

PROPOSAL OF THE AMENDMENTS OF THE RULES OF OPERATION OF LIQUIFIED NATURAL GAS TERMINAL

Pursuant to Article 93 of the Gas Market Act (Official Gazette 18/18) and the Decision on approval of the Croatian Energy Regulatory Agency, CLASS: _____, REGULATION: _____ of ____ 2020 LNG terminal Operator, LNG Croatia LLC, on ____ 2020 brings

RULES ON THE AMENDMENTS OF THE RULES OF OPERATION OF LIQUIFIED NATURAL GAS TERMINAL

Article 1

In the Rules of operation of liquefied natural gas terminal (Official Gazette 60/18 and 39/20), in Article 2, paragraph 2, item 5 behind words “Terminal User” text is added:

“and Joint Terminal Use Agreement.”

Item 16, better Croatian wording for “pilotage” is used.

Item 17 is deleted, and item 18 becomes item 17.

Item 19 is deleted, and Items 20 to 35 become Items 18 to 33.

Item 26, which becomes Item 24, Croatian wording for “affiliate” is amended.

Item 27, which becomes Item 25, Croatian wording for “affiliate” is amended.

A new Item 34 is added to read as follows, to reflect changes in Croatian wording for “pilot”:

“34. Pilot Boarding Station – a pilot boarding and debarking station or another location defined for waiting and boarding or debarking of the pilot to and from the LNG Carrier.”

Items 36 to 56 become Items 35 to 55.

Item 39, which becomes Item 38, Croatian wording for “affiliate” is amended.

Item 54, which becomes Item 53, behind words “has not been allocated” text is added:

“and is available pursuant to Technical Conditions of the Terminal.”

Item 57 is deleted.

Items 58 to 85 become Items 56 to 83.

In item 64, which becomes item 62, the text "and published on its website" is deleted.

Article 2

Article 4, paragraph 1 is amended as follows:

“(1) The Operator shall complete all the activities required for the commissioning of the Terminal no later than the beginning of the year 2021.

Article 3

In Article 5, paragraph 1, behind words “is liable for” text is added “operation, maintenance and”.

Article 4

Above Article 7, the title is amended as follows: “Connection to the Transmission System”

Article 7, paragraph 1, word “gas” is deleted.

Article 5

In Article 8, paragraph 2, words “adverse weather conditions, adverse metocean conditions” are replaced with “Adverse Weather and/or Metocean Condition”.

Article 6

Article 12, paragraph 5, item 5 is amended as follows:

“5. the amount of the requested LNG regasification capacity for each gas year, expressed in kWh, which may not be less than the amount of one Standard cargo lot.”

In Article 12, paragraph 8, words “who is not an existing Terminal User” are replaced with “who has no valid contract with the Operator”.

In Article 12, paragraph 8, list 3 behind words “Operator’s request”, a comma and text are added “such as, but not limited to, financial reports, creditworthiness reports, etc.”.

Article 7

In Article 16, paragraph 1, word “kWh/d” is replaced with “kWh”.

Article 8

In Article 18, paragraph 1, words “Following the completion” is amended to “Within ten business days following the completion”.

In Article 18 paragraph 3, the word "allocation" is replaced by "booking".

Article 9

In Article 22, a new paragraph 5 is added to read as follows:

“(5) The Acquirer shall provide the Operator with the means of securing payment for the LNG regasification capacity to be transferred, in accordance with the provisions of the General Terms and Conditions of Use of the LNG Terminal.”

Article 10

In Article 24, paragraphs 1 and 2 are amended to read as follows:

“(1) The Terminal Users trading with the LNG regasification capacities, the right to use the contracted LNG regasification capacity or LNG, shall submit a completed and mutually signed form of the transfer contract to the Operator no later than five days prior to the transfer, and if they fail to do so, the Operator may deny the approval for the mentioned trading.”

(2) Trading in unused contracted LNG regasification capacity, the right to use the contracted LNG regasification capacity and / or LNG between Terminal Users shall be deemed completed after approval by the Operator in accordance with these Rules.”

In paragraph 3, the Croatian word "may" is corrected.

In paragraph 7, at the end of item 3, the words "and / or" are added and a new item 4 is added, which reads:

“(4) if the acquirer, at the same time as the delivery of the LNG regasification capacity transfer contract, fails to provide the Operator with the means of securing payment for the LNG regasification capacity to be transferred, in accordance with the provisions of the General Terms and Conditions of Use of the LNG Terminal.”

