

**RULES OF OPERATION OF LIQUEFIED NATURAL GAS  
TERMINAL**

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# **PROPOSAL OF THE RULES OF OPERATION OF THE LIQUEFIED NATURAL GAS TERMINAL**

## **I General Provisions**

### **Subject Matter of the Rules**

#### **Article 1**

(1) These Rules of operation of the Liquefied Natural Gas Terminal (hereinafter: Rules) regulate in a separate manner the description of the liquefied natural gas terminal (hereinafter: Terminal), the development, construction and maintenance of the Terminal, Terminal operation, the contractual relationships and the general conditions of Terminal use, the booking and use of the Terminal capacity, the rules of measuring and the rules of allocation, data publication and data exchange, the indemnification and the rules of selling LNG or natural gas of the Terminal User in an Open Procedure.

(2) An integral part of these Rules are Annex I to the General Terms and Conditions of Liquefied Natural Gas Terminal Use (hereinafter: General Terms and Conditions) and Annex II of the Natural Gas Allocation Policy.

(3) 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.

(4) 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 quantity 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 LNG 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 next gas years conducted in accordance with these Rules.

**10. Terminal Operator Information System** – an information system operated by the Terminal Operator, through which the Terminal 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. Quality and Quantity Report on the LNG discharged into the Terminal** – 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** – LNG amount, indicated in kWh, that the Terminal User is entitled to regasify using the LNG regasification service during a specific period in accordance with the service schedule.

**14. Control** – in respect of any person, the ability (directly or indirectly) to direct that person's affairs and/or control the composition of its board of directors or equivalent body, including by means of:

a) the ownership or control (directly or indirectly) of fifty per cent (50%) or more of the voting share capital of that person; or

b) the ability to direct the casting of fifty per cent (50%) or more of the votes exercisable at general meetings of that person on all, or substantially all, matters; or

c) the right to appoint or remove directors of the relevant person holding a majority of the voting rights at meetings of the board (or equivalent body) of that person on all, or substantially all, matters;

and “Controlled” shall be construed accordingly.

**15. Terminal User** – gas trader or gas supplier that may be represented by the person authorized 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.

**16. 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.

**17. 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.

**18. LNG Heel** – minimum LNG amount, expressed in m<sup>3</sup>, which shall be constantly available at the cargo tanks of the floating storage and regasification unit controlled by the Operator.

**19. 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.

**20. 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 next gas year in case of contracting the LNG Regasification Services in the annual procedure of contracting the LNG Regasification Services, and which is calculated by dividing the LNG regasification capacity allocated to a specific Terminal User for the next gas year with the number of days in the gas year.

**21. Surveyor** – an independent expert engaged by the Terminal User and/or LNG Supplier who boards the floating LNG 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.

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

**23. 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.

**24. 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.

**25. 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 mooring at the Terminal location or on the basis of which the captain 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 captain and/or commander of the floating storage and regasification unit estimate it is not safe to moor the LNG Carrier at the Terminal location.

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

**27. Terminal User’s Indemnified Party** – the Terminal User and all their affiliates, contractors, subcontractors, employees and authorized representatives if such affiliates, contractors, subcontractors, employees and authorized representatives are involved in business relationships with the Operator.

**28. Operator’s Indemnified Party** – the Operator and all their affiliates, contractors, subcontractors, employees and authorized representatives if such affiliates, contractors, subcontractors, employees and authorized representatives are involved in business relationships with the Operator.

**29. Approved Annual Service Schedule** – mandatory annual Service schedule in which the projection of LNG regasification and send out capacities from the Terminal, as well as the arrival time of LNG Carriers with the indicated cargo quantities in one gas year are indicated for each Terminal User.

**30. Approved Monthly Service Schedule** – mandatory monthly Service schedule in which the projection of LNG regasification and send out capacities from the Terminal, as well as the arrival time of LNG Carriers with the indicated cargo quantities, with dates in the next gas month, are indicated for each Terminal User.

**31. Terminal Maintenance** – regular and extraordinary works, including works concerning the dry dock, required for safe and reliable Terminal operation during which the services of the Operator are suspended, or their availability is limited.

**32. 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.

**33. 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.

- 34. 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.
- 35. Boil-Off Gas** – gas created by LNG regasification in cargo tanks of the floating storage and regasification unit.
- 36. Gas Delivery** – natural gas delivery to the delivery point.
- 37. 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.
- 38. 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.
- 39. Applicant** – the gas supplier, gas trader or existing Terminal User that has submitted a request for the allocation of LNG regasification capacity.
- 40. Affiliate** – with respect to any legal entity, a person that controls, is controlled by, or is under common control with such legal entity.
- 41. 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.
- 42. Open Season Process** – the open season process for a long-term period conducted prior to the construction of the Terminal.
- 43. Notice of Readiness** – a notice issued by the captain and/or the commander of the LNG Carrier concerning the readiness of the LNG Carrier for cargo discharge.
- 44. 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.
- 45. Returnable Amount of LNG** – LNG amount to be returned by the LNG Borrower to the LNG Lender, which corresponds to the borrowed LNG amount.
- 46. Borrowed Amount of LNG** – LNG of the LNG Lender, including the gas loss of the gas borrowed to the LNG Borrower.
- 47. Lesser Rule** – the rule applied at the exit from the Terminal which is also the entry to the transmission system, i.e. at the delivery point in case of a difference in the amount of daily nominations in the matching process.
- 48. Estimated Time of Arrival** – estimated time of LNG Carrier arrival at the Terminal.
- 49. LNG Discharge** – unloading of the LNG Carrier cargo into the Terminal.

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

**51. 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.

**52. Reasonable and Prudent Operator** - a person acting in good faith with the intention of performing its contractual obligations under TUA and who, in so doing and in the general conduct of its undertaking, exercises that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected by a skilled and experienced Operator complying with all applicable laws and engaged in the same type of undertaking under the same or similar circumstances.

**53. Secondary Market** – the market of allocated LNG regasification capacities and LNG quantities at the Terminal on which the Terminal Users trade with one another.

**54. 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 finalized.

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

**56. 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.

**57. Standard Cargo Lot** – LNG amount between 65 000 m<sup>3</sup> and 150 000 m<sup>3</sup> in accordance with these Rules.

**58. 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.

**59. 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.

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

**61. Damages** - collectively; all claims, liabilities, obligations, losses, deficiencies, penalties, actions, suits, out-of-pocket costs, expenses and disbursements of any kind or nature whatsoever, excluding lost profit.



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

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

**64. Technological Capacity of the Terminal** – the maximum LNG regasification capacity that the Operator can contract with the Terminal Users 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.

**65. 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, mooring, berthing/unberthing and discharge procedures and other conditions of Terminal use, which shall be stipulated by the Operator and published on the Internet page.

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

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

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

**69. 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.

**70. Short-Term LNG Regasification 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 available capacity, and which is performed after finalizing the annual capacity booking in accordance with these Rules.

**71. Terminal Use Agreement** – an agreement concluded between the Operator and the Terminal User defining the mutual rights and obligations.

**72. 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.

**73. 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.

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

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

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

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

**78. 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.

**79. Virtual Storage** – virtual/computer data on the storage and joint Terminal use, starting from the finalization 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.

**80. 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.

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

**82. Terminal Capacity Congestion** – a situation in which the demand for LNG regasification capacity exceeds the technological capacity of the Terminal or the available capacity.

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

**84. 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.

**85. Joint Terminal Schedule** – a consolidated Terminal service schedule prepared by the Terminal Operator.

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

## **II Technical Characteristics of the Terminal 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 liable 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.

(6) If the technical conditions of the Terminal referred to in paragraph 4 of this Article are significantly changed during the Terminal Use Agreement so that they affect the safety and commercial position of the Terminal User, the Terminal User has the right to cancel the agreed service in accordance with Annex I of these Rules.

### **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.

(2) 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 which include the inability to connect to the transmission system.

##### **Article 5**

(1) The Operator is liable 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, in accordance with the Transmission System Network Code, conclude an agreement regulating mutual rights and obligations in relation to the connected gas systems, including the coordination when allocating the Terminal capacity and the transmission system capacity at the exit from the Terminal that is also the entry into the transmission system.

(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 rules adopted pursuant to the laws regulating the gas market.

(6) The Terminal Users contracting the LNG Regasification Services during the annual capacity booking 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) In the procedure of preparing the annual service schedule, the Operator shall request from the transmission system operator the information on the booked transmission system capacities at the exit from the Terminal which is also the entry into the transmission system, and which refer to the Terminal Users, all pursuant to paragraph 6 of this Article.

(9) The Terminal User contracting Short-Term LNG Regasification Capacities shall deliver the following evidence to the Operator when submitting the request for allocation of Short-Term LNG Regasification Capacities:

1. the Terminal User that submitted the Request for allocation of Short-Term LNG Regasification Capacities has contracted the corresponding transmission system capacity at the exit from the Terminal which is also the entry into the transmission system or

2. the transmission system user taking over the gas from the Terminal User that submitted the Request for allocation of Short-Term LNG Regasification Capacities has contracted the corresponding transmission system capacity at the exit from the Terminal which is also the entry into the transmission system.

(10) In the case referred to in paragraph 9 of this Article, the transmission system capacity shall have appropriate volume that enables takeover of the entire gas amount into the transmission system within the contracted slot of the Short-Term LNG Regasification Capacities.

## **IV Operator Services**

### **Article 8**

(1) The Operator shall provide the LNG Regasification Service 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 reasons stipulated in Articles 69 and 70 of these Rules.

(3) In order for the Operator to ensure simultaneous and equal provision of the LNG Regasification Services to all 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 Process a new Terminal User contracts LNG Regasification Services, the new Terminal User 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 mooring 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. for other reasons prescribed by these Rules, the Terminal Use Agreement and the Joint Terminal Use Agreement.

## **Non-Standard Services**

### **Article 10**

(1) The Non-Standard Services provided by the Operator include:

1. transfer of LNG Regasification Capacities on the Secondary Market - vendor's fee;
2. transfer of LNG Regasification Capacities on the Secondary Market - buyer's fee;
3. recording LNG trade for the Terminal User LNG vendor;
4. recording LNG trade for the Terminal User LNG buyer;
5. access to the Terminal operator's information system and creating a balance account for the buyer of the LNG regasification capacities on the secondary market that does not have a valid Terminal Use Agreement,
6. monthly fee for managing the balance account for the buyer of the LNG Regasification Capacities on the Secondary Market who does not have a valid Terminal Use Agreement,
7. selling the LNG or natural gas in an Open Procedure,
8. emptying the tanks of the floating storage and regasification unit.

(2) The Operator is adopting price list of non-standard services in accordance with the methodology used for determining the price of non-standard services issued by the Agency.

(3) Non-standard services from paragraph 1 of this Article are calculated by the Operator, based on the price list of non-standard services.

(4) 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.

(5) 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 Process.

(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 want 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 and all joint Terminal Users.

(4) After conducting the Open Season process 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 all available capacity has been allocated during the allocation procedure, the Operator may, regardless of the deadline specified in paragraph 2 of this Article, publish a call for Short-Term LNG Regasification 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 be shorter than 15 days, and it 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. the indicated gas years for which the allocation of LNG regasification capacities is requested during the booking in the annual LNG regasification capacities booking, i.e. a slot in the event of allocating Short-Term LNG Regasification CapacitiesCapacity.



