30

IX Terminal Use Conditions........................................................................................................................36

X LNG and Gas Quality Specification and Measuring........................................................................................46

XI Audit of LNG and Delivered Gas Quantities..............................................................................................51

XII Terminal Maintenance................................................................................................................................52

XIII Changes and Limitations of the Terminal Operation..................................................................................53

XIV Selling the LNG or Natural Gas of the Terminal Users in an Open Procedure..................................................56

XV Damage Compensation..........................................................................................................................57

XVI Publication of Information and Information Exchange..............................................................................57

XVII Final Provisions......................................................................................................................................59

ANNEX I GENERAL TERMS AND CONDITIONS OF TERMINAL USE..................................................61

ANNEX II NATURAL GAS DISTRIBUTION POLICY..................................................................................87
I. General Provisions

Subject Matter of the Rules

Article 1

(1) These Rules of Operation of the Liquefied Natural Gas Terminal (hereinafter: Rules) establish the procedure and terms of use of liquefied natural gas Terminal (hereinafter: Terminal), requirements for persons intending to use the Terminal, their rights, obligations and liability as well as other special requirements related to operation of the Terminal and its use for arrival by LNG Carriers, LNG Discharge to the Terminal and its regasification.

(2) These Rules are developed and applied following the general principles of transparency, non-discrimination of Terminal Users, Terminal safety and reliability, as well as the technical and economic efficiency of the Terminal operation.

(3) These Rules shall be applied by the Operator, Terminal User as well as other energy subjects, i.e. participants in the gas market intending to become users of the Terminal.

Definitions

Article 2

(1) The terms used in these Rules have the meanings defined by the laws governing energy, energy activity regulation and the gas market.

(2) In addition to the terms referred to in paragraph 1 of this Article, the individual terms in these Rules have the following meaning:

1. LNG Carrier – an LNG carrier vessel nominated by the Terminal User to unload LNG to the Terminal which shall be in all respects compatible with the Terminal, be in compliance with applicable laws and in relation to which the Operator has the right to perform inspection, surveying and approval pursuant to these Rules.

2. Daily Nomination – submission by the Terminal User to the Operator of a specified amount of Gas for delivery to the Delivery Point for the following Gas Day.

3. LNG Supplier – legal entity supplying LNG to the Terminal Users, which can also be the Terminal User.

4. Allowed Laytime – allowed time during which the LNG Carrier is at the jetty of the Floating Storage and Regasification Unit in accordance with these Rules.

5. Loanable Amount of LNG - amount of LNG, including LNG consumed for technological needs, which is automatically assigned for lending by an LNG Lender
to an LNG Borrower in accordance with an approved Service Schedule of the Terminal User.

6. **Allowable Loss** – means LNG loss at the Terminal which may amount to max. 2 % of the total received LNG quantities at the Terminal in accordance with Annex II of these Rules.

7. **Allowable Measurement Uncertainty** – maximum allowable uncertainty at measuring points of the LNG amount and regasified LNG, indicated in kWh, which can amount to max. 1 % of the measured quantities.

8. **Physical Storage** – LNG storage at the Terminal, starting from the completed discharge of the cargo owned by a specific Terminal User into the Terminal, including natural gas loss, until the complete cargo off-take from the Terminal, in accordance with these Rules.

9. **Annual Capacity Booking** – capacity booking for the upcoming gas years conducted in accordance with these Rules.

10. **Operator’s Information System** – an information system operated by the Operator, through which the Operator and Terminal Users can exchange information referring to the service schedule, nomination, operational instructions on the services provided, LNG rest, Borrowed and Returnable Amount of LNG, gas quality as well as other important information.

11. **LNG Quality and Quantity Report** – a document confirming the LNG amount discharged from an LNG Carrier to the Terminal calculated according to the procedure and terms set forth in these Rules.

12. **Cargo Report** – quality and quantity Cargo certificates issued by a competent person at the port of loading for the Cargo loaded into the LNG Carrier.

13. **LNG Regasification Capacity** – the LNG amount, indicated in kWh, that the Terminal User is entitled to regasify using the LNG importation and delivery service during a specific period in accordance with the service schedule.

14. **Terminal User** – trader or supplier that may be represented by the person authorised to represent the legal person based on a legal transaction, power of attorney or law, and that has concluded a Terminal Use Agreement and the Joint Terminal Use Agreement with the Operator.

15. **Port Charges** – port charges, fees, pilotage costs, towing costs and all other costs concerning the LNG Carrier or its cargo to moor at the Terminal.

16. **Internal Use Limit** – the limits on Internal Use on any given day shown for the various thresholds set out in the fuel consumption table as defined in the Terminal Technical Characteristics.
17. **LNG Heel** – minimum LNG amount, expressed in m$^3$, which shall be constantly available at the cargo tanks of the Floating Storage and Regasification Unit controlled by the Operator.

18. **Minimum Acceptable LNG Regasification Capacity** – the lowest amount of LNG regasification capacity which the Applicant agrees to be allocated in case the LNG regasification demand exceeds the free capacity when the service is being contracted.

19. **Minimum Contracted Transmission System Capacity** – the lowest amount of transmission system capacity, indicated in kWh, which the Terminal User shall contract with the transmission system operator for the upcoming gas year, and which is calculated by dividing the LNG regasification capacity allocated to a specific Terminal User for the upcoming gas year with the number of days in the gas year.

20. **Surveyor** – an independent expert engaged by the Terminal User and/or LNG Seller who boards the Floating Storage and Regasification Unit to control and confirm in an independent manner that all the gas measurement and analysis devices and equipment are certified and calibrated, as well as to control and confirm the quantity and quality of the discharged cargo.

21. **LNG Discharge Order** – request by the Terminal User to the Operator for a specific amount of cargo to be discharged into the Terminal.

22. **Unallowable Loss** – means LNG loss at the Terminal which may amount exceeding 2% of the total received LNG quantities at the Terminal calculated in accordance with Annex II of these Rules.

23. **Unused Capacities** – LNG Regasification Capacity allocated to a Terminal User, which the Terminal User does not intend to use and/ or does not use within the terms established in the Service Schedule.

24. **Adverse Weather and/or Metocean Conditions** – conditions which, according to the maritime study or according to an order of the responsible person at the port or at the order of the port authority, delay or prevent the LNG Carrier from berthing at the Terminal location or on the basis of which the master and/or commander of the LNG Carrier estimate that it is not safe to moor the LNG Carrier at the Terminal location or on the basis of which the master and/or commander of the Floating Storage And Regasification Unit estimate it is not safe to moor the LNG Carrier at the Terminal location.

25. **Off-Specification LNG** – LNG that does not correspond to the quality standards according to the natural gas quality specification in accordance with these Rules.

26. **Terminal User’s Indemnified Party** – the Terminal User and all their Affiliates, contractors, subcontractors, employees and authorised representatives.

27. **Operator’s Indemnified Party** – the Operator and all their Affiliates, contractors, subcontractors, employees and authorised representatives.
28. **Approved Annual Service Schedule** – mandatory Annual Service Schedule in which the projection of gas quantities to be regasified and delivered from the Terminal, as well as the Arrival Window of LNG Carriers with the indicated cargo quantities in one gas year are indicated for each Terminal User.

29. **Approved Monthly Service Schedule** – mandatory Monthly Service Schedule in which the projection of gas quantities to be regasified and delivered from the Terminal, as well as the Arrival Window of LNG Carriers with the indicated cargo quantities in the next gas month are indicated for each Terminal User.

30. **Terminal Maintenance** – planned and unplanned works, including works concerning the dry docking, required for safe and reliable Terminal operation during which the services of the Operator are suspended or their availability is limited.

31. **General Terms and Conditions** – the general terms and conditions applicable to the provision of the LNG Regasification Services and any nonstandard services of the Operator as Annex I to the Rules.

32. **FSRU Operator** – the legal entity which, under the Operation and Maintenance Agreement concluded with the Operator, performs the activity of operation and work supervision, and is responsible for the maintenance of the Floating Storage and Regasification Unit.

33. **Operator** – LNG Hrvatska d.o.o. as the investor and owner of the Terminal or its legal successors, as regulated by the law governing the gas market.

34. **Boil-Off Gas** – gas created by LNG regasification in cargo tanks of the Floating Storage and Regasification Unit.

35. **Gas Delivery** – natural gas delivery to the Delivery Point.

36. **Gas Day** – a period of time of 24 hours beginning every day at 06:00 AM of D day and ending the at 06:00 AM of D+1 day.

37. **Floating Storage and Regasification Unit** – the Floating Storage and Regasification Unit with the possibility of LNG reloading, i.e. a FSRU vessel operated by the Floating Storage and Regasification Unit.

38. **Applicant** – the supplier, trader or existing Terminal User that has submitted a request for the allocation of LNG regasification capacity.

39. **Affiliate** – with respect to any legal entity, a person that controls, is controlled by, or is under common control with such legal entity.

40. **Agent** – a legal entity registered for maritime agency services performing the maritime agency services in the name and for the benefit of the client concerning the arrival and stay of LNG Carriers at the port, including the required administration of the LNG Carrier and its cargo.
41. **Open Season Procedure** – the open season process for a long-term period conducted prior to the construction of the Terminal.

42. **Notice of Readiness** – a notice issued by the master and/or the commander of the LNG Carrier concerning the readiness of the LNG Carrier for cargo discharge.

43. **Confirmed Reload** – a certificate by the Terminal User approving the Terminal User’s request for reloading certain LNG quantities from the Floating Storage and Regasification Unit to the LNG Carrier.

44. **Returnable Amount of LNG** – LNG amount to be returned by the LNG Borrower to the LNG Lender, which corresponds to the Borrowed LNG amount.

45. **Borrowed Amount of LNG** – LNG of the LNG Lender, including the gas loss of the gas Borrowed to the LNG Borrower.

46. **Lesser Rule** – the rule applied at the exit from the Terminal which is also the entry to the transmission system in case of a difference in the amount of Daily Nomination in the matching process.

47. **Estimated Time of Arrival** – estimated time of LNG Carrier arrival at the Terminal.

48. **LNG Discharge** – unloading of the LNG Carrier cargo into the Terminal.

49. **LNG Borrower** – a Terminal User borrowing LNG from another Terminal User that is also an LNG Lender.

50. **Service Schedule** – the Annual and/or Monthly LNG Regasification Service Schedule of the Terminal User based on which the Operator provides services during a specific period in accordance with the service conditions pursuant to the provisions of these Rules and the Technical Conditions of the Terminal.

51. **Secondary Market** – the market of allocated LNG Regasification Capacities and LNG quantities at the Terminal on which the Terminal Users trade with one another.

52. **Ship/Shore Safety Checklist** – a document recording the procedure of controlling all the stipulated prerequisites for initiating LNG discharge, which is signed by the representative of the LNG Carrier and the Terminal after the procedure is finalised.

53. **Available Capacity** – LNG regasification capacity that has not been allocated.

54. **Liquified Natural Gas Quality Specification** – quality specification of the LNG that may be discharged to the Terminal and/or stored in the Terminal tanks in accordance with these Rules.

55. **Standard Cargo Lot** – LNG amount between 65 000 m³ and 150 000 m³ in accordance with these Rules.
56. **Pilot Boarding Station** – a pilot boarding and deboarding station defined by the competent maritime authority for the purpose of providing the service of piloting to all LNG carriers upon arrival to and departure from the Terminal.

57. **LNG Regasification Rate** – LNG amount that can be regasified at the Terminal during one gas day, larger than the Minimum Allowable LNG Regasification Rate and less than the Maximum Allowable LNG Regasification Rate in accordance with the Technical Conditions of the Terminal.

58. **Actual Laytime** - the time actually taken by an LNG Carrier to moor, discharge and depart from the Terminal.

59. **Tariff** – LNG regasification tariff in accordance with the methodology used to determine the amount of tariff items for LNG regasification.

60. **Technical Characteristics of the Terminal** – the technical and operational specifications of the Terminal indicated in the Technical characteristics of the Terminal.

61. **Technological Capacity of the Terminal** – the maximum LNG regasification capacity that the Operator can contract based on the LNG regasification services with regard to the technical characteristics of the Terminal, the technical possibilities of the transmission system and other factors.

62. **Technical Conditions of the Terminal** – detailed description of the terms and conditions applicable to the Terminal User and the LNG Carriers of Terminal technical characteristics, LNG Carriers approval, arrival, berthing, mooring/unmooring and discharge procedures and other conditions of Terminal use, which shall be stipulated by the Operator and published on the Internet page.

63. **Cargo** – LNG amount to be discharged from the LNG Carrier to the Terminal.

64. **Slot** – period between the arrivals of two LNG Carriers.

65. **Delivery Point** – the point at which the connection pipeline of the Terminal is connected to the transmission system.

66. **Unloading Point** – the point where the outlet flanges of the LNG Carrier unloading lines connect with the inlet flanges of the LNG loading lines of the FSRU.

67. **Short-Term Capacity Booking** – procedure during which the short-term LNG regasification capacity is allocated and the LNG regasification service is contracted when there are available Slots, and which is performed after finalising the Annual Capacity Booking in accordance with these Rules.

68. **Terminal Use Agreement** – an agreement concluded between the Operator and the Terminal User defining the mutual rights and obligations.
69. **Joint Terminal Use Agreement** – an agreement concluded between the Operator and all Terminal Users defining the mutual rights and obligations concerning the Joint use of the Terminal.

70. **Total Gas Loss** – LNG amount, indicated in kWh, that includes the allowable gas loss and unallowable gas loss calculated in accordance with Annex II of these Rules.

71. **LNG Regasification** – LNG regasification at the Terminal during which LNG is transformed from the liquid into the gaseous state.

72. **LNG Regasification Services** – the services provided by the Operator enabling the Terminal User to use the Terminal in accordance with these Rules.

73. **Services** – the LNG regasification services and non-standard services in accordance with these Rules.

74. **LNG Lender** – a Terminal User that is the owner of the LNG lending it to another Terminal User that is also an LNG Borrower.

75. **Duly Confirmed Cargo** – confirmed cargo which complies with the natural gas quality specification and whose discharge from the LNG Carrier to the FSRU shall not exceed the maximum allowable limit for safe loading, minus the LNG amount in the cargo tanks at the moment of discharge and plus the LNG regasified during LNG discharge from the LNG Carrier to the FSRU.

76. **Virtual Storage** – virtual/computer data on the storage and Joint Terminal used, starting from the finalisation of the discharge of the LNG of a specific Terminal User into the Terminal to the complete LNG off-take from the Terminal, including proportional gas loss of the Terminal User.

77. **Internal use** – the total internal use of LNG and/or natural gas by the FSRU that includes LNG used as fuel and boil-off gas.

78. **Arrival Window** – a period of time assigned to an LNG Carrier to arrive at the Terminal.

79. **Terminal Capacity Congestion** – a situation in which the demand for LNG regasification capacity exceeds the Technological Capacity of the Terminal or the Available Capacity.

80. **Request for Allocation of LNG Regasification Capacities** – a request submitted by the new and/or existing Terminal User to the Operator for the allocation of the available LNG regasification capacity and contracting the LNG regasification services.

81. **Joint Terminal User** – a Terminal User that has signed a Joint Terminal Use Agreement and is the owner of the delivered LNG or borrows the LNG delivered by the other Terminal Users.
**82. Joint Terminal Schedule** – a consolidated Terminal service schedule prepared by the Operator.

**83. Joint Terminal Use** – simultaneous use of the LNG regasification services by several Terminal Users in accordance with these Rules.

**II Technical Characteristics and Technical Conditions of the Terminal**

**Article 3**

(1) The Terminal shall include the following:

1. LNG storage tanks, regasification units, flexible unloading lines for loading/unloading and other equipment at the Floating Storage and Regasification Unit.

2. A jetty consisting of a berth and mooring facilities, high-pressure loading/unloading arms and a high-pressure gas platform;

3. Gas connecting pipelines and other gas infrastructure located within the limits of the Terminal including a pigging station; and

4. Other devices, parts, instruments, additions, equipment, infrastructure and facilities used for the operation, management and maintenance of the Terminal.

(2) The Operator is responsible for the design, construction, regular operation, management, development and maintenance of the Terminal in accordance with the laws governing energy, energy activity regulation, gas market and these Rules.

(3) The Operator shall perform the activities referred to in paragraph 2 of this Article in order to ensure regular operation of the Terminal at the highest possible level of safety, reliability, availability and efficiency for the Terminal Users.

(4) The Operator shall prepare and publish on its website the Technical Conditions of the Terminal.

(5) The Terminal Users shall comply with the Technical Conditions of the Terminal referred to in paragraph 4 of this Article.

**III Development and Construction of the Terminal**

**Development and Construction Plan of the Terminal**

**Article 4**

(1) The Operator shall complete all the activities required for the commissioning of the Terminal no later than the beginning of the gas year 2020/2021, which is the expected commissioning date of the Terminal.
The construction deadlines may be changed in case of force majeure or in case of other circumstances outside the control or responsibility of the Operator.

Article 5

(1) The Operator is responsible for developing the Terminal.

(2) The development of the Terminal is carried out according to the Terminal development plan, which is adopted by the Operator according to the law regulating the gas market.

Commissioning, Management and Supervision of the Terminal

Article 6

(1) The Operator shall:

1. at least every three months from the signing of the Terminal Use Agreement inform the Terminal Users on the construction dynamics and the expected start of the commissioning of the Terminal,

2. five months prior to the estimated commissioning date of the Terminal, inform the Terminal Users of the expected commissioning date, and

3. regularly update and provide information to the Terminal Users in order for them to have timely information on the expected date of commencement of the provision of the agreed LNG regasification services.

(2) The Operator shall ensure regular operation, management, maintenance and supervision of the Terminal operation, taking into account the rights and obligations of the Terminal Users, the transmission system operator, the FSRU operator, the port and the competent port authority.

Connection to the Gas Transmission System

Article 7

(1) The Terminal shall be connected to the gas transmission system of the Republic of Croatia.

(2) Connecting the Terminal to the transmission system shall provide the prerequisites for safe and reliable delivery of gas from the Terminal to the transmission system.

(3) Connecting the Terminal to the transmission system shall be performed according to the laws governing energy, energy activity regulation and the gas market.

(4) The Operator and the transmission system operator shall conclude an agreement regulating mutual rights and obligations concerning the connected gas systems.
(5) The Operator shall ensure timely exchange of data and information with the transmission system operator, in accordance with the rules on the exchange of data prescribed by the transmission system network code adopted pursuant to the laws regulating the gas market.

(6) The Terminal Users shall, except where the laws regulating energy, energy activity regulation and the gas market do not prescribe otherwise, ensure the transmission system capacity at the exit from the Terminal which is also the entry into the transmission system and conclude an agreement with the transmission system operator for the same purpose.

(7) Pursuant to paragraph 6 of this Article, the Terminal Users shall contract the Minimum Contracted Transmission System Capacity.

(8) Upon completion of the capacity booking of the transmission system at the annual level, the Operator shall request from the transmission system operator evidence of contracted transmission system capacity by the Terminal User.

**IV Operator Services**

**Article 8**

(1) The Operator shall provide the LNG Regasification Services and non-standard services.

(2) The provision of the LNG Regasification Services may be limited exceptionally in the cases prescribed by these Rules, including but not limited to Terminal maintenance, adverse weather conditions, adverse metocean conditions and other circumstances beyond the control or accountability of the Operator.

(3) In order for the Operator to ensure simultaneous and equal provision of the LNG Regasification Services to different Terminal Users, the Terminal Users shall conclude a Joint Terminal Use Agreement.

(4) The Joint Terminal Use Agreement shall be signed by the Operator with all the Terminal Users.

(5) If after the Open Season Procedure a new Terminal User contracts LNG Regasification Services, they shall sign a Joint Terminal Use Agreement.

**LNG Regasification Services**

**Article 9**

(1) The LNG Regasification Services represent a whole consisting of the following connected and mutually dependent services:

1. acceptance and berthing of the LNG Carrier at the Terminal,

2. LNG discharge,
3. physical and virtual LNG storage,
4. LNG regasification and
5. Gas Delivery to the Delivery Point.

(2) The Operator shall deny the LNG regasification services if the Terminal User failed to provide:

1. an LNG Carrier, which is in accordance with the Technical Conditions of the Terminal,
2. successful obtaining of all approvals and compliance with all the checks prescribed in these Rules and Technical Conditions of the Terminal, which refer to the LNG Carrier and LNG,
3. delivery of the cargo within the time of arrival of the LNG Carrier specified in the approved service schedule,
4. allowed natural gas quality specification in accordance with these Rules,
5. discharge of cargo in accordance with these Rules,
6. nomination of the LNG regasification capacity and/or the transmission system capacity, and
7. other reasons prescribed by these Rules, the Terminal Use Agreement and the Joint Terminal Use Agreement.

Non-Standard Services

Article 10

(1) The Operator provides non-standard services to the Terminal Users in accordance with the methodology used for determining the price of non-standard services issued by the Agency.

(2) The Operator shall publish the price list of non-standard services on its website in accordance with the methodology referred to in paragraph 1 of this Article.

(3) The Operator provides non-standard services taking into account the rights and obligations arising from the Joint Terminal Use Agreement, taking into account that the provision of non-standard service does not affect the proper provision of the LNG regasification services.

V Contracting the LNG Regasification Services and LNG Regasification Capacity Allocation

Contracting the LNG Regasification Services
Article 11

(1) The Operator shall perform the first contracting of the LNG regasification services by means of a non-discriminatory and transparent Open Season Procedure.

(2) The Operator shall, in the process referred to in paragraph 1 of this Article, contract the LNG regasification services according to the LNG regasification capacity, indicated in kWh, for a period of at least one, but not more than 20 years, starting from the gas year 2020/2021.

(3) The gas supplier or gas trader that wants to use the Terminal shall contract the LNG regasification services and conclude a Terminal Use Agreement and a Joint Terminal Use Agreement with the Operator.

(4) After conducting the long-term booking in accordance with paragraph 1 of this Article, in case of remaining Available Capacity, the Operator shall contract the LNG regasification services in the Annual Capacity Booking and the short-term LNG capacity booking.

Article 12

(1) The Operator initiates the LNG regasification services booking by publishing a call on its website.

(2) In the event there is Available Capacity, the Operator shall announce the call for the Annual Capacity Booking no later than 15 May each year.

(3) If during the Annual Capacity Booking no Request for Allocation of LNG Regasification Capacities is not received or Available Capacity has not been allocated during the allocation procedure, the Operator may, regardless of the deadline specified in paragraph 1 of this Article, publish a call for short-term capacity booking.

(4) The call to the LNG regasification services procedure includes at least the Available Capacity for each gas year and the deadline for submitting the request, whereby the deadline shall not exceed 30 days.

(5) The Request for Allocation of LNG Regasification Capacities shall include at least the following:

1. name and address of the gas supplier or gas trader,

2. contact information of the gas supplier or gas trader,

3. information on the contacts for the exchange of information, notifications, communications and operational communication,

4. indicated gas years for which the LNG Regasification Capacities shall be allocated,
5. the amount of LNG Regasification Capacities requested for each gas year, indicated in kWh and

6. Minimum Acceptable LNG Regasification Capacity requested for each gas year, indicated in kWh.

(6) The supplier or trader that wish to contract the Terminal capacity shall submit a completed form of the Request for Allocation of LNG Regasification Capacities no later than the deadline specified in the call notice.

(7) The Operator shall publish the form of the Request for Allocation of LNG Regasification Capacities on its website.

(8) The Applicant who is not an existing Terminal User shall submit to the Operator the following documentation and documents:

1. a certified copy of the legal entity's registration certificate and articles of association (or other founding documents).

2. a valid natural gas supply and/or trading license in the Republic of Croatia, and

3. other documents stipulated by these Rules.

(9) By submitting a Request for Allocation of LNG Regasification Capacities, the Applicant accepts and agrees to these Rules and the obligation to sign a Terminal Use Agreement and a Joint Terminal Use Agreement, according to the LNG Regasification Capacities allocated by the Operator.

Article 13

(1) No later than five days after the expiry of the deadline for submitting a Request for Allocation of LNG Regasification Capacities, the Operator shall assess the validity of the requests received and shall inform the Applicant thereof.

(2) If there are any ambiguities or deficiencies in the request or documentation in accordance with Article 12, paragraphs 5 and 8 of these Rules, the Operator shall invite the Applicant to correct the deficiencies and submit the correct documentation, i.e. missing documentation.

(3) The Operator shall provide the Applicant with a deadline of not more than five days for the Applicant to act in accordance with paragraph 2 of this Article.