Article 11

In Article 25, paragraph 2, item 1 word “kWh/d” is replaced with “kWh”.

In paragraph 3, item 1 word “kWh/d” is replaced with “kWh”.

Paragraph 9 is amended to read as follows:

"(9) After the submission of the approved annual service schedule, the Operator has the right to refuse to provide LNG regasification and delivery service to the Terminal User who has not contracted or otherwise provided adequate transmission system capacity."

Article 12

In Article 29, paragraph 3, item 2, the word “higher” is replaced by “lower”.

In paragraph 4, the formula:

$$\begin{aligned} \sum_i^n U &> S \\ \sum_i^n U &= S + V \\ V_i &= V \times \frac{U_i}{\sum_i^n U} \\ K_i &= U_i - V_i \end{aligned}$$

Is replaced with formula:

$$\begin{aligned} U &> S \\ U &= S + V \\ V_i &= V \times \frac{U_i}{U} \\ K_i &= U_i - V_i \end{aligned}$$

Article 13

In Article 31, paragraph 6, the following sentence is added after the text “LNG terminal.”:

“For the later LNG Carriers, during the gas year, the Arrival Window determined from the Approved Annual Service Schedule and Approved Monthly Service Schedule shall apply. “

Paragraph 8 is amended to read as follows:

"(8) For the arrival of each subsequent LNG Carrier, the Terminal User shall be determined, who, upon the expiration of the previous term, has the smallest actual amount of LNG available at the Terminal, calculated in accordance with Article 17. Annex II. of these Rules. "

Paragraph 10 is amended to read as follows:

“(10) If during slot allocation it is determined that that two or more Terminal Users have the same smallest actual amount of LNG available at the Terminal, 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 oldest to the newest.”

In paragraph 11, the words “in the amount exceeding a half of its average cargo” are deleted.

Article 14

In Article 34, paragraph 3, item 1 the word “following” is replaced by the word “respective”.

In paragraph 3, item 3, the word “following” is replaced by the word “respective”.

In paragraph 4, the word “following” is replaced by the word “respective”.

Article 15

In Article 38, paragraph 6, item 1 the words “that exceeds the arrival window by at least 5 days in accordance with the approved monthly service schedule” are deleted.

Article 16

In Article 42, paragraph 5, after the words “bank guarantee” the following text is added: “on first call and no objection, issued by a bank acceptable to the LNG terminal operator”.

In paragraph 6, a comma, and the following text are added after the words “beginning of the next gas year”:

“except for the first year of use of the Terminal after the commissioning of the LNG terminal, when the Joint Terminal Users, i.e. the Joint Terminal User, are obliged to submit a bank guarantee no later than 15 days before the LNG terminal starts operating.”.

In paragraph 7, a comma shall be deleted after the word “gas year” and the words “at least” shall be replaced by the word “or” and a comma shall be added at the end of the sentence after the word “gas year” and the following text shall be added:

“depending on which deadline falls at a later date, and the joint Terminal user is obliged to renew it in accordance with the received requirements of the Operator prescribed in paragraph 6 of this Article, so that for the entire duration of the joint use of the LNG terminal by the said joint Terminal user of the LNG terminal, the Operator has a valid bank guarantee in accordance with these Rules.”.

In paragraph 10, after the word “paragraph”, the number “9” is replaced by the number “8”.

In paragraph 14, after the word “or other aspects” the following text is added:

“Nor shall it bear any costs or risk related to exchange rate differences and currency conversion in the collection of the bank guarantee and the payment to the damaged joint Terminal user.”.

In paragraph 15, the words “type, submission and extension” are replaced by the words “issue of delivery and return” and the words "Article 16 paragraph 6 and paragraph 7" are added after the word “Conditions”.

In paragraph 16, in the second sentence, after the words “The new Terminal User”, the text is added: “which accesses the existing Joint Terminal Use Agreement during the gas year”.

Article 17

In Article 43, paragraph 6, the number “60” is replaced by “30”.

In paragraph 7, the words “receiving the request” are replaced by “receiving the necessary documentation”.

Article 18

In Article 44, paragraph 1, the number “14” is replaced by “10”.

Paragraph 4, item 2 is amended to read as follows: “2. Surveyor report,”.