5. The amount of the requested LNG regasification capacities for a gas year, i.e. in the requested slot, in the event of allocating Short-Term LNG Regasification Capacity, expressed in kWh/d, and

6. minimum acceptable LNG regasification capacity requested for each gas year, indicated in kWh/d.

(6) The gas supplier or gas trader that wish to contract the LNG regasification capacity at the Terminal 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 Terminal 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 at the Operator's request.

(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 in accordance with the procedures stipulated in these Rules.

### **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 referred to in Article 12, paragraph 5 of these Rules or the documentation in accordance with Article 12, paragraph 8 of these Rules, the Operator shall invite the applicant to correct the deficiencies and submit the corrected request, i.e. the corrected or 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 or the documentation 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 8 of these Rules.

(2) No later than 15 days after the expiration of the deadline for the submission of the request for allocation of LNG regasification capacities, the Operator shall submit a notification on the refusal of the request for allocation of LNG regasification capacities to the applicant whose request for allocation of LNG regasification capacities has been refused in accordance with paragraph 1 of this Article.

## **LNG Regasification Capacities Allocation Rules**

### **Article 15**

(1) The Operator shall allocate the LNG regasification capacities no later than ten business 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 in a gas year, taking into account the technical conditions of the Terminal, the Operator shall allocate the LNG regasification capacities according to the received requirements of the applicant.

(4) If the total amount of the required LNG regasification capacities in a gas year 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 highest LNG regasification capacity requested, whereby advantage is given to the applicant that has requested the largest amount of LNG regasification capacity in a gas year;

2. when two or more applicants in a gas year request the same LNG regasification capacity, the rule of the lowest minimum acceptable LNG regasification capacity shall be applied, whereby advantage in the allocation of the available capacity shall be given to the applicant that has requested the lowest minimum acceptable LNG regasification capacity for that gas year. The LNG regasification capacity in the

largest amount requested in the Request for allocation of LNG regasification capacities shall be allocated to that bidder.

3. in the event that after the allocation according to item 2 of this paragraph there is available LNG regasification capacity, it shall be allocated by applying the rule of the highest total requested LNG regasification capacity and the lowest minimum acceptable LNG regasification capacity. The remaining available capacity is allocated to the applicant that has requested the highest LNG regasification capacity, whereby the available capacity shall be above the minimum acceptable LNG regasification capacity of that applicant. If the available capacity is below the minimum acceptable LNG regasification capacity of the applicant with the highest requested LNG regasification capacity, it shall be allocated to the first subsequent user in accordance with the rules referred to in this item and

4. when two or more applicants in a gas year request the same LNG regasification capacity and the minimum acceptable LNG regasification capacity, whereby advantage in the allocation of the available capacity shall be given to the applicant that was the first to request the LNG regasification capacity.

(5) In the event of congestion of the LNG regasification capacity, the Operator shall apply the congestion management procedures for the purpose of returning the unused LNG regasification capacity to market and shall offer it in the process of contracting the LNG regasification capacity.

(6) The Operator may, in accordance with paragraph 5 of this Article, take the unused LNG regasification capacity from the Terminal User if the Terminal User does not intend to use the Terminal at all in the next gas year in accordance with the approved annual service plan.

(7) The Operator shall take the unused LNG regasification capacity in full or in part and shall, without delay, send a notification to the Terminal User whose unused capacity has been taken concerning the taken LNG regasification capacity.

(8) The Operator shall, without delay, offer the taken LNG regasification capacity in the procedure of contracting the LNG regasification capacity.

(9) The Terminal User whose unused LNG regasification capacity has been taken shall retain all rights and obligations under the Terminal Use Agreement in relation to the taken LNG regasification capacity up to the moment of allocating the LNG regasification capacity to another Terminal User.

(10) The Operator shall notify the Terminal User whose LNG regasification capacity has been taken of allocating the capacity to another Terminal User.

(11) With regard to the LNG regasification capacity indicated in the notification on taking the LNG regasification capacity which has not been allocated to another

Terminal User, the Terminal User whose LNG regasification capacity has been taken shall retain all rights and obligations under the Terminal Use Agreement, except for the rights in accordance with paragraph 12 of this Article.

(12) After receiving the notification referred to in paragraph 7 of this Article, the Terminal User shall not have the right to sell the taken LNG regasification capacity on the secondary market.

## **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/d) or a notification that the requested LNG regasification capacities may not be allocated 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, otherwise it shall be considered that the agreements referred to in paragraph 2 of this Article, i.e. the annex to the agreement have not been concluded.

(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 LNG Regasification 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 all 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 LNG Regasification Capacity Booking**

#### **Article 18**

(1) If after the annual capacity booking there are available capacities, they may be contracted in the Short-Term LNG Regasification Capacity Booking.

(2) The Operator shall regularly update and publish the information on the available capacities and, in accordance with these Rules, publish on the website a call for Short-Term LNG Regasification Capacity Booking when there are available LNG regasification capacities and available slots, taking into account the approved service schedules 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 Capacity.

(4) The applicant for Short-Term LNG Regasification Capacity 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 and safe operation of the Terminal, planned maintenance works, approved service schedules and other conditions stipulated by these Rules.

The Operator has the right to refuse the request for allocation of Short-Term LNG Regasification Capacities in case one of the requirements referred to in Article 14, paragraph 1 of these Rules is met.

### **Providing the LNG Regasification Services based on the Allocated Short-Term LNG Regasification Capacity**

#### **Article 19**

(1) The provision of LNG regasification services on the basis of the allocated Short-Term LNG Regasification Capacity 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 time 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 requested, within five days from the date on which the Operator submitted a written request 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 LNG Regasification Capacity shall, within 15 days of the notification on the allocation of Short-Term LNG Regasification Capacity, have the right to notify in writing the Operator of their refusal of the allocated Short-Term LNG Regasification Capacity because they are not able to use it in the requested scope or because the allocated Short-Term LNG Regasification Capacity is of a lower amount than the requested or since other Terminal Users did not give their consents to change the approved service schedules.
  - (5) After the allocation of the Short-Term LNG Regasification Capacity, the Operator shall act according to paragraphs 1 and 2 of Article 16, and the Terminal User shall no later than 15 days after the delivery of the notification on the allocation of Short-Term LNG Regasification Capacity sign and deliver to the Operator the Terminal Use Agreement and the Joint Terminal Use Agreement.
  - (6) The Terminal User shall, no later than 30 days prior to the use of the LNG regasification service based on the contracted Short-Term LNG Regasification Capacities, submit to the Operator the appropriate credit support in accordance with the General Terms and Conditions.
  - (7) If, in accordance with Article 18, paragraph 5, the Operator approved the request for allocation of Short-Term LNG Regasification Capacities that was submitted outside the prescribed deadline, the Terminal User shall, without delay, immediately after receiving it, but no later than 5 days after the submission of the notification and the agreements, sign and submit to the Operator the Terminal Use Agreement, the Joint Terminal Use Agreement and the appropriate credit support in accordance with the General Terms and Conditions.

## **Expansion of the LNG Regasification Capacities**

### **Article 20**

(1) If, due to an increased 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) Contracting 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 Capacity and LNG**

### **Article 21**

(1) The Terminal User shall have the right to trade unused capacities on the secondary market by contracting the transfer of the contracted LNG regasification capacities or the transfer of the rights to use the contracted LNG regasification capacities.

(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.

## **Transfer of the Contracted LNG Regasification Capacities**

### **Article 22**

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

(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 has been performed and completed in accordance with these Rules.

## **Transfer of the Rights of Use of the Contracted LNG Regasification Capacities**



### **Article 23**

- (1) By transferring the right to the contracted LNG regasification capacities, the transferor transfers to the acquirer the right to use the LNG regasification capacities.
- (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 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 which was the subject matter of the transfer.

### **Approval of Trading in LNG Regasification Capacities and LNG**

### **Article 24**

- (1) The Terminal Users trading in the LNG regasification capacities 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.
- (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 trading.
- (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 gas supplier or gas trader that are not Terminal Users and that wish to trade in LNG regasification capacities and/or LNG shall meet the requirements for Terminal Users set forth in these Rules and, before trading on the secondary market with the Operator, conclude a Terminal Use Agreement and the Joint Terminal Use Agreement, and after which the trading shall be enabled.
- (6) If the new Terminal User has traded on the secondary market and requires additional LNG regasification capacity, and there is available LNG regasification capacity, that Terminal User has the right to contract additional LNG regasification capacity in accordance with 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 LNG Regasification Capacities and/or the contract on the transfer of the right to use the contracted LNG regasification capacities and/or contract on the transfer of LNG in the following situations:

1. the acquirer is not a 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**

### **Annual and Monthly Service Schedule**

#### **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/d, for the next 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. the projection of the LNG regasification capacities and delivery from the Terminal, expressed in kWh/d, and calculated in a cumulative manner for each day of the gas year for all Terminal Users 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 LNG Regasification Capacities when they 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, apply the rules on the joint Terminal use in such a manner that each joint Terminal User lending the amount of the LNG is returned over time the returnable amount of 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 in accordance with Article 7, paragraph 7 of these Rules.

(10) After the Operator has approved the annual service schedule, it may be changed only in the manner and in accordance with the conditions as stipulated in Article 33 of these Rules.

### **Service Schedule Plan**

#### **Article 26**

(1) The Operator shall publish the form of the annual service schedule plan 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 next 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 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 in the annual service schedule plan and no more than two days in the monthly service schedule plan 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 allowable LNG regasification rate, or lower than the minimum allowable LNG regasification rate, in accordance with the technical conditions of the Terminal,
4. limitations of the transmission system capacity at the exit from the Terminal which also the entry into the transmission system, and
5. other conditions for the regular and safe Terminal operation in accordance with the technical conditions of the Terminal.

### **Article 27**

(1) The Operator shall, no later than two business days after the expiry of the deadline for the delivery of the annual 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 annual 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 to the Operator within five days at the latest.

(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 joint 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.

### **Coordination of the Annual Service Schedules**

#### **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 Terminal 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 Terminal Operator shall, within seven days of the delivery of the consolidated service schedule plan with the inconsistencies indicated, invite the Terminal Users to enter into joint negotiations involving all Terminal Users and the Terminal 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 the joint negotiation procedure 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 of submitting the written notification referred to in paragraph 3, item 2 of this Article, 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 to the Terminal User to which the plan refers and the approved joint annual service schedule plan to all Terminal Users.

## Preparing the Annual Service Schedule by the Operator

### 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 allowable LNG regasification rate in accordance with the technical conditions of the Terminal,
2. there is Terminal congestion,
3. there are overlaps in the planned 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 minimum allowable LNG regasification rate by:

1. proportionally increasing the LNG regasification capacities that have been reduced for that Terminal User on the gas days on which there is Terminal congestion, by appropriately applying the rules referred to in paragraph 4 of this Article, and
2. proportionally increasing the LNG regasification capacity that has been decreased for that Terminal User on the gas days during the same slot, on which the total LNG regasification capacities for all Terminal Users is higher than the minimum allowable 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 allowable LNG regasification rate)  
 $V_i$  – is the excess LNG regasification capacities allocated per individual Terminal User  
 $S$  – is the maximum allowable 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.