Article 14

(1) The Operator has the right to refuse the Request for Allocation of LNG Regasification Capacities in the following cases:

1. The request was not submitted in accordance with Article 12 of these Rules,
2. The Applicant has submitted a request to the Operator after the deadline for submission in accordance with these Rules,

3. The Applicant failed to correct or supplement the request at the invitation of the Operator in accordance with Article 13 paragraph 2 of these Rules and/or

4. An Applicant other than an existing user has failed to submit all the required documentation and documents in accordance with Article 12, paragraph 7 of these Rules.

(2) After adopting the decision to refuse the request, the Operator shall, no later than within five days, submit a notice of refusal to the Applicant.

**LNG Regasification Capacities Allocation Rules**

**Article 15**

(1) The Operator shall allocate the LNG Regasification Capacities no later than ten working days after the expiration of the deadline for the submission of the Request for Allocation of LNG Regasification Capacities.

(2) During the allocation of LNG Regasification Capacities, the Operator shall allocate only valid requests for allocation of LNG Regasification Capacities.

(3) If the amount of Available Capacity is greater than or equal to the total amount of all required LNG Regasification Capacities, taking into account the Technical Conditions of the Terminal, the Operator shall allocate the LNG Regasification Capacities according to the Applicant's requirements.

(4) If the total amount of the required LNG Regasification Capacities exceeds the amount of Available Capacities, the Operator shall allocate the available LNG Regasification Capacities in accordance with the following rules:

1. according to the criterion of the longest requested period of contracting the LNG regasification services, in which case the Available Capacities shall first be allocated to the Applicant requesting the highest number of gas years, followed by the Applicant with the next longest requested period and so forth until all Available Capacities have been allocated,

2. when several Applicants submitted a request for the same number of gas years, the Available Capacities shall be allocated to the Applicants according to the criterion of the highest total requested LNG Regasification Capacities in all gas years, whereby the Applicant having requested, in a cumulative manner, in all gas years the highest amount of LNG Regasification Capacities shall be given priority, followed by the Applicant with the highest requested amount of LNG Regasification Capacities and so forth until all Available Capacities have been allocated,

3. if two or more Applicants have an identical period and total LNG Regasification Capacities, the lesser rule concerning the lowest Minimum Acceptable LNG Regasification Capacities shall be applied, whereby the Applicant having requested,
in a cumulative manner, in all gas years the lowest minimum amount of LNG Regasification Capacities shall be given priority and so forth until all Available Capacities have been allocated.

4. if, following the application of the preceding rules, two or more Applicants have identical requirements, the lesser first shall be applied, whereby the Applicant being the first to submit the request for LNG regasification capacity shall be given priority during the allocation of LNG Regasification Capacities.

(5) By way of derogation from paragraph 4 of this Article, an Applicant being the first to submit the request for short-term LNG regasification capacity shall always be given priority during the allocation of LNG Regasification Capacities.

Article 16

(1) Within five days of the allocation of LNG Regasification Capacities, the Operator shall prepare and submit to the Applicant a notification on the allocation of LNG Regasification Capacities, containing at least the information on the Applicant, information on the allocated LNG Regasification Capacities (indicated in kWh) or a notification that the requested LNG Regasification Capacities may not be allocated to the Applicant in accordance with these Rules.

(2) The Operator shall, in addition to the notification referred to in paragraph 1 of this Article, submit a signed Terminal Use Agreement and a Joint Terminal Use Agreement to the Applicant that was allocated the LNG Regasification Capacities.

(3) If the LNG Regasification Capacities were allocated to the Applicant that is also the Terminal User, the Operator shall prepare an annex to the existing Terminal Use Agreement concerning the capacities referred to in paragraph 1 of this Article, sign it and submit it to the Terminal User for signing.

(4) The Applicant from the Request for Allocation of LNG Regasification Capacities shall immediately after receiving them sign the agreements referred to in paragraph 2 of this Article, i.e. the annex to the agreements referred to in paragraph 3 of this Article, and within seven days submit them without delay to the Operator.

(5) By way of derogation from the deadline provided for in paragraph 4 of this Article, in each case the Operator shall have a mutually signed copy of the agreements referred to in paragraph 2 of this Article, i.e. the annex to the agreements referred to in paragraph 3 of this Article, no later than 15 July, except in the case of short-term capacity booking, otherwise it shall be considered that the Terminal Use Agreement, i.e. the annex to the Terminal Use Agreement has not been concluded.

(6) The Operator shall publish on its website the contract a form on the Terminal Use Agreement and the form of the Joint Terminal Use Agreement.

Article 17

(1) By signing the agreements referred to in Article 16, paragraph 2 of these Rules, the Applicant shall become the Terminal User with the right to use the LNG
regasification services in accordance with the rules for using the LNG regasification services and the approved service schedule in the amount of LNG Regasification Capacities allocated to it.

(2) The LNG Regasification Capacities can be used only after the service schedule has been agreed in accordance with the procedures and conditions set forth in these Rules and after the Terminal User has received the approved service schedule.

**Short-term Capacity Booking**

**Article 18**

(1) If after the Annual Capacity Booking there are Available Capacities, they may be contracted in the short-term capacity booking.

(2) The Operator shall regularly update the information on the Available Capacities and publish the call on the website, and, according to these Rules, publish a call for short-term LNG Regasification Capacities booking when there are available LNG Regasification Capacities, taking into account the Annual Service Schedule and the Technical Conditions of the Terminal.

(3) The Operator shall publish on its website a form of the Request for Allocation of short-term LNG Regasification Capacities.

(4) The Applicant for short-term LNG Regasification Capacities booking shall submit the request for the allocation of short-term LNG Regasification Capacities to the Operator no later than 60 days prior to the planned use of the LNG regasification services.

(5) The Operator is entitled to approve a request submitted outside the deadline prescribed in paragraph 4 of this Article when it does not affect the contracted services of other Terminal Users, the regular operation of the Terminal, planned maintenance works, Approved Service Schedules and other conditions stipulated by these Rules.

(6) The Operator has the right to refuse the Request for Allocation of short-term capacities in case one of the requirements referred to in Article 14 paragraph 1 of these Rules is met.

**Article 19**

(1) The provision of LNG regasification services on the basis of the allocated short-term capacities is possible only if it is not contrary to the Approved Annual and Monthly Service Schedule, which may be modified and adjusted only when the following cumulative conditions have been met:

1. the changes are in accordance with the procedures and conditions set forth in these Rules,

2. the changes are in accordance with the Technical Conditions of the Terminal,
3. the changes do not affect the Arrival Window of LNG carriers of other Terminal Users unless the Terminal Users, whose Approved Service Schedules have been changed, give their consent, and

4. the changes do not affect the LNG Regasification Capacities of other Terminal Users unless the Terminal Users, whose Approved Service Schedules have been changed, give their consent.

(2) The Terminal Users shall respond to the request for a change of the service schedule, if necessary, within five days of the written request by the Operator for a change of the approved service schedule.

(3) If all Terminal Users have not submitted a written response to the Operator within the deadline referred to in paragraph 2 of this Article, they shall be deemed to withhold the consent for the change of the approved service schedule.

(4) The Terminal User with allocated short-term capacity shall, within 15 days of the notification on the allocation of short-term capacity, have the right to notify in writing the Operator of their refusal of the allocated short-term capacity because they are not able to use the allocated short-term capacity in the requested scope since the allocated short-term capacity is of a smaller amount than the requested or since other Terminal Users did not give their consents to change the service schedule.

Expansion of the LNG Regasification Capacities

Article 20

(1) If, due to incremental technical capacity of the transmission system, the upgrade of the Floating Storage and Regasification Unit or for some other reason, the technical capacity of the Terminal is increased, the Operator shall offer such new Available Capacity in the Annual Capacity Booking.

(2) Booking the capacities referred to in paragraph 1 of this Article shall not affect the already acquired rights and obligations of the existing Terminal Users.

VI Trade in LNG Regasification and LNG Capacities

Article 21

(1) The Terminal User shall have the right to trade Unused Capacities on the secondary market by contracting the transfer of the booked LNG Regasification Capacities and delivery or the transfer of the rights to use the contracted LNG Regasification Capacities and delivery.

(2) The subject matter of the trade referred to in paragraph 1 of this Article may only be the rights and obligations that the Terminal User has on the basis of a valid Terminal Use Agreement and only in the part concerning the LNG Regasification Capacities that are the subject of the trade.
(3) The Terminal User shall have the right to trade with the LNG stored in the Terminal tanks with or without transferring the Unused Capacities.

(4) The forms of the transfer contract referred to in paragraphs 1 and 3 of this Article shall be published by the Operator on its website.

**Article 22**

(1) By transferring the contracted LNG Regasification Capacities and delivery, the transferor transfers to the acquirer the rights and obligations from the Terminal Use Agreement concerning the LNG Regasification Capacities and delivery.

(2) The transferor shall remain a Party to the Terminal Use Agreement in relation to all other rights and obligations of the Terminal User that are not the subject of the transfer.

(3) The transfer referred to in paragraph 1 of this Article shall not affect other rights and obligations of the transferor and the acquirer referred to in the Terminal Use Agreement concluded with the Operator.

(4) The termination or expiry of the Terminal Use Agreement concluded between the transferor and the Operator shall not affect the validity of the transfer referred to in paragraph 1 of this Article, provided that the transfer of the contracted LNG Regasification Capacities and delivery has been performed and completed in accordance with these Rules.

**Article 23**

(1) By transferring the right to the contracted LNG Regasification Capacities and delivery, the transferor transfers to the acquirer the right to use the LNG Regasification Capacities and delivery.

(2) The transfer referred to in paragraph 1 of this Article shall not affect the contractual relations between the transmission system operator, i.e. the acquirer and Operator, based on the concluded Terminal Use Agreements.

(3) The transferor shall remain a Party to the Agreement and the holder of all the rights other than the right to use the LNG Regasification Capacities and delivery that is the subject matter of the transfer, as well as the obligations arising from the concluded Terminal Use Agreement.

(4) In the event of a termination or expiry of the Terminal Use Agreement concluded between the transferor and the Operator, the acquirer by operation of law shall lose the right to use the contracted LNG Regasification Capacities and delivery which was the subject matter of the transfer.

**Article 24**

(1) The Terminal Users shall submit a completed and mutually signed transfer form to the Operator no later than five days prior to the transfer.
(2) Trading with Unused Capacities and/or LNG between the Terminal Users is considered completed after it has been approved by the Operator in accordance with these Rules.

(3) The transferors and/or acquirers may waive trading until the Operator approves it.

(4) After the Operator approves the trading, they shall transmit a notification on the trading the transferor and the acquirer, which shall become an integral part of the Terminal Use Agreement.

(5) The supplier or trader that are not Terminal Users and that wish to trade in LNG Regasification Capacities and/or LNG shall meet the requirements set forth in these Rules and, before trading with the Operator, conclude a Terminal Use Agreement and the Joint Terminal Use Agreement, and after which the trading shall be enabled.

(6) In the event that a new Terminal User has traded on the secondary market and requires additional LNG Regasification Capacities, if there are Available Capacities, they have the right to request the Operator to contract additional LNG Regasification Capacities in accordance with by the procedures referred to in Articles 18 and 19 of these Rules.

(7) The Operator shall deny its consent to the contract on the transfer of the contracted capacities and delivery and/or the contract on the transfer of the right to use the contracted LNG Regasification Capacities and delivery and/or contract on the transfer of LNG in the following situations:

1. the acquirer is not an Terminal User and/or
2. the acquirer has any outstanding debts to the Operator and/or
3. the information from the completed transfer form does not comply with the Terminal Use Agreement concluded between the acquirer and/or transferor.

VII Service Schedule for Terminal Use

Article 25

(1) The Operator shall establish an Annual Service Schedule for each Terminal User and a Joint Annual Service Schedule to ensure continuous, efficient and secure operation of the Terminal.

(2) The approved Annual Service Schedule of the Terminal User shall include information pertaining to that Terminal User, and at least the following:

1. a projection of LNG Regasification Capacities and delivery from the Terminal, indicated in kWh, for the upcoming gas year, in which the amount of LNG Regasification Capacities has been elaborated per months and days of the gas year,
2. the Arrival Window of the LNG Carriers and the amount of cargo that shall be delivered to the Terminal, and

3. the names of the LNG Carriers and the numbers of the International Maritime Organisation (IMO number) if they are known at the time of preparing the Annual Service Schedule.

(3) The Operator shall publish on its website a Joint Annual Service Schedule, containing at least the following:

1. the Arrival Window of LNG Carriers,

2. a projection of LNG Regasification Capacities and delivery from the Terminal for all Terminal Users, per days in a gas year, indicated in kWh, and

3. the amount of cargo of an individual LNG Carrier.

(4) The Operator shall establish a Monthly Service Schedule for each Terminal User based on the Approved Annual Service Schedule and short-term capacities when short-term capacities have been contracted for that month.

(5) The Operator shall publish on its website a Joint Monthly Service Schedule by applying in an appropriate manner the rules referred to in paragraph 3 of this Article.

(6) The Operator shall provide the LNG regasification services to Terminal Users in accordance with the Approved Monthly Service Schedule.

(7) When preparing the service schedule, the Operator shall collect information and cooperate with the Terminal Users in order to prepare, to the extent possible, the optimum service schedule that is acceptable to all Terminal Users.

(8) When preparing the service schedule, the Operator shall, to the extent possible, the rules on the Joint Terminal use in such a manner that each Joint Terminal User lending the amount of the LNG receives over time the LNG according to the service schedule as if the provisions on the borrowing of the LNG had not been applied.

(9) After submitting the Approved Annual Service Schedule, the Operator shall be entitled to deny the provision of the LNG regasification and delivery service to the Terminal User that has failed to agree a Minimum Contracted Transmission System Capacity.

Article 26

(1) The Operator shall publish the form of the Annual Service Schedule on its website, taking into account the planned maintenance of the Terminal.

(2) Every Terminal User shall, by 16 July each year at the latest, deliver to the Operator the completed form of the Annual Service Schedule plan for the upcoming gas year.
(3) The Annual Service Schedule plan referred to in paragraph 2 of this Article shall contain the information referred to in Article 25, paragraph 2 of these Rules.

(4) The Terminal User shall submit the completed Annual Service Schedule plan, taking into account the Technical Conditions of the Terminal, in particular the following:

1. the Arrival Window between two LNG Carriers which shall not be shorter than three days, taking into account the amount of cargo and the highest rate of LNG regasification,

2. the obligation to determine the date of arrival of the LNG Carrier, and if the exact date of arrival of the LNG Carriers is not known, it is allowable to indicate an Arrival Window of no more than six days within which the Terminal User is obligated to moor the LNG Carrier to the Terminal,

3. a projection of LNG Regasification Capacities and delivery from the Terminal in a particular gas day, which shall not be higher than the maximum upper LNG Regasification Rate, or lower than the minimum lower LNG Regasification Rate, in accordance with the Technical Conditions of the Terminal,

4. maintaining the LNG Heel for the operation of the Terminal, determined in the Technical Conditions of the Terminal, and

5. limitations of the transmission system capacity at the exit from the Terminal which also the entry into the transmission system.

**Article 27**

(1) The Operator shall, no later than two working days after the expiry of the deadline for the delivery of the service schedule plan, check whether the service schedule plans have been completed in accordance with Article 26, paragraphs 3 and 4 of these Rules.

(2) If the service schedule plan has not been completed in accordance with Article 26, paragraphs 3 and 4 of these Rules, the Operator shall request the Terminal User to update and/or correct this plan without delay, and submit the supplemented plan no later than five days to the Operator.

(3) After all Terminal Users have submitted the service schedule plans and possible corrections, the Operator shall control whether the plans are mutually coordinated, whether there are overlaps in the Arrival Windows of the LNG Carriers, Terminal Capacity Congestion or other deficiencies.

(4) If the plans are coordinated, there are no overlaps, Terminal Capacity Congestion or other deficiencies, the Operator shall, no later than within ten days of the expiry of the deadline for the submission of the plan:

1. approve the service schedule plan for a particular Terminal User,
2. deliver an approved service schedule to the Terminal User to which it refers,

3. unify all approved plans and establish a Joint service schedule, and

4. deliver to each Terminal User a Joint service schedule.

(5) The Terminal Users shall have the right to, at their own initiative and within the deadline referred to in Article 26, paragraph 2 of these Rules, i.e. the deadline referred to in Article 34, paragraph 1 of these Rules, submit to the Operator the agreed and coordinated proposal of the service schedule plan and proposals of service schedule plans for each individual Terminal User.

(6) The Operator shall accept the proposal of Joint service schedule plan and the proposals of the service schedule plans of the individual Terminal User, if according to the assessment of the Operator there are no obstacles for continuous, efficient and secure operation of the Terminal and all the conditions prescribed by these Rules have been met.

(7) In the case referred to in paragraphs 5 and 6 of this Article, the Operator shall undertake actions in accordance with paragraph 4, items 1, 2 and 4 of this Article.

Article 28

(1) In the event of overlaps in the Arrival Window of the LNG Carriers and/or Terminal Capacity Congestion on certain gas days and/or other incompatibilities in the Annual Service Schedule plans, the Operator shall provide the Terminal Users a consolidated Annual Service Schedule plan with the incompatibilities indicated.

(2) In the event referred to in paragraph 1 of this Article, the Operator shall, within seven days of the delivery of the consolidated Joint service schedule plan with the inconsistencies indicated, invite the Terminal Users to enter into Joint negotiations involving all Terminal Users and the Operator, in order to eliminate the inconsistencies and coordinate the Annual Service Schedule plans. All participants in the negotiation process shall act in good faith and respect the interests they wish to achieve, whereby the Operator shall conduct Joint negotiation procedures and coordinate all necessary activities for negotiation purposes.

(3) The Operator shall, after completion of the Joint negotiations and no later than 15 days from the beginning of the negotiations:

1. take action pursuant to Article 27, paragraph 4, items 1, 2 and 4 of these Rules, if the Terminal Users have reached an agreement or

2. send a written notification to the Terminal Users on the completion of negotiations because the parties have failed to coordinate the Annual Service Schedule plans.

(4) If the Terminal Users have failed to reach an agreement on the service schedule plans, the Operator shall have the right to make a final decision concerning the service schedule.
(5) In the event referred to in paragraph 4 of this Article, the Operator shall, no later than within 10 days, correct the Annual Service Schedule plan of each Terminal User in accordance with the rules referred to in Articles 29, 30 and 31 of these Rules and submit the approved Annual Service Schedule plan to the Terminal User to which the plan refers and the approved Joint Annual Service Schedule plan to all Terminal Users.

**Article 29**

(1) The Operator shall prepare an Annual Service Schedule, taking into account, to the maximum extent possible, the requirements of the Terminal User indicated in the submitted Annual Service Schedule plans, the LNG Heel required for Terminal operation, gas loss, the amount of LNG in the Terminal, the conditions for optimum Terminal operation and other factors, in order to ensure continuous, efficient and safe operation of the Terminal.

(2) On the basis of the Annual Service Schedule, the Operator shall determine whether there are gas days in which:

1. the required LNG Regasification Capacities are below the minimum LNG Regasification Rate in accordance with the Technical Conditions of the Terminal,
2. there is Terminal congestion,
3. there are overlaps in the Arrival Windows of the LNG Carriers.

(3) The Operator shall provide Terminal Users that have requested the LNG Regasification Capacities in accordance with paragraph 2, item 1 of this Article with increased LNG Regasification Capacities to at least the lowest LNG Regasification Rate by:

1. proportionally increasing the LNG Regasification Capacities that have been reduced for that Terminal User on the gas days when there is Terminal congestion, by appropriately applying the rules referred to in paragraph 4 of this Article, and
2. proportionally subtracting the LNG Regasification Capacities from other gas days during the same Slot, on which the total LNG Regasification Capacities for all Terminal Users is higher than the minimum lower LNG Regasification Rate.

(4) In the event of Terminal congestion on a single gas day, the Operator shall reduce the LNG Regasification Capacities to the Terminal Users that requested the LNG Regasification Capacities on that gas day, according to the following formulas:

\[ \sum_{i}^{n} U > S \]
\[ \sum_{i}^{n} U = S + V \]
\[ V_i = V \times \frac{U_i}{\sum_{i}^{n} U} \]
\[ K_i = U_i - V_i \]
Where:
\[ U \] – are the total LNG Regasification Capacities requested
\[ U_i \] – are the LNG Regasification Capacities requested per individual Terminal User
\[ V \] – is the total excess of the LNG Regasification Capacities requested (exceeding the maximum upper LNG Regasification Rate)
\[ V_i \] – is the excess LNG Regasification Capacities allocated per individual Terminal User
\[ S \] – is the maximum upper LNG Regasification Rate
\[ K_i \] – are the final LNG Regasification Capacities for an individual Terminal User

(5) The Operator proportionally shall allocate the LNG Regasification Capacities that have been reduced, proportionally per gas days on which there is Terminal congestion and, if possible, within the same month in which the LNG Regasification Capacities were reduced, whereby the Operator shall take into account the optimum and safe operation of the Terminal.

(6) If the total amount of increased or reduced LNG Regasification Capacities may not be reallocated during a given Slot in accordance with the rules referred to in this Article, the remaining LNG Regasification Capacities shall be reallocated during the next Slot.

**Article 30**

(1) If it is not possible to prepare coordinated Joint Annual Service Schedule on the basis of the Annual Service Schedule plans and the application of the rules referred to in Article 29 of these Rules, the Operator shall allocate to each Terminal User their average LNG Regasification Capacities for all gas days of the upcoming gas year.

(2) The average LNG Regasification Capacities shall be calculated by dividing the annual LNG Regasification Capacities of each Terminal User for the gas year by the number of gas days of the upcoming gas year minus the number of days designated for the maintenance of the Terminal.

(3) If the average LNG Regasification Capacities referred to in paragraph 2 of this Article is less than the minimum lower LNG Regasification Rate, the Operator reserves the right to reallocate the LNG Regasification Capacities in such a manner as to ensure optimum and safe operation of the Terminal.

**Article 31**

(1) After determining the LNG Regasification Capacities for the upcoming gas year, the Operator shall determine the Slots within the Annual Service Schedule for the purpose of planning specific cargo and the arrival date of the LNG Carriers.

(2) The Operator shall determine the Slots by taking into account, to the extent possible, the requirements of the Terminal User indicated in the submitted Annual Service Schedule plans with regard to the arrival date of LNG Carriers and the amount of cargo, the LNG Heel required for Terminal operation, gas loss, the amount of LNG in the Terminal, the conditions for optimum Terminal operation and other factors, in order to ensure continuous, efficient and safe operation of the Terminal.
(3) For the purpose of maintaining continuous operation of the Terminal, the first Slot in the upcoming gas year shall begin no later than one day before the LNG amount in the Terminal reaches the LNG Heel, determined under the Technical Conditions of the Terminal.

(4) The Terminal User that is the holder of the first Slot shall no later than that day deliver the cargo to the Terminal so that the Operator can provide the contracted LNG regasification services.

(5) The first Slot ends when the LNG amount in the Terminal, due to LNG regasification and delivery and/or gas loss, reaches the LNG Heel required for the operation of the Terminal.

(6) The Terminal User that is the holder of the first Slot shall ensure that the LNG Carrier berths at the Terminal no later than one day prior to the LNG amount in the Terminal reaching the LNG Heel required for the operation of the Terminal, whereby cargo reloading can be started as soon as possible, in accordance with the Technical Conditions of the Terminal.

(7) The Terminal User that has planned, in a cumulative manner, the greatest LNG Regasification Capacities for all gas days of the first Slot, including possible gas loss, taking into account the amount of cargo from the Annual Service Schedule plan of that Terminal User shall be determined as the holder of the first Slot.

(8) By way of derogation from paragraph 7 of this Article, if during Slot allocation the Returnable Amount of LNG of one of the Terminal Users exceeds a half of the average amount of cargo, calculated on the basis of the amount of cargo not yet allocated to the Slots within the proposal of the Annual Service Schedule plan of that Terminal User, such Terminal User shall become the holder of the first Slot, with the purpose of returning the Borrowed LNG amount, except in the case where according to the Annual Service Schedule plan of the LNG Lender, the LNG Lender did not intend to use the LNG Regasification Capacities in that Slot, in which case the LNG Borrower shall be allocated the closest Slot in which the LNG Lender had planned to use the LNG Regasification Capacities.

(10) If during Slot allocation the Returnable Amount of LNG of several Terminal Users exceeds a half of the average amount of cargo, the first Slot shall be allocated to the Terminal User that has the oldest Borrowed Amount of LNG, while the other Terminal Users shall be allocated the Slots in accordance with the age of the Borrowed Amount of LNG, from the next oldest to the newest.

(11) If the LNG Borrower did not receive a Slot to return the Returnable Amount of LNG in the amount exceeding a half of its average cargo in the Approved Annual Service Schedule of the current gas year, the rule referred to in paragraphs 6 and 7 of this Article shall be applied to the upcoming gas year.

