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**Rules of Operation of the LNG Terminal (OG 60/18, 39/20, 136/20)**

**Unofficial consolidated text**

**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) specifically regulate the description of the liquefied natural gas terminal (hereinafter: Terminal), the development, construction and maintenance of the Terminal, the operation of the Terminal, the contractual relationships and the general terms and conditions of the Terminal use, the booking and use of the Terminal's capacities, the rules of measuring and rules of allocation, data publication and information exchange, indemnification and the rules of selling LNG or natural gas of the Terminal Users in an open procedure.

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

(3) These Rules have been developed and shall apply according to the general principles of transparency, non-discrimination of Terminal Users, the Terminal safety and reliability, as well as the technical and economic efficiency of the Terminal operation.

(4) The Operator, Terminal User and other energy operators, i.e. participants in the gas market intending to become users of the Terminal, shall be obliged to apply these Rules.

**Definitions**

**Article 2**

(1) The terms used in these Rules shall have the meanings defined by regulations governing energy, energy-related activities and the gas market.

(2) In addition to the terms referred to in paragraph 1 hereof, certain terms in these Rules shall have the following meaning:

1. *LNG Carrier* – vessel intended for the transport of LNG nominated by the Terminal User for the discharge of LNG to the Terminal, which shall be in all respects compatible with the Terminal, be in compliance with applicable regulations and in relation to which the Operator shall have the right to perform inspections, supervision and give approval in accordance with these Rules.

2. *Daily Nomination* – announcement of a daily quantity of natural gas that a Terminal user intends to deliver at the Delivery Point on the following Gas Day.
3. *LNG Supplier* – legal entity supplying LNG to Terminal Users, which can also be a user of the Terminal.
4. *Allowed Laytime* – allowed time during which the LNG Carrier is at the moor of the Floating LNG Storage and Regasification Unit in accordance with these Rules.
5. *Loanable LNG Quantity* – quantity 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 users and the Joint Terminal Use Agreement.
6. *Allowable Gas Loss* – LNG loss at the Terminal which may amount to a maximum of 2% of the total received LNG quantities at the Terminal in accordance with Annex II of these Rules.
7. *Allowed Measurement Uncertainty* – maximum allowed deviation of LNG and regasified LNG quantities at measuring points, indicated in kWh, which may amount to a maximum of 1% of the measured quantities.
8. *Physical Storage* – LNG storage at the Terminal, starting from the completion of discharge of the cargo of a specific Terminal User to the Terminal, including natural gas losses, until the complete cargo off-take from the Terminal, in accordance with these Rules.
9. *Annual Capacity Booking* – process of long-term capacity booking for LNG for the following gas years, for a period of at least one to a maximum of 15 gas years, carried out in accordance with these Rules.
10. *Operator's Information System* – information system operated by the Operator, through which the Operator and Terminal Users can exchange data referring to the Service Schedule, nominations, operational instructions on the services provided, remaining LNG, borrowed and returnable LNG quantities, gas quality, as well as other important information.
11. *Quality and Quantity Report on the LNG discharge to the Terminal* – document confirming the LNG quantity discharged from an LNG Carrier to the Terminal calculated according to the procedure and terms prescribed in these Rules.
12. *Cargo Report* – cargo quality and quantity certificates issued by a competent person at the port of loading for the cargo loaded into an LNG Carrier.
13. *LNG Regasification Capacity* – LNG quantity, indicated in kWh, that a Terminal User is entitled to regasify using the LNG Regasification Service during a specific period in accordance with the approved Service Schedule.
14. *Control* – in respect of any entity, the ability to (directly or indirectly) manage that entity's affairs and/or control the composition of its management board or equivalent body, including via:
  - a) the ownership of or control over (directly or indirectly) fifty percent (50%) or more of that entity's capital shares with voting rights; or
  - b) the ability to manage at least fifty percent (50%) or more of the votes exercisable at an assembly of that entity in regard to all, or substantially all, matters; or
  - c) the right to appoint or remove directors of the relevant entity holding a majority of the voting rights at meetings of the management board (or equivalent body) of that entity on all, or substantially all, matters;

And “controlled” shall be interpreted accordingly.

15. *Terminal User* – gas trader or gas supplier that may be represented by the person authorized to represent the legal entity 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, piloting costs, towing costs and all other costs related to an LNG Carrier mooring at the Terminal or its cargo.

17. *LNG Heel* – minimum LNG quantity, indicated in m<sup>3</sup>, that must be constantly available in cargo tanks of the Floating LNG Storage and Regasification Unit and which shall be controlled by the Operator.

18. *Surveyor* – an independent expert hired by Terminal Users and/or LNG Supplier who boards the Floating LNG Storage and Regasification Unit to independently control and confirm 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.

19. *LNG Discharge Order* – request of the Terminal user to the Operator for a certain quantity of cargo to be discharged to the Terminal.

20. *Unallowed Gas Loss* – LNG loss at the Terminal in the quantity exceeding 2% of the total LNG quantities received at the Terminal, calculated in accordance with Annex II to these Rules.

21. *Unused Capacity* – LNG Regasification Capacity allocated to a Terminal User, which the Terminal User does not intend to use and/or fails to use in accordance with the approved Service Schedule.

22. *Adverse Weather and/or Metocean Conditions* – conditions which, according to the maritime study or 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 master and/or commander of the LNG Carrier estimates that it is not safe to moor the LNG Carrier at the Terminal location, or on the basis of which the master and/or commander of the Floating LNG Storage and Regasification Unit estimates that it is not safe to moor the LNG Carrier at the Terminal location.

23. *Off-Specification LNG* – LNG that does not conform to quality standards according to the LNG Quality Specification in accordance with these Rules.

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

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

26. *Approved Annual Service Schedule* – mandatory Annual Service Schedule in which, for each Terminal User, the projection of LNG regasification and dispatch capacities from the Terminal, as well as the arrival times of LNG Carriers with the indicated cargo quantities for the following gas year are indicated.

27. *Approved Monthly Service Schedule* – mandatory Monthly Service Schedule in which, for each Terminal User, the projection of LNG regasification and dispatch

capacities from the Terminal, as well as the arrival times of LNG Carriers with the indicated cargo quantities for the following month, are indicated.

28. *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.

29. *General Terms and Conditions* – conditions applied to the provision of the LNG Regasification Service and any non-standard service of the Operator, and which form an integral part these Rules as Annex I.

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

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

32. *Boil-Off Gas* – gas generated by LNG gasification in cargo tanks of the Floating LNG Storage and Regasification Unit.

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

34. *Pilot Station* – pilot boarding and debarking station or another prescribed location intended for waiting and boarding or debarking of the pilot to and from the LNG Carrier.

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

36. *Floating LNG Storage and Regasification Unit* – floating LNG storage and regasification unit with the ability of LNG redischage, or a FSRU vessel operated by the FSRU Operator.

37. *Applicant* – gas supplier, gas trader or existing Terminal User that has submitted a request for the allocation of the LNG Regasification Capacity.

38. *Affiliate* – in regard to any legal entity, any entity that controls, is controlled by, or is under joint control with such legal entity.

39. *Agent* – legal entity registered for the performance of maritime agency activities who, on behalf of the client, performs the maritime agency activities concerning the arrival and stay of LNG Carriers at the port, including the required administration of the LNG Carrier and its cargo.

40. *Open Season Process* – procedure of contracting the long-term LNG Regasification Service, carried out before the construction of the LNG terminal.

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

42. *Confirmed Reload* – a certificate of the Operator approving the Terminal User's request for loading certain LNG quantities from the Floating LNG Storage and Regasification Unit to the LNG Carrier.

43. *Returnable LNG Quantity* – LNG quantity to be returned by the LNG Borrower to the LNG Lender, which corresponds to the Borrowed LNG Quantity.

44. *Borrowed LNG Quantity* – LNG of the LNG Lender, including gas loss, that is lent to the LNG Borrower.

45. *Lesser Rule* – the rule applied at the exit from the Terminal which is also the entry to the transmission system, or at the Delivery Point in case of a difference in the quantity of Daily Nominations in the matching process.
46. *Estimated Arrival Window* – estimated time of arrival of an LNG Carrier at the Terminal.
47. *LNG Discharge* – discharge of cargo from an LNG Carrier to the Terminal.
48. *LNG Borrower* – Terminal User borrowing LNG from another Terminal User that is therefore the LNG Lender.
49. *Service Schedule* – 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 LNG Regasification Service conditions pursuant to the provisions of these Rules and the Technical Conditions of the Terminal.
50. *Reasonable and Prudent Operator* – entity acting in good faith with the intention of performing its contractual obligations under the Terminal Use Agreement and who, in this regard, in performing its business operations, exercises the level of skill, due diligence, prudence and foresight that would reasonably and ordinarily be expected from a skilled and experienced Operator complying with all conditions prescribed by applicable regulations and engaged in the same type of activity under the same or similar circumstances.
51. *Secondary Market* – market of allocated LNG Regasification Capacities and LNG quantities at the Terminal where Terminal Users trade with each other.
52. *Ship/Shore Safety Checklist* – document recording the procedure of controlling all the prescribed prerequisites for initiating LNG discharge, which is signed by the representatives of the LNG Carrier and the Terminal after the procedure is completed.
53. *Available Capacity* – LNG Regasification Capacity that has not been allocated and is available in accordance with the Technical Conditions of the Terminal.
54. *LNG Quality Specification* – quality specification of the LNG that may be discharged to the Terminal and/or stored in the Terminal tanks in accordance with these Rules.
55. *Standard Cargo Lot* – LNG quantity between 65,000 m<sup>3</sup> and 140,000 m<sup>3</sup> in accordance with these Rules.
56. *LNG Regasification Rate* – LNG quantity that can be regasified at the Terminal during one Gas Day, higher than the minimum allowed LNG Regasification Rate and lower than the maximum allowed LNG Regasification Rate in accordance with the Technical Conditions of the Terminal.
57. *Actual Laytime* – the exact time actually spent by an LNG Carrier to moor, discharge and depart from the Terminal.
58. *Damages* – collectively; all claims, liabilities, obligations, losses, deficiencies, penalties, actions, lawsuits, external and other costs and compensation of any kind, excluding loss of profit.
59. *Tariff* – LNG regasification tariff in accordance with the methodology used to determine the quantity of tariff items for LNG regasification.
60. *Technical Characteristics of the Terminal* – technical and operational specifications of the Terminal indicated in the Technical Conditions of the Terminal.
61. *Technical Capacity of the Terminal* – the maximum LNG Regasification Capacity that the Operator can contract with the Terminal Users based on the LNG

Regasification Service with regard to the Technical Characteristics of the Terminal, the technical abilities of the transmission system and other factors.