### **Average LNG Regasification Capacity**

#### **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 next 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 next 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 allowable 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 next gas year, the Operator shall determine the arrival window of the LNG Carrier and the slots within the annual service schedules for the purpose of planning specific cargo and the arrival date of the LNG Carriers.

(2) The Terminal Operator shall determine the arrival windows of the LNG Carriers and 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 arrival window of the first LNG Carrier to the Terminal in the next 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 shall ensure the arrival of the first LNG Carrier shall, no later than the deadline referred to in paragraph 3 of this Article, deliver the cargo to the Terminal so that the Operator can provide the contracted services.

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

(6) The Terminal User that shall ensure the arrival of the first LNG Carrier in a gas year 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 shall ensure the arrival of the first LNG Carrier in a gas year shall be the Terminal User that has planned, in a cumulative manner, the highest 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 that Terminal User shall be determined as the holder of the first slot.

(8) If during the allocation of the first slot it is determined that the returnable amount of LNG of any Terminal User amounts to more than half the average cargo quantity of that Terminal User, such Terminal User shall, by way of derogation from paragraph 7 of this Article, ensure the arrival of the first LNG Carrier for the purpose of returning the returnable amount of LNG to the LNG lender. Half of the average cargo shall be calculated based on the quantities of the cargo indicated in the annual service schedule plan of the LNG borrower that has not yet been allocated a slot.

(9) By way of derogation from paragraph 8 of this Article, such a Terminal User shall not ensure the arrival of the first LNG Carrier when, 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, but shall ensure the arrival of the LNG Carrier in the slot closest to the slot in which the LNG lender planned to use the LNG regasification capacities, all for the purpose of returning the returnable amount of LNG to the LNG lender.

(10) If during slot allocation it is determined that the returnable amount of LNG of each individual Terminal User 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 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 paragraph 6 of this Article shall be applied to the next gas year.

(12) 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 ensure the arrival of the LNG Carrier in the first slot or, if it has already been determined, the arrival of the LNG Carrier in one 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 approved monthly service schedule, shall submit to the Terminal Operator no later than 60 days before commencing the use of the LNG regasification capacities evidence based on which it can be unambiguously determined that it has a valid agreement on LNG sale and purchase concluded with the LNG Supplier and that it has contracted the supply of sufficient LNG amounts.

(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.

### **Changes to the Approved Annual Service Schedule at the Request of the Terminal User**

### **Article 33**

(1) When submitting any monthly service schedule plan for the following month, each Terminal User has the right, throughout the gas year, to also submit to the Terminal Operator a proposal of changes to the approved annual service schedule, including the arrival window of the LNG Carriers.

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

(3) The Terminal 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 are accordance with the minimum allowable LNG regasification rate and the maximum allowable 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 written 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.

(5) If the consent of other Terminal Users to the required changes in accordance with the provisions of this Article is required, the subject consent in written form shall be submitted to the Terminal Operator no later than five days from the submission of the request for changes to the approved annual service schedule which the Terminal Operator submits to the other Terminal Users that have not yet given their consent.

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

### **Monthly 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 Terminal Operator no later than thirty-five days before the beginning of each month of the gas year.

(2) The monthly service schedule plan shall not be in contradiction to the approved LNG regasification capacities and/or the arrival windows 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 case referred to in Article 33 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 of the following month;

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 moor at the Terminal in the following month, and which include at least the names of the 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 for the following month until the expiry of the deadline referred to in paragraph 1 of this Article, the Terminal Operator shall establish a monthly service schedule that refers to that Terminal User, based on the information from the approved annual service schedule for that Terminal User.

### **Deviation from the Carrier Arrival Windows, the LNG Amount for Delivery and the LNG Regasification Capacities**

#### **Article 35**

(1) In the monthly service schedule plan the Terminal User is allowed to indicate a deviation from the arrival window of the LNG Carriers as well as the LNG amounts to be delivered, the LNG regasification capacities, specified in the approved annual service schedule or monthly service schedule approved during the Short-Term Capacity Booking with regard to LNG regasification but not more than 10% of the LNG amounts, i.e. LNG regasification capacities 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, and the Terminal User proposing the deviation has obtained written consent from all 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 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 the monthly service schedule approved during the short-term capacity booking concerning LNG regasification capacities, are allowed exceptionally if the following conditions are met:

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

2. such deviation does not affect the approved services schedule of other Terminal Users or if it affects the approved service schedules of the other Terminal Users, the Terminal User proposing the deviation has obtained written consent from all 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 Terminal Operator in written form and no later than five days from the submission of the request for giving consent to the deviations which the Terminal Operator submits to other Terminal Users that have not yet given their consent.

(7) If the Terminal User fails to respond within the deadline referred to in paragraph 6 of this Article, such Terminal Users 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 LNG quantity 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 services schedule during Short-Term LNG Regasification 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 Terminal 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 liable 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 Terminal Operator has the right to submit to that Terminal User 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 Terminal 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,

Terminal congestion or other deficiencies, the Terminal 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 Terminal 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 by applying the rules stipulated in Article 35 of these Rules if possible 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 from the date of submission to the Terminal Users.

### **Changes in Terminal Operation Mode**

#### **Article 37**

(1) The Terminal 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 Terminal Operator shall cooperate with the Terminal Users taking into account, to the extent possible, their requirements.

(2) If the Terminal 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 Terminal 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 Terminal 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 Terminal 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 Terminal Operator which could pose a threat to uninterrupted, efficient and safe operation of the Terminal, the Terminal Operator shall adjust the monthly service schedules and deliver the approved service schedules to the Terminal Users.

(6) The Terminal Operator shall update the approved joint service schedule on its website in the event referred to in paragraph 2, no later than within seven 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 Terminal, the Terminal Operator shall ensure the LNG Heel at their own expense.

(3) The Terminal Operator is liable for controlling the LNG Heel at the Terminal to ensure safe operation of the 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 Terminal Operator shall ensure that the amount required for the LNG Heel is always kept at 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 monthly 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 responsible for that situation shall reimburse the LNG expense, which shall be reimbursed for the purposes of replacing the LNG up to the LNG Heel, to that Terminal User, which is delivering the first following cargo according to the approved service schedule.

(8) If, within three days from the occurrence of the event referred to in paragraph 6 of this Article, the Terminal User liable for the events referred to in paragraph 6 of this

Article fails to reach an agreement with the Terminal User, which is 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 Terminal 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 GCV increased for the lowest cost of transporting daily products of the transmission system capacity from the gas hub in Austria (CEGH) 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 Terminal 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 Terminal Operator shall reimburse to the Terminal User which is 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 Terminal 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 LNG 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 a portion of the LNG from the LNG Lender, including the allowable and unallowable 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. the loanable amount of LNG, for the purpose of joint terminal use, 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 allowable and unallowable gas loss of the Terminal User, which the LNG Borrower shall return to the LNG Lender, measured in the 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 allowable and unallowable gas loss of the Terminal User during the LNG regasification period,

5. the returnable amount of the LNG is allocated in such a manner that the LNG amount that was first borrowed is returned first, based on the actually regasified LNG during the LNG regasification period, including the allowable and unallowable 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 lower 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 shared use of the Terminal at any time had to work in a manner that can lead to the occurrence of a risk for uninterrupted, efficient and safe operation of the Terminal,

2. according to the reasoned opinion of the Terminal 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 Terminal Operator shall notify all Terminal Users without delay.

#### **Joint Terminal Use Agreement**

#### **Article 41**

(1) The Terminal 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 different conditions of joint terminal use 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 Terminal Operator and shall not pose a threat to uninterrupted, efficient and safe operation of the Terminal.

(3) The Terminal Users that, in accordance with paragraph 2 of this Article, have agreed on different terms and conditions, they shall conclude a new Joint Terminal Use Agreement and submit it to the Terminal 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 in a non-discriminatory manner and ensure uninterrupted, efficient and safe Terminal operation; and

2. whether the LNG regasification capacities utilized as efficiently as possible.

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

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

### **Credit Support for Securing the Claims Based on Joint Terminal Use**

#### **Article 42**

(1) The Operator shall not be liable for any consequences of the 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 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 the joint terminal use, including the obligation to ensure cargo delivery, the Terminal Users may agree on a payment insurance instrument 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 of the Joint Terminal User 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 rules regulating the type, amount, delivery and activation of the credit support referred to in paragraph 2 of this Article are stipulated in the Joint Terminal Use Agreement.

(4) If Joint Terminal Users have failed to reach a joint agreement on the credit support referred to in paragraph 2 of this Article or if one Joint Terminal User does not agree



with the decision of the other Joint Terminal Users, they shall notify the Operator no later than 30 days before the start of the next gas year.

(5) If the Operator receives the notification referred to in paragraph 4 of this Article, the Operator shall submit to the Joint Terminal User or the Joint Terminal User that does not agree with the decision of the other Joint Terminal Users, depending on the event described in the request, the request to submit credit support in the form of a bank guarantee for the amount of the product of the average cargo arriving at the Terminal in the next gas year and the prices indicated on the website of the gas hub in Austria (CEGH); *CEGH yearly futures settlement price* at the date of submitting the notification referred to in paragraph 4 of this Article; and with the content acceptable to the Operator, all for the purpose of securing the claims and indemnification referred to in paragraph 2 of this Article.

(6) The Joint Terminal Users, i.e. the Joint Terminal User that does not agree with the decision of the other Joint Terminal Users, shall submit to the Operator the bank guarantee referred to in paragraph 5 of this Article no later than 15 days after receiving the request by the Operator, and no later than 15 days before the start of the next gas year.

(7) The bank guarantee referred to in paragraph 5 of this Article shall be valid for the entire period of the gas year and at least 60 days after the estimated time of arrival of the last LNG Carrier in accordance with the approved annual service schedule for the next gas year.

(8) The Joint Terminal User responsible for the failure to perform the obligation to deliver the cargo or for untimely delivery of the cargo according to the approved service schedule for that Terminal User shall notify the Operator of such failure no later than seven days before the planned arrival of the carrier in accordance with approved service schedule for that Terminal User. Immediately after receiving the notification, the Operator shall deliver it without delay to all Joint Terminal Users whose rights and obligations are affected by such failure.

(9) In the event of the failure referred to in paragraph 8 of this Article, the Operator shall activate the bank guarantee of the Joint Terminal User responsible for such failure and to the extent specified in the Joint Terminal Use Agreement, and shall indemnify all the Joint Terminal Users, excluding the Joint Terminal User responsible for the failure, for damage caused by such failure and up to the amount of the activated bank guarantee.

(10) In any case, within 24 hours after the Operator submitted a notification on the intention to activate the bank guarantee, in accordance with paragraph 9 of this Article to the Joint Terminal Users, the Joint Terminal Users shall notify the Operator whether they have reached an agreement on a different form of indemnification for the damage caused by the failure referred to in paragraph 8 of this Article. If the Joint Terminal Users do not submit a written response within the deadline referred to in this paragraph, the Operator shall activate the bank guarantee.

(11) The Joint Terminal User responsible for the failure referred to in paragraph 8 of this Article shall compensate all claims of the Joint Terminal Users due to the damage

caused due to its failure, which were not settled by the activation of the bank guarantee referred to in paragraph 9 of this Article.

(12) In the event that the bank guarantee is used or the amount of the bank guarantee shall be coordinated 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.