(11) If several Terminal Users meet the conditions for the allocation of the first or any of the following Slots in accordance with the rules referred to in this Article, the
Terminal User that previously submitted the annual service plan shall have priority when determining the holder of the first or any of the following Slots.

(12) After allocating the first Slot, the Operator shall allocate each subsequent Slot appropriately by applying the rules referred to in this Article.

Article 32

(1) The Terminal User that plans to borrow LNG from other Terminal Users and not return the Borrowed Amounts of LNG for more than 60 days in a row, in accordance with the Approved Annual Service Schedule or the Monthly Service Schedule, shall submit to the Operator evidence that it has valid agreements concluded with the LNG Supplier and that it has contracted the supply of sufficient LNG amounts no later than 60 days before commencing the use of the LNG Regasification Capacities.

(2) If the Terminal User does not act in accordance with paragraph 1 of this Article, it shall be considered as failure to fulfil the obligation to deliver all the cargo and shall be liable to the Operator and other Terminal Users in accordance with the rights and obligations prescribed by these Rules, the Terminal Use Agreement and the Joint Terminal Use Agreement.

Article 33

(1) Each Terminal User has the right, throughout the gas year, to submit to the Operator a proposal of changes to the Approved Annual Service Schedule, including the Arrival Window of the LNG Carriers.

(2) The Operator shall respond to the Terminal User as to whether they accept the proposed changes, within five working days of receiving such a proposal.

(3) The Operator may approve the proposal referred to in paragraph 1 of this Article if the following conditions have been cumulatively fulfilled:

1. the conditions stipulated in Article 26, paragraphs 3 and 4 of these Rules;

2. the changes according to the minimum lower and maximum upper LNG Regasification Rate in accordance with the Technical Conditions of the Terminal;

3. the changes meet the safety requirements;

4. the changes do not alter the Approved Annual Service Schedules, including the Arrival Window of the LNG Carriers of other Terminal Users; and

5. if the changes alter the Approved Annual Service Schedules, and in particular the Arrival Window of the LNG Carriers of other Terminal Users, the Terminal User proposing the change has obtained consent from other Terminal Users.

(4) The Terminal User shall not unreasonably deny the consent referred to in paragraph 3, item 5 of this Article unless it materially affects their rights and obligations.
(5) If the consent of other Terminal Users to the required changes in accordance with the provisions of this Article is required, it shall be submitted to the Operator within five days from the submission of the request for changes to the approved annual service schedule which the Operator submits to the Terminal Users.

(6) The Terminal User that fails to respond within the deadline referred to in paragraph 5 of this Article shall be considered to disagree with the changes to the approved annual service schedule.

Article 34

(1) The Terminal User that uses the LNG regasification services according to the approved annual service schedule shall submit a Monthly Service Schedule to the Operator no later than thirty-five days before the beginning of each month of the gas year.

(2) The Monthly Service Schedule shall not be in contradiction to the approved LNG Regasification Capacities and/or the Slots in the approved annual service schedule plan for the same month or the monthly schedules approved due to short-term capacity booking, except in the cases referred to in Article 35 of these Rules.

(3) The following information shall be provided in the monthly schedule plan:

1. the exact LNG Regasification Capacities for each gas day;

2. the Arrival Window of the LNG Carriers, whereby it is allowable to indicate a time span of no more than two days within which the Terminal User is obligated to moor the LNG Carrier to the Terminal;

3. Information about the LNG Carriers to arrive, which include at least the names of LNG Carriers, international marine organization numbers, registration and/or date of approval at the Terminal;

4. detailed information about each cargo planned to be delivered, indicating the exact amount of LNG and planned LNG quality, at the port of loading of the LNG Carrier and at the Terminal; and

5. information about the Agent, if available.

(4) If the Terminal User does not submit a Monthly Service Schedule plan until the expiry of the deadline referred to in paragraph 1 of this Article, the Operator shall establish a Monthly Service Schedule that refers to that Terminal User, based on the information from the approved annual service schedule.

Article 35

(1) In the Monthly Service Schedule the Terminal User is allowed to indicate a deviation from the Arrival Window of the LNG Carriers and the LNG amounts to be delivered, the LNG Regasification Capacities, specified in the approved annual
service schedule or Monthly Service Schedules approved during the short-term capacity booking with regard to LNG regasification but not more than 10% if:

1. the aforementioned deviation does not affect the service schedule of other Terminal Users; or

2. if the aforementioned deviation affects the service schedules of other Terminal Users, the Terminal User proposing the deviation has obtained consent from other Terminal Users.

(2) In any case referred to in paragraph 1 of this Article, the deviation shall be in accordance with the Technical Conditions of the Terminal.

(3) During a gas year, the Terminal User may, more than once in a row, deviate from the monthly LNG amounts that are intended for delivery to the LNG Terminal and the LNG Regasification Capacities if this does not violate the rights and obligations of the other Terminal Users with regard to using the allowable deviation.

(4) The deviations from monthly LNG amounts for delivery to the Terminal as well as LNG Regasification Capacities, which are in excess of 10% of the amount in the Approved Annual Service Schedule or Monthly Service Schedules approved during the Short-Term Capacity Booking concerning the LNG Regasification Capacities, are allowed exceptionally if the following conditions are met:

1. the Operator and the Terminal User proposing the deviation have reached an agreement on the proposed deviation; or

2. such deviation does not affect the approved service schedule of the other Terminal Users or if it affects the Approved Service Schedules of the other Terminal Users, the Terminal User proposing the deviation has obtained consent of the other Terminal Users.

(5) In any case, the deviation referred to in paragraph 4 of this Article shall be in accordance with the Technical Conditions of the Terminal.

(6) The consent of other Terminal Users to the requested deviation if required according to the provisions of this Article shall be submitted to the Operator within five days from the submission of the request for giving consent to the deviations, which the Operator submits to the Terminal Users.

(7) The Terminal User that fails to respond within the deadline referred to in paragraph 6 of this Article shall be considered to disagree with the deviations from the Approved Annual Service Schedule.

(8) When the actual amount of LNG discharged, determined by applying the rule of measuring the LNG discharged under these Rules and/or the actually used LNG Regasification Capacities, differ from the amount planned for delivery to the Terminal and/or the projection of the LNG Regasification Capacities, which are specified in the Approved Annual Service Schedule or Monthly Service Schedule during Short-Term Capacity Booking, it is considered that the difference in the LNG amount and/or LNG
Regasification Capacities is a deviation from the service schedule of the Terminal User.

(9) If in the event of derogation from paragraphs 1 or 4 of this Article, the Joint annual service schedule becomes incompatible with the Technical Conditions of the Terminal, the Operator shall have the right to adjust the amount of Cargo discharged to the Terminal and/or the LNG Regasification Capacities of the Terminal User responsible for the deviation, but no more than the actual deviation of the LNG amount from the Approved Annual Service Schedule or the Monthly Service Schedule of the Terminal User during the Short-Term Capacity Booking.

(10) For the purpose of coordinating the Monthly Service Schedule plan of the Terminal User requesting the deviation and the Monthly Service Schedule plans of the other Terminal Users that need to give their consent to the deviation, if such consent is required, the Operator has the right to submit the Monthly Service Schedule plans of other Terminal Users at the request the Terminal User requesting the deviation.

Article 36

(1) After receiving the Monthly Service Schedule plans of the Terminal Users, the Operator shall apply the rules referred to in Article 27, paragraphs 1 to 3 and Article 34, paragraph 4 of these Rules, and if there are no overlaps of the Slots, LNG Terminal congestion or other deficiencies, the Operator shall, no later than within five days, approve and deliver the Approved Monthly Service Schedule to the Terminal User to which it refers and the approved Joint Monthly Service Schedule to all Terminal Users.

(2) In case of inconsistencies in the Monthly Service Schedule plans, the Operator shall prepare a consolidated service schedule plan with the indicated inconsistencies and shall correct the inconsistencies in accordance with the Approved Annual Service Schedule and the rules stipulated in Article 35 of these Rules and shall submit the Approved Monthly Service Schedule to the Terminal Users to which it refers and the approved Joint Monthly Service Schedule to all Terminal Users.

(3) The Operator shall publish the Joint Monthly Service Schedule on its website within five business days of delivering it to the Terminal Users.

Article 37

(1) The Operator has the right to change the Terminal operation mode and to modify the Approved Service Schedules only in exceptional situations that pose a threat to uninterrupted, efficient and safe operation of the Terminal. When changing the Terminal operation mode and/or modifying the approved service schedule, the Operator shall cooperate with the Terminal Users taking into account, to the extent possible, their requirements.

(2) If the Operator is not able to carry out Terminal maintenance as defined in Article 67, paragraph 2, item 2 of these Rules, whereby Terminal maintenance overlaps with the Arrival Window of the LNG Carriers, the Operator has the right to adjust the Arrival Window of the LNG Carriers and the LNG Regasification Capacities from the
Approved Annual Service Schedule, whereby changing the Arrival Window of LNG Carriers may not exceed 6 days.

(3) In the event of an adjustment referred to in paragraph 2 of this Article, the Operator shall inform the Terminal Users and submit a proposal of the modified Monthly Service Schedule to the Terminal Users to which the modifications refer.

(4) The Terminal Users to which the modifications refer shall submit an adjusted Monthly Service Schedule to the Operator within 5 days.

(5) In the event referred to in paragraph 2 of this Article, when the Terminal Users fail to deliver, modify or modify the Monthly Service Schedule in a manner that they do not take into account the changes referred to in the proposal by the Operator which could pose a threat to uninterrupted, efficient and safe operation of the Terminal, the Operator shall adjust the Monthly Service Schedules and deliver the Approved Service Schedules to the Terminal Users.

(6) The Operator shall update the approved Joint service schedule on its website in the event referred to in paragraph 2, no later than within 5 days of the delivery of the approved service schedule to the Terminal Users.

VIII Joint Terminal Use

LNG Heel

Article 38

(1) The Terminal Users shall comply with the rules on the Joint terminal use in accordance with these Rules, the Joint Terminal Use Agreement and the Terminal Use Agreement to ensure the Joint terminal use, LNG regasification services and enable the acceptance and regasification of the Cargo of all Terminal Users, and to provide uninterrupted, efficient and safe operation of the Terminal.

(2) When commissioning the LNG Terminal, the Operator shall ensure the LNG Heel at their own expense.

(3) The Operator is responsible for controlling the LNG Heel at the Terminal to ensure safe operation of the LNG Terminal in optimum operating conditions.

(4) In accordance with paragraph 3 of this Article, during the preparation and approval of the Annual and/or Monthly Service Schedules the Operator shall ensure that the amount required for the LNG Heel is always kept in the Terminal tanks due to regular arrival of the Cargo.

(5) If the Approved Annual and/or Monthly Service Schedules enable uninterrupted Terminal operation in such a manner that it maintains the LNG Heel due to the LNG regasification services, the Terminal Users shall comply with the service schedule in order to the LNG Heel defined in the Technical Conditions of the Terminal.
(6) The costs associated with maintaining the LNG Heel shall be borne by the Terminal User in the following cases:

1. in the event of any delay in the arrival of the LNG Carrier that exceeds the Arrival Window by at least 5 days in accordance with the approved Service Schedule and/or

2. in the event of the LNG Carrier of a certain Terminal User not arriving and not berthing at the Terminal in accordance with the approved service schedule.

(7) In the events referred to in paragraph 6 of this Article, the Terminal User shall reimburse the LNG cost, which shall be reimbursed for the purposes of replacing the LNG up to the LNG Heel, to that Terminal User delivering the first following Cargo according to the approved service schedule.

(8) If, within three days, the Terminal User responsible for the events referred to in paragraph 6 of this Article fails to reach an agreement with the Terminal User delivering the first following Cargo according to the approved service schedule, concerning the commercial conditions under which the expense referred to in paragraph 7 of this Article shall be settled and fails to notify the Operator without delay thereof, that Terminal User shall settle the expense referred to in paragraph 7 of this Article at a price to be determined according to the price on the delivery day published on the website of the gas hub in Austria (CEGH) in the VWAP/CEGHIX column expressed in EUR/MWh increased by the cost of transporting daily products of the transmission system capacity to the virtual trading point in the Republic of Croatia.

(9) Except for the cases referred to in paragraph 6 of this Article, the costs associated with maintaining the LNG Heel shall be borne by the Operator.

(10) The LNG costs, which are reimbursed for the purposes of replacing the LNG up to the LNG Heel in the event referred to in paragraph 9 of this Article, the Operator shall reimburse the Terminal User delivering the first following Cargo according to the approved service schedule at a price that is increased by ten percent compared to the price the Terminal User has contracted with the LNG Supplier and is supported by valid evidence.

(11) Regardless of who bears the costs associated with the maintenance of the LNG Heel referred to in paragraphs 6 and 9 of this Article, the LNG amount to be compensated for the purposes of the LNG Heel shall be compensated by the Operator from the first following Cargo according to the approved service schedule.

**LNG Assignment**

**Article 39**

For the purpose of Joint terminal use, the LNG located in the Terminal tanks, excluding the LNG Heel required for regular Terminal operation, may be assigned to the Joint Terminal User, regardless of the fact that they are not the owner of the LNG being regasified, whereby the following rules shall be respected:
1. when, in accordance with the approved service schedule of the Terminal User, the LNG delivered by the LNG Lender is regasified, and the delivery of the Cargo of the LNG Borrower is not foreseen in that period according to the approved service schedule, the LNG Borrower borrows an amount of the LNG from the LNG Lender, including the amount of gas loss of the Terminal User without a special agreement, but taking into account the Loanable Amount of LNG, in accordance with the approved Joint service schedule;

2. for the purpose of Joint terminal use, the Loanable Amount of LNG is considered to be temporarily borrowed by the LNG Lender, and the Returnable Amount of LNG is considered to be the LNG that the LNG Borrower shall return to the LNG Lender;

3. The Loanable Amount of LNG is equal to the Returnable Amount of the LNG, including the gas loss of the Terminal User, which the LNG Borrower shall return to the LNG Lender, measured in energy value;

4. the Joint Terminal Users are allocated the same Loanable Amount of LNG up to the amount of actually regasified LNG, including the gas loss of the Terminal User during the LNG Regasification Period,

5. the Returnable Amount of LNG is allocated in such a manner that the LNG amount that was first borrowed is returned first, by estimating the actually regasified LNG during the LNG Regasification Period, including the gas loss of the Terminal User, while in the event that the Joint Terminal Users have been allocated the Returnable Amount of LNG of the same age, the smaller Returnable Amount of LNG shall be returned first.

**Article 40**

(1) The provisions of Article 39 of these Rules shall not apply where:

1. the Terminal due to the joint use of the Terminal at any time had to operate in a manner that could lead to the occurrence of risk for uninterrupted, efficient and safe operation of the Terminal,

2. according to the reasoned opinion of the Operator, the application of the provisions of Article 39 of these Rules may pose a threat to uninterrupted, efficient and safe operation of the Terminal in a particular situation.

(2) In the event referred to in paragraph 1 of this Article, the Operator shall notify all Terminal Users without delay.

**Joint Terminal Use Agreement**

**Article 41**

(1) The Operator shall publish the Joint Terminal Use Agreement on its website.
(2) For the purpose of achieving the most efficient Joint terminal use, the Joint Terminal Users have the right to agree on conditions of Joint terminal use other than the conditions prescribed in the Joint Terminal Use Agreement, whereby such conditions of Joint terminal use shall not be contrary to the rights and obligations of the Terminal Users and/or the Operator and do not pose a threat to uninterrupted, efficient and safe operation of the Terminal.

(3) The Terminal Users that have agreed on different terms and conditions in accordance with paragraph 2 of this Article shall conclude a new Joint Terminal Use Agreement and submit it to the Operator for signing.

(4) The Operator shall check:

1. whether the terms of the new Joint Terminal Use Agreement provide Joint terminal use with the simultaneous provision of the LNG regasification services for all Terminal Users and ensure uninterrupted, efficient and safe Terminal operation; and

2. whether the LNG Regasification Capacities are utilized as efficiently as possible.

(5) The Operator shall examine the Joint Terminal Use Agreement with due care and sign a new Joint Terminal Use Agreement if there are no obstructions in accordance with these Rules or the existing rights and obligations of the Operator and/or Terminal User.

(6) The Joint Terminal Use Agreement shall be valid and produce effects from the moment of its signing by the Operator.

Credit Support

Article 42

(1) The Operator shall not be responsible for any consequences of Joint terminal use, and in particular in relation to the actions or omissions of the Joint Terminal Users affecting the interests of the Joint Terminal Users, except where the liability of the Operator refers to cases of violation of the duties provided for in these Rules, the Terminal Use Agreement, the Joint Terminal Use Agreement or other laws governing the energy, energy activity regulation and gas market.

(2) In order to secure the obligations associated with Joint terminal use, including the obligation to ensure Cargo delivery, the Terminal Users may agree on credit support to be delivered to the Operator, which shall ensure:

1. the proper performance of the obligation to deliver all the Cargo according to the Approved Service Schedule for that Terminal User;

2. the obligation of a proper return of the Returnable Amount of LNG in accordance with the Joint Terminal Use Agreement;

3. the obligation to compensate for losses of other Terminal Users resulting from the failure to fulfil the obligations under these Rules and/or the Joint Terminal Use
Agreement resulting in the inability to return the Returnable Amount of LNG or improper return thereof; and

4. any damages arising from or in connection with a breach of the obligations of the Joint Terminal User provided for by these Rules and the Joint Terminal Use Agreement.

(3) The Joint Terminal Users agree whether they wish to provide the Operator with credit support for ensuring the claims in accordance with paragraph 2 of this Article and, if they provide the credit support, agree on the type and amount, unless it is not prescribed otherwise by the Joint Terminal Use Agreement.

(4) In the event of submitting the credit support in accordance with paragraph 3 of this Article, the Operator shall have the right to use the credit support submitted by each individual Terminal User in accordance with these Rules and the Joint Terminal Use Agreement.

(5) In the event that Joint Terminal Users have failed to reach an agreement in accordance with paragraph 2 of this Article, at the request of the Joint Terminal Users, the Operator may contract a service in order to purchase the replacement gas in the event of an LNG Carrier not arriving due to the omission of one of the Joint Terminal Users.

(6) In order to create the aforementioned obligation of the Operator referred to in paragraph 5 of this Article, the Joint Terminal Users shall notify the Operator that they have not reached an agreement on the amount and type of credit support and submit to the Operator a request signed by all Joint Terminal Users no later than five calendar days prior to the conclusion of the Joint Terminal Use Agreement, i.e. 60 calendar days prior to each subsequent Gas Year, in order for the Operator to act in accordance with paragraph 5 of this Article.

(7) In accordance with paragraph 6 of this Article, each Joint Terminal User shall provide the Terminal operator with one bank guarantee payable at first call in favour of the Operator, the content of which is acceptable to the Operator:

1. valid for the entire Gas Year, at least until the arrival of the last LNG Carrier, in accordance with the Approved Annual Service Schedule,

2. be issued for the entire duration at the full contracted amount calculated on proportionately allocated regasification capacities of each Joint Terminal User in relation to the amount of gas of the largest Cargo from the Approved Annual Service Schedule multiplied by the price of gas referred to in Article 38, paragraph 9 of these Rules increased by 10% for any additional costs that may be incurred to the Operator due to the purchase of replacement gas.

(8) The Operator shall procure replacement gas only for the Joint Terminal User that has submitted and maintained a valid bank guarantee payable at the first call in accordance with these Rules and the Joint Terminal Use Agreement up to the amount to which the valid bank guarantee payable at first call was issued.
(9) The Joint Terminal User responsible for the LNG Carrier not arriving shall notify the Operator of the need for purchasing replacement gas pursuant to the concluded replacement gas purchase agreement referred to in paragraph 5 of this Article no later than ten calendar days prior to the planned arrival of the LNG Carrier.

(10) The Operator shall activate all bank guarantees to the extent specified in the Joint Terminal Use Agreement and shall distribute the purchased replacement gas to the Joint Terminal Users in proportion to their allocated regasification capacities, excluding the Joint Terminal User responsible for the LNG Carrier not arriving.

(11) All claims by the Joint Terminal Users incurred due to the payment of the bank guarantees shall be borne by the Joint Terminal User responsible for the LNG Carrier not arriving.

(12) The Joint Terminal Users shall agree on their mutual relations concerning a lack of proper Cargo delivery, failure to return the Returnable Amount of LNG and activating the bank guarantee of the Joint Terminal User by the Operator in the Joint Terminal Use Agreement, as well as the manner of collecting the activated bank guarantees by the Joint Terminal User responsible for the LNG Carrier not arriving.

(13) The Operator shall perform all actions solely as a proxy of the Joint Terminal Users that have submitted a bank guarantee.

(14) The functions and responsibilities of the Operator in connection to the purchase of replacement gas are limited solely to ensuring the purchase of replacement gas instead of the Joint Terminal User, for which purpose the Operator has the right to activate the bank guarantee of the Joint Terminal User.

(15) The Operator shall not be responsible for any breach of the obligations of the Joint Terminal User arising from the Joint Terminal Use Agreement, possible refusal of payment based on the bank guarantee of the Joint Terminal User by the bank or the amount of payment based on the activation of the bank guarantee of the Joint Terminal User, bank transactions or other aspects concerning the bank guarantee of the Joint Terminal User and does not assume responsibility concerning the justifiability of the losses due to the collection of the bank guarantee of the Joint Terminal User.

(16) In any event, prior to the activation of the bank guarantee referred to in paragraph 7 of this Article, the Terminal Users may notify the Operator of the agreement they have reached and that they shall compensate for replacement gas themselves in the event of the LNG Carrier not arriving and the failure to return the Returnable Amount of LNG.

(17) In the event that the bank guarantee is used or the amount of the bank guarantee shall be harmonised for another reason, as well as if the bank guarantee validity period shall be adjusted, in order for the bank guarantee to comply with these Rules and the Joint Terminal Use Agreement, the Terminal User shall submit a new bank guarantee or modify the submitted bank guarantee no later than within 15 days of the
occurrence of the event which is cause for the submission of the new or modified bank guarantee.

(18) If the Joint Terminal Users do not reach an agreement and fail to provide the credit supports as provided for in this Article, the transactions concerning the borrowing of LNG as provided for by these Rules shall continue as provided in the Approved Service Schedules.

**Article 43**

(1) The Operator may contract the service of replacement gas purchase referred to in Article 42 of these Rules for a period of two Gas Years.

(2) The service provider referred to in paragraph 1 of this Article may be a gas trader or supplier possessing a valid license to carry out energy trade and/or gas supply activities.

(3) The service provider referred to in paragraph 1 of this Article shall at all times have sufficient gas as well as transmission system capacity in order to, when requested by the Operator, provide the Joint Terminal Users with the equivalent replacement capacities at the Terminal or appropriate amounts of gas at the virtual trading point in accordance with Article 42 of these Rules.

(4) The service provider referred to in paragraph 1 of this Article shall provide the aforementioned service in accordance with the order of the Operator, in which the indicated amounts of gas are to be delivered to each Joint Terminal User on the Gas Days of the Slot.

**IX Terminal Use Conditions**

**LNG Carrier Approval Procedure**

**Article 44**

(1) The LNG Carriers that are planning to moor at the Terminal shall comply with all international standards applicable to such ship types, possess all necessary permissions to enter and carry out operations at the port, meet all operational conditions of the port as well as the conditions of the competent port authority and Terminal.

(2) The Terminal User shall ensure that the LNG Carrier, at the time of arrival, conforms to the requirements referred to in paragraph 1 of this Article.

(3) The approval of the LNG Carrier at the Terminal shall be carried out in accordance with the approval procedures for the LNG Carrier prescribed by these Rules and the Technical Conditions of the Terminal.

(4) The Operator shall publish the form of the LNG Carrier approval request on its website.
The Terminal User or the Operator or owner of the LNG Carrier or another person having a justified interest shall submit the completed form of the LNG Carrier approval request not later than 60 days prior to the Arrival Window of the LNG Carrier or exceptionally outside the specified deadline when the Operator agrees therewith.

If the conditions referred to in paragraphs 1 to 5 of this Article are met, the Operator shall issue a certificate of approval of the LNG Carrier for arrival at the Terminal.

In the event that after issuing the certificate of approval for the LNG Carrier to arrive at the Terminal changes in some of the approved information occur, for example, but not limited to: the name, country of registration, documents, licenses, responsible persons of the company operating the LNG Carrier and/or its owners, or other information, the Operator shall have the right to request the repetition of the LNG Carrier approval procedure.

In order to ensure safe and uninterrupted arrival of the LNG Carrier arrival at the Terminal, the Operator has the right to demand from the Terminal User to meet additional conditions, for example, but not limited to: submitting specific guarantees for the LNG Carrier, carrying out additional safety inspection and/or complying with the technical and operational limitations.