62. *Technical Conditions of the Terminal* – detailed description of the technical terms and conditions applied to the Terminal User and LNG Carriers, relating to approvals for ships to carry LNG, their arrival, mooring, berthing/unberthing and discharge procedures, and other conditions of Terminal use, which shall be adopted by the Operator.

63. *Cargo* – LNG quantity that will be discharged from an LNG Carrier to the Terminal.

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

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

66. *Unloading Point* – the point where the outlet flanges of the LNG Carrier unloading lines connect with the inlet flanges of the LNG loading lines of the Floating LNG Storage and Regasification Unit.

67. *Short-Term LNG Regasification Capacity Booking* – procedure during which the short-term LNG Regasification Capacity is allocated within one gas year, in the duration of at least one month until the end of the gas year, and the LNG Regasification Service is contracted when there are available slots and available capacities within that gas year, which is carried out after the completion of the Annual Capacity Booking procedure, in accordance with these Rules.

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

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

70. *Total Gas Loss* – LNG quantity, indicated in kWh, that includes the Allowable Gas Loss and Unallowable Gas Loss, calculated in accordance with Annex II to these Rules.

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

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

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

74. *LNG Lender* – a Terminal User that is the owner of the LNG it lends to another Terminal User that is therefore the LNG Borrower.

75. *Duly Approved Cargo* – approved cargo that complies with the LNG Quality Specification and whose discharge from the LNG Carrier to the FSRU may not exceed the maximum allowed limits for safe discharge, less the LNG quantity in the cargo tanks at the moment of discharge and plus the LNG regasified during LNG discharge from the LNG Carrier to the FSRU.

76. *Virtual Storage* – virtual/computer data on the storage and joint use of the Terminal, starting from the completion of the LNG discharge of a specific Terminal User to the Terminal and lasting until the complete LNG off-take from the Terminal, including proportional gas loss of the Terminal User.

77. *Internal use* – total internal use of LNG and/or natural gas by the Floating LNG Storage and Regasification Unit that includes LNG used as fuel and Boil-Off Gas
78. *Arrival Window* – a period of time assigned to an LNG Carrier to arrive at the Terminal.
79. *Terminal Capacity Congestion* – a situation in which the demand for the LNG Regasification Capacity exceeds the Technical Capacity of the Terminal or the Available Capacity.
80. *Request for Allocation of the LNG Regasification Capacity* – request submitted by a new and/or existing Terminal User to the Operator for the allocation of the available LNG Regasification Capacity and contracting of the LNG Regasification Service.
81. *Joint Terminal User* – Terminal User that has signed a Joint Terminal Use Agreement and is the owner of the delivered LNG, or borrows the LNG delivered by other Terminal Users.
82. *Joint Terminal Use Schedule* – a consolidated Terminal service use schedule prepared by the Terminal Operator.
83. *Joint Terminal Use* – simultaneous use of the LNG Regasification Service by several Terminal Users in accordance with these Rules.

## **II TECHNICAL CHARACTERISTICS AND TECHNICAL CONDITIONS OF THE TERMINAL**

### **Article 3**

- (1) The Terminal shall include the following:
1. LNG storage tanks, regasification units, flexible unloading lines for loading/unloading and other equipment at the Floating LNG Storage and Regasification Unit.
  2. A moor consisting of a dock and berth, a high-pressure loading/unloading arm and a high-pressure gas platform;
  3. Gas connection installation 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 shall be responsible for the design, construction, regular operation, management, development and maintenance of the Terminal in accordance with the regulations governing energy, energy-related activities and the gas market, and with these Rules.
- (3) The Operator shall perform the activities referred to in paragraph 2 hereof in order to ensure regular operation of the Terminal at the highest possible level of safety, reliability, availability and efficiency for Terminal Users.
- (4) The Operator shall prepare and publish on its website the Technical Conditions of the Terminal.



(5) The Terminal Users shall be obliged to comply with the Technical Conditions of the Terminal referred to in paragraph 4 hereof.

(6) If the Technical Conditions of the Terminal referred to in paragraph 4 hereof significantly change during the Terminal Use Agreement so that they affect the safety and commercial position of the Terminal User, the Terminal User shall have the right to cancel the agreed service in accordance with Annex I of these Rules.

### **III TERMINAL DEVELOPMENT AND CONSTRUCTION**

#### **Terminal Development and Construction Plan**

##### **Article 4**

(1) The Operator shall be obliged to complete all the activities required for the commissioning of the Terminal at the latest by the beginning of 2021.

(2) The construction deadlines may be changed in case of force majeure or in case of other circumstances outside of the control or responsibility of the Operator, which include the inability to connect to the transmission system.

## **Article 5**

- (1) The Operator shall be responsible for the operation, maintenance and development of the Terminal.
- (2) The development of the Terminal shall be carried out according to the Terminal development plan, which shall be adopted by the Operator according to the regulations regulating the gas market.

### **Commissioning, Management and Supervision of the Terminal**

## **Article 6**

- (1) The Operator shall be obliged to:
  1. At least every three months from the signing of the Terminal Use Agreement, inform Terminal Users of the construction dynamics and the expected start of the Terminal commissioning,
  2. Five months prior to the estimated Terminal commissioning date, inform the Terminal Users of the expected commissioning date, and
  3. Regularly update and provide information to Terminal Users in order for them to have timely information on the expected date of commencement of the provision of the contracted LNG Regasification Service.
- (2) The Operator shall be obliged to ensure regular operation, management, maintenance and supervision of the Terminal operation, taking into account the rights and obligations of Terminal Users, the transmission system operator, the FSRU Operator, the port and the competent port authority.

### **Connection to the Transmission System**

## **Article 7**

- (1) The Terminal shall be connected to the 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 regulations governing energy, energy-related activities and the gas market.
- (4) The Operator and the transmission system operator shall be obliged, in accordance with the Transmission System Network Code, to conclude an agreement regulating mutual rights and obligations in relation to the connected gas systems, including coordination when allocating the Terminal capacities and the transmission system capacities at the exit from the Terminal that is also the entry into the transmission system.

(5) The Operator shall be obliged to ensure timely exchange of data and information with the transmission system operator, in accordance with the rules on the exchange of data prescribed by the Transmission System Network Code adopted pursuant to the regulations regulating the gas market.

## **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 Service may be limited exceptionally in the cases prescribed by these Rules, including but not limited to Terminal Maintenance, Adverse Weather and/or Metocean Conditions and other reasons prescribed in Article 69 of these Rules.
- (3) In order for the Operator to ensure simultaneous provision of the LNG Regasification Service to all Terminal Users under equal conditions, the Terminal Users shall be obliged to conclude a Joint Terminal Use Agreement.
- (4) The Operator shall be obliged to conclude the Joint Terminal Use Agreement with all Terminal Users.
- (5) If after the Open Season Process, a new Terminal User contracts the LNG Regasification Service, the new Terminal User shall be obliged to sign a Joint Terminal Use Agreement.

### **LNG Regasification Service**

#### **Article 9**

- (1) The LNG Regasification Service represents 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 Service if the Terminal User had failed to provide:
  1. An LNG Carrier that 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 cargo within the Arrival Window of the LNG Carrier specified in the approved Service Schedule,
  4. Permitted LNG 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 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 in accordance with these Rules shall include:

1. Transfer of the LNG Regasification Capacity on the Secondary Market - seller's fee;
2. Transfer of the LNG Regasification Capacity on the Secondary Market - buyer's fee;
3. Recording LNG trade to a Terminal User for the LNG seller;
4. Recording LNG trade to a Terminal User for the LNG buyer;
5. Access to the Operator's Information System and creating a balance account for the buyer of the LNG Regasification Capacity on the Secondary Market who does not have a valid Terminal Use Agreement,
6. Monthly fee for managing the balance account for the buyer of the LNG Regasification Capacity on the Secondary Market who does not have a valid Terminal Use Agreement,
7. Sale of LNG or natural gas in an open procedure,
8. Emptying the tanks of the Floating LNG Storage and Regasification Unit.

(2) The price list of the Operator's non-standard services shall be adopted in accordance with the methodology used for determining the price of non-standard services adopted by the Agency.

(3) Non-standard services referred to in paragraph 1 hereof shall be charged on the basis of the price list for the Operator's 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 hereof.

(5) The Operator shall provide non-standard services taking into account the rights and obligations arising from the Joint Terminal Use Agreement, taking care that the provision of non-standard services does not affect the proper provision of the LNG Regasification Service.

## **V CONTRACTING THE LNG REGASIFICATION SERVICE AND LNG REGASIFICATION CAPACITY ALLOCATION**

### **Contracting the LNG Regasification Service**

#### **Article 11**

(1) The Operator shall perform the first contracting of the LNG Regasification Service via a non-discriminatory and transparent Open Season Process.

(2) The Operator shall, in the process referred to in paragraph 1 hereof, contract the LNG Regasification Service according to the LNG Regasification Capacity, indicated in kWh, for a period of at least one and at most 20 years, starting from the gas year 2020/2021.

(3) A gas supplier or gas trader that wants to use the Terminal shall be obliged to contract the LNG Regasification Service and conclude a Terminal Use Agreement and a Joint Terminal Use Agreement with the Operator and all Joint Terminal Users.

(4) After the Open Season Process in accordance with paragraph 1 hereof is completed, in case there is Available Capacity, the Operator shall contract the LNG Regasification Service within the Annual Capacity Booking and the Short-Term LNG Regasification Capacity Booking.

## **Annual Capacity Booking**

### **Article 12**

(1) The Operator shall be obliged to regularly update and publish information on available LNG Regasification Capacity on its website.

(2) When there is Available Capacity, a gas supplier or gas trader may contract the LNG Regasification Service within an Annual Capacity Booking procedure.

(3) The contracting of the LNG Regasification Service shall begin by submitting a Request for allocation of the LNG Regasification Capacity.