(13) The Operator shall perform all actions solely as a proxy of the joint Terminal Users.

(14) 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 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.

(15) The provisions of the General Terms and Conditions shall be applied *mutatis mutandis* to the type, submission and extension of the bank guarantee.

(16) If a new Terminal User accedes the existing Joint Terminal Use Agreement, it shall negotiate in good faith with the existing Joint Terminal Users concerning the provision of adequate credit support for the purpose of securing the claims regarding the joint terminal use, whereby it shall not unreasonably withhold the submission of the credit support provided by the existing Terminal Users before its accession. The new Terminal User shall submit the agreed credit support to the Operator within 15 days of signing the Joint Terminal Use Agreement.

(17) The rules for activating the bank guarantee in the event of untimely performance of the obligation to deliver all the cargo shall also apply *mutatis mutandis* to other cases of failure to fulfil the obligations of the Joint Terminal User in accordance with paragraph 2 of this Article.

## **IX Terminal Use Conditions**

### **LNG Carrier Approval Procedure**

#### **Article 43**

(1) The LNG Carriers intended to berth at the Terminal shall comply with the international standards and conditions applicable to such ships in international navigation, in particular the standards and conditions laid down in the International Code for the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk (IGC Code), International Gas Code, SOLAS Convention and the International Conventions accepted within the International Maritime Organization (IMO), as well

as the regulations established in accordance with the register in which the LNG Carrier has been entered.

(2) The LNG Carrier shall possess all valid ship certificates and documents required for that type of ship, whose list has been unified and updated in the document List of Certificates and Documents Required to be Carrier on Board Ships and the necessary permits for entry into and the performance of activities in the port, meet all operational conditions of the port as well as the conditions stipulated by the competent port authority and the Operator.

(3) 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.

(4) 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.

(5) The Operator shall publish the form of the request for approval of the LNG Carrier on its website.

(6) The Terminal User or the Operator or owner of the LNG Carrier or another person having a justified interest shall submit the completed form for the approval of the LNG Carrier for registration in the Operator Register 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.

(7) If the conditions referred to in paragraphs 1 to 6 of this Article are met, the Operator shall issue a certificate of approval of the LNG Carrier for arrival at the Terminal to the applicant for the approval of the LNG Carrier no later than within five days from receiving the request and shall enter the LNG Carrier in the register of approved carriers of the Operator.

(8) In the event that after issuing the certificate of approval for the LNG Carrier for the arrival at the Terminal changes occur in some of the approved information regarding the IMO number, country of registration, documents, licenses, responsible persons of the company managing the LNG Carrier and/or its owners, the Operator shall have the right to request the repetition of the approval procedure for the LNG Carrier.

(9) After the arrival of the LNG Carrier at the port, the responsible person of the port and/or the Operator and/or other authorised person by him 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.

(10) The Terminal User shall be liable if the owner, operator, captain 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 berthing.

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

## **LNG Carrier Registration Procedure**

### **Article 44**

(1) The Terminal User shall ensure that the owner/operator of the LNG Carrier or captain/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 registration request for the LNG Carrier no later than 14 days from the estimated arrival window of the LNG Carrier at the Terminal.

(2) The Terminal Operator shall publish the registration request for the LNG Carrier on its website.

(2) Information concerning the date and time of departing from the port of loading and the estimated arrival window of the LNG Carrier at the Terminal shall be indicated in the registration request for the LNG Carrier.

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

1. Bill of Lading;
2. Cargo Report;
3. Cargo Manifest;
4. Cargo origin certificate;
5. Cargo quantity certificate;
6. Cargo quantity certificate;
7. Cargo Safety Data Sheet;
8. Declaration on the activities of the carrier at the port of loading;
9. Notice by the master and/or commander of the LNG Carrier on receiving the aforementioned documents.

### **Information on the Estimated Arrival Window of the LNG Carrier to the Terminal**

### **Article 45**

(1) The Terminal User or their agent shall ensure that the captain and/or commander of the LNG Carrier or their agent regularly update the estimated arrival window 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 arrival window of the LNG Carrier to the Terminal, 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 Terminal;
- 48 hours prior to the estimated arrival window of the LNG Carrier to the Terminal;
- 24 hours prior to the estimated arrival window of the LNG Carrier to the Terminal.

(2) From the moment when the arrival window of the LNG Carrier to the Terminal has been estimated to be within 24 hours, the estimated arrival window of the LNG Carrier to the Terminal shall be updated every six hours.

#### **Article 46**

If the estimated arrival window of the LNG Carrier to the Terminal has been submitted as referred to in Article 45 of these Rules changes by more than six hours, the Terminal User shall without delay inform or provide that the captain 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 arrival window of the LNG Carrier to the Terminal.

#### **Notice of Readiness**

#### **Article 47**

(1) The Terminal User shall provide or ensure that the captain 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 competent person managing the port and the competent authorities approved, in accordance with the maritime code and regulations governing maritime ports, the required permits for the LNG Carrier 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 48 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 the Operator for the reasons referred to in this Article refused the mooring of the LNG Carrier to the Terminal, the Operator shall notify the captain 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 other LNG Carriers arriving according to the approved monthly service schedule; and

2. the mooring of the LNG Carrier does not pose a threat to the safe, regular and optimum Terminal operation.

(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, if possible, determine another time of mooring in accordance with these Rules.

#### **Article 48**

(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) By way of derogation from the rules stipulated by this Article, the Terminal Users may agree on different rules, of which they shall notify in writing the Operator in a timely manner.

(4) In the case referred to in paragraph 3 of this Article, the Operator shall approve the agreement of the Terminal Users and act accordingly, unless that poses a threat to safe Terminal operation.

## **LNG Carrier Laytime**

### **Article 49**

(1) The allowed laytime for the standard cargo lot is 30 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, allowed laytime shall be extended by any period of delay which is caused by one or more of the following:

1. 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 volumetric flow of LNG discharge is solely attributable to the Terminal.
2. 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;
3. any period during which LNG discharge occurs or is prevented due to failure or extraordinary situations at the Terminal or the LNG Carrier, which may result in a danger to the lives or health of people, significant material damage, environmental pollution,
4. due to adverse weather and/or metocean conditions in the port.



(3) In the case referred to in paragraph 2, item 1 of this Article, the Operator shall compensate for the costs incurred to the Terminal User due to the extension of the allowed laytime by appropriately applying the provisions of Annex I to these Rules.

(4) 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 being all fast at the Terminal.

2. if the LNG Carrier provides the notice of readiness prior to the arrival window, upon the earlier of:

- six hours after the submission of the notice of readiness; 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.

(5) 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 confirming the duly confirmed cargo has been fully discharged into the Terminal, and
- the LNG Carrier departing from the Terminal without unloading or fully unloading its cargo.

### **LNG Discharge Activities**

#### **Article 50**

(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 total nomination of all Terminal Users is above the minimum lower LNG regasification rate 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) 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.

(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 authorized 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 51**

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 competent port authority has been received;
2. justified order from the competent person managing 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 the competent person managing the port and/or Operator, the procedures prescribed in the technical conditions of the Terminal or these Rules or other conditions necessary for performance the activities in the port and at the Terminal, including safety regulations;

5. Based on the decision by the Operator or the competent person managing the port that the state 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 52**

(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 the competent person managing the port issues a different order to the LNG Carrier or if the Operator has approved a different procedure of unberthing and/or access of another LNG Carrier.

(2) If the LNG Carrier fails to unberth within the allowed laytime or after completing LNG discharge, depending which moment will occur earlier, the Operator can assign a fee as established in Annex I of these Rules, except if the LNG Carrier has received an order in accordance with paragraph 1 of this Article or of any of the conditions referred to in Article 49 paragraph 2 of these Rules have been met.

### **Article 53**

The master and/or 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 disconnect from the LNG Carrier.

### **Article 54**

The Operator is not responsible for any direct or indirect losses, expenses and damage, demurrage, 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 for which the Operator is not responsible.

## **LNG Regasification**

### **Article 55**

(1) The LNG amounts for regasification are determined in accordance with the approved annual and monthly service schedule.

(2) The Terminal operator shall regasify the LNG amount according to the confirmed daily nomination of the Terminal User.

(3) The LNG amount that has been regasified and sent out to the delivery point shall be calculated for each Terminal User and is equal to the quantity of gas actually allocated according to the conditions stipulated in Annex II of these Rules.

## **Daily Nomination of Gas Quantities**

### **Article 56**

(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. nominate appropriate capacity of the transmission system at the entry into the transmission system, which is also the exit from the Terminal; or

2. ensure that the transmission system user taking over the gas from the Terminal User nominates the appropriate 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 allowable regasification rate and below the maximum allowable regasification rate, according to 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) 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 use.

(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 of 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 Regasified Natural Gas Quality Specification and Measurement**

### **LNG Quality Specification**

#### **Article 57**

(1) The Terminal User shall ensure that the quality of the Cargo delivered to the Terminal at the time of Discharge corresponds to the natural gas quality specification, and that it corresponds to the standard quality of natural gas specified in the General Terms and Conditions for Gas Supply at the time of delivering the regasified gas into the transmission system.

(2) The Operator is not responsible for the quality of the Cargo being delivered to the Terminal.

(3) The Operator shall ensure that the contents and specifications of the regasified gas delivered to the delivery point correspond to the standard natural gas quality specified in the General Terms and Conditions for Gas Supply and in the cases of mixing the LNG in the Terminal tanks until the Terminal Users use the LNG regasification services in accordance with these Rules.

(4) The Terminal User shall take into account that the LNG quality parameters change over time, therefore the Cargo quality parameters may change during transport 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 therefore be changed during transport from the port of loading to the Terminal. The Operator shall approve the mooring and/or LNG Discharge only if the LNG on the LNG Carrier complies with the natural gas quality specification referred to in paragraph 6 of this Article.

(5) The Operator, i.e. the Terminal User shall without delay notify the other party if they gain any knowledge that the delivered Cargo or Cargo that is to be delivered represents or could represent Off-Specification LNG and shall describe the level of expected deviation in the notification.

(6) The Terminal User shall ensure that the quality of the cargo delivered to the Terminal at the time of discharge corresponds to the following natural gas quality specification:

<b>Chemical composition</b>	<b>mol %</b>
Methane (CH <sub>4</sub> )	minimum 85
Ethane (C <sub>2</sub> H <sub>6</sub> )	maximum 7
Propane (C <sub>3</sub> H <sub>8</sub> ) and higher hydrocarbons	maximum 6
Carbon dioxide (CO <sub>2</sub> )	maximum 2.5
Oxygen (O <sub>2</sub> )	maximum 0.001
<b>Sulphur content</b>	<b>mg/m<sup>3</sup></b>
Total sulphur (S)	maximum 30
Total hydrogen sulphide and carbonyl sulphide (H <sub>2</sub> S+CO <sub>S</sub> )	maximum 5
Thiols (RSH)	maximum 6
<b>Other values</b>	
Higher heating value Hg (kWh/m <sup>3</sup> )	minimum 10.28 maximum 12.75
Lower heating value Hg (kWh/m <sup>3</sup> )	minimum 9.25 maximum 11.47
Higher Wobbe – index Wg (kWh/m <sup>3</sup> )	minimum 12.75 maximum 15.81
Lower Wobbe – index Wd (kWh/m <sup>3</sup> )	minimum 11.48 maximum 14.23
Relative density	minimum 0.56 maximum 0.70

All values refer to gas volume of 1 m<sup>3</sup> at absolute gas pressure of 101,325 Pa (1.01325 bar) and gas temperature of 288.15 K (15°C).