After the arrival of the LNG Carrier at the port, the responsible person of the port and/or the Operator and/or other person authorised by them shall have the right to carry out all prescribed examinations in order to establish and ensure that the LNG Carrier is compatible with the Floating Storage and Regasification Unit, whereby they shall actively cooperate with the owner and/or operator of the LNG Carrier.

The Terminal User shall be liable if the owner, operator, master and/or commander of the LNG Carrier fail to perform their duties or fail to fulfil the conditions for the approval of the LNG Carrier due to which the LNG Carrier has not received an approval and/or has not entered the port and/or has not performed mooring.

The Operator shall regularly update and publish a list of approved LNG Carriers arriving at the Terminal on its website.

**Arrival and Departure of LNG Carriers**

**Article 45**

(1) The Terminal User shall ensure that the owner/operator of the LNG Carrier or master/commander of the LNG Carrier or the Agent or the person determined by the owner or operator of the LNG Carrier submits to the Operator a completed form of the LNG Carrier nomination request no later than 14 days from the Estimated Time of Arrival of the LNG Carrier at the Terminal.

(2) The Terminal Operator shall publish the LNG Carrier nomination request on its website.
(2) Information concerning the date and time of departing from the port of loading and the Estimated Time of Arrival of the LNG Carrier at the Terminal shall be indicated in the LNG Carrier nomination request.

(4) The following shall be submitted to the Operator in addition to the LNG Carrier nomination request:

1. Bill of Lading;
2. Cargo Report;
3. Cargo Manifest;
4. Cargo Origin Certificate;
5. Cargo Quantity Certificate;
6. Cargo Quality Certificate;
7. Cargo Safety Data Sheet;
8. Statement of facts (SOF);
8. The master’s and/or commander’s certificate on the acceptance of the aforementioned documents.

Article 46

(1) The Terminal User or their Agent shall ensure that the master and/or commander of the LNG Carrier or their Agent regularly update the Estimated Time of Arrival of the LNG Carrier to the Terminal and that the updated data are delivered to the Operator, the port and the competent port authority at least within the following deadlines:

- 96 hours prior to the Estimated Time of Arrival of the LNG Carrier to the Terminal, whereby the notification shall contain information on the condition of the Cargo, the estimated Cargo temperature, LNG pressure in the tank, the amount of Cargo for discharge to the Floating Storage and Regasification Unit and, in particular, any current or expected operational deficiencies on the LNG Carrier that have or may have an impact on the entry of the LNG Carrier into the port and/or the mooring of the LNG Carrier and/or the stay of the LNG Carrier at the port and/or LNG Discharge,

- 72 hours prior to the Estimated Time of Arrival of the LNG Carrier to the Terminal;

- 48 hours prior to the Estimated Time of Arrival of the LNG Carrier to the Terminal;
- 24 hours prior to the Estimated Time of Arrival of the LNG Carrier to the Terminal.

(2) From the moment when the Estimated Time of Arrival of the LNG Carrier to the Terminal has been estimated to be within 24 hours, the information on the Estimated Time of Arrival of the LNG Carrier to the Terminal shall be updated every six hours.

**Article 47**

If the Estimated Time of Arrival of the LNG Carrier to the Terminal submitted as referred to in Article 46 of these Rules changes by more than six hours, the Terminal User shall without delay inform or provide that the master and/or commander of the LNG Carrier and/or the Agent notify the Operator, the port and the competent port authority of the corrected Estimated Time of Arrival of the LNG Carrier to the Terminal.

**Article 48**

(1) The Terminal User shall provide or ensure that the master and/or commander of the LNG Carrier or the Agent submit to the Operator a Notice of Readiness immediately after the following cumulative conditions have been fulfilled:

1. the LNG Carrier has arrived at the Pilot Boarding Station dedicated for the Port;

2. the competent port authority, the port and the competent authorities granted the LNG Carrier all permissions necessary to enter the port and moor at the Terminal;

3. the LNG Carrier has ordered all port services necessary for mooring at the Terminal; and

4. the Terminal User and/or other third parties granted the LNG Carrier all permissions necessary to carry out LNG Discharge and the LNG Carrier is ready to perform this operation.

(2) If the conditions referred to in paragraph 1, items 1 to 4 of this Article have been fulfilled and the Operator has received a Notice of Readiness, the Operator shall, without delay, issue a notice of approval for mooring at the Terminal to the LNG Carrier and/or, in the case referred to in Article 49 of these Rules, a notice indicating the mooring time of the LNG Carrier, except where there are limitations for LNG Discharge into the Terminal in accordance with these Rules or when the Terminal User notifies the Operator of the circumstances due to which LNG Discharge into the Terminal is not possible.

(3) If the conditions referred to in paragraph 1, items 1 to 4 of this Article have not been fulfilled, the Operator may refuse the Notice of Readiness, provided that they inform the Terminal User of the reasons for the refusal and requests the submission of a valid Notice of Readiness, which meets all the requirements referred to in this Article.

(4) The Operator shall have the right to refuse the mooring of the LNG Carrier at the Terminal if the Terminal User has failed to submit the LNG Discharge Order no later
than two days prior to the arrival of the LNG Carrier, i.e. within the deadline that the Operator has provided to the Terminal User after having warned him that the LNG Discharge Order had not been submitted.

(5) In the cases referred to in paragraphs 3 and 4 of this Article the Operator shall not be liable for the losses incurred to the Terminal Users due to the aforementioned omissions.

(6) If for the reasons referred to in this Article the Operator refused the mooring of the LNG Carrier to the Terminal, the Operator shall notify the master and/or the commander of the LNG Carrier or the Agent, the port and the competent port authority.

(7) The LNG Carrier arriving to the port and/or submitting a Notice of Readiness or an LNG Discharge Order prior to or after the Arrival Window specified in the Approved Monthly Service Schedule may moor at the Terminal only if all the following conditions have been cumulatively fulfilled:

1. it does not prevent the mooring of LNG Carriers arriving according to the Approved Monthly Service Schedule;
2. the mooring of such LNG Carrier meets the Technical Conditions of the Terminal and is not in contradiction to the limitations for the use of the Terminal;
3. the mooring of the LNG Carrier is in accordance with the safety requirements of the Terminal.

(8) In the case referred to in paragraph 7 of this Article, when the Operator refuses to accept the mooring of the LNG Carrier at the Terminal, the Operator shall determine another time of mooring in accordance with these Rules.

**Article 49**

(1) If two or more LNG Carriers arrive at the Terminal at the same time outside their approved Arrival Windows, the Operator shall ensure that the LNG Carriers are scheduled for mooring in accordance with the following schedule, whereby the following LNG Carriers shall have priority:

1. a delayed LNG Carrier for which a Notice of Readiness has been submitted after the Arrival Window, provided that the next Arrival Window has not been rescheduled,
2. an early LNG Carrier for which a Notice of Readiness has been submitted prior to the Arrival Window and which has not been refused by the Operator.

(2) A delayed LNG Carrier can be denied mooring to the Terminal ahead of the early LNG Carrier if the Operator determines that the mooring of the delayed LNG Carrier shall impede the mooring of the early LNG Carrier when its Arrival Window begins.
(3) The rules referred to in this Article shall not apply only if the Terminal Users have agreed otherwise and have submitted their agreement in writing to the Operator that has approved it.

Article 50

(1) The Allowed Laytime for the Standard Cargo Lot is fifty consecutive hours, and if the amount of LNG discharged is not a Standard Cargo Lot, the Operator and the Terminal User shall agree on a longer or shorter Allowed Laytime, depending on the amount of Cargo.

(2) By way of derogation from paragraph 1 of this Article, the Allowed Laytime shall be extended by any period of delay which is caused by one or more of the following:

1. for any reason attributable to the Operator or the Operator’s Indemnified Party;

2. due to delays in mooring at the port when the cause of such delay is reasonably controlled by the Operator;

3. any period during which arrival at the Terminal, mooring, LNG unloading and/or departure from the Terminal is delayed or prevented by reason of Force Majeure Event;

4. for any period during which LNG Discharge is delayed or prevented by the Technical Conditions of the Terminal,

5. due to Adverse Weather and/or Metocean Conditions in the port,

6. if the volumetric flow rate of LNG Discharge from the LNG Carrier to the Terminal is less than the rate specified in the LNG Carrier specification and the rate specified in the Technical Characteristics of the Terminal, if such reduced rate is solely attributable to the Terminal.

(3) The Actual Laytime shall commence as follows:

1. if the LNG Carrier provides its Notice of Readiness within the Arrival Window, upon the earlier occurrence of:

   - six hours after the submission of the Notice of Readiness; and

   - the time at which the LNG Carrier moored at the Terminal.

2. if the LNG Carrier provides the Notice of Readiness prior to the Arrival Window, upon the earlier of:

   - 06:00 a.m. on the first day of the Arrival Window; and

   - the time at which the LNG Carrier moored at the Terminal.
3. If the LNG Carrier provides its Notice of Readiness after the Arrival Window, at the time at which the LNG Carrier moored at the Terminal.

(4) The Actual Laytime shall be continued until the earlier of:
- the last flexible loading hose is disconnected and the LNG Carrier master and/or commander duly confirmed that the Cargo has been fully discharged into the Terminal, and
- the LNG Carrier departing from the Terminal without unloading or fully unloading its Duly Confirmed Cargo.

**LNG Discharge Activities**

**Article 51**

(1) The Terminal User shall submit to the Operator an LNG Discharge Order no later than two days prior to the Arrival Window.

(2) The Operator shall publish on its website a form of the LNG Discharge Order.

(3) If the Terminal User fails to submit or submits an LNG Discharge Order after the expiry of the deadline referred to in paragraph 1 of this Article, the Operator shall have the right to refuse the mooring of the LNG Carrier.

(4) The total amount of LNG Discharge in the LNG Discharge Order compared to the quantities in the Approved Annual and Monthly Service Schedule may only deviate if it is not contrary to the limitations referred to in Article 35 of these Rules and the Technical Conditions of the Terminal.

(5) The Operator shall approve the LNG Discharge Order only if the minimum lower LNG Regasification Rate has been nominated during the entire Allowed Laytime of the LNG Carrier.

(6) By way of derogation from the deadline for the submission of Daily Nomination provided for in Article 57, paragraph 9 of these Rules, the Daily Nomination in the case of LNG Discharge shall be submitted to the Operator together with the submission of the LNG Discharge Order at the latest.

(7) If the conditions for LNG Discharge referred to in this Article are met, the Operator shall confirm the LNG Discharge Order and notify the Terminal User.

(8) During LNG Discharge, the master/commander of the LNG Carrier and/or an Agent shall comply with the orders, instructions, rules and other requests concerning the activities at the port and the Terminal defined by the responsible person at the port and the Operator.

(9) LNG Discharge can only be carried out if the following conditions are cumulatively met:
1. The LNG Carrier has all the documentation necessary for LNG Discharge and is authorised according to the regulations by the Terminal User and/or third parties to perform LNG Discharge at an agreed time; and

2. the verification procedure is completed according to the conditions from the Ship/Shore Safety Checklist.

**Article 52**

The Operator has the right not to initiate LNG Discharge or to stop LNG Discharge and demand the LNG Carrier to unmoor from the Terminal and allow access to the Terminal for other LNG Carriers in any of the following cases:

1. justified order from the port authority has been received;

2. justified order from the port has been received;

3. the procedure of controlling the prescribed prerequisites has not been completed or the prerequisites have not been fulfilled according to the conditions from the Ship/Shore Safety Checklist.

4. The LNG Carrier does not follow or improperly follows the orders and/or instructions of the relevant port authority and/or port and/or Operator, the procedures prescribed in the Technical Conditions of the Terminal or these Rules or other conditions necessary for performance of the activities in the port and at the Terminal, including safety regulations;

5. Based on the decision made by the Operator or the port that the condition of the LNG Carrier or LNG Discharge presents a danger to the lives or health of people, danger to the property, environment and/or operation of the Terminal;

6. the delivered Cargo does not correspond to the Natural Gas Quality Specification;

7. in case of other circumstances specified in these Rules and/or the Terminal Use Agreement and/or which are outside of the Operator's control.

**Article 53**

(1) After completing LNG Discharge, the LNG Carrier shall leave the Terminal as soon as possible and enable access to the Terminal to other Terminal Users, unless the relevant port authority and/or port issues a different order to the LNG Carrier or if the Operator has approved a different procedure of unmooring and/or access.

(2) If the LNG Carrier fails to unmoor within the Allowed Laytime or after completing LNG Discharge, depending which moment occurs earlier, the Operator can assign a fee as established in Annex I of these Rules.

**Article 54**
The master and/or the Operator of the LNG Carrier and the Operator perform LNG Discharge in accordance with the safety requirements. The Operator is responsible for appropriate performance of LNG Discharge operations at the Terminal until the flexible LNG Discharge hoses of the Terminal are disconnected from the LNG Carrier.

**Article 55**

The Operator is not responsible for any direct or indirect losses, expenses and damage, including ceased profits incurred by the Terminal User, LNG Carrier, its owner or operator, master or commander, LNG Supplier, carrier and/or mediator, Agent as well as any other related third party in the following cases:

1. the operator has not initiated LNG Discharge or has stopped the LNG Discharge initiated or has acted in accordance with the terms of these Rules if the LNG does not meet the Natural Gas Quality Specification or any other reason prescribed by these Rules and/or

2. LNG Discharge was delayed or went by with interruptions because of the circumstances outside of the Operator's control.

**LNG Regasification**

**Article 56**

(1) The LNG regasification amounts are determined in accordance with the approved annual and Monthly Service Schedules.

(2) The Terminal operator shall accept the LNG amount at the Terminal according to the LNG amount specified in the LNG Discharge Order, which has been confirmed by the Operator in accordance with the procedures prescribed in the Technical Conditions of the Terminal.

(3) The Operator shall publish the LNG Discharge Order on its website.

(4) The Terminal Operator shall regasify the LNG amount according to the confirmed Daily Nomination of the Terminal User.

(5) The LNG amount that has been regasified and delivered to the Delivery Point shall be calculated for each Terminal User and is equal to the amount of gas actually allocated according to the conditions stipulated in Annex II of these Rules.

**Article 57**

(1) The Terminal User that wants to use the LNG Regasification Capacities shall, on a daily basis and on both working and non-working days, submit to the Operator information on the Daily Nomination of gas amount in kWh/h, which shall be delivered to the Delivery Point in the next Gas Day.
(2) Other than the nomination for the next Gas Day the Terminal User may submit nominations for the following days of the current month.

(3) The Terminal User shall ensure safe handover of gas into the transmission system by:

1. nominating appropriate capacity of the transmission system at the entry into the transmission system, which is also the exit from the Terminal;

2. the user of the transmission system that takes over the gas from the Terminal User nominates the transmission system capacity at the entry into the transmission system, which is also the exit from the Terminal.

(4) The information referred to in paragraph 1 or 2 of this Article shall be submitted for each hour of the Gas Day being nominated.

(5) After receiving the Daily Nominations, the Operator shall verify whether the nominations are in accordance with the Approved Annual and/or Monthly Service Schedule.

(6) The Operator and the transmission system operator shall exchange the information from the Daily Nominations in order to match the nominations and, in case of differences in the received nominations, apply the Lesser Rule, in accordance with the Network Code of the Transmission System.

(7) The Daily Nomination of a particular Terminal User shall be in accordance with the Approved Monthly Service Schedule, whereby the Operator shall approve the Daily Nomination submitted by the Terminal User only when the following conditions are cumulatively met:

1. the conditions referred to in paragraph 3 of this Article are fulfilled;

2. in case of deviations from the Daily Nominations from the Approved Monthly Service Schedule, they are in accordance with the appropriately applied terms referred to in Article 35 of these Rules;

3. The overall Daily Nomination of all Terminal Users on a particular Gas Day is above the minimum lower regasification rate and below the maximum upper regasification rate, according to the Technical Conditions of the Terminal.

(8) The Operator shall publish the form for the submission of Daily Nominations on its website.

(9) The Terminal User shall submit the Daily Nomination to the Operator no later than 10.00 a.m. on day D-1, except in the case referred to in Article 51, paragraph 6 of these Rules.

(10) The Terminal User shall have the right to renominate the approved Daily Nomination no later than 8.00 a.m. on Gas Day D for the Gas Day D, whereby the
Operator shall approve the renomination if it is in accordance with the conditions of paragraph 7 of this Article.

(11) The Operator shall have the right to adjust the submitted Daily Nomination of the Terminal User so that the total actual LNG amounts that deviate are adjusted to the LNG amounts from the Approved Annual and/or Monthly Service Schedule, especially when such deviations lead to incompatibility with the approved Joint Annual Service Schedules, which may lead to the inability to accept LNG Carriers or discharge LNG or failure to fulfil other obligations of the Operator.

(12) In the case of adjusting the nominations referred to in paragraph 11 of this Article or renomination, the Terminal User or the transmission system user taking over the gas at the exit from the Terminal which is also the entry into the transmission system shall renominate the transmission system capacity.

(13) Upon expiry of the deadline referred to in paragraph 9 and 10 of this Article, the Operator shall notify the Terminal User and the transmission system operator about the amount of accepted Daily Nomination within one hour.

(14) If the Operator refuses the Daily Nomination, they shall notify the Terminal User within 30 minutes providing the reasons for the refusal of the nomination.

(15) If the Operator refuses the renomination, the last accepted nomination or renomination is valid.

(16) The nomination or last renomination for a given Gas Day accepted by the Operator is binding for the Terminal User.

(17) If the Terminal User fails to submit the Daily Nomination or the Operator does not approve the submitted Daily Nomination, the nominated LNG amount for regasification on the next Gas Day shall be considered equal to the amount of gas from the Approved Monthly Service Schedule. If there is no Approved Monthly Service Schedule, it is considered that the nominal amount of LNG for regasification on the next Gas Day is equal to the amount of gas from the Approved Annual Service Schedule.

X LNG and Gas Quality Specification and Measuring

Requirements to LNG Quality and Off-Specification LNG

Article 58

(1) The Terminal User shall ensure that, at the time of discharge, the quality of the Cargo delivered to the LNG Terminal complies with the LNG Quality Specification, and that, at the time of Gas Delivery to the transmission system, it complies with the Natural Gas Quality Specification standards specified in the General Terms and Conditions of gas supply.

(2) The Operator is not responsible for the quality of the Cargo delivered to the LNG Terminal.
(3) The Operator guarantees that the content and specification of the LNG or regasified gas delivered at the Delivery Point shall be materially consistent with the content and specification of the LNG delivered to the Terminal, other than in case of any variances permitted under the terms of these Rules, including any change to the temperature or to the state of the LNG or regasified gas caused by LNG Discharge operations, LNG Regasification process, natural LNG ageing process during Physical Storage at the Terminal, as well as any change due to mixing of LNG in cases when mixing of delivered Cargo occurred.

(4) The Terminal User accepts that the LNG quality parameters change over time, so the quality parameters of the Cargo may change during transportation from the port of loading to the Terminal, and that the parameters of the LNG delivered to the Terminal may differ from the same gas quality parameters and may change accordingly during transportation from the loading port to the Terminal.

(5) The Operator and Terminal User shall notify each other in case they become aware that the delivered Cargo or the Cargo that is to be delivered, represents or could represent Off-specification LNG and such notice shall detail the extent of the expected variance.

(6) The Terminal User shall ensure that the quality of the Cargo delivered to the Terminal at the time of discharge complies with the following LNG specification:

<table>
<thead>
<tr>
<th>Chemical composition</th>
<th>mol %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Methane (CH4)</td>
<td>minimum 85</td>
</tr>
<tr>
<td>Ethane (C2H6)</td>
<td>maximum 7</td>
</tr>
<tr>
<td>Propane (C3H8) and higher hydrocarbons</td>
<td>maximum 6</td>
</tr>
<tr>
<td>Carbon dioxide (CO2)</td>
<td>maximum 2.5</td>
</tr>
<tr>
<td>Oxygen (O2)</td>
<td>maximum 0.001</td>
</tr>
</tbody>
</table>

**Sulphur content**

<table>
<thead>
<tr>
<th>Sulphur total (S)</th>
<th>mg/m3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydrogen sulfide and Carbonyl sulphide total (H2S+COS)</td>
<td>maximum 5</td>
</tr>
<tr>
<td>Thiols (Mercaptans) (RSH)</td>
<td>maximum 6</td>
</tr>
</tbody>
</table>

**Other values**

| Higher heating value Hg (kWh/m3)      | minimum 10.28 maximum 12.75 |
| Lower heating value Hd (kWh/m3)       | minimum 9.25 maximum 11.47 |
| Higher Wobbe – index Wg (kWh/m3)      | minimum 12.75 maximum 15.81 |
| Lower Wobbe – index Wd (kWh/m3)       | minimum 11.48 maximum 14.23 |
| Relative density                      | minimum 0.56 maximum 0.70 |

All values refer to gas volume of 1 m³ at absolute gas pressure of 101,325 Pa (1.01325 bar) and gas temperature of 288.15 K (15 °C).

**Article 59**
After receiving the LNG Carrier nomination request, the Operator has the right not to accept the LNG specified in the request, or to suspend LNG Discharge to the Terminal that is already ongoing, if the LNG does not comply with the LNG Quality Specification and is considered Off-specification LNG.

**Article 60**

(1) Gas quality and LNG amount shall be measured and determined in accordance with the provisions of Articles 61, 62 and 63 of these Rules.

(2) The Operator shall, at special request from the Terminal User, based on historical data and other available presumptions, forecast preliminary changes in LNG quality, and evaluate at what point might the LNG quality become Off-specification during the period of Physical Storage of the LNG at the Terminal.

**Article 61**

(1) All gauges, gas chromatographs and other measurement equipment at the LNG Terminal used to measure the quantity and quality of LNG discharged from an LNG Carrier shall be calibrated and certified by independent authorised institutions, in accordance with the rules of the profession and the international standards applicable at that time.

(2) When discharging Cargo into the Terminal, the Surveyor shall prepare a Quantity and Quality Report based on the Cargo amount data provided by the master or commander of the LNG Carrier, and based on the LNG Cargo quality data and the amount discharged into the Terminal which is provided by the Operator.

(3) The provisional Quality and Quantity Report shall be issued within 24 hours after LNG Discharge completion and the final Quantity and Quality Report shall be prepared within 72 hours after LNG Discharge, except in the case referred to in Article 63, paragraph 6 of these Rules.

(4) In case the Terminal User or its authorised representative does not take part in the Cargo inspection, the Surveyor is considered to be authorised to carry out actions concerning the Cargo inspection on behalf of the Terminal User.

(5) All reports, orders, specifications and other documentation concerning the measurement results of the LNG quality parameters shall be approved by the Surveyor, in the presence of the Operator and the Terminal User or the authorised representative of the Terminal User.

(6) The Operator shall at all times procure, operate and maintain the equipment for collecting LNG samples, and determining the quality of the discharged LNG, and any other LNG measurement or analysis equipment that is necessary to carry out all prescribed LNG measurements and analyses on the Floating Storage and Regasification Unit.

**Measurement of Discharged LNG**
Article 62

(1) The Terminal Users shall ensure that, prior to discharging LNG to the LNG Carrier, the gauges, gas chromatographs and other measurement equipment that measures the quantity and quality of LNG on the LNG Carrier, comply with international ISO standards at reference conditions and the regulations governing sampling procedures and their frequency.

(2) The ISO10976:2015, or a more recent standard that puts it out of force and replaces it, shall be considered the minimum requirement that shall be met to determine the level of the LNG in the carrier tanks, temperature, pressure and technical specifications for the LNG Carrier.

(3) When the quality and quantity of LNG is not established in accordance with paragraph 1 of this Article, the Terminal User shall ensure that the quantity and quality of the LNG are recalculated in accordance with international ISO standards, and which calculation shall be approved by the Surveyor before initiating LNG Discharge into the LNG Terminal.

(4) The Operator, the Terminal User and the Surveyor Jointly participate in the measurement of the Cargo prior to and after LNG discharge into the Terminal, including the measurement of the draft, volume, temperature and pressure in the LNG Carrier tank.

(5) The Discharged LNG amount is calculated according to the following formula:

\[ E = (V \times d \times H_m) - Q_r - Q_{bog} \]

Where:
- \( E \) – is the amount of discharged LNG expressed in kWh;
- \( V \) – is the amount of discharged LNG expressed in m³;
- \( d \) – is LNG density expressed in kg/m³ (kilograms per cubic meter of LNG);
- \( H_m \) – is the lower heating value of LNG expressed in kWh/kg;
- \( Q_{bog} \) – is the energy value of gas consumed by the LNG Carrier during LNG Discharge expressed in kWh;
- \( Q_r \) – is the energy value of gas returned to the LNG Carrier during LNG Discharge expressed in kWh.