(4) Pursuant to paragraphs 2 and 3 hereof, a gas supplier or gas trader may, from 1 January to 15 June each year, submit a Request for allocation of the LNG Regasification Capacity to the Operator.

(5) The Request for allocation of the LNG Regasification Capacity must include at least the following:

1. Name and address of the gas supplier or gas trader,
2. Contact details of the gas supplier or gas trader,
3. Contact details for the exchange of information, notifications, communications and operational communication,
4. Indicated gas years for which the allocation of LNG Regasification Capacity is requested during the booking within the Annual Capacity Booking, and
5. The quantity of the requested LNG Regasification Capacity for each gas year, expressed in kWh, which may not be less than the quantity of the Standard Cargo Lot, except if the existing Terminal User intends to contract additional LNG Regasification Capacity during the period of validity of the Terminal Use Agreement.

(6) The gas supplier or gas trader who intends to contract the LNG Regasification Capacity at the Terminal shall be obliged to submit a completed form of the Request for allocation of the LNG Regasification Capacity.

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

(8) The applicant who does not have a valid Terminal Use Agreement shall be obliged to submit the following documents to the Operator:

1. Excerpt from the court register or appropriate evidence that the person is authorized to act on behalf of the applicant,
2. A copy of a valid permit to perform energy-related activities of gas supply and/or a permit to perform energy-related activities of gas trade in the Republic of Croatia, and

3. Other documents at the Operator's request, such as, but not limited to: financial statements, solvency reports, etc.

(9) By way of derogation from paragraph 8 hereof, for the allocation of the LNG Regasification Capacity for the first year of the Terminal operation beginning on 1 January 2021, the applicant shall be obliged to submit a copy of a valid license to perform energy activities no later than five days before the start of the Terminal operation.

(10) By submitting a Request for allocation of the LNG Regasification Capacity, the applicant shall accept and agree to the application of these Rules and the obligation to conclude a Terminal Use Agreement and a Joint Terminal Use Agreement, according to the LNG Regasification Capacity allocated by the Operator to the applicant in accordance with the procedures stipulated in these Rules.

### **Article 13**

(1) No later than five days from the day of submission of the Request for allocation of the LNG Regasification Capacity, the Operator shall assess the validity of the received requests and shall inform the applicant thereof.

(2) If there are any ambiguities or deficiencies in the request referred to in Article 12(5) of these Rules or the documentation referred to in Article 12(8) of these Rules, the Operator shall invite the applicant to eliminate the deficiencies and submit a corrected request, i.e. correct or supplemented documentation.

(3) The Operator shall provide the applicant with a deadline of no more than five days to act in accordance with paragraph 2 hereof.

### **Article 14**

(1) The Operator shall have the right to reject the Request for allocation of the LNG Regasification Capacity in the following cases:

1. The Request has not been 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 had expired,
3. The applicant has failed to correct or supplement the Request or the documentation at the invitation of the Operator in accordance with Article 13(2) of these Rules, and/or
4. An applicant who is not an existing user has failed to submit all the prescribed documents in accordance with Article 12(8) of these Rules.

(2) No later than five days from the day of submitting the Request for allocation of the LNG Regasification Capacity, the Operator shall submit a notification on the rejection of the Request for allocation of the LNG Regasification Capacity to the applicant whose request had been rejected in accordance with paragraph 1 hereof.

## **The LNG Regasification Capacity Allocation Rules**

## Article 15

- (1) The Operator shall allocate the LNG Regasification Capacity no later than ten business days from the day of submission of the Request for allocation of the LNG Regasification Capacity.
- (2) During the allocation of the LNG Regasification Capacity, the Operator shall take into account only valid Requests for allocation of the LNG Regasification Capacity.
- (3) The LNG Regasification Capacity shall be allocated to applicants according to the order of receipt of the requests in the quantity of requested LNG Regasification Capacity for each gas year, as long as there is available LNG Regasification Capacity for that year.
- (4) If the total quantity of the requested the LNG Regasification Capacity in a gas year exceeds the quantity of available capacities, the Operator shall offer to the application to lease the available 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 the market and shall offer it in the procedure of LNG Regasification Capacity booking.
- (6) The Operator may, in accordance with paragraph 5 hereof, take away unused LNG Regasification Capacity from a 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 services plan.
- (7) The Operator shall take away the unused LNG Regasification Capacity in full or in part and shall, without delay, send a notification on the taking away of LNG Regasification Capacity to the Terminal User whose Unused Capacity it had taken away.
- (8) The Operator shall, without delay, offer the LNG Regasification Capacity it had taken away in the procedure of LNG Regasification Capacity booking.
- (9) The Terminal User whose unused LNG Regasification Capacity has been taken away shall retain all rights and obligations under the Terminal Use Agreement in relation to the LNG Regasification Capacity that had been taken away up to the moment of allocation of the LNG Regasification Capacity to another Terminal User.
- (10) The Operator shall notify the Terminal User whose LNG Regasification Capacity has been taken away on the allocation of the capacity to another Terminal User.
- (11) With regard to the LNG Regasification Capacity indicated in the notification on taking away the LNG Regasification Capacity, but which has not been allocated to another Terminal User, the Terminal User whose LNG Regasification Capacity has been taken away shall retain all rights and obligations under the Terminal Use Agreement, except for the rights in accordance with paragraph 12 hereof.
- (12) After receiving the notification referred to in paragraph 7 hereof, the Terminal User shall not have the right to sell the LNG Regasification Capacity that had been taken away on the Secondary Market.

## Article 16



- (1) Within five days from the day of the allocation of the LNG Regasification Capacity, the Operator shall prepare and submit to the applicant a notification on the allocation of the LNG Regasification Capacity, containing at least data on the applicant, data on the allocated LNG Regasification Capacity (indicated in kWh) or a notification that the requested LNG Regasification Capacity may not be allocated in accordance with these Rules.
- (2) The Operator shall, in addition to the notification referred to in paragraph 1 hereof, deliver a signed Terminal Use Agreement and a Joint Terminal Use Agreement to the applicant to which the LNG Regasification Capacity has been allocated.
- (3) If the LNG Regasification Capacity has been allocated to an applicant that is also a Terminal User, the Operator shall prepare an annex to the existing Terminal Use Agreement concerning the capacity referred to in paragraph 1 hereof, sign it and deliver it to the Terminal User for signing.
- (4) The applicant for allocation of the LNG Regasification Capacity shall, immediately after receiving them, sign the agreements referred to in paragraph 2 hereof, i.e. the annex to the agreement referred to in paragraph 3 hereof, and submit them without delay, within 7 days at the latest, to the Operator, otherwise it shall be deemed that the agreements referred to in paragraph 2 hereof, i.e. the annex to the agreement, have not been concluded.
- (5) By way of derogation from the deadline prescribed in paragraph 4 hereof, in each case the Operator shall have a mutually signed copy of the agreements referred to in paragraph 2 hereof, i.e. the annex to the agreement referred to in paragraph 3 hereof, no later than by 15 July, except in the case of Short-Term LNG Regasification Capacity Booking, otherwise it shall be deemed 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 form of 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(2) hereof, the applicant shall become the Terminal User with the right to use the LNG Regasification Service in accordance with the rules for the use of the LNG Regasification Service and the approved Service Schedule in the quantity of LNG Regasification Capacity allocated to it.
- (2) The LNG Regasification Capacity can be used only after the Service Schedule has been harmonized in accordance with the procedures and conditions prescribed 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 procedure is completed, there are available capacities, they may be contracted in the Short-Term LNG Regasification Capacity Booking.
- (2) No later than ten days from the day of completion of the Annual Capacity Booking procedure, the Operator shall be obliged to publish on its website, on every gas year, information on the Available Capacity for Short-Term LNG Regasification Capacity Booking, taking into account the approved Service Schedules and Technical Conditions of the Terminal.
- (3) The Operator shall publish on the website the form of the Request for Short-Term LNG Regasification Capacity Booking.
- (4) The applicant for the Short-Term LNG Regasification Capacity Booking shall be obliged to submit the Request for the allocation of short-term LNG Regasification Capacity to the Operator no later than 60 days before the planned use of the LNG Regasification Service.
- (5) The Operator shall be entitled to approve a request submitted outside the deadline prescribed in paragraph 4 hereof when this 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 prescribed by these Rules.
- (6) The Operator shall have the right to reject the request for allocation of short-term LNG Regasification Capacity when one of the requirements referred to in Article 14(1) of these Rules is met.
- (7) The short-term LNG Regasification Capacity for each gas year shall be allocated to applicants according to the order of receipt of the requests in the quantity of requested LNG Regasification Capacity for each gas month until the end of that gas year, as long as there is available LNG Regasification Capacity for each month of that gas year.

### **Provision of the LNG Regasification Services Based on the Allocated Short-Term LNG Regasification Capacity**

#### **Article 19**

- (1) The provision of the LNG Regasification Service on the basis of the allocated short-term LNG Regasification Capacity shall be 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 modifications are in accordance with the procedures and conditions prescribed in these Rules,
  2. The modifications are in accordance with the Technical Conditions of the Terminal,
  3. The modifications do not affect the Arrival Window of LNG Carriers of other Terminal Users, except if the Terminal Users whose approved Service Schedules would be modified give their consent, and

4. The modifications do not affect the LNG Regasification Capacity of other Terminal Users, except if the Terminal Users whose approved Service Schedules would be modified give their consent.

(2) The Terminal Users shall be obliged to respond to the request for a modification of the Service Schedule, if requested, within five days from the day on which the Operator has submitted a written request for a modification of the approved Service Schedule.

(3) If not all Terminal Users have submitted a written response to the Operator within the deadline referred to in paragraph 2 hereof, they shall be deemed to be withholding the consent for the modification of the approved Service Schedule.

(4) A Terminal User who had been allocated short-term LNG Regasification Capacity shall, within 15 days from the day of delivery of the notification on the allocation of short-term LNG Regasification Capacity, have the right to notify the Operator in writing of its rejection of the allocated short-term LNG Regasification Capacity because it is unable to use it in the requested scope, or because the allocated short-term LNG Regasification Capacity is of a lower quantity than the one requested, or because other Terminal Users have not given their consents to modify the approved Service Schedules.