(7) If the natural gas quality specification referred to in paragraph 6 of this Article is significantly changed during the Terminal Use Agreement, the Terminal User has the right to cancel the agreed service in accordance with Annex I of these Rules.

### **Article 58**

(1) The Operator shall take appropriate action to determine that the LNG intended for Discharge into the Terminal and/or the LNG which is being discharged into the Terminal corresponds to the natural gas quality specification and shall prevent any LNG Discharge which, in accordance with the natural gas quality specifications, is considered Off-Specification LNG.

(2) After receiving the registration request for the LNG Carrier, the Operator shall refuse such a request if the LNG specified in that request does not correspond to the natural gas quality specification and is considered Off-Specification LNG.

(3) If in accordance with paragraph 2 of this Article it was not possible to determine Off-Specification LNG, the Operator shall stop the already initiated LNG Discharge into the Terminal when it is established during sampling that the LNG does not correspond to the natural gas quality specification and is considered Off-Specification LNG.

(4) In the case referred to in paragraph 3 of this Article, the responsibility of the Terminal User that has delivered Off-Specification LNG has been fulfilled in accordance with Annex I to these Rules.

## **Article 59**

(1) Gas quality and LNG quantity shall be measured and determined in accordance with the provisions of Articles 60, 61 and 62 of these Rules.

(2) The Operator shall, at the special request of the Terminal User, based on historical data and other available assumptions, preliminarily provide for the changes in the LNG quality that is physically stored at the Terminal and shall estimate the time when the LNG could become Off-Specification LNG in terms of the quality specification.

## **Article 60**

(1) Prior to LNG Discharge from the LNG Carrier Terminal, the Surveyor shall check whether the conditions referred to in Article 62, paragraphs 1 – 3 of these Rules have been met.

(2) The Operator, Terminal User and the Surveyor jointly participate in the Cargo measurements, before and after LNG Discharge into the Terminal including the measurement of the remaining LNG, volume, temperature and pressure in the LNG Carrier tanks.

(3) When discharging the Cargo into the Terminal, the Surveyor shall prepare an LNG quality and quantity report for the LNG discharged into the Terminal in accordance with Article 3 Annex II of these Rules, based on the data on Cargo quantity which shall be provided by the master of the LNG Carrier or his commander as well as the LNG quality data and the quantity of the LNG discharged into the Terminal which shall be provided by the Operator.

(4) The interim LNG quality and quantity report for LNG discharged into the Terminal shall be prepared by the Surveyor within 24 hours after completion of LNG Discharge and the final LNG quality and quantity report for the LNG discharged into the Terminal within 72 hours after the completion of LNG Discharge, except in the case referred to in Article 62, paragraph 6 of these Rules.

(5) All reports, orders, specifications and other documentation concerning the results of measuring the LNG quality parameters shall be verified by an independent 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 obtain, use and maintain the equipment for LNG sampling and determining the quality of the discharged LNG as well as any other LNG measurement or analysis equipment required carry out all the prescribed LNG measurements and analyses on the floating storage and regasification unit.

## **Measurement of Discharged LNG**

### **Article 61**

(1) The Terminal User shall ensure that, when discharging the LNG into the LNG Carrier, the measurement of LNG quantity and quality is carried out in accordance

with international ISO standards in the reference conditions and regulations governing the 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) All gauges, gas chromatographs and other measurement equipment at the Terminal used to measure the quantity and quality of the LNG being discharged from the LNG Carrier shall be calibrated and certified by independent accredited laboratories, according to the rules of the profession and the international standards applicable at that time.

(4) The Operator shall ensure that, when discharging the LNG into the Terminal, the LNG quantity and quality is measured in accordance with international ISO standards in the reference conditions and regulations governing the sampling procedures and their frequency.

(5) The quantity of the LNG discharged shall be calculated at the higher and lower heating values.

(6) The quantity of LNG discharged expressed at the lower heating value shall be calculated according to the following formula:

$$E = (V \times d \times H_{m/ncv}) - Q_r - Q_{bog}$$

Where:

E – is the amount of LNG discharged expressed in kWh NCV

V – is the amount of discharged LNG expressed in m<sup>3</sup>

d – is the LNG density expressed in kg/m<sup>3</sup> (kilograms per cubic meter of LNG)

H<sub>m/ncv</sub> – is the lower heating value of the LNG mass expressed in kWh/kg

Q<sub>bog</sub> – is the energy value of the gas used by the LNG Carrier during LNG Discharge expressed in kWh NCV

Q<sub>r</sub> – is the energy value of gas returned to the LNG Carrier during LNG Discharge expressed in kWh NCV

The calculation expressed at the lower heating value shall be defined according to the following conditions:

- lower heating value measured at a pressure of 1.01325 bar,

- lower heating value measured at a temperature of 15°C/15°C.

(7) The quantity of LNG discharged expressed at the higher heating value shall be calculated according to the following formula:

$$E = (V \times d \times H_{m/gcv}) - Q_r - Q_{bog}$$

Where:



E – is the amount of LNG discharged expressed in kWh GCV  
V – is the amount of discharged LNG expressed in m<sup>3</sup>  
d – is the LNG density expressed in kg/m<sup>3</sup> (kilograms per cubic meter of LNG)  
H<sub>m/gcv</sub> – is the higher heating value of the LNG mass expressed in kWh/kg  
Q<sub>bog</sub> – is the energy value of the gas used by the LNG Carrier during LNG Discharge expressed in kWh GCV  
Q<sub>r</sub> – is the energy value of gas returned to the LNG Carrier during LNG Discharge expressed in kWh GCV

The calculations are performed at the lower and higher heating value in accordance with the following measurement conditions:

- lower heating value measured at a pressure of 1.01325 bar and a temperature of 15°C/15°C,
- higher heating value measured at a pressure of 1.01325 bar and a temperature of 15°C/15°C,

(8) Converting the lower heating value of gas into the higher heating value of gas is performed in the following manner:

$$H_{m/gcv} = H_{m/ncv} / 0.901$$

(9) All calculations shall be in accordance with ISO6976:2016, or a more recent standard that puts it out of force and replaces it.

## **LNG Sampling**

### **Article 62**

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

(2) Each LNG sampling and all procedures concerning LNG sampling, including the LNG sampling during LNG Discharge from the LNG Carrier into the Terminal is carried out in accordance with ISO 8943, or a more recent standard that puts it out of force and replaces it.

(3) If the quality of the discharged LNG is determined by the back-up system, the Operator shall also take the samples and place them into three CP/FP containers during LNG Discharge. Such sample containers are sealed by the Surveyor present during the sampling, and the sampling cost shall be borne by the Operator.

(4) One CP/FP sample container is used for analysis, the second container is available to the Terminal User, while the third container is retained by the Operator for a period of 30 days or until the Operator and the Terminal User sign the Cargo acceptance certificate.

(5) If the Terminal User exercises the right of using this sample container, it shall be returned within five business days after receiving the container.

(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 has taken his sample container or refused to sign the Cargo acceptance certificate.

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

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

### **Article 63**

The gas chromatograph of the Operator used to determine the LNG quality shall be certified and calibrated in accordance with the rules of the profession and the relevant practice to be attested by the Surveyor and/or the Terminal User or his representative, the Operator and/or the representative of the transmission system operator prior to commissioning the Terminal and after each calibration according to the regulations.

### **Article 64**

(1) If the Terminal continuous online gas chromatograph as the primary system and the intermittent sampling system using a stationary pressure/floating piston (CP/FP) container as the back-up system is not in operation, the quality of the discharged LNG shall be determined in cooperation with the Surveyor, based on the Cargo report and the actual trip conditions, whereby the LNG quality determined in the port of loading is considered to be correct.

(2) In the case referred to in paragraph 1 of this Article, the quality of the discharged LNG shall be determined on the basis of historical data on LNG quality from the same port of loading and the data on the trip with the same amount of evaporation, and in the absence of sufficient historical data to determine the LNG quality, a model of theoretical ageing shall be applied in accordance with the GIIGNL – LNG Custody Transfer Handbook from 2017 v. 5.0 or later if released.

(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 provide the correct assumption as to the LNG quality, the Operator and the Terminal User shall in good faith and in cooperation with the Surveyor, choose an acceptable method to determine the LNG quality.

## **XI Audit of LNG and Delivered Gas Quantities**

## **Article 65**

(1) The Operator shall provide Terminal Users with access to information on the LNG quantity owned by an individual Terminal User placed in the Terminal tanks as well as the LNG quantity and quality in the Terminal.

(2) Access to the information referred to in paragraph 1 of this Article may be provided by the Operator via the Operator's information system.

(3) The quantity 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 may provide access to all data concerning the determination of the gas quality and quantity.

(5) The Operator shall conduct LNG inventory at the Terminal at least once a year, and when it is determined during the inventory that the available LNG quantity at the Terminal differs from the LNG quantities calculated on the basis of the operating accounts, whereby the difference does not exceed the allowable loss, then the LNG surplus or shortage determined is assigned to the Terminal Users proportional to the LNG regasification capacities used during the period for which the inventory was conducted.

(6) The LNG shortage that exceeds the allowable loss shall be allocated to the gas loss of the Operator which the Operator shall compensate to the Terminal Users in accordance with the procedures in Annex II of these Rules.

(7) The Terminal User shall have the right to request the Operator to conduct an extraordinary inventory in accordance with the provisions of Annex II of these Rules.

(8) If it is determined during the extraordinary inventory that the allowable loss has not been exceeded, the Terminal User requesting the extraordinary inventory shall compensate to the Operator all costs incurred due to the extraordinary inventory.

## **XII Terminal Maintenance**

### **Article 66**

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

1. every year no later than 1 July, the Operator announces on its website the planned annual regular maintenance works schedule for the upcoming gas year indicating the planned suspension or limitation of LNG regasification service due to regular Maintenance, which shall not exceed seven days;

2. the Operator shall have the right to perform Maintenance works on days not specified in the regular maintenance works schedule performed by 1 July, provided that their total duration together with the planned annual regular maintenance work does not exceed seven days and enables regular use of the regasification service,

where the Terminal Users shall be notified of the exact dates of performing the Maintenance works no later than 60 days prior to the commencement of the works;

3. the Operator shall have the right to perform regular maintenance works concerning the dry bulk jetty, in accordance with maritime regulations and in cases where the safe operation of the 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 maintenance works when regulatory and statutory surveys and/or when scheduled maintenance is taking place on the transmission system in accordance with the announced annual maintenance schedule of the transmission system operator;

2. perform the maintenance works 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 Maintenance works which shall be performed after the Terminal Users are notified in accordance with these Rules.

(4) Extraordinary maintenance works that cause a suspension in LNG regasification or limit the contracted service may only be performed if the failure could result in a risk to human life and health, material damage or environmental pollution.

(5) The Operator shall provide a written notice to the Terminal Users of the extraordinary maintenance works, immediately after learning that such works are required.

(6) The Terminal Users shall take into account the regular and extraordinary Maintenance works and shall cooperate in good faith with the Operator to adjust their approved annual and monthly service schedules to the Maintenance works.