(6) All calculations shall comply with ISO6976:2016 or a more recent standard which puts it out of force and replaces it.

(7) After completing LNG Discharge, the Operator shall prepare a report on the quality and quantity of the LNG discharged into the LNG terminal, which shall be signed by the Operator and Terminal User pursuant to Article 61, paragraph 3 of these Rules.

LNG Sampling

Article 63
(1) Unless confirmed differently by the Operator, the quality of the discharged LNG is
determined by continuous online gas chromatograph as a primary system and
intermittent sampling system using the constant pressure/ floating piston (CP/FP)
sample container as a back-up system.

(2) The LNG sampling procedure is carried out in accordance with ISO 8943:2007 or
a more recent standard that puts it out of force and replaces it.

(3) The Operator takes samples and places them into three CP/FP sample containers
during the LNG Discharge. Such sample containers shall be sealed by the Surveyor
who witnessed the sampling, and the cost of sampling shall be borne by the Operator.

(4) One CP/FP sample container shall be used for analysis, the second container shall
be made available to the Terminal User, the third container shall be retained by the
Operator for a period of at least 30 days or until the final Quality and Quantity Report
on the LNG discharged into the Terminal is signed by both parties.

(5) In case the Terminal User exercises the right of using the sample container, it shall
be returned within 5 business days after the container receipt.

(6) The Terminal User has the right to object to the accuracy of the LNG quality
analysis within 30 days from the date on which the Terminal User took over the
sample container.

(7) By way of derogation from paragraph 5 of this Article, if the Terminal User
objects to the accuracy of the LNG quality analysis conducted by the Operator, the
Terminal User shall have the right to retain the sample container until the date a
complaint is submitted to the Operator, but in any case, the Terminal User shall return
the sample container within 90 days from the date of receipt.

(8) In the event of a complaint referred to in paragraph 6 of this Article, the Operator
and the Terminal User shall agree on an authorised laboratory to which the sample
container shall be submitted for analysis.

Article 64

The Operator's gas chromatograph used for determining LNG quality shall be
certified and calibrated pursuant to the rules of the profession and the applicable
practice, which shall be witnessed by the Surveyor and/or the Terminal User or its
representative, the Operator and/or the Transmission System Operator, prior to
commissioning the LNG Terminal and after each calibration according to the
regulations.

Article 65

(1) In case the Terminal online gas chromatograph and the LNG sampling system are
out of operation, the LNG Discharge quality shall be determined in consultation with
the Surveyor based on the Cargo Report and the actual voyage conditions assuming that the LNG quality determined at the port of loading is correct.

(2) In the case referred to in paragraph 1 of this Article, the quality of the discharged LNG shall be determined based on historical data on the quality of the LNG from the same port of loading and the data on voyages with the same Boil-Off amount, and in case of absence of sufficient historical data to determine the LNG quality, a theoretical ageing model shall be applied pursuant to GIIGNL – LNG Custody Transfer Handbook from 2017 v. 5.0 or a more recent one.

(3) If the Terminal User and the Operator agree that at least one of the results calculated under paragraph 2 of this Article does not present the correct presumption of the LNG quality, the Operator and the Terminal User shall, in good faith and in consultation with the Surveyor, agree on a mutually acceptable method to determine the quality of the LNG.

XI Audit of the LNG and Delivered Gas Amounts

Article 66

(1) The Operator shall provide the Terminal Users with access to information about the amount of LNG owned by any individual Terminal User, which is stored in the LNG Terminal tanks, as well as the quantity and quality of the LNG in the LNG Terminal.

(2) The Operator shall provide access to the information referred to in paragraph 1 of this Article through the Operator’s Information System.

(3) The amount of gas and LNG shall be determined and updated in accordance with Annex II of these Rules.

(4) At the justified request of the Terminal User, the Operator shall provide access to all information concerning the determination and calculation of the quantity and quality of the gas.

(5) The Operator shall perform an inventory of LNG at the LNG Terminal at least once a year, and if the inventory reveals that the available LNG amount at the Terminal is different from the LNG amount calculated on the basis of operational accounts, where the difference does not exceed the Allowable Loss, the detected LNG surplus or shortage is assigned to the Terminal Users proportionally to the LNG Regasification Capacities they utilized during the period for which the inventory was conducted.

(6) The detected LNG shortage which exceeds the Allowable Loss shall be assigned to the Operator’s gas loss for which the Operator compensates the Terminal Users in accordance with the procedures specified in Annex II of these Rules.

(7) The Terminal User shall have the right to request that the Operator performs an unscheduled inventory in accordance with the provisions of Annex II of these Rules.
(8) In case the unscheduled inventory confirms that the Allowable Loss has not been exceeded, the Terminal User requiring the unscheduled inventory shall cover the costs incurred to the Operator due to the unscheduled inventory, in accordance with the price list for non-standard services.

XII  LNG Terminal Maintenance

Article 67

(1) The Operator shall notify the Terminal Users about performing Terminal Maintenance in the following manner:

1. every year no later than 1 July, the Operator announces on its website the planned annual Terminal Maintenance schedule for the upcoming Gas Year indicating the planned suspension or limitation of LNG Regasification Services due to regular Terminal Maintenance;

2. the Operator shall have the right to perform Terminal Maintenance on days not specified in the Terminal Maintenance schedule, provided that their total duration together with the planned annual Terminal Maintenance does not exceed seven days, where the Terminal Users shall be notified of the exact dates of performing the Terminal Maintenance no later than 60 days prior to the commencement of the works;

3. the Operator shall have the right to perform Terminal Maintenance concerning the dry docking, in accordance with maritime regulations and in cases where the safe operation of the LNG Terminal is endangered; the lives or health of people, the environment or the property of the Operator and/or the Terminal User, whereby the Operator shall announce the overhaul of the Floating Storage and Regasification Unit no later than 30 days after learning about the necessity of an overhaul.

(2) With regard to paragraph 1 of this Article, the Operator shall to a reasonable extent seek to:

1. perform Terminal Maintenance at the same time as regulatory and statutory surveys and/or when scheduled Terminal Maintenance is taking place on the transmission system in accordance with the Approved Annual Schedule;

2. perform the Terminal Maintenance at another date, which should normally be performed during any Arrival Window of the LNG Carrier in order to interfere as little as possible with the rights of the Terminal Users.

(3) The Operator shall have the right to limit and/or suspend Terminal use and the provision of LNG Regasification Services and non-standard services over the period and to the extent that is related to the Terminal Maintenance which shall be performed after the Terminal Users are notified in accordance with these Rules.

(4) The Operator shall provide a written notice to the Terminal Users of the unplanned Terminal Maintenance, immediately after learning that such works are required.
(5) The Terminal Users shall take into account the planned and unplanned Terminal Maintenance and shall cooperate in good faith with the Operator to adjust their Approved Annual and Monthly Service Schedules to the Terminal Maintenance.

(6) The Operator shall have the right to establish additional technical requirements for LNG Carriers and Terminal Users if it is necessary for the performance of the Terminal Maintenance.

XIII Changes to and Limitations of the LNG Terminal Operation

Article 68

(1) In order to ensure continuous, regular and safe Terminal operation and to regularly provide LNG Regasification Services, the Operator shall have the right to empty the tanks of the Floating Storage and Regasification Unit by using the LNG Regasification Capacities or by using another way to remove LNG and/or natural gas that belongs to the Terminal User in the following cases:

1. the LNG Carrier arrives according to the approved Service Schedule, and the tanks of the Floating Storage and Regasification Unit are not sufficiently empty to receive the full Cargo because one or more Terminal Users do not use the LNG Regasification Capacities in accordance with the Service Schedule;

2. the LNG Quality Specification in the tanks of the Floating Storage and Regasification Unit does not comply with the LNG Quality Specification or is approaching the lowest allowable level of the LNG Quality Specification, where the Operator has the right to discharge such LNG from the LNG Terminal tanks to the LNG Carrier and to have such LNG removed from the Terminal;

3. In other cases when LNG or natural gas removal from the Floating Storage and Regasification Unit is necessary to ensure the safety of the lives or health of people, the environment or there is a risk of larger material damage to the property of the Operator or the Terminal User.

(2) In the case referred to in paragraph 1, items 1 and 3 of this Article, the Operator shall have the right to sell the LNG and/or gas, by appropriately applying the rules for selling gas in an open sale procedure to the best bidder, for the benefit of the Terminal User whose gas amount is being sold.

(3) Gas sales in accordance with this Article shall be considered a non-standard service of the Operator and shall be charged in accordance with the price list for non-standard services.

(4) The Operator shall take reasonable measures to agree on the implementation of the actions described in this Article with the Terminal Users, in order to mitigate the risks and/or losses of the Terminal User and/or the Operator.

(5) The LNG that has been regasified and delivered from the Terminal or otherwise removed from the tank of the Floating Storage and Regasification Unit in the cases referred to in paragraph 1 items 1 or 2 of this Article, shall be deducted from the
Terminal User’s virtually stored LNG amount, and every responsibility is assigned to the Terminal User whose actions or lack of actions resulted in the Operator’s measures described in this article.

(6) If the tanks of the Floating Storage and Regasification Unit contain Off-specification LNG that cannot be regasified and delivered into the transmission system, and which owned by multiple Terminal Users, the Operator shall determine the Terminal User or Users whose actions or lack of actions resulted in the occurrence of the Off-specification LNG in the tanks.

(7) If at least one Terminal User disagrees with the decision referred to in paragraph 6 of this Article, the Terminal User shall have the right to inform the Operator thereof within three days after the delivery of the decision.

(8) In the case referred to in paragraph 7 of this Article, all Terminal Users and the Operator shall, within ten days, select an independent expert who shall make the final decision, and in case that the Terminal Users fail to select an independent expert within the prescribed deadline, they shall be selected by the Operator.

(9) All incurred costs associated with the Off-specification LNG referred to in paragraph 6 of this Article shall be borne by the Terminal User whose actions or lack of actions resulted in the occurrence of the Off-specification LNG and/or the suspension of the Terminal operation and/or caused the necessity to remove the Off-specification LNG from the Terminal tank by mixing the LNG at the LNG Terminal or otherwise.

(10) In case it is not possible to clearly identify the individual or several Terminal Users responsible, even after carrying out the procedure pursuant to paragraphs 6 to 9 of this Article, all Terminal Users shall bear the costs proportionally to the actual LNG amounts that they own and that were stored at the Terminal before the LNG became Off-specification and was delivered from the LNG Terminal.

Article 69

(1) The Operator shall have the right to change the LNG Regasification Capacities from the approved Service Schedule and/or the Arrival Window schedule of the LNG Carriers in the following cases:

1. suspension or limitation of LNG Regasification Services in the cases described in Article 68 of these Rules;

2. termination of at least one Terminal Use Agreement prior to its expiration; or

3. occurrence of risks to uninterrupted, efficient, and safe Terminal operation.

(2) The Operator shall seek to implement the changes referred to in paragraph 1 of this Article in such a manner as to minimally affect the approved schedule of the Terminal Users whose actions were not the cause for the said changes.
(3) In the case referred to in paragraph 1 of this Article, the Operator shall inform the Terminal Users of any changes in the Approved Service Schedules within 24 hours. The adjusted Service Schedules published by the Operator shall be mandatory for all Terminal Users.

Article 70

(1) The Operator shall have the right to limit or suspend the provision of LNG Regasification Services under the procedure and conditions laid down in the laws governing the gas market and these Rules.

(2) In the case referred to in paragraph 1 of this Article, the Operator shall inform the Terminal User of the reasons for limiting or suspending the provision of LNG Regasification Services.

(3) The Operator shall seek to provide the Terminal User with a reasonable deadline to adjust the scope of use of the LNG Regasification Services to the limitation or suspension of the provision of LNG Regasification Services.

(4) The Operator shall have the right to limit or suspend the provision of LNG Regasification Services without any fault of the Terminal Users, in order to protect public interest, uninterrupted and safe operation of the Terminal, or in other cases explicitly provided by the laws governing energy, energy activity regulation, the gas market or these Rules, the Terminal Use Agreement or the Joint Terminal Use Agreement, including but not limited to:

1. when it is necessary to prevent an accident at the Terminal or on the LNG Carrier, and/or to prevent danger to the lives or health of persons, the environment and/or property, in cases of Force Majeure Events, unauthorized actions by third parties and/or accidents, fault or other technical reasons;

2. when it is necessary due to Adverse Weather and/or Metocean Conditions, and/or force majeure, and/or extraordinary Terminal operation conditions, as defined in the Technical Conditions of the Terminal.

(5) The Operator shall have the right to suspend or limit the provision of LNG Regasification Services to the Terminal Users without prior notice in cases specified in paragraph 4 of this Article, as well in the event of an accident, fault, or failure on the Terminal and/or on the LNG Carrier and/or related equipment. In any of such cases, the Operator shall immediately notify the Terminal User in writing about the suspended or limited provision of LNG Regasification Services and specify the reasons for such a limitation or suspension and the expected duration.

(6) The Operator shall have the right to suspend or limit the use of the Terminal except in the case of the Terminal User’s fault when this is expressly provided in these Rules and/or the Terminal Use Agreement and/or the Joint Terminal Use Agreement including, but not limited to, the following situations:
1. the Terminal User or another person competent for the LNG Carrier fails to duly verify the compatibility of the LNG Carrier with the Terminal in accordance with the Technical Conditions of the Terminal;

2. LNG quality at the Terminal does not comply with the LNG Quality Specification;

3. the Terminal User failed to pay the Operator fee for the provided Services or other compulsory fees, fines or failed to provide a valid payment security instrument.

(7) In the case referred to in paragraph 6, item 1 of this Article, the Operator shall notify the Terminal User, no later than 24 hours after making the decision to suspend or limit the provision of LNG Regasification Services about the reason, time and duration of the suspension or limitation.

(8) In the case referred to in paragraph 6, item 2 of this Article, the Operator shall immediately after the suspension or limitation of the provision of LNG Regasification Services notify the Terminal User in writing about the reason, time and duration of the suspension or limitation.

(9) In the case referred to in paragraph 6, item 3 of this Article, the Operator shall no later than 10 days prior to the suspension or limitation of the provision of LNG Regasification Services notify the Terminal User in writing about the reason, time and duration of the suspension or limitation, and provide the Terminal User with an appropriate deadline to eliminate the reasons for the suspension or limitation. If the Terminal User fails to eliminate the reasons within the provided deadline, the Operator shall have the right to terminate the Terminal Use Agreement and the Joint Terminal Use Agreement due to unsound behaviour of the Terminal User.

(10) In any case referred to in this Article, in the event of a suspension or limitation of the provision of LNG Regasification Services, the Operator shall send a notice to all Terminal Users whose rights and obligations are affected by that suspension or limitation.

XIV Selling the LNG or Natural Gas of the Terminal User in an Open Procedure

Article 71

(1) The Terminal User shall regasify and deliver the entire LNG amount which is at the Terminal and which is in its possession prior to the expiry of the Terminal Use Agreement on any legal basis.

(2) In case the Terminal User does not regasify and deliver the entire LNG amount in accordance with paragraph 1 of this Article in a timely manner, based on an open sales procedure, the Operator shall sell to the best bidder all or a part of the LNG amount not regasified and/or the natural gas to be delivered, on behalf of and for the benefit of the Terminal User.
(3) The gas sales referred to in paragraph 2 of this Article in the open procedure shall be considered a non-standard service of the Operator and shall be charged in accordance with the price list for non-standard services.

(4) After completing the open sales procedure, the Operator shall, without any delay, transfer the sales proceeds to the Terminal User after settling its own claims towards the Terminal User, specifically:

- the price of the non-standard service of selling not-withdrawn LNG or natural gas;
- any debts for the services provided during the validity of the Terminal Use Agreement;
- the cost of Physical and Virtual Storage of the LNG amount assigned to the Terminal User corresponding to the amount of the LNG storage fee for the period from the expiry of the Terminal Use Agreement until the date the gas is sold;
- any damages which the Operator suffered due to the gas not being withdrawn;
- any other claim that the Operator had related to any service provided to the Terminal User.

XV Damage Compensation

Article 72

The Operator shall defend the Terminal User’s Indemnified Party from any and all damages, or compensate such damages, excluding the consequential losses, in accordance with the conditions defined in Annex I of these Rules.

Article 73

The Terminal User shall defend the Operator’s Indemnified Party from any and all damages, or compensate such damages, excluding the consequential losses, in accordance with the conditions defined in Annex I of these Rules.

XVI Publication of Information and Information Exchange

Operational Cooperation

Article 74

(1) The Operator and the transmission system operator shall conclude the contract referred to in Article 7 paragraph 4 of these Rules no later than the beginning of the Gas Year 2020/2021.

(2) The Operator shall exchange data with gas market participants as defined in the provisions of these Rules, and for the purposes of booking procedures, the creation of
the Service Schedules, nomination and reporting, as well as other information in accordance with the laws governing the gas market.

(3) The exchange of data referred to in paragraph 2 of this Article shall take place through the Operator’s information and/or by e-mail, unless it is provided otherwise by these Rules.

Information Publication

Article 75

(1) The Operator shall regularly publish and update the information on its website.

(2) The Operator shall publish on its website at least the following:

1. these Rules together with the Annexes;
2. Technical Conditions of the Terminal;
3. contact details and the e-mail address for delivering the information and communicating with the energy entities;
4. information on the Annual Capacity Booking;
5. information on the procedure for Short-Term Capacity Booking;
6. information on the allocated and available LNG Regasification Capacities;
7. Joint Service Schedule;
8. approved LNG Carriers list;
9. information about the occurrence of circumstances and/or conditions and their changes that might have an impact on regular Terminal operation and use;
10. information on emergency situations and force majeure events,
11. links to information published by the Transmission system operator on the transmission system technical capacities at the Delivery Point;
12. Terminal Maintenance schedule;
13. application form for access to the Operator’s information platform and the contract form for the use of the Operator’s information platform;
14. other information in accordance with these Rules.

(3) The Operator shall provide the Terminal Users with access to information regarding the LNG Regasification Services and the non-standard services.
(4) The Terminal User shall submit its requests, notifications and information to the Operator in accordance with the procedures and under the conditions prescribed in these Rules, the Terminal Use Agreement and the Joint Terminal Use Agreement.

(5) Terminal Users and the Operator shall submit their requests, notifications and information by e-mail and/or via the information system, unless the submission of original copies of the documents is required in accordance with the provisions of these Rules or the Operator’s instructions.

**Article 76**

(1) For the purposes of data exchange through the Operator’s Information System, the Operator and Terminal User shall conclude the Information system usage contract.

(2) After the conclusion of the contract referred to in paragraph 1 of this Article, the Operator shall assign a user account, an access password and user rights, and provide access to the information platform to the Terminal User.

(3) Requests, notifications and/or information submitted in accordance with Article 74 paragraph 4 of these Rules shall be considered properly submitted if they are submitted on behalf of the Terminal User by the person appropriately authorised by the Terminal User.

(4) The Operator and the Terminal User shall take all measures to ensure the exchange of information in accordance with the laws governing the information exchange security rules.

(5) The information exchange between the Operator and the Terminal User shall be performed in the Croatian language when the Terminal User is registered in the Republic of Croatia, otherwise in the English language, unless it was agreed otherwise by the parties.

**Article 77**

(1) The Operator and the Terminal User shall inform the other party without delay about emergency situations or events or conditions that may affect the implementation of these Rules and/or the Terminal Use Agreement.

(2) If risk arises with regard to the occurrence of circumstances endangering the LNG Carrier or Cargo, the lives and health of persons, property or environment, the Terminal User or its authorised representative shall immediately after learning of such a circumstance, without delay, notify the Operator by telephone, at least every four hours, about the changes of the circumstances until the complete elimination of the danger.

**XVII Final Provisions**

**Article 78**

59
On the date of entry into force of these Rules, the Rules of Operation of Liquefied Natural Gas Terminal (Official Gazette No. 34/2018) shall cease to be valid.

Article 79

These Rules shall enter into force on the eighth day after their publication in the Official Gazette.
Subject of the General Terms and Conditions

Article 1

The subject of these General Terms and Conditions is to regulate the mutual rights and obligations of the Operator and Terminal Users and to set out the General Terms and Conditions applicable to the provision of the LNG Regasification Service and the non-standard services described in the Rules.

Definitions

Article 2

Unless otherwise explicitly defined herein, the terms used in these General Terms and Conditions have meanings which are determined by laws governing the energy sector, laws governing the gas market and the Rules.

Conclusion of the Terminal Use Agreement

Article 3

(1) In order to obtain the Services, a Terminal User shall conclude with the Operator a Terminal Use Agreement, the integral part thereof are these General Terms and Conditions.

(2) The Terminal Use Agreement shall contain, amongst other things, specific terms regarding:

– the Services allocated to the Terminal User in the Service Period;

– the Service Period; and

– other terms as may be agreed between the Operator and the Terminal User.

(3) Nothing in these General Terms and Conditions shall confer to the Terminal User any rights to Services greater than the ones allocated or held under the Terminal Use Agreement.

Rights Arising from the Contracted Service

Article 4
The Operator shall perform the contracted Services in accordance with the terms defined in the Rules, these General Terms and Conditions and the Terminal Use Agreement.

**Operator’s Rights and Obligations**

**Article 5**

The Operator’s rights and obligations shall be regulated by laws governing the gas market, the Rules and the Terminal Use Agreement.

**Terminal User’s Rights and Obligations**

**Article 6**

The Terminal User shall be entitled to contract and receive Services in accordance with the Rules and the Terminal Use Agreement and to transfer the Unused Capacities on the Secondary Market in accordance with the Rules.

**Article 7**

The Terminal User shall:

– settle in full any due invoices issued by the Operator for paying the Terminal use fee, the price of non-standard services of the Operator, as well as other payment obligations insofar as they arise from the Terminal Use Agreement, and deliver to the Operator the credit support in accordance with these General Terms and Conditions;

– ensure that the LNG delivered satisfies the LNG quality specification defined in Chapter X of the Rules;

– use the Services in accordance with the Service Schedules approved under the procedure defined in Chapter V of the Rules;

– notify the Operator about any changes in the circumstances that could lead to termination of the Terminal Use Agreement;

– be responsible for the transportation and mooring of each Cargo that the Terminal User is entitled to unload at the Terminal in accordance with the Technical Conditions of the Terminal and the Rules; and

– guarantee the confidentiality of confidential information that has been made available to the Terminal User.

**Article 8**
The Terminal User shall also have other rights and obligations regulated by the laws governing the gas market, the Rules and the Terminal Use Agreement.

**Terminal Use Fee**

**Article 9**

(1) The Terminal User shall pay to the Operator a Terminal use fee and the price of non-standard services of the Operator which were provided to them.

(2) The Terminal use fee is defined and calculated pursuant to the Methodology on Establishing of the Amount of the Tariff Items for the Acceptance and Delivery of the Liquefied Natural Gas and the Decision on the Amount of Tariff Items for the Acceptance and Delivery of the Liquefied Natural Gas adopted by the Agency.

(3) The calculation and invoice for paying the Terminal use fee; and the final statement of account for the Terminal use fee and the invoice issued based on such final statement, shall be drawn up and delivered by the Operator to the Terminal User within the deadlines prescribed by the Methodology on Establishing of the Amount of the Tariff Items for the Acceptance and Delivery of the Liquefied Natural Gas adopted by the Agency.

**Article 10**

The price of non-standard services of the Operator shall be determined in accordance with the Methodology on Establishing the Price of Non-standard Services for Gas Transmission, Gas Distribution, Gas Storage, Acceptance and Delivery of the Liquefied Natural Gas and the Public Service of Gas Supply adopted by the Agency.

**Article 11**

The Terminal use fee shall be invoiced on a monthly basis in accordance with Article 12 of these General Terms and Conditions.

**Invoicing and Payment**

**Article 12**

(1) The Operator shall, within the first ten (10) calendar days of each month, issue to the Terminal User an invoice for the Services provided in the preceding calendar month.

(2) The invoices issued by the Operator shall be paid by the Terminal User within fifteen (15) calendar days from the date on which the Operator issued the invoice.
(3) All invoices shall be issued through the Operator’s Information System.

(4) By concluding the Terminal Use Agreement, the Terminal User agrees to the invoicing method referred to in paragraph 3 of this Article.

(5) In case the Operator’s Information System is unavailable, or in case the Terminal User and the Operator agree that invoices shall be issued in another manner, the invoices shall be delivered to the Terminal User via post or courier service.

(6) The date of issue of the invoice, from which the period to make the payment starts shall be the date of issue noted on the invoice, except in case of electronic invoices when the period to pay the invoice starts from the date when the invoice in question is available in the Operator’s Information System.