(5) After the allocation of the short-term LNG Regasification Capacity, the Operator shall act in accordance with Article 16(1) and (2), and the Terminal User shall, no later than 15 days from the day of 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 before the use of the LNG Regasification Service on the basis of the contracted short-term LNG Regasification Capacity, submit to the Operator the appropriate payment security instrument in accordance with the General Terms and Conditions.

(7) In the event that, in accordance with Article 18(5), the Operator has approved the Request for allocation of the short-term LNG Regasification Capacity that was submitted outside the prescribed deadline, the Terminal User shall be obliged to, without delay, immediately after receipt, but no later than 5 days after the delivery of the notification and the agreements, sign and submit to the Operator the Terminal Use Agreement, the Joint Terminal Use Agreement and the appropriate payment security instrument in accordance with the General Terms and Conditions.

## **Increase of the LNG Regasification Capacity**

### **Article 20**

(1) If, due to an increased technical capacity of the transmission system, the upgrade of the Floating LNG 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 procedure.

(2) Capacity contracting referred to in paragraph 1 hereof shall not affect the already acquired rights and obligations of the existing Terminal Users.

## **VI TRADING IN LNG REGASIFICATION CAPACITY AND LNG**

### **Article 21**

- (1) The Terminal User shall have the right to trade in Unused Capacity on the Secondary Market by contracting the transfer of the contracted LNG Regasification Capacity or the transfer of the rights to use the contracted LNG Regasification Capacity.
- (2) The subject of the trade referred to in paragraph 1 hereof 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 Capacity that is the subject of the trade.
- (3) The Terminal User shall have the right to trade in LNG stored in the Terminal tanks with or without transferring the unused capacity.
- (4) The forms of the transfer contract referred to in paragraphs 1 and 3 hereof shall be published by the Operator on its website.

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

#### **Article 22**

- (1) By transferring the contracted LNG Regasification Capacity, the transferor shall transfer to the acquirer the rights and obligations from the Terminal Use Agreement concerning the LNG Regasification Capacity.
- (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 hereof shall not affect other rights and obligations of the transferor and the acquirer under 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 hereof, provided that the transfer of the contracted LNG Regasification Capacity has been performed and completed in accordance with these Rules.
- (5) The acquirer shall submit to the Operator a payment security instrument for the LNG Regasification Capacity being transferred, in accordance with the provisions of the General Terms and Conditions of LNG Terminal Use. After the receipt of the payment security instrument from the acquirer, the Operator may return the payment security instrument to the transferor provided that the transferor has duly fulfilled all its obligations under and in connection with the Terminal Use Agreement, including the delivery of a new payment security instrument in relation to the remaining contracted gasification capacity of the transferor which has not been transferred to the acquirer, all

in such a way that the Operator has at its disposal at all times the appropriate security instruments in accordance with the General Terms and Conditions.

## **Transfer of the Right to Use the Contracted LNG Regasification Capacity**

### **Article 23**

- (1) By transferring the right to use the contracted LNG Regasification Capacity, the transferor transfers to the acquirer the right to use the contracted LNG Regasification Capacity.
- (2) The transfer referred to in paragraph 1 hereof shall not affect the contractual relations between the transferor or the acquirer and the Operator, based on the concluded Terminal Use Agreements.
- (3) The transferor shall remain a contracting party and the holder of all the rights other than the right to use the LNG Regasification Capacity that is the subject of the transfer, as well as the obligations under 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 shall, by operation of law, lose the right to use the contracted LNG Regasification Capacity that was the subject of the transfer.

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

### **Article 24**

- (1) Terminal Users trading in the contracted LNG Regasification Capacity, the right to use the contracted LNG Regasification Capacity or LNG, shall be obliged to submit a completed and mutually signed form of the transfer contract to the Operator no later than five days before the transfer, and if they fail to do so, the Operator may refuse to grant approval for this trade.
- (2) Trading in unused contracted LNG Regasification Capacity, the right to use the contracted LNG Regasification Capacity and/or LNG between the Terminal Users shall be deemed to be completed after it has been approved by the Operator in accordance with these Rules.
- (3) The transferor and/or acquirer may waive trading until the Operator approves trading.
- (4) After the Operator approves trading, it shall submit a trading notification to the transferor and the acquirer, which shall become an integral part of the Terminal Use Agreement.
- (5) A gas supplier or gas trader that is not a Terminal User, but wishes to trade in LNG Regasification Capacity and/or LNG, shall be obliged to meet the requirements for Terminal Users prescribed in these Rules and, before trading on the Secondary Market,

conclude the Terminal Use Agreement and the Joint Terminal Use Agreement with the Operator, after which it will be allowed to trade.

(6) If a 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 shall have 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 conclude a contract on the transfer of the contracted LNG Regasification Capacity and/or a contract on the transfer of the right to use the contracted LNG Regasification Capacity and/or a contract on the transfer of LNG in the following cases:

1. The acquirer is not a Terminal User, and/or
2. The acquirer has outstanding debts towards the Operator, and/or
3. The data from the completed transfer form does not comply with the Terminal Use Agreement concluded with the acquirer and/or transferor, and/or
4. If the acquirer, within three days from the day of receipt of the notification referred to in paragraph 4 hereof, or within any other reasonable deadline specified by the Operator, fails to submit to the Operator a payment security instrument for the LNG Regasification Capacity to be transferred, in accordance with the provisions of the General Terms and Conditions of LNG Terminal Use.

## **VII SERVICE SCHEDULE FOR TERMINAL USE**

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

#### **Article 25**

(1) The Operator shall be obliged to prepare an Annual Service Schedule for each Terminal User and a joint Annual Service Schedule, in order to ensure continuous, efficient and secure operation of the Terminal.

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

1. A projection of the LNG Regasification Capacity, indicated in kWh, for the following gas year, in which the quantity of the LNG Regasification Capacity shall be elaborated per months and days of the gas year,
2. The Arrival Window of the LNG Carriers and the quantities of cargo that shall be delivered to the Terminal, and
3. The names of the LNG Carriers and the International Maritime Organization (IMO) numbers, 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 Capacity, indicated in kWh, calculated cumulatively for each day of the gas year for all Terminal Users, and
3. The quantity 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 the short-term LNG Regasification Capacity, if they have been contracted for that month.
- (5) The Operator shall publish on its website a joint Monthly Service Schedule by applying the rules referred to in paragraph 3 hereof in an appropriate manner.
- (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 fullest extent possible, an optimal 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 the Returnable LNG Quantity according to the Service Schedule will be returned over time to each Joint Terminal User lending a quantity of LNG, as if the provisions on LNG borrowing had not been applied.
- (9) After delivery of the Approved Annual Service Schedule, the Operator shall be entitled to deny the provision of the LNG Regasification Service to the Terminal User who has not contracted or otherwise provided adequate transmission system capacity.
- (10) After the Operator has approved the Annual Service Schedule, it may be changed only in the manner and in accordance with the conditions 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) Each Terminal User shall be obliged to, at the latest by 16 July of each year, deliver to the Operator the completed form of the Annual Service Schedule plan for the next gas year, except for the first operational year of the Terminal beginning on 1 January 2021, for which it shall be obliged to submit the completed form of the Annual Service Schedule plan to the Operator by 1 October 2020.
- (3) The Annual Service Schedule plan referred to in paragraph 2 hereof shall contain the information referred to in Article 25(2) of these Rules.
- (4) The Terminal User shall be obliged to 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 may not be shorter than three days, taking into account the quantity of cargo and the highest LNG Regasification Rate,
  2. The obligation to determine the date of arrival of an LNG Carrier, and if the exact date of arrival of LNG Carriers is not known, it shall be allowed to indicate an Arrival Window of no more than six days in the Annual Service Schedule plan, and of no more than two days in the Monthly Service Schedule plan, within which a Terminal User undertakes to moor the LNG Carrier to the Terminal,

3. A projection of the LNG Regasification Capacity in a Gas Day, which shall not be higher than the maximum allowable LNG Regasification Rate, nor 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 is also the entry into the transmission system, and
5. Other conditions for the regular and safe operation of the Terminal 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(3) and (4) of these Rules.
- (2) If the Annual Service Schedule plan has not been completed in accordance with Article 26(3) and (4) of these Rules, the Operator shall invite the Terminal User to supplement and/or correct the 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 verify whether the plans are mutually coordinated, whether there are overlaps in the Arrival Windows of LNG Carriers, LNG Regasification Capacity congestion or other deficiencies.
- (4) If the plans are coordinated, there are no overlaps, LNG Regasification Capacity congestion or other deficiencies, the Operator shall, no later than within ten days from the day 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 prepare a Joint Service Schedule, and
  4. Deliver to each Terminal User a Joint Service Schedule.
- (5) Terminal Users shall have the right to, at their own initiative and within the deadline referred to in Article 26(2) of these Rules, i.e. the deadline referred to in Article 34(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 be obliged to accept the proposal of the Joint Service Schedule plan and the proposals of Service Schedule plans of individual Terminal Users, 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 hereof, the Operator shall undertake actions in accordance with paragraph 4(1), (2) and (4) hereof.

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



## **Article 28**

(1) In the event of overlaps in the Arrival Window of LNG Carriers and/or LNG Regasification Capacity congestion on certain Gas Days and/or other incompatibilities in the Annual Service Schedule plans, the Terminal Operator shall deliver to the Terminal Users a consolidated Annual Service Schedule plan with the incompatibilities indicated.

(2) In the event referred to in paragraph 1 hereof, the Operator shall, within seven days from the day of the delivery of the consolidated Service Schedule plan with the incompatibilities indicated, invite the Terminal Users to enter into joint negotiations involving all Terminal Users and the Operator, in order to eliminate the inconsistencies and coordinate the Annual Service Schedule plans. All participants in the negotiation process shall be obliged to act in good faith and mutually respect the interests they wish to achieve, whereby the Operator shall manage the joint negotiation procedure and coordinate all necessary activities for negotiation purposes.

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

1. Take actions pursuant to Article 27(4)(1), (2) and (4) of these Rules, if the Terminal Users have reached an agreement, or
2. Submit a written notification to 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 the final decision concerning the Service Schedule.

(5) In the event referred to in paragraph 4 hereof, the Operator shall, no later than within 10 days from the delivery of the written notification referred to in paragraph 3(2) hereof, 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 submit the approved Joint Annual Service Schedule plan to all Terminal Users.