(7) The Operator shall, in case of extraordinary maintenance, be liable for any damage to the Terminal Users in accordance with Annex I to these Rules.

### **XIII Changes and Limitations of the Terminal Operation**

#### **Article 67**

(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 Natural gas quality specification in the tanks of the floating storage and regasification unit does not comply with the Natural gas quality specification or is approaching the lowest allowable level of the Natural gas quality specification, where the Operator has the right to discharge such LNG from the 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 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 quantity 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 sent out 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 quantity, 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 is 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.

### **Article 68**

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

(4) In the event of damage under paragraph 1 of this Article, the Terminal User or the Operator, depending on who is responsible for the incurred damage, shall indemnify other Terminal Users or the Operator in accordance with Annex I to these Rules.

### **Limitation or Suspension of LNG Regasification Services**

#### **Article 69**

(1) The Operator shall have the right to limit or suspend the provision of the LNG regasification service 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 service 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) In the event of a limitation or suspension of the LNG regasification service due to circumstances attributable to the liability of the operator, the Operator shall be liable for the damage incurred to the Terminal Users in accordance with Annex I of these Rules.

(6) The Operator shall have the right to suspend or limit the provision of the LNG regasification service 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.

(7) 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 Natural gas 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.

(8) In the case referred to in paragraph 7, 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.

(9) In the case referred to in paragraph 7, 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.

(10) In the case referred to in paragraph 7, 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 behavior of the Terminal User.

(11) 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 70**

(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 sent out, 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 term 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 gas 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 71**

The Operator shall hold the Terminal User's indemnified party harmless with regard to any and all damage, i.e. compensate for such damage in accordance with the conditions defined in Annex I to these Rules.

### **Article 72**

The Terminal User shall hold the Operator's indemnified party harmless with regard to any and all damage, i.e. compensate for such damage in accordance with the conditions defined in Annex I to these Rules.

## **XVI Publication of Information and Information Exchange**

### **Operational Cooperation**

#### **Article 73**

(1) The Operator and the transmission system operator shall conclude the agreement referred to in Article 7, paragraph 4 of these Rules no later than the start 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.

### **Publishing of Information**

#### **Article 74**

(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 LNG Regasification 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. 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 publish on its website information in accordance with the GLE Transparency Template at the instruction of Gas Infrastructure Europe.

(4) The Operator shall provide all stakeholders with access to information regarding the LNG regasification services and the non-standard services.

(5) 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.

(6) 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 75**

(1) For the purposes of data exchange through the Terminal 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 Operator's information platform to the Terminal User.

(3) Requests, notifications and/or information submitted in accordance with Article 74 paragraph 5 of these Rules shall be considered properly submitted if they are submitted on behalf of the Terminal User by the person appropriately authorized 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 76**

(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 77**

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 78**

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

### **ANNEX I GENERAL TERMS AND CONDITIONS OF LIQUEFIED NATURAL GAS TERMINAL USE**

## **Subject of the General Terms and Conditions**

### **Article 1**

The subject of these General Terms and Conditions is to define the mutual rights and obligations of the Operator and Terminal Users and to set out the Terms and Conditions applicable to the provision of the Operator service.

### **Definitions**

#### **Article 2**

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

### **Conclusion of the Terminal Use Agreement**

#### **Article 3**

(1) In order to obtain the Operator services, the 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:

- information on the energy entities concluding the Terminal Use Agreement;
- the LNG regasification capacity allocated to the Terminal User for an individual gas year during the Terminal Use Agreement,
- duration of the Terminal Use Agreement and
- other terms as may be agreed between the Operator and the Terminal User.

### **Rights which Arise 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 energy, energy activity regulation, the gas market, the Rules and the Terminal Use Agreement.

## **Terminal User's Rights and Obligations**

### **Article 6**

(1) Terminal User has the right to:

1. access the Terminal in accordance with the provisions of the laws governing the gas market, the Rules and the Terminal Use Agreement.
2. use the contracted service in accordance with the Rules and the Terminal Use Agreement.
3. trade in unused capacities on the secondary market in accordance with the provision of these 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 payment security instrument in accordance with these General Terms and Conditions;
- ensure the technical conditions to communicate with the Operator;
- submit to the Operator the Credit Support in accordance with these General Terms and Conditions;
- ensure that the LNG delivered is in accordance with the LNG quality specification;
- use the services in accordance with the approved service schedules;
- use the Terminal services in accordance with the technical conditions of the Terminal;
- notify the Operator about any changes in the circumstances that could lead to termination of the Terminal Use Agreement or that pertain to the implementation 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;

- ensure the transmission system capacity or the gas supplier to take over the gas from them at the exit from the Terminal which is also the entry into the transmission system in accordance with the Rules, and
- guarantee the confidentiality of confidential information that have 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, these General Terms and Conditions and the Terminal Use Agreement.

### **Terminal Use Fee**

### **Article 9**

- (1) The Terminal User shall pay to the Operator a Terminal use fee.
- (2) The Terminal User shall pay the Terminal use fee referred to in paragraph 1 of this Article regardless of whether they have actually used the LNG regasification service that corresponds to the contracted LNG regasification capacities.
- (3) The Terminal use fee is defined and calculated pursuant to the Methodology for the Determination of the Tariff Items for the Unloading and Send Out of Liquefied Natural Gas and the Decision on the Amount of Tariff Items for the Unloading and Send Out of the Liquefied Natural Gas adopted by the Agency.
- (4) 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 for the Determination of the Tariff Items for the Unloading and Send Out of Liquefied Natural Gas adopted by the Agency.
- (5) If the decision on the amount of tariff items for liquefied natural gas regasification services referred to in paragraph 3 of this Article is amended so that it materially affects the economic or commercial provisions of the Terminal Use Agreement, the Parties to the Agreement shall act in accordance with Article 46 of these General Terms and Conditions.

### **Article 10**

- (1) The Terminal User shall pay a Terminal use fee to the Operator based on the non-standard services of the Operator which were provided to them.
- (2) The price of non-standard services of the Operator shall be determined in accordance with the Methodology for the Determination of Price of Non-standard Services for Gas Transmission, Gas Distribution, Gas Storage, Unloading and Send

out of the Liquefied Natural Gas and the Public Service of Gas Supply adopted by the Agency.

(3) If the circumstances that materially affect the economic or commercial provisions of the contracted non-standard services are changed, the Parties shall act in accordance with Article 46 of these General Terms and Conditions.

### **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 deliver to the Terminal User an invoice for the services provided in the previous month no later than the 15th day of the current month.

(2) The invoices issued by the Operator shall be settled by the Terminal User within 15 days from the date on which the Operator issued the invoice.

(3) If the last day of the deadline referred to in paragraph 2 of this Article falls on a non-working day, the following working day shall be counted as the last day of the deadline.

(4) The payment obligation shall be deemed to have been affected on the date on which the money is posted on the Operator's account.

(5) All invoices shall be issued through the Terminal Operator's Information System.

(6) By concluding the Terminal Use Agreement, the Terminal User agrees to the invoicing method referred to in paragraph 5 of this Article.

(7) In case the Terminal 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 registered mail or courier service.

(8) The payment due date shall start on the invoice date indicated on the invoice.

(9) 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.

### **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) The Terminal User shall indicate the items and reasons for contesting the invoice and indicate the contested amount.

(3) 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 10 days.

(4) The Operator and the Terminal User (hereinafter: Parties) shall attempt to reach a written agreement in good faith within a period of 10 calendar days from the date on which the Terminal User received the Operator's reply, i.e. after the expiry of the deadline for the submission of the reply in accordance with paragraph 2 of this Article.

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

(6) 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.

(7) The notice of inconsistency of the invoice referred to in paragraph 1 of this Article shall not postpone the payment of outstanding liabilities according to the invoice received.

#### **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 or the termination of 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 Operator shall not be responsible for the costs and expenses incurred to a third party by the Terminal User, including any and all customs and/or import duties, excise duties, transportation tax or other taxes in connection with LNG, tugs, port fees 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 Users based on the Terminal Use Agreement and the obligations resulting from its termination, the



Terminal User shall provide the credit support to the Operator in accordance with these General Terms and Conditions.

(2) The credit support shall be valid and in force for the entire period of the agreement for which the LNG regasification services have been contracted, from the date of entry into force of the Terminal Use Agreement, as defined in the Terminal Use Agreement and at least 60 days after the expiry of the Terminal Use Agreement or after the fulfilment of all obligations of the Terminal User in the event of termination of the Terminal Use Agreement (hereinafter: credit support period).

(3) By way of derogation from paragraph 2 of this Article, for the agreements concluded after finalizing the Open Season process, which are carried out prior to the planned start of Terminal operation, the credit support shall be submitted in accordance with the rules for the implementation of the binding capacity booking phase, i.e. no later than six months prior to the operation of the Terminal and shall be renewed before each gas year during the Terminal Use Agreement in accordance with Article 19 of these General Terms and Conditions.

(4) The bid credit support submitted when submitting the bid in the Open Season process shall be valid until the moment of submitting the credit support referred to in paragraph 3 of this Article.

(5) 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 contracting during the Annual capacity booking, i.e. in the Open Season process 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 50% of the total fees for use of the Terminal plus VAT (if VAT is applicable) for the next 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; or

2. an unconditional and irrevocable bank guarantee payable “on first demand” and “without objection” from a bank acceptable to the Operator, with its contents acceptable to the Operator, issued for the period of validity of at least 60 days after the expiry of the next 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.

(5) In the case of contracting the LNG regasification services in the annual LNG regasification capacities booking, the Terminal User shall submit the credit support no later than 15 days prior to the beginning of the gas year in which the service was contracted.

(6) It is considered that the Terminal User has provided the credit support when the Operator at the address of the head office receives the original of the corporate guarantee, the bank guarantee, i.e. when the funds are posted to the deposit account and the Operator can dispose of such funds.

(7) The Operator shall return the credit support to the Terminal User at his request, provided that the Terminal User has duly fulfilled all his obligations under the Terminal Use Agreement and in connection with the Agreement.

(8) The provisions on the credit support for the services contracted in the annual LNG regasification capacities booking are applied *mutatis mutandis* to the Open Season process.

## **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 the contracted 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 euro (if the Terminal User has a registered seat outside the Republic of Croatia), or in Kuna (if the Terminal User has a registered seat in the Republic of Croatia), by depositing cash to the Operator's deposit bank account; or

2. an unconditional and irrevocable bank guarantee payable “on first demand” and “without objection” from a bank acceptable to the Operator, with its contents acceptable to the Operator, issued for the period of validity of at least 60 days after the expiry of the contracted service.

(3) The Terminal User shall submit the credit support no later than 15 days after signing the Terminal Use Agreement in the case of Short-Term Capacity Booking.

### **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 15 days from the date of the rating change.

(2) For the purpose of Articles 16 and 17 of these General Terms and Conditions, in the event that a financial institution providing the credit support ceases to be acceptable to the Operator, the Terminal User shall, at the request of the Operator, submit new credit support within 15 days for the same amount, terms and content acceptable to the Operator issued by a financial institution acceptable to the Operator.

### **Article 19**

(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.

(2) The procedure referred to in paragraph 1 of this Article shall be repeated throughout the credit support period so that for the entire credit support period the Operator holds a valid bank guarantee in accordance with the agreed terms.