(7) For each day of delay in the payment of the fees, the Terminal User shall pay the statutory default interest valid for the relevant period. The default interest shall accrue from the first day after the invoice becomes due.

**Article 13**

(1) In the event of any discrepancy within individual items or amounts invoiced by the Operator, the Terminal User shall be entitled to deliver to the Operator a written objection, listing the relevant items and reasons for such disputing and the disputed amount (hereinafter: Notice of Discrepancy).

(2) After the Operator receives the Notice of Discrepancy referred to in paragraph 1 of this Article, the Operator shall reply to it no later than within ten (10) calendar days by using the same channel of communication.

(3) The Operator and the Terminal User (hereinafter: Parties) shall attempt to reach a written agreement in good faith within a period of ten (10) calendar days from the date on which the Terminal User received the Operator’s reply.

(4) If the Parties fail to reach an agreement referred to in paragraph 3 of this Article, either Party may initiate the dispute resolution procedure in accordance with Article 48 of the General Terms and Conditions.

(5) In the event that the arbitration decision results in an obligation of payment or reimbursement of any amount to either Party, the related default interest accrued shall also be payable at the rate of the statutory default interest, calculated from the date on which payment should have been made or, when applicable, from the date on which the undue payment was made.

**Article 14**
(1) All amounts specified in these General Terms and Conditions shall be deemed to be without VAT, unless otherwise stated. If VAT is chargeable on any payment made by a Party in connection with the Terminal Use Agreement, the Party making the payment shall pay to the Party receiving the payment an amount equal to VAT, in addition to payment of the amount due.

(2) The Terminal User shall be solely responsible for, and shall directly pay and settle, all costs and expenses including any and all customs and/or import duties, excise duties, transportation tax or other taxes in connection with LNG, tugs, Port Charges, mooring and pilotage services, Agent fees and all other similar expenses relating to the LNG Carrier of the Terminal User, the LNG of the Terminal User and/or the mooring of the LNG Carrier of the Terminal User at the Terminal.

Credit Support

Article 15

(1) In order to secure all payment obligations of the Terminal User under the Terminal Use Agreement and obligations which arise as consequence of its cessation, the Terminal User shall submit a credit support to the Operator in accordance with Articles 16 and 17 of these General Terms and Conditions (hereinafter: credit support), which shall be valid and in force for the whole period from the Effective Date of the Terminal Use Agreement as defined in the Terminal Use Agreement, until the later of 60 days after the expiry of the Terminal Use Agreement Period or after the fulfilment of all obligations by the Terminal User, in the case of termination of the Terminal Use Agreement (hereinafter: credit support period).

(2) All expenses concerning the credit support, including the submission of new credit support, shall be borne by the Terminal User.

Article 16

(1) For the services booked during the Annual Capacity Booking, the Terminal User shall deliver the credit support in accordance with this Article.

(2) The Terminal User with a rating of at least BBB by S&P/Fitch or Baa2 by Moody's FC LT or the Terminal User without such a rating, but having an Affiliate with such a rating, shall not provide the credit support for the period while the Terminal User or its Affiliate have such a rating, provided that it delivers to the Operator the following:

1. evidence that the Terminal User or its Affiliate has such a rating; and

2. a corporate guarantee with an enforcement clause issued by the Terminal User (if the Terminal User has the relevant rating), or a corporate guarantee with an enforcement clause issued by the Affiliate (if the Affiliate has the relevant rating), by which that Affiliate guarantees, as a solidary guarantor to the Terminal User, that the Terminal User shall settle all its debts arising from the Terminal Use Agreement and/or as consequence of terminating the Terminal Use Agreement. The contents of the corporate guarantee shall be acceptable to the Operator. The corporate guarantee
shall specify that Croatian law is the governing law for obligations from the corporate guarantee and that any disputes shall be decided by the competent Croatian court.

(3) For companies not meeting any of the criteria referred to in paragraph 2 of this Article, the Terminal User shall provide the credit support in the amount corresponding to 100% of the total fees for use of the Terminal plus VAT (if VAT is applicable) for one Gas Year.

(4) The credit support referred to in paragraph 3 of this Article shall be provided as:

1. a cash deposit in EUR (if the Terminal User has a registered seat outside the Republic of Croatia), or in HRK (if the Terminal User has a registered seat in the Republic of Croatia), by depositing cash to the Operator's deposit bank account opened with a rated OECD financial institution (at least BBB by S&P/ Fitch or Baa2 by Moody's FC LT); or

2. an unconditional and irrevocable bank guarantee payable „on first demand” and „without objection” from a rated OECD financial institution (at least BBB by S&P/ Fitch or Baa2 by Moody's FC LT), with its contents acceptable to the Operator, issued for the period of validity equal to one Gas Year, which the Terminal User shall renew in accordance with Article 19 of these General Terms and Conditions, so that the Operator during the entire credit support period holds valid credit support pursuant to these General Terms and Conditions.

**Article 17**

(1) For services contracted during Short-Term Capacity Booking, the credit support shall be for one hundred per cent (100%) of the total fees for use of the Terminal for one Gas Year, plus VAT if VAT is applicable.

(2) The credit support referred to in paragraph 1 of this Article shall be provided as:

1. a cash deposit in EUR (if the Terminal User has a registered seat outside the Republic of Croatia), or in HRK (if the Terminal User has a registered seat in the Republic of Croatia), by depositing cash to the Operator's deposit bank account opened with a rated OECD financial institution (at least BBB by S&P/ Fitch or Baa2 by Moody's FC LT); or

2. an unconditional and irrevocable bank guarantee payable „on first demand” and „without objection” from a rated OECD financial institution (at least BBB by S&P/ Fitch or Baa2 by Moody's FC LT), with its contents acceptable to the Operator, issued for the period of validity equal to one Gas Year, which the Terminal User shall renew in accordance with Article 19 of these General Terms and Conditions, so that the Operator during the entire credit support period holds valid credit support pursuant to these General Terms and Conditions.

**Article 18**
(1) If the Terminal User or its Affiliate providing a guarantee in accordance with Article 16 of these General Terms and Conditions ceases to be rated BBB by S&P/Fitch or Baa2 by Moody's FC LT, the Terminal User shall deliver to the Operator a new credit support in accordance with Article 16 of these General Terms and Conditions, within 30 days from the date of the rating change.

(2) For the purposes of Articles 16 and 17 of these General Terms and Conditions, in the event the financial institution providing the credit support ceases to be rated BBB by S&P/Fitch or Baa2 by Moody's FC LT, the Terminal User shall cancel such credit support and provide to the Operator a new credit support issued by a financial institution which meets such credit rating requirements, at the latest within 10 days from the date of the rating change.

Article 19

(1) In the case that the Terminal User is providing a bank guarantee as the credit support, as described in Articles 16 and 17 of these General Terms and Conditions, and this guarantee expires earlier than the Service End Date, the bank guarantee shall be renewed not later than thirty (30) days prior to its expiry date, whereas the new bank guarantee shall be issued for a period of at least one additional Gas Year, and this procedure shall be repeated during the entire credit support period, so that the Operator holds a valid bank guarantee pursuant to the stipulated conditions.

(2) In the case that the new bank guarantee is not issued within the deadline referred to in paragraph 1 of this Article or BBB, i.e. Baa2 rating of the financial institution which issued the credit support is lost, and the Terminal User failed to provide a new credit support pursuant to Article 18 of these General Terms and Conditions, the Operator shall have the right to draw the bank guarantee and deposit the corresponding funds as cash collateral in an escrow account of the Operator. This deposit shall constitute the credit support until the Terminal User delivers to the Operator a new bank guarantee pursuant to Article 16 or 17 of these General Terms and Conditions, after which the Operator shall return to the Terminal User the funds received by drawing the bank guarantee.

(3) For the avoidance of doubt, the Operator shall not pay to the Terminal User any interest on the deposit referred to in paragraph 2 of this Article. In the event that the Operator receives interest on the deposit, such interest shall not automatically be counted into the fulfilment of the Terminal User's obligations under the Terminal Use Agreement, but it shall be added to the total deposit amount, and the Operator shall be authorised to use it under the same conditions under which the Operator is authorised to use the credit support under these General Terms and Conditions.

(4) In the case the Terminal User does not fulfil any of its payment obligations under the Terminal Use Agreement, the Operator shall have the right to activate, i.e. use the credit support. The Operator shall not use the credit support for the purpose of settlement of unpaid claims towards the Terminal User prior to expiry of three (3) business days from the date of maturity of the respective claim towards the Terminal User.

Article 20
(1) In the case the Operator uses the credit support for settlement of the Terminal User's obligations regardless of the fact whether the credit support was used in the entire amount or only partially, the Terminal User shall undertake to deliver to the Operator a new credit support, in the amount which corresponds to the amount collected based on the used credit support, within 10 days from the date when the Operator used the credit support.

(2) If the Terminal User fails to deliver a new credit support within the deadline referred to in paragraph 1 of this Article, the Operator shall have the right to terminate the Terminal Use Agreement.

(3) Without prejudice to any other rights which the Operator has pursuant to Article 19 of these General Terms and Conditions, if the Terminal User fails to deliver or renew the credit support in accordance with Articles 18 and 19 of these General Terms and Conditions, the Operator shall have the right to terminate the Terminal Use Agreement pursuant to Article 40 of these General Terms and Conditions, after providing an additional period of three (3) business days for fulfilment, and to claim damages against the Terminal User which the Operator incurred as a consequence of terminating the Terminal Use Agreement.

**Indemnification by the Operator**

**Article 21**

The Operator shall protect, defend, indemnify, and hold the Terminal User’s Indemnified Parties harmless from and against any and all damages, excluding indirect damages which are claimed or suffered by any Terminal User’s Indemnified Party arising out of or in connection with the Terminal Use Agreement, in each case other than gross negligence or willful misconduct by or on the part of the Terminal User’s Indemnified Party, as a result of any of the following:

1. any damage to any of the Operator's property, or property of any of the Operator’s Indemnified Parties; or

2. any personal injury or death (including fatal injury, illness or disease) of the Operator's employees, staff or service personnel or those of any of the Operator’s Indemnified Parties; or

3. any and all damage or environmental damage, including fines imposed by a competent authority, including damages for control, removal, remediation, restoration and clean-up of all pollution or contamination, arising from or on account of pollution or contamination resulting from fire, cratering, seepage, leakage or any other uncontrolled or unlawful flow of liquids, gas, water or other substances, which originates from any of the Operator's property or the property of any of the Operator’s Indemnified Parties, including spills or leaks of fuel, lubricants, oils, sealants, paints, solvents, ballasts, bilge, garbage or sewerage.

**Indemnification by the Terminal User**
Article 22

The Terminal User shall protect, defend, indemnify, and hold the Operator’s Indemnified Parties harmless from and against any damages, excluding indirect damages which are claimed or suffered by any Operator’s Indemnified Party arising out of or in connection with the Terminal Use Agreement, in each case other than gross negligence or willful misconduct by or on the part of the Operator’s Indemnified Party, as a result of any of the following:

1. any damage to any of the Terminal User’s property, or property of any of the Terminal User’s Indemnified Parties; or

2. any personal injury or death (including fatal injury, illness or disease) of any of the Terminal User's employees, staff or service personnel or those of any of the Terminal User’s Indemnified Parties; or

3. any and all damage or environmental damage, including fines imposed by a competent authority, including damages for control, removal, remediation, restoration and clean-up of all pollution or contamination, arising from or on account of pollution or contamination resulting from fire, cratering, seepage, leakage or any other uncontrolled or unlawful flow of liquids, gas, water or other substances, which originates from any of the Terminal User's property or the property of any of the Terminal User’s Indemnified Parties, including spills or leaks of fuel, lubricants, oils, sealants, paints, solvents, ballasts, bilge, garbage or sewerage.

Article 23

Each Party (hereinafter: the First Party) shall protect, defend, indemnify and hold harmless the other Party (hereinafter: the Second Party) (and/or, any Operator’s Indemnified Party (where the Operator is the Second Party) and/or any Terminal User’s Indemnified Party (where the Terminal User is the Second Party)) from and against any and all damages which are claimed or suffered by that Second Party (and/or, which are claimed or suffered by any Operator’s Indemnified Party (where the Operator is the Second Party) and/or any Terminal User’s Indemnified Party (where the Terminal User is the Second Party)) in respect of:

1. loss or damage to the property of any person other than the Operator, Terminal User, any Operator’s Indemnified Party or any Terminal User’s Indemnified Party (hereinafter: Third Party); or

2. personal injury or death (including fatal injury, illness or disease) of any Third Party or the employees, staff or service personnel of any Third Party;

(to the extent that such damages arise out of or in connection with the Terminal Use Agreement and are caused by the First Party (or, if First Party is the Operator, the Operator's Indemnified Party and, if the First Party is the Terminal User, the Terminal User’s Indemnified Party)).
Remediation

Article 24

(1) The Operator (or any of its Affiliates) shall have the right to take any steps that are reasonably necessary in connection with remediating attributable to any Terminal User’s Indemnified Party.

(2) To the extent to which the Terminal User is liable for environmental damage pursuant to Article 22 paragraph 3 of these General Terms and Conditions, the Terminal User shall indemnify the Operator (or its Affiliates) for remediation and/or clean-up costs and the Operator (and its Affiliates) shall not be liable to the Terminal User with respect to such remediation and/or clean-up actions.

(3) The Terminal User shall also indemnify the Operator or its Affiliates to the extent to which the Operator’s or its Affiliates' actions cause further damage or harm, if:

1. the Operator's or its Affiliates' actions have been taken with the prior written consent of the Terminal User; or

2. the Operator or its Affiliates are required under the law to undertake such remediation actions; or

3. the Operator's or its Affiliates' actions have been taken in cooperation with the Terminal User's insurance company and any relevant competent authority.

(4) Notwithstanding paragraph 3 of this Article, if the Operator or its Affiliates have acted with gross negligence or wilful misconduct in undertaking the actions referred to in paragraph 3 of this Article, the Terminal User shall not be obliged to indemnify the Operator or any of its Affiliates to the extent to which the Operator's or its Affiliates' actions cause further damage or harm.

(5) The performance or non-performance of any such action by the Operator (or its Affiliates) shall not release the Terminal User from any of the Terminal User's obligations under the Terminal Use Agreement and shall be without prejudice to any other rights or remedies of any Terminal User’s Indemnified Party under the Terminal Use Agreement or any other basis.

Article 25

(1) The aggregate payment due by either Party under Articles 21–24 of these General Terms and Conditions shall be without monetary limitation. The Parties shall procure and maintain, at their own cost, a valid and enforceable credit support to cover their obligations under Articles 21 and 23 of these General Terms and Conditions in the case of the Operator, and Articles 22 and 23 of these General Terms and Conditions in the case of the Terminal User.

(2) The Operator's liability for non-performance of the Services during regular Terminal operation, other than when these Services are not performed due to a Force
Majeure Event or any other reason for which the Operator is not liable, shall not exceed:

1. an amount equal to EUR 20,000.00 (twenty thousand Euro) per day towards all Terminal Users; and

2. an amount equal to EUR 1,200,000.00 (one million and two hundred thousand Euro) in aggregate in respect of any calendar year towards all Terminal Users.

(3) The Operator’s liability referred to in paragraph 2 of this Article towards any individual Terminal User shall, in any case, not exceed the proportional part of the maximum amount in question, which is determined in accordance with the LNG Regasification Capacities contracted by such Terminal User.

**Liabilities concerning demurrage**

**Article 26**

If, in relation to any Duly Confirmed Cargo or a Confirmed Reload, the Actual Laytime determined in accordance with Chapter IX of the Rules exceeds the Allowed Laytime, the Operator shall pay to the Terminal User:

– a fee for LNG Carriers with a gross capacity of up to 60,000 m3 in the amount of EUR 23,000 per day, in respect of the excess time and/or Confirmed Reload;

– a fee for LNG Carriers with a gross capacity between 60,000 m3 and 110,000 m3 in the amount of EUR 39,000 per day, in respect of the excess time and/or Confirmed Reload;

– a fee for LNG Carriers with a gross capacity of over 110,000 m3 in the amount of EUR 56,000 per day, in respect of the excess time and/or Confirmed Reload; and

– reasonably documented Boil-Off costs actually incurred by the Terminal User during the period of excess time.

**Article 27**

If due to any act or omission of the Terminal User, the LNG Carrier or the LNG Carrier's captain, the discharge of Cargo is not completed within the Allowed Laytime, the Terminal User shall pay to the Operator compensation for demurrage as follows:

– a fee for LNG Carriers with a gross capacity of up to 60,000 m3 in the amount of EUR 23,000 per day, in respect of the excess time and/or Confirmed Reload;

– a fee for LNG Carriers with a gross capacity between 60,000 m3 and 110,000 m3 in the amount of EUR 39,000 per day, in respect of the excess time and/or Confirmed Reload;
– a fee for LNG Carriers with a gross capacity of over 110,000 m³ in the amount of EUR 56,000 per day, in respect of the excess time and/or Confirmed Reload; and

– reasonably documented Boil-Off costs paid by the Operator to any other Terminal User as a result of the delay.

**Article 28**

(1) In the case of occurrence of any circumstances from Article 26 or 27 of these General Terms and Conditions, compensation for demurrage for overstepping the Allowed Laytime which lasted less than a day shall be calculated on a pro-rata basis.

(2) The fees referred to in Articles 26 and 27 of these General Terms and Conditions may be revised annually by the Operator in line with the average annual increase in the Croatian consumer price index published by the Croatian Bureau of Statistics.

**Article 29**

(1) In all cases, compensation for demurrage shall be paid within twenty (20) business days from the date of receipt of the invoice. If payment is not made within this period, the Party liable to pay compensation for demurrage in accordance with Articles 26 and 27 of these General Terms and Conditions shall pay to the other Party statutory default interest applicable in that period.

(2) All claims for demurrage shall be submitted to the other Party within ninety (90) days from the date on which the demurrage event occurred. Otherwise, the claiming party shall, after the expiry of this period, forfeit its right to claim under Articles 26 and 27 of these General Terms and Conditions.

(3) For each failure by the Terminal User to comply with the arrival period specified in the Monthly Service Schedule approved by the Operator, the Terminal User shall indemnify the Operator for any damages incurred by the Operator, except when such failures are a result of the Operator's actions or its omission or other circumstances under the Rules, these General Terms and Conditions and/or the Terminal Use Agreement, which the Terminal User and/or the person responsible for the LNG Carrier management could not foresee and/or control.

(4) For each failure to observe the requirements for unmooring from the Terminal and allow access to the Terminal to other LNG Carriers and/or leave the Port, the Terminal User shall indemnify the Operator for any damages incurred by the Operator, except when such failures are a result of the Operator's actions or inaction or other circumstances under the Rules, these General Terms and Conditions and/or the Terminal User Agreement, which the Terminal User and/or the person responsible for the LNG Carrier management could not foresee and/or control.

(5) The Terminal User shall indemnify the Operator for each failure by the Terminal User to fulfil its obligations regarding conclusion, coordination and signing of the Service Schedule as provided for in the Rules. In the case the Terminal User notifies the Operator of its refusal to sign the Approved Annual Service Schedule, the Terminal User shall pay to the Operator a contractual penalty in the amount
EUR 100,000 (one hundred thousand Euros) for each individual case of such action of the Terminal User.

(6) The Operator shall obtain and maintain in force the licenses, permits and authorisations required by competent authorities for the operation and maintenance of the Floating Storage and Regasification Unit.

(7) The Operator shall obtain and maintain in force the licenses, permits and authorisations required by competent authorities for carrying out its obligations under the Terminal Use Agreement.

(8) The fee for failure to sign the Terminal Use Agreement shall be calculated as follows:

\[ P = \frac{Q \times \mu \times H}{1000} \]

LNG Regasification Services Tariff (EUR/MWh)

Where:
- \( Q \) – is LNG Regasification Capacities requested by a specific Terminal User during the first Gas Year (if the request is submitted during the Annual Capacity Booking) or during the whole Service Period (if the request is submitted during the Short-Term Capacity Booking), m3 LNG,
- \( H \) – is the forecasted lower heating value of natural gas (kWh/m3 natural gas) determined by the Operator,
- \( \mu \) – is the forecasted LNG expansion coefficient (m3 LNG/ m3 natural gas) determined by the Operator.

(9) For the avoidance of doubt, for the purposes of Articles 26–29 of these General Terms and Conditions, the actions or omissions of the Transmission System Operator, whose responsibility is to control the introduction of the regasified LNG into the transmission system, shall not be the actions or omissions of the Operator.

**Exclusion of Liability for Indirect Damages**

**Article 30**

Neither Party shall be liable to the other Party for any indirect damages caused by ordinary negligence of the party which caused the damage.

**Payment of Indemnities**

**Article 31**

(1) If any amounts become payable to a Party (hereinafter: the Receiving Party) as indemnity by the other Party (hereinafter: the Paying Party) under the provisions of these General Terms and Conditions, then the Receiving Party shall submit an invoice to the Paying Party with details of the amounts due (hereinafter: the Indemnity Invoice).
(2) The Paying Party shall, subject to paragraph 3 of this Article, pay to the Receiving Party the amount set out in the Indemnity Invoice within twenty (20) business days after receipt of the Indemnity Invoice by the Paying Party.

(3) Any payment which is due to be made under the Terminal Use Agreement on a day that is not a business day shall be made on the next succeeding business day. All Indemnity Invoices shall be issued and paid in EUR, except when the Terminal User has a registered seat in Croatia, in which case the amount in an invoice will be payable in HRK equivalent according to the middle exchange rate of the Croatian National Bank, applicable on the date of issuing the invoice.

(4) If the Paying Party disagrees with any element of the Indemnity Invoice, it shall pay all undisputed amounts of that Indemnity Invoice and immediately notify the Receiving Party of the reasons for such disagreement (hereinafter: the Indemnity Dispute Notice), whereas, in the case of a manifest error in calculation, the Paying Party shall pay the correct amount after informing the Receiving Party of the error.

(5) In the event the Parties are unable to resolve the dispute concerning an Indemnity Invoice within twenty (20) days from receipt of the Invoice Dispute Notice, the matter shall be referred to arbitration in accordance with Article 48 of these General Terms and Conditions.

(6) Promptly after the resolution of any dispute concerning an Indemnity Invoice, the amount agreed or determined to be due shall be paid by the Terminal User or the Operator (as the case may be) to the other Party, together with the pertaining statutory default interest accruing from the original due date to the date of payment of the due amount.

(7) An Indemnity Invoice may be contested by the Party that received it or modified by the Party that issued it, by written notice delivered to the other Party within a period of six (6) months after its receipt or sending, as the case may be.

Force Majeure and loss of the Floating Storage and Regasification Unit

Article 32

(1) A Party (hereinafter: the Affected Party) shall not be responsible for:

1. any failure to perform any of its obligations under the Terminal Use Agreement; or

2. any loss or damage or delay arising from a failure, delay or omission in performing its obligations due to or arising from any Force Majeure Event.