## **Preparation of the Annual Service Schedule by the Operator**

### **Article 29**

(1) The Operator shall prepare the Annual Service Schedule taking into account, to the maximum extent possible, the requirements of Terminal Users indicated in the submitted Annual Service Schedule plans, the LNG Heel required for Terminal operation, gas loss, the projected quantities of LNG in the Terminal, the conditions for optimal 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 plans, the Operator shall determine whether there are Gas Days when:

1. The required LNG Regasification Capacity is lower than the minimum allowable LNG Regasification Rate in accordance with the Technical Conditions of the Terminal,
  2. There are Terminal congestions,
  3. There are overlaps in the planned Arrival Windows of LNG Carriers.
- (3) The Operator shall provide Terminal Users that have requested LNG Regasification Capacity in accordance with paragraph 2(1) hereof with increased LNG Regasification Capacity to at least the minimum allowable LNG Regasification Rate by:
1. Proportionally increasing the LNG Regasification Capacity that has been reduced for that Terminal User on the Gas Days where there is Terminal congestion, by appropriately applying the rules referred to in paragraph 4 hereof, and
  2. Proportionally increasing the LNG Regasification Capacity that has been decreased for that Terminal User on Gas Days during the same slot, on which the total LNG Regasification Capacity for all Terminal Users is lower than the minimum allowable LNG Regasification Rate.
- (4) In the event of Terminal congestion on an individual Gas Day, the Operator shall reduce the LNG Regasification Capacity for Terminal Users that requested LNG Regasification Capacity on that Gas Day, according to the following formulas:

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

Where:

U – Total requested LNG Regasification Capacity

$U_i$  – LNG Regasification Capacity requested per individual Terminal User

V – Total excess of requested LNG Regasification Capacity (exceeding the maximum allowable LNG Regasification Rate)

$V_i$  – Excess LNG Regasification Capacity allocated per individual Terminal User

S – Maximum allowable LNG Regasification Rate

$K_i$  – Final LNG Regasification Capacity for an individual Terminal User

(5) The Operator shall allocate LNG Regasification Capacity that has been reduced proportionally by Gas Days on which there is no Terminal congestion and, if possible, within the same month in which the LNG Regasification Capacity has been reduced, whereby the Operator shall take into account the optimal and safe operation of the Terminal.

(6) If the total quantity of increased or reduced LNG Regasification Capacity cannot be reallocated to a specific time slot in accordance with the rules referred to in this Article, the remaining LNG Regasification Capacity shall be reallocated to the next slot.

## Average LNG Regasification Capacity

### Article 30

(1) If it is not possible to prepare a coordinated joint Annual Service Schedule on the basis of Annual Service Schedule plans and by applying the rules referred to in Article 29 of these Rules, the Operator shall allocate to each Terminal User its average LNG Regasification Capacity for all Gas Days of the next gas year.

(2) The average LNG Regasification Capacity shall be calculated by dividing the annual LNG Regasification Capacity of each Terminal User for the gas year with the number of Gas Days of the next gas year less the number of days designated for the Terminal Maintenance.

(3) If the average LNG Regasification Capacity referred to in paragraph 2 hereof is lower than the minimum allowable LNG Regasification Rate, the Operator shall reserve the right to reallocate the LNG Regasification Capacity in such a manner as to ensure optimal and safe operation of the Terminal.

### **Article 31**

(1) After determining the LNG Regasification Capacity for the next gas year, the Operator shall determine the Arrival Window of LNG Carriers and the slots within the Annual Service Schedules, for the purpose of planning specific cargoes and the arrival dates of LNG Carriers.

(2) The Terminal Operator shall determine the Arrival Windows of LNG Carriers and the slots by taking into account, to the extent possible, the requirements of Terminal Users indicated in the submitted Annual Service Schedule plans with regard to the arrival date of LNG Carriers and the quantity of cargo, the LNG Heel required for Terminal operation, gas loss, the projected quantities of LNG in the Terminal, the conditions for optimal 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 must begin no later than one day before the LNG quantity in the Terminal reaches the LNG Heel determined in the Technical Conditions of the Terminal.

(4) The Terminal User that is obliged to ensure the arrival of the first LNG Carrier shall be obliged to deliver the cargo to the Terminal no later than by the deadline referred to in paragraph 3 hereof, so that the Operator could provide the contracted services.

(5) The first slot shall end when the LNG quantity 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 is obliged to ensure the arrival of the first LNG Carrier in a gas year shall be obliged to ensure that the LNG Carrier moors at the Terminal no later than one day before the LNG quantity in the Terminal reaches the LNG Heel required for the operation of the Terminal, whereby cargo discharge may start as soon as possible, in accordance with the Technical Conditions of the Terminal. For later LNG Carriers in the gas year, the Arrival Window specified in the Approved Annual Service Schedule and the Approved Monthly Service Schedule shall apply.

(7) The Terminal User that is obliged to ensure the arrival of the first LNG Carrier in a gas year shall be determined to be the Terminal User that has, cumulatively, the highest LNG Regasification Capacity planned for all Gas Days of the first slot, including possible gas losses, taking into account the quantity of cargo from the Annual Service Schedule plan of that Terminal User.

(8) For the arrival of each next LNG Carrier, a Terminal User shall be determined who, at the end of the previous slot, has the lowest actual quantity of LNG available at the Terminal, calculated in accordance with Annex II, Article 17 of these Rules.

(9) By way of derogation from paragraph 8 hereof, such a Terminal User shall not be obliged to 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 Capacity in that slot, but shall be obliged to 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 Capacity, all for the purpose of returning the returnable quantity of LNG to the LNG Lender.

(10) If, during slot allocation, it is determined that two or more Terminal Users have the same lowest actual quantity of LNG available in the Terminal, the following slot shall be allocated to the Terminal User that has the oldest borrowed quantity of LNG, while the slots shall be allocated to other Terminal Users in accordance with the age of the borrowed quantity of LNG, from the oldest to the newest.

(11) If the LNG Borrower has not received a slot to return the returnable LNG quantity in the Approved Annual Service Schedule of the current gas year, the rule referred to in paragraph 6 hereof 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 submitted the annual service plan earlier shall be obliged to ensure the arrival of the LNG Carrier in the first slot or, if it has already been allocated, the arrival of the LNG Carrier in one of the following slots.

(13) 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 quantities 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 be obliged to submit to the Operator, no later than 60 days before commencing the use of LNG Regasification Capacity, evidence based on which it can be unambiguously determined that it has a valid LNG sale and purchase agreement concluded with the LNG Supplier and that it has contracted the supply of sufficient LNG quantities.

(2) If the Terminal User fails to act in accordance with paragraph 1 hereof, this shall be considered to be failure to fulfill the obligation to deliver all cargoes and the Terminal User 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 a Terminal User**

### **Article 33**

(1) When submitting any Monthly Service Schedule plan for the following month, each Terminal User shall have the right, throughout the gas year, to also submit to the Operator a proposal of changes to the Approved Annual Service Schedule, including the Arrival Window of LNG Carriers.

(2) The Operator shall be obliged to respond to the Terminal User as to whether it accepts the proposed changes, within five business days from the day of receiving such a proposal.

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

1. The conditions stipulated in Article 26(3) and (4) of these Rules;
2. The changes are in 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 LNG Carriers of other Terminal Users: and
5. If the changes alter the Approved Annual Service Schedules, and in particular the Arrival Window of LNG Carriers of other Terminal Users, the Terminal User proposing the change has obtained written consent from other Terminal Users.

(4) Terminal Users shall not unreasonably deny the consent referred to in paragraph 3(5) hereof.

(5) If the consent of other Terminal Users to the requested changes is required in accordance with the provisions of this Article, this consent in written form shall be submitted to the Operator no later than five days from the delivery of the request for changes to the Approved Annual Service Schedule that the Operator delivers to other Terminal Users that have not yet given their consent.

(6) If a Terminal User fails to respond within the deadline referred to in paragraph 5 hereof, it shall be deemed that such a Terminal User does not agree with the proposed changes to the Approved Annual Service Schedule.

## **Monthly Service Schedule**

### **Article 34**

(1) A Terminal User that uses the LNG Regasification Service according to the Approved Annual Service Schedule shall be obliged to submit a Monthly Service Schedule plan to the Operator no later than 35 five days before the beginning of each month of a gas year.

(2) The Monthly Service Schedule plan shall not be in contradiction with the approved LNG Regasification Capacity and/or Arrival Windows from the Approved Annual Service Schedule plan for the same month, or the monthly schedules approved as a result of the Short-Term Capacity Booking, except in the case referred to in Article 33 of these Rules.

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

1. The exact LNG Regasification Capacity for each Gas Day of the relevant month;
2. The Arrival Window of LNG Carriers, whereby it shall be allowed to indicate a time span of no more than two days within which the Terminal User undertakes to moor the LNG Carrier to the Terminal;
3. Information about the LNG Carriers to moor at the Terminal in the relevant month, which include at least the names of the LNG Carriers, numbers of the International Maritime Organization, registration and/or date of approval at the Terminal;
4. Detailed information about each cargo planned to be delivered, indicating the exact quantity of LNG and planned LNG quality, at the port of loading of the LNG Carriers and at the Terminal; and
5. Information about the Agent, if available.

(4) If the Terminal User fails to submit a Monthly Service Schedule plan for the relevant month by the expiry of the deadline referred to in paragraph 1 hereof, the Operator shall prepare the 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, LNG Quantities for Delivery and LNG Regasification Capacity**

#### **Article 35**

(1) Terminal Users shall be allowed to indicate in the Monthly Service Schedule plan the deviation from the Arrival Window of LNG Carriers, as well as the LNG quantities to be delivered, the LNG Regasification Capacity specified in the Approved Annual Service Schedule or Monthly Service Schedule approved during the Short-Term LNG Regasification Capacity Booking, but not by more than 10% of the LNG quantities or LNG Regasification Capacity, if:

1. This deviation does not affect the Service Schedule of other Terminal Users; or
2. If this 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 hereof, the deviation shall be in accordance with the Technical Conditions of the Terminal.

(3) During a gas year, a Terminal User may, more than once in a row, deviate from the monthly LNG quantities that are intended for delivery to the Terminal and the LNG

Regasification Capacity, if this does not violate the rights and obligations of other Terminal Users to use the allowable deviation.