In item 7, better Croatian wording is used.

Article 19

In Article 45 (1), the text after the words “within the following deadlines:” is replaced by the following:

“- 96 hours prior to the estimated arrival window of the LNG Carrier to the pilot boarding station, whereby the notification shall contain information on the condition of the cargo, the estimated cargo temperature, the 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 has or may have an impact on the entry of the LNG Carrier into the port and/or the berthing 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 arrival window of the LNG Carrier to the pilot boarding station;
- 48 hours prior to the estimated arrival window of the LNG Carrier to the pilot boarding station;
- 24 hours prior to the estimated arrival window of the LNG Carrier to the pilot boarding station.”

In paragraph 2, the words "LNG terminal" are replaced in both places by the words “pilot boarding station”.

Article 20

In article 46, paragraph 1, the words "LNG terminal" are replaced in both places by the words “pilot boarding station”.

Article 21

In Article 47, paragraph 1, item 1, the better Croatian wording is used.

In paragraph 1, a new item 2 is added, which reads:

„2. the condition of the cargo meets the conditions prescribed in the Technical Conditions of the LNG Terminal, "

In paragraph 1, the previous points 2 to 4 become points 3 to 5.

In the current point 2, which becomes point 3, the word "maritime" is replaced by "Maritime" and the word "regulated" is replaced by the text "regulates the safety of navigation and".

Article 22

In Article 49, paragraph 3 is amended to read as follows:

"(3) The Operator shall:

1. in the case referred to in paragraph 1 of this Article, notify the transmission system operator of the increased shipment of natural gas to the transmission system from the Terminal by the 5th day of the current month,
2. in the case referred to in paragraph 2, item 1 of this Article, reimburse the costs to the user of the LNG terminal incurred due to the extension of the permitted downtime in an appropriate manner by applying the provisions of Annex I to these Rules. "

Article 23

Article 56 is amended to read as follows:

“(1) The Terminal User that wants to use the LNG regasification capacities shall, on a daily basis and on both working and non-business days, submit to the Operator information on the daily nomination of gas quantity 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 in accordance with the Transmission System Network Code, whereby the Terminal User shall:

1. book and nominate appropriate capacity of the transmission system at the entry into the transmission system, which is also the exit from the Terminal; or
2. in case the user does not have the contracted capacity of the transmission system, he is obliged to submit to the Operator, no later than two working days before the start of gas delivery to the transmission system, data on the name and EIC code of the transmission system user to whom he intends to supply gas and who has contracted capacity at the entry into the transmission system, which is also the exit from the Terminal.

(4) The Operator and the transmission system operator shall establish pairs of the Terminal Users and the transmission system users, no later than one working day before the start of gas delivery to the transmission system.

(5) The nomination for the use of the Terminal capacity referred to in paragraphs 1 and 2 of this Article shall, in addition to data on the amount of gas, also contain data on the transmission system user who will take gas at the entrance to the transmission system.

(6) After receiving the daily nominations, the Operator shall verify whether the nominations are in accordance with the approved annual and/or monthly service schedule and submit them to transmission system operator.

(7) The Operator shall, after reconciling the data with the transmission system operator, approve the daily nomination submitted by the Terminal User only when the following conditions are cumulatively met:

1. the daily nomination of an individual Terminal User is in accordance with the monthly schedule;
2. the conditions referred to in paragraph 3 of this Article are fulfilled;
3. 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;
4. the total daily nomination of all Terminal Users in a particular gas day is above the minimum allowable regasification rate and below the maximum allowable regasification rate, in accordance with the technical conditions of the Terminal.

(8) The Operator shall publish on its website the daily nomination submission form.

(9) The Terminal User shall submit the daily nomination for gas day D to the Operator no later than 1.00 p.m. on day D-1, except in the case referred to in Article 50, paragraph 6 of these Rules.

(10) The Terminal User shall have the right to renominate the approved daily nomination no later than 4.00 a.m. on gas day D-1 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) If operators in the nomination process determine that the conditions referred to in paragraph 7 of this Article are not met, the Operator shall reject the nomination and notify the Terminal User and the transmission system operator and allow the Terminal User to submit the corrected nominations.

(12) 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, of which adjustment the Operator shall without delay inform the Terminal User.