(2) A "Force Majeure Event" means any event or circumstance that occurred after the conclusion of the Agreement and prior to maturity of the obligation, which could not have been avoided or remedied by the Affected Party because the event in question was external, extraordinary and unforeseeable.
(3) To the extent to which such events or circumstances comply with the general definition of a Force Majeure Event as set out in paragraph 2 of this Article, a Force Majeure Event shall include, for example, the following events or circumstances:

– atmospheric disturbances, floods, lightning, typhoons, tornadoes, hurricanes or storms of a severe nature, earthquakes, volcanic eruptions, landslides, subsidence, washouts, tidal waves, tsunami or other natural disasters;

– wars, blockades (of countries, ports or airports), public international trade sanctions, embargoes, insurrections, riots, acts of piracy, civil disturbances, terrorism, acts of public enemies, sabotage, invasions, revolution, or seizure of power by military or other non-legal means;

– any strike, lockout or industrial disturbance at a port or other facility at which the Floating Storage and Regasification Unit is moored or to which or from which the it transits;

– chemical or radioactive contamination or ionising radiation;

– fire, accident, structural collapse or explosion;

– collisions, shipwrecks, navigational and maritime perils;

– epidemics, plagues or quarantine;

– cyber security breach or internet attack;

– sonic boom;

– aviation disasters;

– decision of the Government of the Republic of Croatia adopted in accordance with the regulation governing the energy sector in the case of disturbance in the domestic market due to unexpected or continuous shortage of energy, immediate threat to the sovereignty and integrity of the country and serious natural catastrophe or technological catastrophe (emergency situations) pursuant to the regulation governing the energy sector;

– the failure, unlawful or discriminatory delay or refusal by any competent authority to grant, amend or renew a permit necessary for the Operator or the Terminal User to perform its obligations under the Terminal Use Agreement, or the withdrawal, modification, cancellation or revocation by such competent authority of such a permit unless such failure, unlawful or discriminatory delay or refusal or withdrawal, modification, cancellation or revocation is caused by the fault of the Operator or the Terminal User (including a violation or breach of the terms and conditions and obligations of any existing permit or other requirement);

– nationalisation, confiscation, expropriation, compulsory acquisition, arrest or restraint of any assets (including the Floating Storage and Regasification Unit) by any competent authority.
Article 33

(1) Events and circumstances not deemed Force Majeure shall include, in particular, the following:

– a Party's inability to finance its obligations under the Terminal Use Agreement, or the unavailability of funds to pay amounts when due in the currency of payment;

– a Party's failure to pay any amounts due under the Terminal Use Agreement, unless such failure is due to a Force Majeure Event affecting one or more of the banks from which payment is due to be made;

– the withdrawal, denial or expiration of or failure to obtain any authorisation, permit, license, consent or approval of any competent authority caused by:

  1. the fault of the Party to which that authorisation, permit, license, consent or approval of any competent authority is addressed, or

  2. the fault of the Affected Party (or any Affiliate of the Operator where the Operator is the Affected Party, or any Affiliate of the Terminal User where the Terminal User is the Affected Party) that results in failure to apply for or follow the necessary procedures to obtain any authorization, permit, license or consent or application, acquire or take all commercially reasonable actions to maintain, renew or reissue it;

– changes in the Party's market circumstances, default of payment obligations or other commercial, financial or economic conditions;

– the breakdown or failure of machinery (except where such breakdown or failure of machinery is caused by a Force Majeure Event);

– economic hardship, including, without limitation, the Terminal User's ability to contract Services at a lower or more advantageous price than the price for such services under the Terminal Use Agreement;

– in relation to the Terminal User, inability to purchase LNG for any reason whatsoever;

– failure of the Transmission System Operator to comply with its obligations towards the Terminal User in relation to the gas transmission services; and

– changes in regulations.

Article 34

(1) As soon as possible after the occurrence of an event that a Party considers may result in a Force Majeure Event, and in any event within three (3) calendar days from the date of the occurrence of a Force Majeure Event, the Affected Party shall give notice of such Force Majeure Event to the other Party describing in reasonable detail:
1. the event giving rise to the potential or actual Force Majeure Event claim, including but not limited to the place and time such event occurred;

2. to the extent known or ascertainable, the obligations which may be or have actually been delayed or prevented in performance and the estimated period during which such performance may be suspended or reduced, including the estimated extent of such reduction in performance; and

3. the particulars of the activities that need be implemented to ensure full resumption of normal performance of obligations under the Terminal Use Agreement.

(2) The notices referred to in paragraph 1 of this Article shall thereafter be supplemented and updated at reasonable intervals during the period of such Force Majeure Event, specifying the actions being taken to remedy the circumstances causing such Force Majeure Event and the date on which such Force Majeure Event and its effects are expected to end. The Affected Party shall use reasonable endeavours to mitigate the effects of such Force Majeure Event and to resume normal performance of obligations under the Terminal Use Agreement, as soon as it is reasonable practicable.

Consequences of Force Majeure Events and Loss of the Floating Storage and Regasification Unit

Article 35

(1) To the extent that the performance of obligations by the Affected Party is prevented or delayed by a Force Majeure Event, such obligations shall be suspended and the Affected Party shall not be liable for the non-performance of such obligations for the duration of the period of a Force Majeure Event. The Affected Party shall use reasonable endeavours to mitigate the effects of a Force Majeure Event and resume performance as soon as reasonably practicable, and to the extent that the Affected Party fails to use reasonable endeavours to overcome or mitigate the effects of a Force Majeure Event, it shall not be excused of liability for damages for any delay or failure in performance that would have been avoided by using such reasonable endeavours.

(2) During the period of a Force Majeure Event, regardless of whether the Operator is the Affected Party or the Terminal User is the Affected Party, the Terminal User shall continue to pay the fees in accordance with Articles 9 and 10 of these General Terms and Conditions.

(3) If one or more Force Majeure Events prevents or delays the Affected Party from performing all or a substantial part of its obligations or any of its material obligations under the Terminal Use Agreement, for a continuous period of 3 months or more (hereinafter: the Extended Event of Force Majeure), then the Party who is not the Affected Party shall have the right to terminate the Terminal Use Agreement, by giving thirty (30) days' notice to the Affected Party, and the consequences of such termination shall be as set out in Article 42(6) of these General Terms and Conditions.
(4) In the case of a Force Majeure Event, the Parties shall have rights and obligations as envisaged under the regulations governing the energy sector and regulations governing civil obligations.

(5) If at any time, the Floating Storage and Regasification Unit:

– becomes a total loss, the fee for use of the Terminal shall cease to be payable and the Operator may terminate the Terminal Use Agreement at the time and on the day of its loss; or

– is declared a constructive or compromised or arranged total loss, the fee for use of the Terminal shall cease to be payable and the Operator may terminate the Terminal Use Agreement at the time and on the day on which the Floating Storage and Regasification Unit's underwriters agree that it is a constructive or compromised or arranged total loss or, if such agreement is not reached with the Floating Storage and Regasification Unit's underwriters, the day on which it is adjudged by a competent tribunal that a constructive or compromised or arranged total loss of the Floating Storage and Regasification Unit has occurred; or

– is missing, the fee for use of the Terminal shall cease to be payable and the Operator may terminate the Terminal Use Agreement at the time and on the day on which the Floating Storage and Regasification Unit was last heard of.

(6) The consequences of terminating the Terminal Use Agreement in accordance with paragraph 5 of this Article, except in the cases referred to in Article 42(2) and (4) of these General Terms and Conditions, shall be as set out in Article 42(6) of these General Terms and Conditions.

Suspension of Services

**Article 36**

(1) The Operator may suspend all the Services that are the subject of these General Terms and Conditions, if there is a prolonged breach of payment obligations by the Terminal User not covered by the credit support. The suspension of Services shall be carried out only in respect of the Terminal User which is breaching its obligations.

(2) A prolonged breach of payment obligations referred to in paragraph 1 of this Article by the Terminal User shall be deemed to exist if a debt has not been paid within ten (10) business days from the date on which the claim was submitted through registered mail, courier service or system for transmitting authenticated messages, and without the Terminal User paying this amount or reporting any discrepancy pursuant to these General Terms and Conditions.

**Article 37**

(1) The suspension of Services shall take effect from the moment the Terminal User is notified of the suspension, except for Services already contracted for the Gas Day in progress, for which the suspension shall take effect from the next Gas Day.
(2) Once the Terminal User has voluntarily made a payment for all unpaid amounts together with the corresponding interest, as well as all fixed amounts that had accrued and became due during the period of suspension of Services, the Operator shall immediately resume the provision of Services, and the said resumption shall be effective from the next Gas Day after notifying the Terminal User of re-establishment of the provision of Services.

(3) The Terminal User shall bear all costs incurred by the Operator as a result of the suspension and re-establishment of the provision of Services under Article 36 of these General Terms and Conditions.

(4) In any event, the suspension shall not release the Terminal User from its obligation to fulfil all outstanding payment obligations or any that could arise in the future, including accrued default interest.

(5) During the period of suspension of Services, the Terminal User shall not book additional LNG Regasification Capacities.

Article 38

(1) During maintenance of the Terminal, the Operator shall have the right to partially or totally suspend the Services, as specified in Chapter XII of the Rules.

(2) In addition to the case referred to in paragraph 1 of this Article, the Operator shall have the right to partially or totally suspend the Services in accordance with Chapter XIII of the Rules.

(3) The Operator shall be entitled to limit or suspend the Services also in other cases where such right or obligation is envisaged under the relevant regulations of the Republic of Croatia, including but not limited to situations envisaged by the regulation governing the gas market.

Duration and Cessation of the Terminal Use Agreement

Article 39

The Terminal Use Agreement shall cease to be in effect upon reaching the end of the Service Period (hereinafter: the Services End Date).

Article 40

(1) The Parties shall be entitled to terminate the Terminal Use Agreement in the events envisaged by regulations and the Terminal Use Agreement.

(2) The Operator may terminate the Terminal Use Agreement for the following reasons:

1. based on mutual agreement by both Parties;
2. in cases of an extended Force Majeure Event or loss of the Floating Storage and
Regasification Unit in accordance with Article 35 of these General Terms and
Conditions;

3. after the period of one month and thirty (30) days from the suspension of Services
has elapsed, if the reasons for suspension have not been remedied;

4. if, due to the Terminal User’s non-compliance with obligations from the Terminal
Use Agreement, the Operator suspends Services more than four times in one contract
year of the Terminal Use Agreement in accordance with these General Terms and
Conditions. In this case, and prior to exercising the right to terminate the Terminal
Use Agreement, the Operator shall request from the Terminal User in default to put an
end to this situation, and prescribe an additional period of no more than ten (10) days
to comply. If the prescribed period elapses and the Terminal User in default does not
remedy the situation, the Terminal Use Agreement shall be deemed terminated by
virtue of law;

5. in the case of a representation or warranty when made or repeated or deemed to
have been made or repeated by the Terminal User under the Terminal Use Agreement
proves to have been incorrect or misleading in any respect when made or repeated or
deeded to have been made or repeated;

6. if the Terminal User fails to provide or renew the credit support in accordance with
Articles 15–20 of these General Terms and Conditions;

7. in the case the Terminal User is subject to an Insolvency Event;

8. if the Terminal User fails to maintain any insurance it is obliged to maintain under
the Terminal Use Agreement and fails to remedy such failure within thirty (30) days
of receiving notice from the Operator requiring it to do so;

9. in the case the Terminal User breaches any of its other material obligations under
the Terminal Use Agreement, if the breach is not remedied within ten (10) days of
delivery of termination notice;

10. in the case the Terminal User fails to pay any amount due under or in connection
with the Terminal Use Agreement; and

11. in cases provided for in Chapters V and XIII of the Rules.

(3) For the purposes of paragraph 2 of this Article and Article 41 of these General
Terms and Conditions, an Insolvency Event shall, in respect of any person, mean that
the person:

1. is dissolved (other than pursuant to a consolidation, amalgamation or merger);

2. becomes insolvent or unable to pay its debts or fails to pay or generally admits in
writing its inability to pay its debts as they become due;
3. makes a general assignment, arrangement or composition with or for the benefit of its creditors;

4. institutes or has instituted against it a proceeding seeking to open bankruptcy or pre-bankruptcy proceedings or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition:

5. results in a decision on opening bankruptcy or pre-bankruptcy proceedings or the entry of an order for relief or the making of an order for its winding-up or liquidation, or

6. is not dismissed, stayed or terminated or it is not otherwise determined there are no conditions for instituting such proceeding, in each case within sixty (60) days of the institution or presentation of the same;

7. has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

8. seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;

9. has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within sixty (60) days after commencement of such action; or

10. causes or is subject to any event that, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in points 1–10 above.

**Article 41**

The Terminal User may terminate the Terminal Use Agreement for the following reasons:

1. based on mutual agreement by both Parties;

2. in cases of an extended Force Majeure Event in accordance with Article 35 of these General Terms and Conditions;

3. in the case of a representation or warranty when made or repeated or deemed to have been made or repeated by the Operator under the Terminal Use Agreement proves to have been incorrect or misleading in any respect when made or repeated or deemed to have been made or repeated;

4. in the case the Operator is subject to an Insolvency Event;
5. in the case the Operator breaches any of its other material obligations under the Terminal Use Agreement, if the breach is not remedied within ten (10) days of delivery of termination notice; or

6. if, in any contract year of the Terminal Use Agreement, the Operator’s aggregate liability towards all Terminal Users for failure to provide Services exceeds twenty million Euro (EUR 20,000,000), and its liability towards each individual Terminal User exceeds the proportional part of the maximum amount in question, which is determined in accordance with the LNG Regasification Capacities contracted by such Terminal User.

Article 42

(1) If the termination of the Terminal Use Agreement occurs prior to the expiry of the Service End Date, the Terminal User shall pay to the Operator an amount equivalent to the fees for use of the Terminal that the Terminal User would have paid to the Operator until the Service End Date, as if the Terminal Use Agreement had not been terminated, and, in addition, any damages (including indirect damages) that may arise as a consequence of the termination of the Terminal Use Agreement, except in the event the Terminal Use Agreement is terminated in accordance with Article 40(2) points 1 and 2 or Article 41 points 1, 2, 3, 4, 5 and 6 of these General Terms and Conditions. Such amounts shall be paid in full on the date of termination of the Terminal Use Agreement.

(2) If the Floating Storage and Regasification Unit becomes a total loss, as set out in Article 35(5) of these General Terms and Conditions, due to the fault or breach of duty (including statutory duty) or breach of the Terminal Use Agreement by the Terminal User, the consequences of such termination shall be as set out in Article 42(1) of these General Terms and Conditions.

(3) If the termination of the Terminal Use Agreement occurs prior to the expiry of the Service End Date pursuant to Article 41 points 3, 4, 5 and 6 of these General Terms and Conditions, such termination shall be without prejudice to any losses, liabilities and costs that the Terminal User may incur as a result of such termination, and the Terminal User shall be entitled to make a claim for damages against the Operator in respect of any losses, liabilities and costs that the Terminal User may incur as a result of such termination, excluding any indirect damages. The aggregate, cumulative total liability of the Operator towards all Terminal Users under or in connection with such termination of the Terminal Use Agreement howsoever arising, whether in contract, tort (including negligence) or otherwise arising under the relevant regulations of the Republic of Croatia, shall in no event exceed an amount equal to eighteen million two hundred and fifty thousand Euro (EUR 18,250,000), and its liability towards each individual Terminal User shall not exceed the proportional part of the maximum amount in question, which is determined in accordance with the LNG Regasification Capacities.
Capacities contracted by such Terminal User. The limitation of liability referred to in this paragraph shall not apply in the case of wilful misconduct or gross negligence of the Operator.

(4) If the Floating Storage and Regasification Unit becomes a total loss, as set out in Article 35(5) of these General Terms and Conditions, due to the fault, breach of duty (including statutory duty) or breach of the Terminal Use Agreement by the Operator, the consequences of such termination shall be as set out in Article 42(3) of these General Terms and Conditions.

(5) In order to calculate the amount that the Terminal User shall pay to the Operator in accordance with paragraph 1 of this Article, the Parties shall consider the regulated Tariff in force at the time of the termination of the Terminal Use Agreement.

(6) If the termination of the Terminal Use Agreement occurs prior to the expiry of the Service End Date pursuant to Article 35(3) and (5) of these General Terms and Conditions, then, subject to Article 42(2) and (4) of these General Terms and Conditions, neither Party shall have any claim against the other Party as a result of or in connection with such termination.

(7) Despite the early termination of the Terminal Use Agreement, the credit support provided by the Terminal User in accordance with Articles 15–20 of these General Terms and Conditions shall remain in place and in possession of the Operator until all the obligations of the Terminal User have been fulfilled.

Insurance

Article 43

The Operator shall be responsible for taking out and maintaining any insurance policies in respect of the Terminal and any other Operator’s property which the Operator considers appropriate, including the following:

– all risks property damage insurance in respect of the jetty and the pipeline;

– hull and machinery (marine and war risks) and protection and indemnity insurance in respect of the Floating Storage and Regasification Unit;

– all risks LNG Cargo insurance in respect of the LNG at any time such LNG or gas is in the Terminal;

– the Operator's liability insurance; and

– the employer's liability and/or worker's compensation insurance if required under applicable law.

Article 44
The Terminal User shall be responsible for taking out and maintaining, at its own expense, any insurance policies in respect of the LNG Carrier and any other Terminal User’s property which the Terminal User considers appropriate, including the following:

– hull and machinery (marine and war risks) and protection and indemnity insurance in respect of any LNG Carrier;

– comprehensive general third party liability insurance; and

– the employer's liability and/or worker's compensation insurance if required under applicable law.

**Delivery of Notices**

**Article 45**

Except in cases relating to actions which shall be notified in accordance with the Rules, all other communication between the Parties pertaining to the Terminal Use Agreement shall be sent by regular mail or by e-mail.

**Transfer of the Terminal Use Agreement**

**Article 46**

(1) The capacity transfer on the Secondary Market shall be possible in accordance with Chapter VI of the Rules.

(2) Neither the Terminal User nor the Operator can partially or wholly transfer the Terminal Use Agreement, nor assign rights from the Terminal Use Agreement without prior written consent of the other Party, which consent shall not be unreasonably withheld, should the assignee (new party) fulfil all the requirements in accordance with the Rules, these General Terms and Conditions and the Terminal Use Agreement.

(3) The limitation on assigning rights from the Terminal Use Agreement referred to in previous paragraph of this Article shall not apply in the case when the Operator is assigning claims it has against the Terminal User under the Terminal Use Agreement to third parties for the purpose of securing financing for the Terminal.

**Governing Law and Language of the Terminal Use Agreement and the Joint Terminal Use Agreement**

**Article 47**
Disputes Arising out of the Terminal Use Agreement and the Joint Terminal Use Agreement

Article 48

(1) Any dispute or claim arising out of or in connection with the Terminal Use Agreement and/or the Joint Terminal Use Agreement (hereinafter: Dispute), including any question regarding its existence, validity or termination, shall be finally resolved by binding arbitration conducted in accordance with international rules. and the arbitration panel shall consist of three (3) arbitrators.

(2) The seat of the arbitration referred to in paragraph 1 of this Article shall be in the Republic of Croatia in Zagreb.

(3) The arbitration referred to in paragraph 1 of this Article shall be governed by Croatian law.

(4) Nothing in this Article shall prevent or exclude the Terminal User from using the remedies arising from mandatory provisions of Croatian law, such as the remedies related to the protection from Operator's unlawful practices foreseen by the regulations governing the gas market and regulations governing the regulation of energy activities.

Confidentiality

Article 49

(1) The Terminal User and the Operator shall:

– keep confidential and not disclose (in whole or in part) to any third party the terms of the Terminal Use Agreement or any other information that has been disclosed to it by or on behalf of the other Party to the Terminal Use Agreement (whether orally, in writing or in some other form) in connection with the Terminal Use Agreement, except:

1. with the prior written consent of the other Party, or

2. if so required by the regulatory authority, court or other competent body, or

3. if so required by law;

– not use confidential information other than for the purpose connected with the Terminal Use Agreement; and
– procure that its employees, members of the Management Board or Supervisory Board, shareholders, affiliates, associates, external advisors or any third person engaged by the Party, its Affiliates or its shareholders, keep secret and treat as confidential all such confidential information.

(2) Confidentiality obligations envisaged under this Article shall survive any cessation of the Terminal Use Agreement or transfer of the rights and obligations of the Terminal User and/or the Operator under the Terminal Use Agreement for a period of three (3) years after such cessation or transfer of the Terminal Use Agreement.

Title and Risk

Article 50

(1) The Title to the Terminal User's LNG and gas shall not pass to the Operator at any time and shall remain with the Terminal User.

(2) The Operator shall be liable to the Terminal User for damage or loss of LNG and Gas, which arises or occurs during the time when LNG or Gas is in the Terminal, except in the case of a Force Majeure Event, in the case of Allowable Loss of LNG and in the case where there is no fault of the Operator.

(3) The liability for loss or damage of LNG, within the meaning of paragraph 2 of this Article, shall pass on to the Operator at the moment when LNG crosses the Unloading Point.

(4) The liability for loss or damage of Gas, within the meaning of paragraph 2 of this Article, shall pass on to the Terminal User at the moment of crossing the Delivery Point into the transmission system.
ANNEX II  NATURAL GAS ALLOCATION POLICY

General Provisions

Article 1

(1) The Natural Gas Allocation Policy determines the principles of accounting natural gas available at the Terminal.

(2) The Natural Gas Allocation Policy was drafted in accordance with the relevant legal acts of the Republic of Croatia.

(3) This edition of the Natural Gas Allocation Policy shall be an integral part of the Rules.

(4) The Natural Gas Allocation Policy was drafted and shall be applied in accordance with the principles of transparency and publicity, non-discrimination of the Terminal Users as well as clarity, objectivity, and rationality.

(5) The Operator exercises the right of ownership towards the amount of natural gas remaining in the Terminal connecting pipeline, necessary to maintain uninterrupted Terminal operation.

(6) The amount of natural gas in the Terminal, belonging to each Terminal User and the Operator, shall be accounted individually.

(7) The amount of natural gas shall be accounted in units of energy (kWh).

Definitions

Article 2

(1) The Reporting period shall be the period for which natural gas inventory is carried out in the Terminal.

(2) Other natural gas allocation policy definitions are understood as they are determined in the Rules.

Calculating the LNG Discharged from the LNG Carrier into the Terminal

Article 3

(1) In accordance with procedures and conditions set forth in the Rules, the Surveyor shall prepare a Quality and Quantity Report specifying the following information:

– General Cargo information (name of the LNG Carrier, the LNG Carrier voyage, the Cargo loading Terminal, the Terminal User or the authorised representative exercising the right of ownership with regard to the Cargo);
– Cargo amount measurement data in the LNG Carrier's tanks before and after the Cargo Discharge;
(2) Based on the Quality and Quantity Report prepared by the Surveyor, the Operator shall prepare a Cargo acceptance certificate signed by the representatives of the LNG Operator and the Terminal User. The Cargo acceptance certificate shall define the amount of LNG in units of energy (kWh) and volume (m³).

Article 4

Having stopped LNG Discharge prior to the completion of LNG Discharge upon the request of the Operator to unmoor the LNG Carrier from the Terminal in cases provided for in the Rules, the free form Cargo acceptance certificate is prepared only for the amount of LNG that was actually discharged from the LNG Carrier into the Terminal. After remooring the LNG Carrier, the remaining LNG amount discharged from the LNG Carrier to the Terminal shall be determined according to the procedures specified in Article 3 of this Natural Gas Allocation Policy.

Accounting of the LNG Regasified at the Terminal

Article 5

(1) The total amount of LNG regasified at the Terminal per Gas Day shall be determined at entry point into the transmission system by the measurement devices installed in the Gas Metering Station (GMS).

(2) The Terminal User shall provide the Operator with Daily Nomination for the purpose of allocating the amount of gas at the Delivery Point (the form shall be published by the Operator on its website).

Article 6

(1) The total actual amount of the LNG regasified per Gas Day shall be assigned to Terminal Users in proportion to the Daily Nominations, and calculated according to the formula provided below. If a Terminal User fails to submit a Daily Nomination, the amount of LNG nominated for regasification on the Gas Day shall be considered equal to the amount specified for a respective Gas Day in the latest Approved Monthly Schedule, or the Approved Annual Schedule.
(2) The total actual amount of LNG regasified per Gas Day shall be assigned to the Terminal Users, according to the following formula:

\[ D_i^P = D^P \times \frac{U_i^P}{\sum_i^n U_i^P} \]

Where:
- \( D_i^P \) – is the amount of natural gas regasified at the Terminal per Gas Day for a respective Terminal User (kWh);
- \( D^P \) – is the total amount of natural gas regasified at the Terminal per Gas Day (kWh);
- \( U_i^P \) – is the regasification capacity of the Terminal, nominated by a respective Terminal User (kWh);
- \( n \) – is the number of the Terminal Users.

**Article 7**

(1) LNG amount in units of energy (kWh) shall be calculated according to the following formula:

\[ E = V_{SGD} \times d \times H_m \]

Where:
- \( E \) – is LNG amount expressed as energy (kWh);
- \( V_{SGD} \) – is LNG amount expressed in units of volume (m\(^3\)) at measurement temperature;
- \( d \) – is the average density of the LNG (kg/(m\(^3\))) at the average volume measurement temperature;
- \( H_m \) – is the average lower heating value of LNG (kWh/kg).

(2) The regasified natural gas amount in units of energy (kWh) shall be calculated according to the following formula:

\[ E = V_{GD} \times H_m \]

Where:
- \( E \) – is the natural gas amount expressed as energy (kWh);
- \( V_{GD} \) – is the natural gas amount expressed in units of volume (m\(^3\));
- \( H_m \) – is the average lower heating value of the LNG ((kWh/m\(^3\)).

(3) The LNG amount expressed in units of mass (kg) shall be calculated according to the following formula:

\[ M = V_{SGD} \times d \]

Where:
- \( M \) – is LNG amount expressed in units of mass (kg);
- \( V_{SGD} \) – is LNG amount expressed in units of volume (m\(^3\)) at measurement temperature;
- \( d \) – is the average density of LNG (kg/(m\(^3\))) at an average volume measurement temperature.

(4) Natural gas amount expressed in units of mass (kg) shall be calculated according to the following formula:
\[ M = V_{\text{GD}} \times d \]

Where:
- \( M \) is the amount of natural gas expressed in units of mass (kg);
- \( V_{\text{GD}} \) is the natural gas amount expressed in units of volume \( (\text{m}^3) \);
- \( d \) is the average LNG density \( (\text{kg/m}^3) \).