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

1. The Operator and the Terminal User proposing the deviation have reached an agreement on the proposed deviation; and
2. Such deviation shall not affect the approved Service Schedules of other Terminal Users or, if it affects the approved Service Schedules of 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 hereof shall be in accordance with the Technical Conditions of the Terminal.

(6) The consent of other Terminal Users to the requested deviation, if required according to the provisions of this Article, shall be submitted to the Operator in written form and no later than five days from the delivery of the request for giving consent for deviations, which the Operator shall submit to other Terminal Users that have not yet given their consent.

(7) If a Terminal User fails to respond within the deadline referred to in paragraph 6 hereof, it shall be deemed that such Terminal User does not agree with the deviations from the Approved Annual Service Schedule.

(8) When the actual quantity of discharged LNG, determined by applying the rules of measuring the discharged LNG under these Rules, and/or the actually used LNG Regasification Capacity differ from the LNG quantity planned for delivery to the Terminal and/or the projection of the LNG Regasification Capacity, which have been specified in the Approved Annual Service Schedule or Monthly Service Schedule during the Short-Term LNG Regasification Capacity Booking, it shall be deemed that the difference in the LNG quantity and/or LNG Regasification Capacity is a deviation from the Service Schedule of the Terminal User.

(9) If due to derogation from paragraphs 1 or 4 hereof, the joint Annual Service Schedule becomes incompatible with the Technical Conditions of the Terminal, the Operator shall have the right to adjust the quantity of cargo discharged to the Terminal and/or the LNG Regasification Capacity of the Terminal User responsible for the deviation, but by no more than the actual deviation of the LNG quantity 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 other Terminal Users that need to give their consent to the deviation, if such consent is required, the Operator shall have the right to submit, at the request of the Terminal User requesting the deviation, to that Terminal User, the Monthly Service Schedule plans of other Terminal Users.

## **Article 36**

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

(2) In case of inconsistencies in the Monthly Service Schedule plans, the Operator shall prepare a consolidated Monthly 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 User to which it refers, as well as 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 delivering it to Terminal Users.

## **Changes in Terminal Operation Mode**

### **Article 37**

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

(2) If the Operator is not able to carry out Terminal Maintenance as defined in Article 66(2)(2) of these Rules, whereby Terminal Maintenance overlaps with the Arrival Window of LNG Carriers, the Operator shall have the right to adjust the Arrival Window of LNG Carriers and the LNG Regasification Capacity from the Approved Annual Service Schedule, whereby it may change the Arrival Window of LNG Carriers by no more than 6 days.

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

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

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



(6) The Operator shall update the approved Joint Service Schedule on its website in the event referred to in paragraph 2, no later than within seven days from the day 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 be obliged to 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 and the provision of LNG Regasification Services, to enable the regasification of LNG of all Terminal Users, and to provide uninterrupted, efficient and safe operation of the Terminal.

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

(3) The Operator shall be liable for controlling the LNG Heel at the Terminal to ensure safe operation of the Terminal in optimal operating conditions.

(4) In accordance with paragraph 3 hereof, during the preparation and approval of the Annual and/or Monthly Service Schedules, the Operator shall ensure that the quantity required for the LNG Heel is always kept in the Terminal tanks in line with regular arrival of the cargo.

(5) If the Approved Annual and/or Monthly Service Schedule enables uninterrupted operation of the Terminal in such a manner that it maintains the LNG Heel due to the LNG Regasification Service, Terminal Users shall be obliged to comply with the Service Schedule in order to maintain the necessary 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 of an LNG Carrier and/or
2. In the event of the LNG Carrier of a certain Terminal User, that had to moor at the Terminal, not arriving in accordance with the approved Service Schedule.

(7) In the events referred to in paragraph 6 hereof, the Terminal User responsible for that situation shall be obliged to reimburse the LNG expense, which shall be reimbursed for the purposes of replacing LNG up to the LNG Heel, to the Terminal User that is delivering the first next cargo according to the approved Service Schedule.

(8) If, within three days from the occurrence of the events referred to in paragraph 6 hereof, the Terminal User responsible for the events referred to in paragraph 6 hereof, fails to reach an agreement on the commercial conditions under which the expense referred to in paragraph 7 hereof shall be settled with the Terminal User that is delivering the first next cargo according to the approved Service Schedule, and fails to notify the Operator of it without delay, that Terminal User shall be obliged to settle the expense referred to in paragraph 7 hereof at the price that is determined according to the price for that delivery day that is published on the website of the gas hub in Austria

(CEGH) in the VWAP/CEGHIX column expressed in EUR/MWh GCV, increased by 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 hereof, the costs associated with maintaining the LNG Heel shall be borne by the Operator.

(10) The Operator shall reimburse the LNG cost that is reimbursed for the purposes of replacing LNG up to the LNG Heel in the event referred to in paragraph 9 hereof, to the Terminal User that is delivering the first next cargo according to the approved Service Schedule at a price that is increased by 10% compared to the price that this Terminal User has contracted with the LNG Supplier, and which it proves 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 hereof, the LNG quantity to be compensated for the purposes of maintaining the LNG Heel shall be supplied by the Operator from the first next 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 a Joint Terminal User, regardless of the fact that it is not the owner of the LNG being regasified, whereby the following rules shall be complied with:

1. When, in accordance with the approved Service Schedules of Terminal Users, the LNG delivered by the LNG Lender is regasified, and the delivery of cargo of the LNG Borrower is not foreseen in that period according to the approved Service Schedule, the LNG Borrower shall borrow a portion of LNG from the LNG Lender, including the Allowable and Unallowable Gas Loss of the Terminal User without a special agreement, but taking into account the Loanable LNG Quantity, in accordance with the approved Joint Service Schedule;

2. The Loanable LNG Quantity, for the purpose of Joint Terminal Use, shall be deemed to be temporarily lent by the LNG Lender, and the returnable quantity of LNG shall be deemed to be the LNG that the LNG Borrower shall be obliged to return to the LNG Lender;

3. The Loanable LNG Quantity shall be equal to the returnable quantity of LNG, including the Allowable and Unallowable Gas Loss of the Terminal User, that the LNG Borrower shall be obliged to return to the LNG Lender, measured in energy value,

4. Equal Loanable LNG Quantity up to the quantity of actually regasified LNG, including the Allowable and Unallowable Gas Loss of the Terminal User during the LNG regasification period, shall be allocated to Joint Terminal Users.

5. The returnable quantity of LNG shall be allocated in such a manner that the LNG quantity 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, and in the event that the Joint Terminal Users have been

allocated the returnable quantity of LNG of the same age, the lower returnable quantity of LNG shall be returned first.

## **Article 40**

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

1. Due to the joint use of the Terminal, at any time, the Terminal had to work in a manner that could lead to the occurrence of a risk for uninterrupted, efficient and safe operation of the Terminal,
2. According to the justified opinion of the Operator, the application of the provisions of Article 39 of these Rules may pose a threat to uninterrupted, efficient and safe operation of the Terminal in a particular situation.

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

## **Joint Terminal Use Agreement**

### **Article 41**

(1) The Operator shall publish the form of the Joint Terminal Use Agreement on its website.

(2) For the purpose of achieving as efficient Joint Terminal Use as possible, the Joint Terminal Users shall 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 Operator and shall not pose a threat to uninterrupted, efficient and safe operation of the Terminal.

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

(4) The Operator shall check:

1. Whether the terms of the new Joint Terminal Use Agreement provide safe Joint Terminal Use with the simultaneous provision of the LNG Regasification Service for all Terminal Users in a non-discriminatory manner and ensure uninterrupted, efficient and safe operation of the Terminal; and
2. Whether the LNG Regasification Capacity is 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 Users, sign the new Joint Terminal Use Agreement.

(6) The Joint Terminal Use Agreement shall be valid and produce effects from the moment the Operator signs it.

## **Payment Security Instruments for Securing 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 the liability of the Operator refers to cases of violation of the duties provided for in these Rules, the Terminal Use Agreement, the Joint Terminal Use Agreement or other regulations governing energy, energy-related activities and the gas market.

(2) In order to secure the liabilities associated with the Joint Terminal Use, including the obligation to ensure cargo delivery, the Terminal Users may agree on a payment security instrument to be delivered to the Operator, which shall ensure:

1. The proper performance of the obligation to deliver all cargoes according to the approved Service Schedule for that Terminal User;
2. The obligation of a proper return of the returnable quantity of LNG in accordance with the Joint Terminal Use Agreement;
3. The obligation of a Joint Terminal User to compensate the losses of other Terminal Users resulting from the failure to fulfill the obligations under these Rules and/or the Joint Terminal Use Agreement, resulting in the inability to return the returnable quantity of LNG or improper return thereof; and
4. Any damages arising from or in connection with a breach of the obligations of a Joint Terminal User provided for by these Rules and the Joint Terminal Use Agreement.

(3) The rules regulating the type, quantity, delivery and activation of the payment security instrument referred to in paragraph 2 hereof shall be stipulated in the Joint Terminal Use Agreement.

(4) In the case when the Joint Terminal Users have failed to reach a joint agreement on the payment security instruments referred to in paragraph 2 hereof, or if one Joint Terminal User does not agree with the decision of other Joint Terminal Users, it shall be obliged to notify the Operator of it 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 hereof, it shall submit to the Joint Terminal Users 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 a payment security instrument in the form of a bank guarantee payable “on first demand” and “without objection”, issued by a bank that is acceptable to the Operator, for the quantity 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 delivering the notification referred to in paragraph 4 hereof; and with the content acceptable to the Operator, all for the purpose of securing the claims and indemnification referred to in paragraph 2 hereof.

(6) Joint Terminal Users, i.e. the Joint Terminal User that does not agree with the decision of other Joint Terminal Users, shall be obliged to submit to the Operator the

bank guarantee referred to in paragraph 5 hereof no later than 15 days after receiving the request of the Operator, which they shall submit to the Operator no later than 15 days before the start of the next gas year, except for the first year of the Terminal use after the commissioning of the Terminal when the Joint Terminal Users, i.e. the Joint Terminal User, shall be obliged to submit a bank guarantee no later than 15 days before the start of operation of the Terminal.