(13) In case of rejection of the nominations referred to in paragraph 11 of this Article and/or adjustment of the nominations referred to in paragraph 12 of this Article, the Terminal User in coordination with the transmission system user who takes over the gas at the Terminal exit which is also entry into the transmission system is to renominate the use of transport system capacity.

(14) 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.

(15) If the Operator refuses the daily nomination, they shall notify the Terminal User within 30 minutes of the reasons for the refusal of the nomination.

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

(17) The nomination or last renomination for a given gas day accepted by the Operator is binding for the Terminal User.

(18) 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.

(19) The delivered amount of gas energy for an individual Terminal User for a particular gas day shall be determined in the amount of the last accepted nomination or renomination of the Terminal User. “

Article 24

In Article 61, paragraph 1, the words “LNG Carrier” are replaced by the words “LNG terminal”.

In paragraph 7, the text:

“- upper heating value at a pressure of 1,01325 bar, a temperature of 15 ° C / 15 ° C”

changes to text

“- lower calorific value at a pressure of 1.01325 bar, a temperature of 15 ° C / 15 ° C”.

Article 25

In Article 66, paragraph 3, the words “these Rules” are replaced by the words “paragraphs 1 and 5 of this Article”.

In paragraph 5, after the words “such works are required”, the text “and the said notice shall contain a schedule of planned extraordinary maintenance works indicating the time of the planned termination or restriction of the provision of the regasification service”.

In paragraph 6, after the words "shall cooperate", the words "reasonable and" shall be added.

New paragraph 8 is added to read as follows:

„(8) The Operator shall procure gas in a transparent and non-discriminatory manner and on market principles for the needs of performing its core business, optimal LNG terminal management, operational consumption of technological facilities, compensation of gas losses in the LNG terminal during system works and compensation of operating losses.”

Article 26

In Article 69, paragraph 2, after the words “regasification services“, the text “by providing written notice to the Terminal User in reasonable time.” shall be added.

In paragraph 4, after the words “Terminal Users”, “and/or the Operator” is added.

In paragraph 4, item 1, after the words “other technical”, the words “or safety” are added.

Article 27

In Article 6, point 3 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use, the word “unused” is deleted.

Article 28

After Article 12 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use, Article 12a is added with the title above it, which reads:

“Liability currency Article 12a

(1) Payment of the LNG terminal usage fee and all other fees, expenses and payments by the Terminal user to the Operator, and vice versa, by the Operator to the Terminal user, based on the Terminal Use Agreement and Joint Terminal Use Agreement are performed in euro, unless the user of LNG terminal has its registered office in the Republic of Croatia, in which case all such amounts will be payable in kuna equivalent according to the middle exchange rate of the Croatian National Bank valid on the date of invoice issuance, and if no invoice is issued for an individual payment (for example for the purpose of deposit payment), the middle exchange rate of the Croatian National Bank valid on the day of payment shall be used.

(2) The amount indicated in the payment security provided by the Terminal user to the Operator on the basis of the Terminal Use Agreement and / or the Joint Terminal Use Agreement (where applicable) shall be expressed in euro, unless the Terminal user shall have its registered office in the Republic of Croatia, in which case it shall be denominated in euro, payable in kuna equivalent according to the middle exchange rate of the Croatian National Bank valid on the day of payment.”

Article 29

In Article 14, paragraph 2 of Annex I General Terms and Conditions of liquefied natural gas terminal use, the better Croatian wording for “fees” and “pilot” shall be replaced.

Article 30

Article 15, paragraph 2 of Annex I General Terms and Conditions of liquefied natural gas terminal use is amended to read as follows:

"(2) The means of payment security must be valid and on force for the entire period of the contract for which the LNG regasification service has been contracted, from the date of entry into force of the Terminal Use Agreement, as specified in the Terminal Use Agreement, until later than: (a) at least 60 days after the expiry of the Terminal Use Agreement period or (b) after fulfillment of all obligations of the Terminal user in case of termination of the Terminal Use Agreement (hereinafter: the credit support period). "

In Article 15 of Annex I General Terms and Conditions of liquefied natural gas terminal use, paragraphs 3 and 4 are deleted, and the current paragraph 5 becomes paragraph 3.

Article 31

In Article 16, paragraph 4, item 2 of Annex I General Terms and Conditions of liquefied natural gas terminal use, the word “payments” shall be added after the words “during the entire credit support period”.