(3) The bank guarantee shall be issued in written form in the Croatian language and Latin script. If the User submits a bank guarantee in a foreign language, a certified translation to the Croatian language of the bank guarantee shall be provided.

(4) In the case that the new bank guarantee is not issued within the deadline referred to in paragraph 1 of this Article or if the financial institution issuing the credit support is no longer acceptable to the Operator, 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.

(5) For the avoidance of doubt, the Operator shall not pay to the Terminal User any interest on the deposit referred to in paragraph 4 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 authorized to use it under the same conditions under which the Operator is authorized to use the credit support under these General Terms and Conditions.

(6) If 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 the manner and within the deadlines provided in 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 business days. This is without prejudice to the remaining rights of the Operator on the basis of the Terminal Use Agreement, these General Terms and Conditions or the Rules, and in particular to the right to claim damages from the Terminal User incurred by the Operator as a result 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 to the extent in which such damage is incurred based on or in connection with the Terminal Use Agreement and which have been caused by the Operator, 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 to the extent in which such damage is incurred based on or in connection with the Terminal Use Agreement and which have been caused by the Operator, 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**

(1) The party entitled to indemnification in accordance with Articles 21 and 22 of these General Terms and Conditions shall immediately inform the other party that is liable to compensate for any claim for damages to be indemnified.

(2) The notification referred to in paragraph 1 of this Article shall be submitted no later than 30 days after the Party is gains knowledge of the damage arising from the provisions of Articles 21 and 22 of these General Terms and Conditions.

(3) The party entitled to compensation shall have the right to contest, defend and initiate litigation (and to engage legal counsel of own choice with regard to the aforementioned) in connection with any claim, action, lawsuit or proceeding by any other party claiming or against which it is claimed, and that results from any matter in respect of which they are entitled to indemnification, while reasonable expenses shall be subject to such indemnification, provided that the party who liable for indemnification of the other party shall have the right to take over and control the defence with regard to such claim, action, lawsuit or proceeding at own expense and through legal counsel of own choice.

(4) No party entitled to indemnification shall be liable to settle the claims, actions, lawsuits or proceedings concerning which they are entitled to indemnification by the other party without prior written consent of the other party liable for indemnification if such other party meets the requirements referred to in this Article whose consent shall not be unreasonably withheld or deferred.

## **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 actions by the Operator or its Affiliates 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 actions by the Operator or its Affiliates 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 willful 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 Operator'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 50,000.00 (fifty thousand Euros) per day towards all Terminal Users; and
2. an amount equal to EUR 20,000,000.00 (twenty million Euros) 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 Article 49. 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 m<sup>3</sup> 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 m<sup>3</sup> and 110,000 m<sup>3</sup> 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 m<sup>3</sup> 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 master/commander, 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 m<sup>3</sup> 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 m<sup>3</sup> and 110,000 m<sup>3</sup> 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 m<sup>3</sup> 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) Any party shall compensate for any direct losses incurred due to the acts or omissions of the other party in the event of extraordinary maintenance work due to the fault of such other party, unless exceptional maintenance work is required due to force majeure.

(2) In all cases, compensation for demurrage shall be paid within 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.



(3) All claims for demurrage shall be submitted to the other Party within 180 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.

(4) For each failure by the Terminal User to comply with the arrival period specified in the monthly service schedule approved, 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 due to own fault.

(5) The Operator shall indemnify any Terminal User for failure to comply with the arrival window in accordance with the approved monthly service schedule, for reasons attributable to the Operator, unless such disregard is the result of actions by the Operator or its omission or other circumstances in accordance with the Rules, the General Terms and Conditions and/or the Terminal Use Agreement, which the Operator and/or Operator's indemnified party could not have foreseen and/or controlled due to own fault.

(6) 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 omission 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 have foreseen and/or controlled due to own fault.

(7) For each failure to enable unberthing from the Terminal and/or allowing departure for the Terminal and/or departure from the port of the LNG Carrier, the Terminal User shall indemnify the Operator for any damages incurred to the Operator, except when such failures are a result of the Operator's actions or 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 have foreseen and/or controlled due to own fault.

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

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

(10) If the Terminal User fails to sign and submit to the Operator a signed copy of the Terminal Use Agreement within the deadline in accordance with the provisions of the Rules, then the Terminal User shall be liable to pay the Operator as follows:

$$P = \frac{Q \times \mu \times H}{1000} \times \text{LNG Regasification Services tariff (EUR/MWh)}$$

Where:

Q – 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 LNG Regasification Capacity Booking), m3 LNG

H – forecasted lower heating value of natural gas (kWh/m3 natural gas) determined by the Operator

$\mu$  – forecasted LNG expansion coefficient (m3 LNG/ m3 natural gas) determined by the Operator.

(11) 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 Indemnity**

#### **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 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 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 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) Force majeure means any event and/or circumstance whose occurrence and influence is beyond reasonable control of the Parties, and the effects of which cannot be prevented or avoided by acting and due care of a prudent Operator, i.e. Prudent Terminal User, whereby a Force Majeure Event prevents any of the Parties (fully or in part) from fulfilling the obligations to the other party, in accordance with the Terminal Use Agreement.

(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 ionizing 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);
- nationalization, confiscation, expropriation, compulsory acquisition, arrest or restraint of any assets (including the Floating Storage and Regasification Unit) by any competent authority.

### **Article 33**

(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 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 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 endeavors 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 34**

(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 endeavors to mitigate the effects of a Force Majeure Event and resume performance as soon as reasonably practicable, and to the extent in which the Affected Party fails to use reasonable endeavors 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 endeavors.

(2) During the Force Majeure Event when the Operator is the Party affected by force majeure, the Terminal User shall continue to pay the LNG regasification capacity fee to the Operator proportionally to the LNG regasification services actually provided.

(3) During the Force Majeure Event when the Terminal User is the Party affected by force majeure, the Terminal User shall continue to pay the LNG regasification capacity fee to the Operator in the full amount for the first 30 days after the occurrence of the Force Majeure Event, in the amount of 75% of the full amount for the next 30 days, and in the amount of 50% of the full amount for the remaining duration of the Force Majeure Event.

(4) 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 a 30 day notice to the Affected Party, and the consequences of such termination shall be as set out in Article 41(6) of these General Terms and Conditions.

(5) In order for the Party unaffected by force majeure to have the right to terminate the Terminal Use Agreement, in addition to the conditions provided for in paragraph 4 of this Article, in the event of force majeure the Party shall be prevented from uninterrupted use of the LNG regasification capacity in the amount of at least 30% of the contracted LNG regasification capacity for that gas year, in accordance with the Terminal Use Agreement.

(6) In the case of a Force Majeure Event, to the extent not regulated by these General Terms and Conditions, the Parties shall have rights and obligations as envisaged under the regulations governing the energy sector and regulations governing civil obligations.

(7) 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.

(8) The consequences of terminating the Terminal Use Agreement in accordance with paragraph 5 of this Article, except in the cases referred to in Article 41(2) and (4) of these General Terms and Conditions, shall be as set out in Article 41(6) of these General Terms and Conditions.

## **Suspension of Services**

### **Article 35**

(1) The Operator may terminate the provision of all services subject to these General Terms and Conditions if the Terminal User has not for more than 30 days settled two successive invoices submitted for the use of the Terminal in accordance with Article 9 of these General Terms and Conditions or there is a longer infringement of the payment obligation by the Terminal User or if the Terminal User has failed to renew the credit support in accordance with these General Terms and Conditions. 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 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 36**

(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 to 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, whereby the Terminal User shall be liable to the Operator for the incurred damages up to the amount of EUR 10,000,000.00 (ten million euros).

(4) In the event of a limiting or terminating of the service provision due to the circumstances attributable to the liability of the Operator and for which the Operator is liable in accordance with these General Terms and Conditions, the Rules and the Terminal Use Agreement, whereby damage is incurred to the Terminal Users, the Operator shall bear the costs incurred to the Terminal Users as a consequence of limiting or terminating of the service provision.

(5) In the case referred to in paragraph 4 of this Article, the Operator shall be liable to the Terminal Users up to the amount of actual damages, and up to the total amount of EUR 10,000,000.00 (ten million euros) to all Terminal Users to which damage was incurred. In the case referred to in this Article, the Terminal User to which damage was incurred shall have the right to an aliquot against the total LNG regasification capacity contracted for the gas year in which the damage occurred.

(6) 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.

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



### **Article 37**

(1) During maintenance of the Terminal, the Operator shall have the right to partially or totally suspend the Services, as specified in Article 66 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 Article 67. 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.

(4) The Terminal User shall not pay a Terminal use fee in case of regular maintenance works concerning the dry docks and extraordinary maintenance works, for the period in which the Terminal did not provide the contracted services and in the amount of the LNG regasification capacity that was not available to the Terminal User.

### **Duration and cessation of the Terminal Use Agreement**

#### **Article 38**

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

#### **Article 39**

(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 33 of these General Terms and Conditions;
3. after the expiration of the 30-day period when the Terminal User is notified of the suspension in service provision due to failure to pay the Terminal fee if the reasons for the suspension have not been eliminated,
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 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. if the Terminal User fails to provide or renew the credit support in accordance with Articles 15–20 of these General Terms and Conditions;

6. 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 60 days of receiving notice from the Operator requiring it to do so;

7. 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 10 days of delivery of termination notice; 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;

8. if the Terminal User does not pay any amount that is due on or that concerns the Terminal Use Agreement after the Operator has provided an additional period and has requested the Terminal User to fulfil the obligations they failed to fill them in the subsequent period.

#### **Article 40**

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 33 of these General Terms and Conditions;

3. 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 If the prescribed period elapses and the Operator does not remedy the situation, the Terminal Use Agreement shall be deemed terminated by virtue of law;

4. if, in any calendar year of the Terminal Use Agreement, the Operator's aggregate liability towards all Terminal Users for failure to provide Services exceeds EUR 10,000,000 (ten million Euros), 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 41**

(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 39(2) points 1 and 2 or Article 40 points 1, 2, 3 and 4 of these General Terms and Conditions. The aggregate, cumulative, overall liability of the Terminal User towards the Operator, based on or in connection with such termination of the Terminal Use Agreement shall in no case exceed EUR 20,000,000.00 (twenty million Euros). The limitation of liability referred to in this paragraph shall not apply in the case of wilful misconduct or gross negligence of the Operator. 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 33(6) 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 paragraph 1 of this Article.

(3) If termination of the Terminal Use Agreement takes place before the Service End Date in accordance with Article 39, points 3 and 4 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, overall liability of the Operator towards all Terminal Users based on or in connection with such termination of the Terminal Use Agreement, shall in no event exceed the amount equal to EUR 20,000,000.00 (twenty million Euros), 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 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 33(6) 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 as if the Agreement had remained in force.

(6) If the termination of the Terminal Use Agreement occurs prior to the expiry of the Service End Date pursuant to Article 34(3) 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 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 42**

The Operator shall be responsible for taking out and maintaining 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 43**

The Terminal User shall be responsible for taking out and maintaining, at its own expense, 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 Notifications**

### **Article 44**

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 45**

(1) Trading in the LNG regasification capacity in the secondary market is possible in accordance with Articles 21 to 24 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 of the transferability of rights under the Terminal Use Agreement referred to in the preceding paragraph of this Article shall not apply if the Operator cedes the claim towards the Terminal User under the Terminal Use Agreement to third parties for the purpose of ensuring the financing of the Terminal.