(7) The bank guarantee referred to in paragraph 5 hereof shall be valid for the entire period of the gas year i.e. 60 days after the planned Arrival Window of the last LNG Carrier in accordance with the Approved Annual Service Schedule for the next gas year, depending on which deadline falls at a later date, and the Joint Terminal User shall be obliged to renew it in accordance with the received requests of the Operator referred to in paragraph 6 hereof, so that for the entire duration of the Joint Terminal Use by this Joint Terminal User, the Operator has a valid bank guarantee in accordance with these Rules.

(8) The Joint Terminal User responsible for the failure to perform the obligation to deliver cargo or for improper delivery of cargo according to the approved Service Schedule for that Terminal User, shall be obliged to notify the Operator of such failure no later than seven days before the planned arrival of the LNG 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 hereof, the Operator shall collect the bank guarantee of the Joint Terminal User responsible for such failure in the extent specified in the Joint Terminal Use Agreement, and shall indemnify all Joint Terminal Users, not including the Joint Terminal User responsible for the failure, for damage caused by such failure up to the quantity of the activated bank guarantee.

(10) In any case, within 24 hours after the Operator delivered a notification on the intention to collect the bank guarantee to the Joint Terminal Users, in accordance with paragraph 8 hereof, 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 hereof. If the Joint Terminal Users do not submit a written response within the deadline referred to in this paragraph, the Operator shall collect the bank guarantee.

(11) The Joint Terminal User responsible for the failure referred to in paragraph 8 of this Article shall be obliged to compensate all claims of the Joint Terminal Users due to the damage caused due to its failure, which were not settled by the collection of the bank guarantee referred to in paragraph 9 hereof.

(12) In the event that the bank guarantee is used or the quantity of the bank guarantee has to be coordinated for another reason, as well as if the bank guarantee validity period has to be adjusted, all in order for the bank guarantee to comply with these Rules and the Joint Terminal Use Agreement, the Joint Terminal User shall be obliged to submit a new bank guarantee or modify the submitted bank guarantee no later than within 15 days of the occurrence of the event that is cause for the submission of a 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 a Joint Terminal User arising from the Joint Terminal Use Agreement, possible refusal of payment based on the bank guarantee of a Joint Terminal User by the bank or the quantity of payment based on the collection of the bank guarantee of a Joint Terminal User, bank actions, nor shall it bear any costs or risk related to exchange rate differences and currency conversion in the collection of the bank guarantee and payment to the damaged Joint Terminal User, or other aspects concerning the bank guarantee of the Joint Terminal User, nor it assumes any responsibility concerning the justifiability of the losses incurred due to the collection of the bank guarantee of the Joint Terminal User.

(15) The provisions of Article 16(6) and (7) of the General Terms and Conditions shall apply *mutatis mutandis* to the matters of delivery and return 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 payment security instrument for the purpose of securing the claims regarding the Joint Terminal Use, whereby it shall not unreasonably withhold the delivery of the payment security instrument that the existing Terminal Users have applied before its accession. The new Terminal User acceding the existing Joint Terminal Use Agreement during a gas year shall be obliged to deliver the agreed payment security instrument to the Operator within 15 days from the day of signing the Joint Terminal Use Agreement.

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

## **IX TERMINAL USE CONDITIONS**

### **LNG Carrier Approval Procedure**

#### **Article 43**

(1) LNG Carriers intended to berth at the Terminal shall be obliged to comply with the international standards and conditions applicable to such type of ships in international navigation, and 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) An LNG Carrier must possess all valid ship certificates and documents required for that type of ship, the list of which has been unified and updated in the document List of Certificates and Documents Required to be Carried Onboard Ships, and the necessary permits for entry into and the performance of activities in a 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 Arrival Window, conforms to the requirements referred to in paragraphs 1 and 2 hereof.

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

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

(6) The Terminal User or the Operator or owner of an LNG Carrier or another person having a justified interest for it, shall submit the completed form for the approval of an LNG Carrier, for the purpose of registration in the Operator's Register, not later than 30 days before the planned 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 hereof have been met, the Operator shall issue a certificate of approval for the LNG Carrier for arrival at the Terminal to the applicant for the approval of an LNG Carrier no later than within five days from receiving the necessary documentation, and shall enter the LNG Carrier in the Operator's register of approved carriers.

(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 person authorized by it 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 LNG 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, master and/or commander of the LNG Carrier fail to perform their duties or fail to fulfill 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 moored.

(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 master/commander of the LNG Carrier or the agent or the person determined by the owner or operator of the LNG Carrier, submits to the Operator a completed form of the registration request for the LNG Carrier no later than 10 days before the Estimated Arrival Window of the LNG Carrier at the Terminal.

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

(3) 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 LNG Carrier registration request:

1. Bill of Lading;
2. CTMS – Surveyor’s Report;
3. Cargo Manifest;
4. Cargo Origin Certificate;
5. Cargo Quantity Certificate;
6. Cargo Quality Certificate;
7. Cargo Safety Data Sheet;
8. Declaration on the activities of the carrier at the port of loading (Time Log/Port Timesheet);
9. Master’s Receipt of Documents.

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

#### **Article 45**

(1) The Terminal User or its agent shall be obliged to ensure that the master and/or commander of the LNG Carrier or its agent regularly update the estimated arrival time of the LNG Carrier to the Terminal and deliver the updated data to the Operator, the port and the competent port authority at least within the following deadlines:

- 96 hours prior to the estimated arrival time of the LNG Carrier to the Pilot Station dedicated for the Terminal’s port, whereby the notification shall contain information on the condition of the cargo, the estimated cargo temperature, the LNG pressure in the tank, the quantity of cargo for discharge to the Floating LNG Storage and Regasification Unit, and in particular any current or expected operational deficiency 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 time of the LNG Carrier to the Pilot Station;

- 48 hours prior to the estimated arrival time of the LNG Carrier to the Pilot Station;

- 24 hours prior to the estimated arrival time of the LNG Carrier to the Pilot Station.

(2) From the moment when the estimated arrival time of the LNG Carrier to the Pilot Station falls within 24 hours, the data on the estimated arrival time of the LNG Carrier to the Pilot Station shall be updated every six hours

#### **Article 46**



If any submitted Estimated Arrival Window of the LNG Carrier to the Pilot Station, as referred to in Article 45 of these Rules, changes by more than six hours, the Terminal User shall, without delay, inform or ensure that the master and/or commander of the LNG Carrier and/or the agent notify the Operator, the port and the competent port authority of the corrected Estimated Arrival Window of the LNG Carrier to the Pilot Station.

## **Notice of Readiness**

### **Article 47**

(1) The Terminal User shall deliver or ensure that the master and/or commander of the LNG Carrier or the agent deliver 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 Station dedicated for the port;
2. The condition of the cargo meets the conditions prescribed in the Technical Conditions of the Terminal;
3. The competent port authority, the competent person managing the port and the competent authorities have approved, in accordance with the Maritime Code and regulations governing the safety of navigation and maritime ports, the required permits for the LNG Carrier to enter the port and moor at the Terminal;
4. The LNG Carrier has ordered all port services necessary for mooring at the Terminal; and
5. The Terminal User and/or other third parties granted the LNG Carrier all permissions necessary to carry out cargo discharge, and the LNG Carrier is ready to perform this operation.

(2) When the conditions referred to in paragraph 1(1) to (4) hereof 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 to the Terminal in accordance with these Rules or when the Terminal User notifies the Operator of the circumstances due to which LNG discharge to the Terminal is not possible.

(3) If the conditions referred to in paragraph 1(1) to (4) hereof have not been fulfilled, the Operator may refuse the Notice of Readiness, provided that it informs the Terminal User of the reasons for the refusal and requests the submission of a valid Notice of Readiness, meeting 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 at the latest two days before the arrival of the LNG Carrier, i.e. within the deadline that the Operator has indicated to the Terminal User after having warned it that the LNG Discharge Order had not been submitted.

(5) In the cases referred to in paragraphs 3 and 4 hereof, the Operator shall not be liable for the losses incurred to Terminal Users due to the above omissions.

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

(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 optimal operation of the Terminal.

(8) In the case referred to in paragraph 7 hereof, 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 order, whereby the following LNG Carrier 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 before 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, Terminal Users may agree on different rules, of which they shall notify the Operator in writing in a timely manner.

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

## **LNG Carrier Laytime**

### **Article 49**

(1) The Allowed Laytime for Standard Cargo Lot shall be 30 consecutive hours, and when the LNG quantity being 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 cargo quantity.

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

1. When 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 rate of LNG discharge is solely attributable to the Terminal;

2. Any period during which the arrival at the Terminal, mooring, LNG discharge and/or departure from the Terminal is delayed or prevented by reason of force majeure;

3. Any period during which LNG discharge is postponed or 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) The Operator shall:

1. In the case referred to in paragraph 1 hereof, notify the transmission system operator of the quantity of natural gas dispatched into the transmission system from the Terminal by the 5th day of the current month;

2. In the case referred to in paragraph 2(1) hereof, compensate the Terminal User for the costs incurred 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 delivers the Notice of Readiness within the Arrival Window, upon the occurrence of the earlier of the following events:

- Six hours after the delivery of the Notice of Readiness; and
- The time at which the LNG Carrier is berthed at the Terminal.

2. If the LNG Carrier delivers the Notice of Readiness prior to the Arrival Window, upon the occurrence of the earlier of the following events:

- Six hours after the delivery of the Notice of Readiness; and
- The time at which the LNG Carrier moored at the Terminal.

3. If the LNG Carrier delivers the Notice of Readiness after the Arrival Window:

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

(5) The Actual Laytime shall be continued until the occurrence of the earlier of the following events:

- The last flexible loading hose has been disconnected and the LNG Carrier master and/or commander has duly confirmed that the nominated cargo has been fully discharged to the Terminal, and

- The LNG Carrier has departed 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 the 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 hereof, the Operator shall have the right to refuse the mooring of the LNG Carrier.
- (4) The total quantity of LNG discharge in the LNG Discharge Order compared to the quantities in the approved Annual and Monthly Service Schedule may only deviate if this is not contrary to the limitations prescribed 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 during the entire Allowed Laytime of the LNG Carrier is higher than the minimum lower LNG Regasification Rate.
- (6) As an exception to the deadline for the submission of Daily Nominations prescribed in Article 56(9) of these Rules, the Daily Nomination in case of LNG discharge must be delivered to the Operator no later than with the delivery of the LNG Discharge Order.
- (7) The Operator shall accept the LNG quantity to the Terminal according to the LNG quantity determined in the LNG Discharge Order, confirmed by the LNG terminal operator in accordance with the procedures prescribed in the technical conditions of the LNG terminal.
- (8) During LNG discharge, the master/commander of the LNG Carrier and/or the agent shall be obliged to 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 a third party to perform LNG discharge at the agreed time; and
  2. The verification procedure is completed according to the conditions from the Ship/Shore Safety Checklist.