In Article 16, paragraph 5 of Annex I General Terms and Conditions of liquefied natural gas terminal use, the words “in which the service has been contracted” shall be replaced by the words “for which the service has been contracted”.

Article 32

In Article 17, paragraph 1 of Annex I General Terms and Conditions of liquefied natural gas terminal use, the words “short-term capacity” shall be added after the words “the credit support shall be for one hundred per cent (100%) of the total fees for use of the Terminal for the contracted”.

Article 33

In Article 19, paragraph 1 of Annex I General Terms and Conditions of liquefied natural gas terminal use, is amended to read as follows:

“(1) If the Terminal User has contracted the LNG regasification services for several consecutive gas years, they shall renew and submit a new bank guarantee or other appropriate credit support no later than 15 business days prior to the beginning of each next gas year under these General Terms and Conditions, and in that case, each bank guarantee must be issued with validity term of 1 gas year, except for the last bank guarantee, which must be issued with validity term of at least 60 days upon expiry of the last gas year for which the LNG regasification service is contracted.”

Article 34

The title above Article 21 of Annex I General Terms and Conditions of liquefied natural gas terminal use is amended to read as follows:

“Indemnification by the Terminal user”

(2) Article 21 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use is amended in its entirety to read as follows:

“Article 21

(1) The Operator shall not claim from the Terminal User’s Indemnified Party compensation of any damages occurring as a result of:

1. any damage to property of any of the Operator’s Indemnified Parties or
2. any personal injury or death (including fatal injury, illness or disease) of the employees, representatives or personnel of Operator’s Indemnified Parties or other natural entities hired by the Operator’s Indemnified Parties or
3. any environmental damage or environmental pollution (including fines imposed by a competent authority, including damages for control, prevention of further pollution, removal, remediation, restoration and clean-up of all pollution or contamination) resulting from fire, cratering, seepage, leakage or any other uncontrolled or unlawful flow of liquids, gas, water or other substances, which damage or pollution originates from any of the property of Operator’s Indemnified Parties, including spills or leaks of fuel, lubricants, oils, sealants, paints, solvents, ballasts, bilge, garbage or sewerage,

unless such damage was caused by any Terminal User’s Indemnified Party acting with intent, gross negligence or ordinary negligence.

(2) If any third party or Operator’s Indemnified Party makes a claim for damages or raises action against Terminal User’s Indemnified Party for the purpose of compensation of damages resulting from an event referred to in paragraph (1) of this Article, the Operator obliges to hold the Terminal User’s Indemnified Party harmless from such a claim, and reimburse it for any damages the third party might collect, under the condition that the damages were not caused by the Terminal User’s Indemnified Party acting with intent, gross negligence or ordinary negligence.”

Article 35

The title above Article 22 of Annex I General Terms and Conditions of liquefied natural gas terminal use is amended to read as follows:

“Indemnification by the Operator”

Article 22 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use is amended in its entirety to read as follows:

“Article 22

(1) The Terminal User shall not claim from the Operator’s Indemnified Party compensation of any damages occurring as a result of:

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

2. any personal injury or death (including fatal injury, illness or disease) of the employees, representatives or personnel of Terminal User's Indemnified Parties or other natural entities hired by the Terminal User's Indemnified Parties or

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

unless such damage was caused by any Operator's Indemnified Party acting with intent, gross negligence or ordinary negligence.

(2) If any third party or Terminal User's Indemnified Party makes a claim for damages or raises action against Operator's Indemnified Party for the purpose of compensation of damages resulting from an event referred to in paragraph (1) of this Article, the Terminal User obliges to hold the Operator's Indemnified Party harmless from such a claim, and reimburse it for any damages the third party might collect, under the condition that the damages were not caused by the Operator's Indemnified Party acting with intent, gross negligence or ordinary negligence."

Article 36

After Article 22 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use, a new Article 22.a is added which reads as follows:

"Article 22.a

Each party (hereinafter: first party) shall protect, hold harmless and reimburse the other party (hereinafter: second party) (and/or any Operator's Indemnified Party (if the Operator is the second party) and/or any Terminal User's Indemnified Party (if the Terminal User is the second party) against any and all damages claimed from or suffered by the second party (and/or any Operator's Indemnified Party (if the Operator is the second party) and/or any Terminal User's Indemnified Party (if the Terminal User is the second party)) with regard to any of the following:

(i) loss or damage to property of any person except the Operator, Terminal User, any Operator's Indemnified Party or any Terminal User's Indemnified Party (hereinafter: third party); and/or

(ii) personal injury or death (including fatal injury, illness or disease) of any third party or third party's employee, representative or staff member or other natural entities hired by the third party,

to the extent such damages occur based on or related to the Terminal Use Agreement and are caused by the first party (or, if the 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)."