### **Stability of the Provisions of the Terminal Use Agreement**

#### **Article 46**

(1) If during the validity of the Terminal Use Agreement the provisions of the laws and other regulations that were in force at the time of entering into the Terminal Use Agreement are modified or amended, that substantially affect the economic or commercial provisions of the Terminal Use Agreement or on other essential interests of the parties to the agreement, the parties to the agreement shall enter into negotiations for the purpose of modifying or amending the Terminal Use Agreement to ensure the balance of interests and planned economic outcomes of the parties to the agreement that existed at the time of concluding the Terminal Use Agreement and which are in accordance with the provisions of the concluded Terminal Use Agreement.

(2) The provision of paragraph 1 of this Article shall not apply in the event of amendments to the laws and other regulations regulating employment relations, nature and environment protection, human health protection, occupational health and safety, protection of people and property safety.

(3) If the parties do not reach an agreement in accordance with the provisions of paragraph 1 of this Article, the Terminal User shall have the right to terminate the Terminal Use Agreement in accordance with Article 40 of these General Terms and Conditions.

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

### **Article 47**

(1) The Terminal Use Agreement and the Joint Terminal Use Agreement and any dispute or claim arising out of or in connection with them shall be governed by and construed in accordance with the Croatian law, excluding the application of conflict-of-law rules that would refer to the application of the law of another state.

(2) The Agreements referred to in paragraph 1 of this Article shall be concluded in the Croatian and English language, and the Croatian version shall be the governing version.

## **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 the arbitration rules of the International Court of Arbitration (ICC Rules), and the arbitration panel shall consist of three arbitrators.

(2) The arbitration clause referred to in this Article shall be governed by Croatian law.

(3) Nothing in this Article shall prevent or exclude the Terminal User from using any legal remedies arising from mandatory provisions of Croatian law (such as the legal remedies concerning the protection against unlawful practice of the Operator, provided for in the relevant provisions of the law governing the gas market and regulations governing the energy activity regulation.

## **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 and in the case of Allowable Loss of LNG.

(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 quantity of natural gas remaining in the Terminal connecting pipeline, necessary to maintain uninterrupted Terminal operation.
- (6) The quantity of natural gas in the Terminal, belonging to each Terminal User and the Operator, shall be accounted individually.
- (7) The quantity 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 authorized representative exercising the right of ownership with regard to the cargo);
  - Cargo quantity measurement data in the LNG Carrier's tanks before and after the Cargo Discharge;

- volume of LNG (m<sup>3</sup>) in the LNG Carrier's tanks prior to and after Cargo Discharge;
- temperature of LNG in the LNG Carrier prior to LNG Discharge;
- LNG density determined at the temperature specified in the previous item;
- average lower heating value of the LNG, and quality parameters;
- quantity of natural gas returned to the LNG Carrier during LNG Discharge, and calculation thereof;
- quantity of natural gas consumed by the LNG Carrier during the LNG Discharge, and calculation thereof;
- quantity of natural gas consumed by the LNG Carrier during transportation of the LNG, and calculation thereof;
- quantity of LNG unloaded to the Terminal, in units of energy (kWh), volume (m<sup>3</sup>) and mass (kg).

(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 quantity of LNG in units of energy (kWh) and volume (m<sup>3</sup>).

#### **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 quantity of LNG that was actually discharged from the LNG Carrier into the Terminal. After remooring the LNG Carrier, the remaining LNG quantity 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 in 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 quantity 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 quantity of LNG nominated for regasification on the Gas Day shall be considered equal to the quantity specified for a respective Gas Day in the latest approved Monthly Schedule, or the Annual Schedule.



(2) The total actual quantity 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 quantity of natural gas regasified at the Terminal per Gas Day for a respective Terminal User (kWh);

$D^P$  – is the total quantity 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 quantity in units of energy (kWh) shall be calculated according to the following formula:

$$E = V_{SGD} \times d \times Hm$$

Where:

$E$  – is LNG quantity expressed as energy (kWh);

$V_{SGD}$  – is LNG quantity 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;

$Hm$  – is the average lower heating value of LNG (kWh/kg).

(2) The regasified natural gas quantity in units of energy (kWh) shall be calculated according to the following formula:

$$E = V_{GD} \times Hm$$

Where:

$E$  – is the LNG quantity expressed as energy (kWh);

$V_{GD}$  – is the natural gas quantity expressed in units of volume ( $m^3$ );

$Hm$  – is the average lower heating value of the LNG ( $kWh/m^3$ ).

(3) The LNG quantity expressed in units of mass (kg) shall be calculated according to the following formula:

$$M = V_{SGD} \times d$$

Where:

$M$  – is LNG quantity expressed in units of mass (kg);

$V_{SGD}$  – is LNG quantity 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 quantity expressed in units of mass (kg) shall be calculated according to the following formula:

$$M = V_{GD} \times d$$

Where:

M - is the quantity of natural gas expressed in units of mass (kg);

$V_{GD}$  – is the natural gas quantity expressed in units of volume ( $m^3$ );

d – is the average LNG density ( $kg/m^3$ ).

### Article 8

During the inspection of the measurement equipment installed in the GMS or, when a GMS malfunction is identified, the quantity 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 quantity 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 quantity 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 quantity of LNG consumed per Gas Day for the technological needs of the Terminal (kWh),

$K^0$  – is the quantity of LNG in the Terminal at the beginning of the Gas Day (kWh);

$K^1$  – is the quantity of LNG in the Terminal at the end of the Gas Day (kWh),

$P^P$  – is the quantity of LNG accepted into the Terminal per Gas Day (kWh),

$D^P$  – is the quantity of natural gas regasified in the Terminal per Gas Day (kWh).

(2) The Allowable loss shall be determined pursuant to the following formula:

$$DG^G \leq 0,02 \times P^G$$

Where:

$G^G$  – is the Allowable loss per Gas Year (kWh);

$P^G$  – is the quantity of LNG accepted into the Terminal per Gas Year (kWh).

(3) The Unallowable loss shall be determined pursuant to the following formula:

$$NG^G = G^G - DG^G$$

Where:

$NG^G$  – is the Unallowable Loss per Gas Year (kWh);

$G^G$  – is the Total Gas Loss per Gas Year (kWh),  
 $DG^G$  – is the Allowable Loss per Gas Year (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 quantity 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 quantity 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 quantity 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 quantity 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 quantity 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 quantity 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 quantity is planned to be accepted to the Terminal from a respective Terminal User, and such quantity has been approved by the Operator, It is the difference between the adjusted LNG quantity planned to be accepted into the Terminal to a respective Terminal User and the respective LNG quantity 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 quantity accepted to the Terminal to the respective Terminal User is approved by the Terminal Operator, the difference between the actual LNG quantity accepted to the Terminal to the respective Terminal User and the last planned respective LNG quantity of the respective Terminal User used for the purpose of calculating the virtually stored LNG quantity, given the situation defined in  $P_{Pi}$ .

$A_i$ – is the quantity 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 quantity 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 quantity has been accepted into the Terminal, or if a Terminal User has already been using the LNG Regasification Services and the remaining quantity 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 quantity accepted to the Terminal for the purpose of calculating the virtually stored LNG quantity 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 quantity 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 quantity 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 quantity, the next up LNG quantity 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 quantity 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:

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

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 quantity 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:

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

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 (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,

$P_i^G$  - the total annual gas quantity accepted at the terminal for each user (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 quantity 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 quantity 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 quantity 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 allocated to the respective Gas Days during which the LNG Discharge for the Terminal Users was taking place, in accordance 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 quantity 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:

$$C_i = NG_i^P * W$$

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

cargo storage, i.e. the actual quantity 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 quantity, 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 LNG amount shall include the regasified LNG quantity attributable to the LNG borrower, the Total gas loss of the Terminal attributable to the regasified LNG quantity, 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 business day the Operator shall determine the actual quantity 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 quantity due to a respective Terminal User at the end of a Gas Day (kWh);

$K_i^0$  – is the LNG quantity 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 quantity of LNG discharged into the Terminal per Gas Day to the respective Terminal User (kWh);

$D_i^P$  – is the LNG quantity 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 business day the Operator shall send by e-mail a Report of natural gas accounting, indicating the LNG quantity owned by a respective Terminal User at the beginning and at the end of the Gas Day, the LNG quantity that has been accepted to the Terminal, and the quantity 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) business 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 quantity owned by the respective Terminal User over the reporting month, the LNG quantity which was accepted to the Terminal, the regasified quantity, the Total Gas Loss of the Terminal User as well as inventory results attributed to the respective Terminal User, which must be signed by the Terminal User within 3 (three) business days following the Report date.

(3) Upon the expiry of the Gas Year, during the first 10 (ten) business 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 quantity 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 extraordinary inventory to be 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 business 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 quantity 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 quantity to which they are entitled during the inventory period, according to the following formula:

$$N_i = N \times \frac{D_i^P}{\sum_i^n D_i^P}$$

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);

$D_i^P$  - is the quantity 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 quantity to which they are entitled at the beginning of the Gas Day, according to the following formula:

$$N_i = N \times \frac{K_i^0}{\sum_i^n K_i^0}$$

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 quantity 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 quantity 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 quantity in the calculation documents shall be decreased adequately to the 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 acceptance document for this quantity, which shall be signed by the Operator and the representatives of the Terminal User.

2. The LNG quantity in the calculation 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 acceptance document for this quantity, which shall be signed by the Operator and the representatives of the Terminal User.

3. The virtually stored LNG quantity 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 quantity of natural gas lost during the accident or failure, and the quantity 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 entire quantity of natural gas lost as the result of an accident or failure shall be assigned to Terminal Users, in proportion to their LNG quantity in the Terminal at the beginning of the Gas Day when the accident or failure occurred, and calculated according to the formula provided below:

$$A_i = A \times \frac{K_i^0}{\sum_i^n K_i^0}$$

Where:

$A_i$  - is the quantity of natural gas lost during the accident or failure, assigned to the respective Terminal User (kWh);

$A$  – is the Total quantity of natural gas lost during the accident or failure (kWh);

$K_i^0$  – is the quantity of LNG intended for a respective Terminal User at the beginning of the Gas Day when the accident or failure occurred (kWh),

$i \in [1; n]$ ;

$n$  – is the number of the Terminal Users.

2. The natural gas quantity in the accounting documents shall be reduced adequately with regard to the quantity 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 quantity, 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 quantity 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 quantity 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 quantity not regasified as the result of the accident or failure shall be calculated as the difference between the actually regasified LNG quantity and the LNG quantity 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:

$$S = \sum_i^n U_i^A - D^A$$

Where:

$S$  – is the LNG quantity non-regasified as a result of the accident or failure (kWh);

$U_i^A$  - is the LNG quantity requested to be regasified in the period between the accident or failure, and the complete recovery of the Terminal operation, in view of the quantity of LNG to be regasified according to the Monthly Schedule,

$D^A$  - the LNG quantity 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 quantity during the accident or failure shall be reimbursed according to the procedures established by the Rules, the General Terms and Conditions and the Terminal Use Agreement.

### **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.