**Article 8**

During the inspection of the measurement equipment installed in the GMS or, when a GMS malfunction is identified, the amount of LNG regasified over that period in the Terminal shall be determined based on the data obtained from measurement devices installed aboard the FSRU behind the regasification unit, taking into account the variation of natural gas amount lying inside of the Terminal connecting pipeline.

**Calculating and Accounting of the Gas Loss at the Terminal**

**Article 9**

(1) Every day, the Operator shall calculate the amount of gas loss at the Terminal per Gas Day, as follows:

Total Gas Loss of the Terminal per Gas Day shall be determined according to the following formula:

\[ G^p = K^0 - K^1 + P^p - D^p \]

Where:
- \( G^p \) – is the amount of LNG consumed per Gas Day for the technological needs of the Terminal \( (\text{kWh}) \);
- \( K^0 \) – is the amount of LNG in the Terminal at the beginning of the Gas Day \( (\text{kWh}) \);
- \( K^1 \) – is the amount of LNG in the Terminal at the end of the Gas Day \( (\text{kWh}) \);
- \( P^p \) – is the amount of LNG accepted into the Terminal per Gas Day \( (\text{kWh}) \);
- \( D^p \) – is the amount of natural gas regasified in the Terminal per Gas Day \( (\text{kWh}) \).

(2) The Allowable Loss shall be determined pursuant to the following formula:

\[ D^{G^G} \leq 0.02 \times P^G \]

Where:
- \( D^{G^G} \) – is the Allowable Loss per Gas Year \( (\text{kWh}) \);
- \( P^G \) – is the amount of LNG accepted into the Terminal per Gas Year \( (\text{kWh}) \).

(3) The Unallowable Loss shall be determined pursuant to the following formula:

\[ N^{G^G} = G^G - D^{G^G} \]

Where:
- \( N^{G^G} \) – is the Unallowable Loss per Gas Year \( (\text{kWh}) \);
- \( G^G \) – is the Total Gas Loss per Gas Year \( (\text{kWh}) \);
- \( D^{G^G} \) – is the Allowable Loss per Gas Year \( (\text{kWh}) \).
Article 10

(1) For the purposes of allocation of the Total Gas Loss at the Terminal, the Operator shall determine, every working day of the Terminal, the amount of the virtually stored LNG belonging to each Terminal User at the beginning of every Gas Day, based on the following formulas and principles:

The amount of virtually stored LNG belonging to each Terminal User at the beginning of every Gas Day shall be calculated in accordance with the following formula:

\[ S_i^0 = S_i^{0-1} - D_i^{P-1} - G_i^{P-1} + P_{pi} + dp_P^0 + dp_f^0 - A_i - N_i \]

Where:
- \( S_i^0 \) – is the amount of the virtually stored LNG belonging to the respective Terminal User at the beginning of the Gas Day (kWh);
- \( S_i^{0-1} \) – is the amount of virtually stored LNG belonging to the respective Terminal User at the beginning of the previous Gas Day (kWh);
- \( D_i^{P-1} \) – is the LNG amount regasified on the previous Gas Day to the respective Terminal User (kWh);
- \( G_i^{P-1} \) – is the Terminal User’s gas loss per previous Gas Day (kWh);
- \( P_{pi} \) – is the amount of LNG accepted into the Terminal from a respective Terminal User, or planned to be accepted to the Terminal (kWh) as a part of the Terminal Users’ Schedule that had previously been approved by the Operator, depending on what the Operator may have approved later on;
- \( dp_P^0 \) – when, on a Gas Day, the adjusted LNG amount is planned to be accepted to the Terminal from a respective Terminal User, and such amount has been approved by the Operator, it is the difference between the adjusted LNG amount planned to be accepted into the Terminal to a respective Terminal User and the respective LNG amount previously planned to be accepted to the Terminal for the respective Terminal User, as described in the definition of \( P_{pi} \);
- \( dp_f^0 \) On the Gas Day, when the LNG amount accepted to the Terminal to the respective Terminal User is approved by the Terminal Operator, the difference between the actual LNG amount accepted to the Terminal to the respective Terminal User and the last planned respective LNG amount of the respective Terminal User used for the purpose of calculating the virtually stored LNG amount, given the situation defined in \( P_{pi} \).
- \( A_i \) – is the amount of natural gas lost during an accident or failure, assigned to the respective Terminal User (kWh);
- \( N_i \) – is the shortage (surplus) in the LNG amount detected during an inventory and assigned to the respective Terminal User (kWh);
- \( i \in [1; n] \);
- \( n \) – is the number of the Terminal Users.

(2) If the Terminal User begins using the LNG Regasification Services after that Terminal User's LNG amount has been accepted into the Terminal, or if an Terminal User has already been using the LNG Regasification Services and the remaining
amount of the virtually stored LNG of that Terminal User is sufficient for the service use (including the Terminal User's gas loss), then the respective Terminal User's LNG amount accepted to the Terminal for the purpose of calculating the virtually stored LNG amount shall be considered accepted on the final Gas Day of the LNG Discharge.

(3) If the Terminal User begins using the LNG Regasification Services before the respective Terminal User's LNG amount has been accepted to the Terminal, or if the Terminal User has already been using the LNG Regasification Services and that Terminal User's remaining amount of LNG is insufficient for the service use (including the Terminal User's gas loss), then, for the purpose of calculating the virtually stored LNG amount, the next up LNG amount planned to be accepted in the approved Terminal User's Schedule shall be relocated to the Gas Day on which the remaining virtually stored LNG amount is insufficient for the service use.

**Article 11**

(1) The allocation of the Total Gas Loss on a working day of the Terminal to each Terminal User shall be determined every Gas Day by the Operator, pursuant to the following formula:

\[ G_i^P = G^P \times \frac{S_i^0}{\sum S_i^0} \]

Where:
- \( G_i^P \) – is the Terminal User's gas loss per Gas Day;
- \( G^P \) – is the Total Gas Loss at the Terminal per Gas Day;
- \( S_i^0 \) – is the amount of the virtually stored LNG belonging to the respective Terminal User at the beginning of the Gas Day (kWh);
- \( i \in [1; n] \);
- \( n \) – is the number of the Terminal Users.

(2) The allocation, to each Terminal User, of the Total Gas Loss, the Allowable and Unallowable Loss on a working day of the Terminal, shall be determined by the Operator every Gas Year, pursuant to the following formula:

\[ G_i^G = G^G \times \frac{P_i^G}{\sum P_i^G} \]

Where:
- \( G_i^G \) – is the Terminal User's gas loss per Gas Year;
- \( G^G \) – is the Total Gas Loss at the Terminal per Gas Year;
- \( P_i^G \) – is the total gas amount accepted annually to the Terminal to an individual user (kWh);
- \( i \in [1; n] \);
- \( n \) - is the number of Terminal Users.

\[ DG_i^G \leq 0,02 \times P_i^G \]
Where:

\[ DG_i^G \] – is the Allowable Terminal User's loss per Gas Year;

\[ P_i^G \] – ukupna godišnja količina plina prihvaćena u terminal za pojedinog korisnika (kWh),

\[ i \in [1; n] \];

\( n \) - is the number of Terminal Users.

\[ NG_i^G = G_i^G - DG_i^G \]

Where:

\[ NG_i^G \] – is the Terminal User's Unallowable Loss per Gas Day;

\[ G_i^G \] – is the Terminal User's gas loss per Gas Year;

\[ DG_i^G \] – is the Allowable Terminal User's loss per Gas Year;

\[ i \in [1; n] \];

\( n \) - is the number of Terminal Users.

**Article 12**

Where the LNG regasification is not carried out in the Terminal due to a fault of the Terminal User, the Total Gas Loss of the Terminal per Gas Day shall be assigned to the Terminal Users responsible for disrupting the regasification process, in proportion to the LNG amount nominated by them, and shall be calculated according to the following formula:

\[ G_i^P = \frac{G^P \times U_i^P}{\sum_{i=1}^{k} U_i^P} \]

Where:

\( G_i^P \) - is the gas loss per Gas Day by the Terminal User accountable for disrupting the regasification process in the Terminal (kWh);

\( G^P \) – is the Total Gas Loss at the Terminal per Gas Day (kWh), calculated pursuant to Article 9 (1) of this Natural Gas Allocation Policy;

\( U_i^P \) – is the LNG amount nominated for LNG regasification by the respective Terminal User accountable for disrupting the LNG regasification process in the Terminal (kWh);

\[ i \in [1; k] \];

\( k \) – is the number of the Terminal Users accountable for disrupting the LNG Regasification process in the Terminal.

**Article 13**

In the cases where the LNG Discharge operation continues for more than 1 (one) Gas Day, the Total Gas Loss at the Terminal shall be accounted as follows: the LNG amount in the Terminal shall be measured prior to and after the LNG Discharge operations, and the Total Gas Loss at the Terminal shall be determined for the whole LNG Discharge period. The accounting of the Total Gas Loss at the Terminal after the end of LNG Discharge operation is performed according to the normal procedure until the end of the ongoing Gas Day. The Total Gas Loss at the Terminal during the LNG Discharge operations shall be proportionally assigned to the respective Gas
Days during which the LNG Discharge for the Terminal Users was taking place, in line with Article 11 of this Natural Gas Allocation Policy.

**Article 14**

The Total Gas Loss at the Terminal per Gas Day due to a respective Terminal User, calculated pursuant to Article 12 of this Natural Gas Allocation Policy, shall be subtracted from the LNG amount in that Terminal User's account. The Total Gas Loss incurred by the respective Terminal User in the course of the reporting month shall be indicated in the Natural gas accounting report for the reporting month for that particular Terminal User, as provided by Article 18 of this Natural Gas Allocation Policy.

**Article 15**

(1) The Total Gas Loss at the Terminal shall be compensated to Terminal Users by the Operator when Terminal Service provision is interrupted due to Terminal Maintenance (except where the aforementioned Terminal Maintenance works are necessary due to Terminal Users fault of the Terminal User or in case of Force Majeure).

(2) The Terminal Users shall be compensated by the Operator for the Unallowable Loss at the Terminal.

(3) For the purpose of compensating the Terminal Users, the Operator shall calculate, *mutatis mutandis*, at the end of the Gas Year, the Unallowable Loss accumulated in the course of the Gas Year, pursuant to the following formula:

\[
C_i = NG_i^P \times W
\]

Where:
- \(C_i\) – is the amount to be compensated to a respective Terminal User in EUR;
- \(NG_i^P\) – is the Terminal gas loss due to a respective Terminal User (kWh), accumulated in the course of the Gas Year, in the cases indicated in Article 15 of this Natural Gas Allocation Policy;
- \(W\) – is the CEGH gas index value on the day for which compensation is to be paid (price determined according to CEGHIX index report for the day preceding the day for which the compensation is to be paid);
- \(i \in [1; n]\);
- \(n\) – is the number of the Terminal Users;
- The GCV to NCV conversion factor is 0.901.

**Accounting of Loanable Amount of LNG**

**Article 16**

(1) The procedures for the transfer of Loanable Amount of LNG, returning the Returnable Amount of LNG and the accounting thereof shall be regulated by the Joint Terminal Use Agreement. The scope of such transactions is based on the Physical Storage of Cargo, i.e. the actual amount of LNG available at the Terminal, as
calculated for each Terminal User, according to Article 17 of this Natural Gas Allocation Policy.

(2) The Cargo borrowing and/or Cargo returning for the previous Gas Day shall be prepared by 11 a.m. of the next working day.

(3) In accordance with the terms and provisions of this Natural Gas Allocation Policy, the Terminal User loaning the LNG shall be assigned the following: the Total Gas Loss at the Terminal attributable to regasified LNG amount, LNG shortage (surplus) determined during the inventory and attributable to the Loanable Amount of LNG, the Total Gas Loss at the Terminal due to the fault of the Terminal User, and the Allowable Loss.

(4) The Loanable/Returnable Amount of LNG shall include the regasified LNG amount attributable to the LNG Borrower, the Total Gas Loss at the Terminal attributable to the regasified LNG amount, LNG shortage (surplus) determined during the inventory and attributable to the Loanable Amount of LNG, the Total Gas Loss at the Terminal due to the fault of the Terminal User, and the Allowable Loss.

**Natural Gas Accounting Balancing**

**Article 17**

Every working day the Operator shall determine the actual amount of LNG available at the Terminal at the end of every Gas Day due to each Terminal User according to the following formula:

\[
K_i^1 = K_i^0 + P_i^P - D_i^P - G_i^P - R_i^P + L_i^P
\]

Where:
- \( K_i^1 \) – is the LNG amount due to a respective Terminal User at the end of a Gas Day (kWh);
- \( K_i^0 \) – is the LNG amount due to the respective Terminal User at the beginning of a Gas Day (kWh), which shall correspond to the LNG quantity due to the respective Terminal User at the end of the previous Gas Day;
- \( P_i^P \) – is the amount of LNG discharged into the Terminal per Gas Day to the respective Terminal User (kWh);
- \( D_i^P \) – is the LNG amount regasified per Gas Day to the respective Terminal User (kWh);
- \( G_i^P \) – is the Total Gas Loss at the Terminal per Gas Day to the respective Terminal User (kWh);
- \( R_i^P \) – is the Available (Received) Amount of LNG of the respective Terminal User per Gas Day (kWh);
- \( L_i^P \) – is the Returnable (returned) amount of LNG of the respective Terminal User per Gas Day (kWh);
- \( i \in [1; n] \);
- \( n \) – is the number of the Terminal Users.

**Article 18**
(1) For operational management purposes, each working day the Operator shall send by e-mail a Report of natural gas accounting, indicating the LNG amount owned by a respective Terminal User at the beginning and at the end of the Gas Day, the LNG amount that has been accepted to the Terminal, and the amount that has been regasified, and the Loanable and Returnable Amount of LNG as well as the Total Gas Loss of the Terminal User.

(2) Upon the expiry of the reporting month, during the first 10 (ten) working days of the following month, the Operator shall send by e-mail to the Terminal Users a Report on the natural gas accounting for the reporting month, indicating the LNG amount owned by the respective Terminal User over the reporting month, the LNG amount which was accepted to the Terminal, the regasified amount, the Total Gas Loss of the Terminal User as well as inventory results attributed to the respective Terminal User, which shall be signed by the Terminal User within 3 (three) working days following the Report date.

(3) Upon the expiry of the Gas Year, during the first 10 (ten) working days of the following month, the Operator shall send by e-mail to the Terminal Users a Report on natural gas accounting for the reporting year, indicating the LNG amount owned by the respective Terminal User in the accounting Gas Year, the LNG amount which was accepted to the Terminal, and the amount regasified in the accounting Gas Year, the Total Gas Loss of the Terminal User in the accounting Gas Year, the inventory results attributed to the respective Terminal User in the accounting Gas Year as well as the indication of the Unallowable Loss accumulated in the course of the accounting Gas Year.

**Natural Gas Inventory**

**Article 19**

(1) The Operator shall carry out an inventory of natural gas stored in the Terminal at least once per year, following the procedure established by legal acts. If necessary, the Operator shall carry out extraordinary "Cargo to Cargo" inventories and inventories after the expiry of the Joint Terminal Use Agreement. For accounting purposes, the Operator shall carry out monthly inventories of natural gas.

(2) The Operator shall inform the Terminal Users about the planned inventory not later than 10 (ten) calendar days before the beginning of the inventory.

(3) The representatives of the Terminal Users shall have the right to participate in the inventory. The Terminal Users shall inform the Operator about their intention to participate in the inventory not later than 5 (five) calendar days before the beginning of the inventory.

**Article 20**

An extraordinary inventory in the Terminal can be carried out after the receipt of a reasonable request by the Terminal User, following the procedure provided below:
1. The Terminal Users understand that in order to ensure uninterrupted and efficient operation of the Terminal the Operator's possibilities to carry out the inventory are limited.

2. The Terminal User that wants an extraordinary inventory is carried out at the Terminal shall submit to the Operator a request for the performance of extraordinary inventory (Appendix No. 1 of the Natural Gas Allocation Policy). In the request for the performance of extraordinary inventory, the Terminal User shall state the objective reasons for the request, and indicate the desired date and time of the inventory. The Terminal User shall submit the request to the Operator not later than 20 (twenty) calendar days prior to the preferred inventory date indicated in the request.

3. After receipt of the request for carrying out extraordinary inventory the Operator shall make a decision on its approval or refusal within 5 (five) calendar days after the date of receipt of the request.

4. After making a decision to approve the request the Operator shall inform the Terminal Users about the planned extraordinary inventory, its date and time not later than on the working day following the date of adopting the decision.

5. After making a decision to refuse the request the Operator shall inform the Terminal User, specifying the reasons for refusing the request to carry out extraordinary inventory, not later than on the working day following the date of adopting the decision.

Article 21

For inventory purposes the inventory period is considered as the period from the date of completion of the latest inventory carried out in the Terminal to the date of beginning the current, annual or extraordinary inventory.

The General Manager of the Operator sets the date and time of the inventory by their order, establishes the inventory commission and appoints a chairman of the inventory commission.

(3) During the inventory the actual amount of natural gas stored in the FSRU and Terminal connecting pipeline shall be determined.

Article 22

The LNG shortage (surplus) detected during the inventory is assigned to the Terminal Users in proportion to the regasified LNG amount to which they are entitled during the inventory period, according to the following formula:

\[ N_i = N \times \frac{D_i^p}{\sum^n D_i^p} \]

Where:

- \( N_i \) – is the Total LNG shortage (surplus) of a respective Terminal User (kWh);
N - is the Total LNG shortage (surplus), identified in the inventory (kWh);
D_i^T - is the amount of natural gas regasified to the respective Terminal User at the Terminal during the reporting period (kWh);
i \in [1; n];
n – is the number of the Terminal Users.

**Article 23**

When LNG regasification is not performed at the Terminal, the LNG shortage (surplus) detected during the inventory shall be assigned to the Terminal Users in proportion to the LNG amount to which they are entitled at the beginning of the Gas Day, according to the following formula:

$$N_i = N \times \frac{K_i^0}{\sum_i K_i^0}$$

Where:
N_i – is the LNG shortage (surplus) belonging to the respective Terminal User (kWh);
N – is the Total LNG shortage (surplus) identified in the inventory (kWh);
K_i^0 – is the amount of LNG belonging to the respective Terminal User at the beginning of the Gas Day (kWh);
i \in [1; n];
n – is the number of the Terminal Users.

**Article 24**

(1) After a shortage exceeding the Allowable Measurement Uncertainty has been determined, the inventory commission can initiate an investigation in order to provide an official explanation of the difference.

(2) After carrying out the LNG inventory, the inventory commission shall prepare an inventory summary and documents concerning the LNG amount measurements, the shortage (surplus) identified and the assignment to the Terminal Users. The inventory summary shall be signed by all members of the inventory commission who participated in the inventory.

(3) The corrections provided below shall be made in the natural gas accounting documents of the Operator, on the basis of the documents prepared and approved by the inventory commission:

1. The LNG amount in the accounting documents shall be reduced adequately to LNG shortage assigned to the respective Terminal User in accordance with Article 22 of this Natural Gas Allocation Policy. The Operator shall prepare a natural gas write-off act for this amount, which shall be signed by the Operator and the representatives of the Terminal User.

2. The LNG amount in the accounting documents shall be adequately increased to the LNG surplus assigned to the respective Terminal User pursuant to Articles 22, 23 and 24 of this Natural Gas Allocation Policy. The Operator shall prepare a natural gas write-off act for this amount, which shall be signed by the Operator and the representatives of the Terminal User.
3. The virtually stored LNG amount belonging to the respective Terminal User shall be increased or reduced due to the surplus or the shortage identified during the inventory.

**Accounting of Natural Gas in Cases of Accidents or Failures at the Terminal**

**Article 25**

(1) The investigation of accidents or failures that occurred at the Terminal shall be conducted according to the procedure established by the legal acts of the Republic of Croatia.

(2) The Operator shall immediately, but not later than within 4 (four) hours after the accident or failure detection, inform the relevant Croatian authorities and the Terminal Users about the accident or failure at the Terminal, and publish a notice on the Operator's website.

(3) An Investigation Commission shall be established for the purpose of conducting an investigation of the accident or the failure at the Terminal, as provided in the relevant legal acts of the Republic of Croatia.

(4) The amount of natural gas lost during the accident or failure, and the amount of LNG not regasified as the result of the accident or failure shall be calculated in the course of the investigation of the accident or failure.

(5) After the occurrence of an accident or a failure at the Terminal has been investigated, the certificate of the form established by legal acts shall be drawn up and signed by all the members of the commission who participated in the investigation.

**Article 26**

(1) The corrections provided below shall be made in the natural gas accounting documents of the Operator on the basis of the accident or failure investigation certificate prepared and approved by the investigation commission:

1. The whole amount of natural gas lost as the result of an accident or failure shall be assigned to Terminal Users, in proportion to their LNG amount in the Terminal at the beginning of the Gas Day when the accident or failure occurred, and calculated according to the formula provided below:

\[
A_i = A \times \frac{K_i^0}{\sum K_i^0}
\]

Where:
- \(A_i\) – is the amount of natural gas lost during the accident or failure, assigned to the respective Terminal User (kWh);
- \(A\) – is the Total amount of natural gas lost during the accident or failure (kWh);
- \(K_i^0\) – is the amount of LNG intended for a respective Terminal User at the beginning of the Gas Day when the accident of failure occurred (kWh);
1. \( i \in [1; n] \);
\( n \) – is the number of the Terminal Users.

2. The natural gas amount in the accounting documents shall be reduced adequately with regard to the amount of natural gas lost during the accident or failure, and assigned to the respective Terminal User in accordance with Article 1(1)(1) of this Natural Gas Allocation Policy. The Operator shall prepare a natural gas write-off act for this amount, which shall be signed by the Operator and the representatives of the Terminal User.

3. If the investigation commission determines that the accident or failure occurred at the Terminal due to the fault of the Operator, the Operator shall reimburse the amount of natural gas owned by the respective Terminal User and lost during the accident or failure according to the formula provided below:

\[
C_i = A_i \times W
\]

Where:
- \( C_i \) – is the amount to be reimbursed to the respective Terminal User (EUR);
- \( A_i \) – is the amount of LNG lost during the accident or failure, to be assigned to the respective Terminal User (kWh), calculated according to Article 26(1)(1) of this Natural Gas Allocation Policy;
- \( W \) – is the CEGH gas index value on the day for which compensation is to be paid (price determined according to CEGHIX index report of one day prior to the day for which compensation is to be paid);
- \( i \in [1; n] \);
- \( n \) – is the number of the Terminal Users.

4. The LNG amount not regasified as the result of the accident or failure shall be calculated as the difference between the actually regasified LNG amount and the LNG amount requested to be regasified in accordance with the Monthly Schedule within the period between the accident or failure, and the complete recovery of the Terminal operation:

\[
S = \sum_{i=1}^{n} U_{i}^{A} - D^{A}
\]

Where:
- \( S \) – is the LNG amount non-regasified as a result of the accident or failure (kWh);
- \( U_{i}^{A} \) – is the LNG amount requested to be regasified in the period between the accident or failure, and the complete recovery of the Terminal operation, in view of the amount of LNG to be regasified according to the Monthly Schedule;
- \( D^{A} \) – the LNG amount regasified within the period between the accident or failure, and the complete recovery of the Terminal operation (kWh);
- \( i \in [1; n] \);
- \( n \) – is the number of the Terminal Users.

(2) Damage suffered due to non-regasification of an LNG amount during the accident or failure shall be reimbursed according to the procedures established by the Rules, the GTC and the TUA.
Tax Liabilities Related to the Terminal Operation

Article 27

(1) The Terminal Users shall be liable for the proper settlement of tax liabilities applicable to their Cargo, including but not limited to customs duties, VAT, import VAT and/or excise duties, as well as for the adherence to the customs and/or excise procedures, according to the conditions and procedures established by legal acts.

(2) In case of establishing a customs warehouse and/or a warehouse for excise taxable goods, the Operator shall be responsible for the proper fulfilment of liabilities applicable to the owners of the customs warehouses and/or the owners of the warehouses for excise taxable goods, according to the conditions and procedures established by legal acts.

Final Provisions

Article 28

(1) The Operator shall prepare, approve and publish this Natural Gas Allocation Policy together with the Rules. The provisions of this Natural Gas Allocation Policy shall not be subject to negotiations between the Operator and the Terminal Users.

(2) Amendments to this Natural Gas Allocation Policy shall be initiated after the changes to the legal acts regulating natural gas accounting, the provisions of other related legal acts and/or processes in-progress at the Terminal having an effect on natural gas accounting.