Article 37

Article 23 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use is amended to read as follows:

“Article 23

(1) The party entitled to protection from the second party pursuant to Article 21(2), Article 22(2) or Article 23 of these General Terms and Conditions (hereinafter: protected party) shall immediately notify the second party on any claim for damages in relation to which it is entitled to protection pursuant to the above articles.

(2) The notice referred to in paragraph 1 of this Article shall be delivered not later than within 30 days after the protected party learns of the occurrence of the claim referred to in Article 21(2), Article 22(2) or Article 23 of these General Terms and Conditions.

(3) The protected party may contest, defend itself in and conduct a lawsuit (and hire legal consultants of its own choice in this regard) in relation to any claim, act, legal action or proceedings, threatened or initiated against the protected party, arising from any matter against which the protected party is entitled to protection pursuant to Article 21(2), Article 22(2) or Article 23 of these General Terms and Conditions. Any reasonable related costs shall be subject to the aforementioned compensation of damages. The party obligated to protect the protected party is entitled to make its statement on the manner of legal protection from such claim, act, action or proceedings, and participate at its own cost and through legal consultants of its choice in monitoring the progress of the protected party’s legal protection proceedings. The protected party shall take into account the second party’s instructions on such legal protection.

(4) The protected party shall not settle in regard to any claim, act, action or proceedings in relation to which it is entitled to protection from the second party without such second party’s prior written consent which shall not be unreasonably withheld or delayed.”

Article 38

In paragraph 1 of Article 24 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use, the words “pursuant to Article 22” are replaced with the words “pursuant to Article 21 paragraph 1”.

Article 39

Paragraph 1 of Article 25 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use is amended to read as follows:

“(1) The total amounts payable by any party under Articles 21 to 24 of these General Terms and Conditions shall be without financial limitation. The parties shall procure and keep in force, at their own cost, valid and enforceable payment insurance instruments covering their obligations under Articles 22 and 22.a of these General Terms and Conditions in case of an Operator and Articles 21 and 22.a of these General Terms and Conditions in case of an Terminal User.”

Paragraph 3 of Article 25 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use is amended in its entirety to read as follows:

“(3) The liability of the Operator referred to in paragraph 2 of this Article toward each particular Terminal User shall not, in any case, exceed the proportionate share of the relevant maximum amount determined according to the LNG Regasification Capacity contracted by such Terminal User in relation to the total contracted LNG Regasification Capacities of all Terminal Users in the relevant calendar year.”

Article 40

In Article 30 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use, behind the words “indirect damage”, the text “(including loss of revenue)” is added.

Article 41

In Article 34(4) of Annex I to the General Terms and Conditions of liquefied natural gas terminal use, the reference to Article 41(6) is replaced with the reference to Article 41(7) of the General Terms and Conditions of liquefied natural gas terminal use.

In Article 34 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use, the existing paragraph 6 is deleted. Former paragraph 7 of Article 34 becomes paragraph 6.

Paragraph 8 of Article 34 becomes paragraph 7 of Article 34 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use is amended to read as follows:

“(7) The consequences of termination of the contract on LNG terminal use pursuant to paragraph 6 of this Article, except in cases referred to in Article 41(3) and (5) of these General Terms and Conditions shall be as laid down in Article 41(7) of these General Terms and Conditions.”

Article 42

Paragraph 1 of Article 35 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use is amended to read as follows:

“(1) The Operator may suspend the provision of all services which are the subject-matter of these General Terms and Conditions, if the Terminal User:

- (i) fails to settle any two issued invoices on account of the fee for use of the Terminal pursuant to Article 9 of these General Terms and Conditions or
- (ii) has remained in default of its payment obligations for an extended period of time or
- (iii) fails to renew the payment insurance instrument pursuant to these General Terms and Conditions.

Suspension of services shall only be implemented in relation to the defaulting Terminal User.”

In Article 35(2) of Annex I to the General Terms and Conditions of liquefied natural gas terminal use, behind the words “shall be deemed to exist if the debt”, the words “(except the debt based on the invoice on account of the fee for use of the Terminal as laid down in paragraph 1(i) of this Article)” are added.

Article 43

Paragraph 3 of Article 36 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use is amended to read as follows:

“(3) The Terminal User shall bear all damages incurred by the Operator as a consequence of a termination and continuation of service provision pursuant to these General Terms and Conditions, whereby the Terminal User shall be liable to the Operator for damages suffered up to the maximum amount of EUR 10,000,000.00 (ten million euros) in total per event.”

Paragraph 4 of Article 36 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use is amended to read as follows:

“(4) In cases when Terminal Users have suffered damages as a result of the limitation or termination of service provision due to such circumstances that can be attributed to the Operator's fault, and for which the Operator is liable pursuant to these General Terms and Conditions, the Rules and the Terminal Use Agreement, the Operator shall compensate the damages suffered by the Terminal Users as a consequence of such limitation or termination of service provision, according to the scope of liability laid down in paragraph 5 of this Article”.

Paragraph 5 of Article 36 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use is amended to read as follows:

“(5) In the case from paragraph 4 of this Article, the Operator shall be liable to Terminal Users for the amount of actually incurred damages, up to the maximum amount of EUR 10,000,000.00 (ten million euros) in total per event toward all Terminal Users who have suffered damages, subject to the limitation of liability provided for in Article 25, paragraphs (2) and (3) of these General Conditions. In the case from this Article, the maximum amount of Operator's liability for damages per event toward each individual Terminal User shall be calculated as follows: the LNG Regasification Capacity of a particular Terminal User contracted for the calendar year in which the damages occurred / total LNG Regasification Capacity contracted by Terminal Users for the calendar year in which the damages occurred * EUR 10,000,000.00”.

Paragraph 7 of Article 36 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use is amended to read as follows:

“(7) For the duration of the suspension of service provision, the Terminal User who has been deprived of service provision may not contract any additional LNG Regasification Capacity.”

Article 44

In Article 39(2)(2) of Annex I of the General Terms and Conditions of liquefied natural gas terminal use, the reference to “Article 33” of the General Terms and Conditions of liquefied natural gas terminal use, is replaced with the reference to “Article 34” of that act.

In Article 39(2)(7) of Annex I to the General Terms and Conditions of liquefied natural gas terminal use, number 10 is replaced with number 15.

Article 45

In Article 40, item 2. of Annex I to the General Terms and Conditions of liquefied natural gas terminal use, the reference to “Article 33” of the General Terms and Conditions use, is replaced with the reference to “Article 34” of that act.

Item 4. of Article 40 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use is amended to read as follows:

“4. if in any calendar year during the term of the Terminal Use Agreement the total liability of the Operator toward all Terminal Users for failing to provide services exceeds EUR 10,000,000.00 (ten million euros), and if toward each individual Terminal User it exceeds the proportionate share of the maximum relevant amount established according to the contracted LNG Regasification Capacity of such Terminal User in such calendar year in relation to the contracted LNG Regasification Capacity of all Terminal Users in the relevant calendar year.”

Article 46

Paragraph 1 of Article 41 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use is amended to read as follows:

“(1) If the termination of the Terminal Use Agreement occurs before the expiry of the Service End Date , the Terminal User shall pay the Operator the amount equivalent to the fees for use of the Terminal that would be paid by the Terminal User to the Operator until the Service End Date , as if the Terminal Use Agreement had not been terminated, plus any damage compensation (excluding indirect damage) that could occur as a consequence of termination of the Terminal Use Agreement, except in the cases when the Terminal Use Agreement was terminated in accordance with Article 39(2)(1) and (2) or Article 40, items (1), (2), (3) and (4) of these General Terms and Conditions. Such amounts shall be paid in full on the date of termination of the Terminal Use Agreement”.

In Article 41 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use, after paragraph 1, a new paragraph 2 is added which reads as follows:

“(2) Total, cumulative, entire liability of the Terminal User toward the Operator, based on or in relation to the termination of the Terminal Use Agreement referred to in paragraph 1 of this Article may not, in any case, exceed the amount of EUR 20,000,000.00 (twenty million euros). The limitation of liability referred to in this paragraph shall not apply in case of Terminal User’s acting with intent or gross negligence.”

In Article 41 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use, former paragraph 2 becomes paragraph 3, paragraph 3 become paragraph 4, paragraph 4 becomes paragraph 5, paragraph 5 become paragraph 6, paragraph 6 becomes paragraph 7, and paragraph 7 becomes paragraph 8.

Paragraph 4 of Article 42 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use is amended to read as follows:

“(4) If the termination of the Terminal Use Agreement occurs before the Service End Date pursuant to Article 40, items (3) and (4) of these General Terms and Conditions, such termination shall be without effect on any losses, liabilities and costs that might arise for the Terminal User as a consequence of such termination, and the Terminal User shall be authorized to claim damage compensation from the Operator in relation to any losses, liabilities and costs the Terminal User might bear as a consequence of such termination, excluding any indirect damages. The total, cumulative, entire liability of the Operator toward all Terminal Users based on or in relation to such termination of the Terminal Use Agreement shall not, in any case, exceed EUR 20,000,000.00 (twenty million euros), and toward each individual Terminal User it shall not exceed the proportionate share of the maximum relevant amount established according to the contracted LNG Regasification Capacity of such Terminal User in relation to the contracted LNG Regasification Capacity of all Terminal Users. The limitation of liability referred to in this paragraph shall not apply in case of Operator's acting with intent or gross negligence.”

Paragraph 6, which becomes paragraph 7 of Article 41 of Annex I to the General Terms and Conditions of liquefied natural gas terminal use is amended to read as follows:

“(7) If the termination of the LNG terminal use agreement occurs before the Service End Date pursuant to these General Terms and Conditions, pursuant to Article 34(4) and (6) of these General Terms and Conditions, then, except under the conditions referred to in Article 41(3) and (5) of these General terms and Conditions, neither party shall be entitled to any claims from the other party as a consequence of or in relation to such termination.”

Article 47

In Article 9 of Annex II Natural gas allocation policy, a new paragraph 2 is added, which reads as follows:

“(2) The Total Gas Loss per Gas Year shall be determined pursuant to the following formula:

$$G^G = \sum_i^n G_i^P$$

G^G – is the Total Gas Loss per Gas Year (kWh),

G_i^P – is the Total gas Loss per Gas Day,

$i \in [1; n]$;

n – is the number of the days.”

The previous paragraphs 2 and 3 become paragraphs 3 and 4.

Article 48

In Article 10, paragraph 1 of Annex II Natural gas allocation policy, the words “For the purposes of allocation of the Total Gas Loss at the Terminal,” are deleted.

Article 49

In Article 10, paragraph 1 of Annex II Natural gas allocation policy, formula:

$$G_i^P = G^P \times \frac{S_i^0}{\sum_i^n S_i^0}$$

Is replaced by formula:

$$G_i^P = G^P \times \frac{R_i^n}{\sum_i^n R_i^{0n}}$$

Text “ S_i^0 – is the quantity of the virtually stored LNG belonging to the respective Terminal User at the beginning of the Gas Day (kWh);” is replaced by “ R_i^n – is the Total volume regasified for the respective Terminal User on the given gas day (kWh);”.

Paragraph 2 is amended to read as follows:

“(2) The allocation of the Total Gas Loss per gas year, Allowable and Unallowable Loss for each Terminal User, is determined by the Operator each gas year, based on the following formula:

$$G_i^G = G^G \times \frac{P_i^G}{\sum_i^n P_i^G}$$

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 quantity accepted annually to the Terminal to an individual user, including secondary market transactions (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 – is the total gas quantity accepted annually to the Terminal to an individual user, including secondary market transactions (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 50

In Article 15, paragraph 1 of Annex II Natural gas allocation policy is being changed to read as follows:

“(1) The total gas loss of Terminal in situations when the Terminal Service provision is interrupted due to Terminal Maintenance (except where the aforementioned Terminal Maintenance works are necessary due to Terminal Users fault or in case of Force Majeure) will enter calculation of the Total Gas Loss of the Terminal per gas year.”

In paragraph 3, the word “calculate” is replaced by the text "simultaneously with the sending of the calculation", a comma is added after the word "at the end of the gas year", and the words "on the day for which" are replaced by the words "for the day on".

Article 51

These Rules shall enter into force on the eight day after their publication in the Official Gazette.