## **Article 51**

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

1. A justified order from the competent port authority has been received;
2. A justified order from the competent person managing the port has been received;
3. The verification procedure for 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 the Operator, the procedures prescribed in the Technical Conditions of the Terminal or these Rules, or other prerequisites necessary for the performance of activities in the port and at the Terminal, including safety regulations;
5. Based on the decision of 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 LNG 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, except if 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 berth immediately after the expiry of the Allowed Laytime or after completing LNG discharge, depending which moment occurs earlier, the Operator shall have the right to charge a fee to the Terminal User as established in Annex I to these Rules, except if the LNG Carrier has received an order in accordance with paragraph 1 hereof or if any of the conditions referred to in Article 49(2) of these Rules have been met.

### **Article 53**

The master and/or commander of the LNG Carrier and the Operator shall perform LNG discharge in accordance with the safety rules. The Operator shall be responsible for appropriate performance of LNG discharge operations at the Terminal until the flexible LNG discharge hoses are disconnected from the LNG Carrier.

### **Article 54**

The Operator shall not be responsible for any direct or indirect losses, expenses and/or damage, the demurrage fee, including loss of earnings, incurred by the Terminal User, the LNG Carrier, its owner or operator, master or commander, LNG Supplier, carrier and/or intermediary, 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 initiated LNG discharge, or has acted in accordance with the conditions established in these Rules if

the LNG does not meet the LNG Quality Specification or any other reason prescribed by these Rules; and/or

2. LNG discharge has been delayed or has been performed with interruptions due to the circumstances outside of the Operator's control and for which the Operator is not responsible.

## **LNG Regasification**

### **Article 55**

- (1) The LNG quantities for regasification shall be determined in accordance with the approved Annual and Monthly Service Schedule.
- (2) The Operator shall regasify the LNG quantity according to the confirmed Daily Nomination of the Terminal User.
- (3) The LNG quantity that has been regasified and dispatched to the Delivery Point shall be calculated for each Terminal User and shall be equal to the quantity of gas actually allocated according to the conditions stipulated in Annex II to these Rules.

## **Daily Nomination of Gas Quantity**

### **Article 56**

- (1) The Terminal User who wants to use the LNG Regasification Capacity shall, on a daily basis and on both business and non-business days, submit to the Operator information on the Daily Nomination of gas quantity in kWh/h, which it shall deliver to the Delivery Point on 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 it shall:
  1. Be obliged to book and nominate appropriate capacity of the transmission system at the entry into the transmission system, which is also the exit from the Terminal; or
  2. In case when it does not have a contracted transmission system capacity, it shall be obliged to submit to the Operator, no later than two business days before the start of gas delivery into the transmission system, data on the name and EIC code of the transmission system user who has the contracted capacity at the entry into the transmission system, which is also the exit from the Terminal, to which it intends to deliver gas.
- (4) The Operator and the transmission system operator shall establish pairs of Terminal Users and transmission system users, no later than one business day before the start of gas delivery to the transmission system.
- (5) The nomination for the use of the Terminal capacity referred to in paragraphs 1 and 2 hereof must, in addition to data on the gas quantity, also contain data on the

transmission system user who shall take over gas at the entry to the transmission system, which is also the exit from the Terminal.

(6) After receiving the Daily Nominations, the Operator shall verify whether the nominations are in accordance with the Approved Annual and/or Monthly Service Schedule, and deliver them to the transmission system operator.

(7) The Operator shall, after harmonizing the data with the transmission system operator, approve the Daily Nomination delivered by the Terminal User only when the following conditions have cumulatively been met:

1. The Daily Nomination of an individual Terminal User is harmonized with the monthly schedule,

2. The conditions referred to in paragraph 3 hereof are fulfilled;

3. In case of a deviation of the Daily Nominations from the Approved Monthly Service Schedule, it is in accordance with the appropriately applied conditions referred to in Article 35 of these Rules;

4. The overall Daily Nomination of all Terminal Users on a particular Gas Day is higher than the minimum allowable LNG Regasification Rate and lower than the maximum allowable LNG Regasification Rate, according to the Technical Conditions of the Terminal.

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

(9) The Terminal User shall submit the Daily Nomination for Gas Day D to the Operator no later than by 1:00 PM on day D-1, except in the case referred to in Article 50(6) of these Rules.

(10) The Terminal User shall have the right to renominate the approved Daily Nomination no later than by 4:00 AM 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 referred to in paragraph 7 hereof this Article.

(11) If in the nomination pairing procedure, the operators determine that the conditions referred to in paragraph 7 hereof have not been met, the Operator shall reject the nomination and notify the Terminal User and the transmission system operator, and allow to the Terminal User to submit a corrected nomination.

(12) The Operator shall have the right to adjust the submitted Daily Nomination of the Terminal User by adjusting the total actual LNG quantities that deviate to the LNG quantities from the Approved Annual and/or Monthly Service Schedule, especially when such deviations lead to incompatibility with the approved joint Annual Service Schedule, which may lead to the inability to accept LNG Carriers or to discharge LNG, or to inability to fulfill other obligations of the Operator, of which adjustment the Operator shall immediately notify the Terminal User.

(13) In the case of rejection of the nominations referred to in paragraph 11 hereof and/or adjustment of nominations referred to in paragraph 12 hereof, the Terminal User shall, in coordination with the transmission system user taking over the gas at the exit from the Terminal, which is also the entry into the transmission system, be obliged to renominate the transmission system capacity use.

(14) Upon expiry of the deadline referred to in paragraph 9 and 10 hereof, the Operator shall notify the Terminal User and the transmission system operator about the quantity of accepted Daily Nominations within 1 hour.

- (15) If the Operator rejects a Daily Nomination, it shall notify the Terminal User within 30 minutes of the reasons for the rejection of the nomination.
- (16) If the Operator rejects a renomination, the last accepted nomination or renomination shall be valid.
- (17) The nomination or last renomination for a given Gas Day accepted by the Operator shall be binding for the Terminal User.
- (18) If the Terminal User fails to submit the Daily Nomination or the Operator does not approve the submitted Daily Nomination, the nominated LNG quantity for regasification on the next Gas Day shall be deemed to be equal to the quantity of gas from the Approved Monthly Service Schedule. If there is no Approved Monthly Service Schedule, it shall be deemed that the nominated quantity of LNG for regasification on the next Gas Day is equal to the quantity of gas from the Approved Annual Service Schedule.
- (19) The delivered quantity of gas energy for an individual Terminal User for a particular Gas Day shall be determined in the quantity of the last accepted nomination or renomination of the Terminal User.

## **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 cargo delivered to the Terminal at the time of discharge corresponds to the LNG Quality Specification, and that at the time of loading the regasified gas into the transmission system, it corresponds to the standard quality of natural gas specified in the General Terms and Conditions for Gas Supply.
- (2) The Operator shall not be responsible for the quality of 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 also in the cases of mixing the LNG in the Terminal tanks, as long as Terminal Users use LNG Regasification Service in accordance with these Rules.
- (4) The Terminal User shall be obliged to take into account that the LNG quality parameters change over time, therefore cargo quality parameters may change during transport from the port of loading to the Terminal, as well as 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 LNG Quality Specification referred to in paragraph 6 hereof.



(5) The Operator or the Terminal User shall, without delay, notify the other party it gains any knowledge that the delivered cargo or cargo that is yet 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 cargo delivered to the Terminal at the time of discharge corresponds to the following LNG 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>Sulfur content</b>	<b>mg/m<sup>3</sup></b>
Total sulfur (S)	maximum 30
Total hydrogen sulfide and carbonyl sulfide (H <sub>2</sub> S+COS)	maximum 5
Thiols (RSH)	maximum 6
<b>Other values</b>	
Upper calorific value Hg (kWh/m <sup>3</sup> )	minimum 10.28 maximum 12.75
Lower calorific value Hg (kWh/m <sup>3</sup> )	minimum 9.25 maximum 11.47
Upper Wobbe Index Wg (kWh/m <sup>3</sup> )	minimum 12.75 maximum 15.81
Lower Wobbe Index Wg (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 LNG Quality Specification referred to in paragraph 6 hereof is significantly changed during the Terminal Use Agreement, the Terminal User shall have the right to cancel the agreed service in accordance with Annex I to these Rules.

## Article 58

(1) The Operator shall be obliged to take appropriate action to determine that the LNG intended for discharge to the Terminal and/or the LNG that is being discharged to the Terminal is in accordance with the LNG Quality Specification and shall prevent any discharge of LNG that is, in accordance with the LNG Quality Specifications, considered Off-Specification LNG.

(2) After receiving the registration request for an LNG Carrier, the Operator shall refuse such a request if the LNG specified in that request does not comply with LNG Quality Specification and is considered Off-Specification LNG.

(3) If, in accordance with paragraph 2 hereof, it was not possible to determine Off-Specification LNG, the Operator shall be obliged to stop the already initiated LNG discharge to the Terminal when it is established during sampling of the LNG being

discharged to the Terminal that the LNG does not correspond to the LNG Quality Specification and is considered Off-Specification LNG.

(4) In the case referred to in paragraph 3 hereof, 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) LNG quality and 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 predict changes in 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 an LNG Carrier to the Terminal, the Surveyor shall check whether the conditions referred to in Article 62(1) to (3) of these Rules have been met.

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

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

(4) The interim LNG Quality and Quantity Report for LNG discharged to 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 to the Terminal within 72 hours after the completion of LNG discharge, except in the case referred to in Article 62(6) of these Rules.

(5) All reports, orders, specifications and other documentation concerning the results of measuring LNG quality parameters shall be verified by an independent surveyor, in the presence of the Operator and the Terminal User or the authorized representative of the Terminal User.

(6) The Operator shall be obliged to, at all times, obtain, use and maintain the equipment for LNG sampling and determining the quality of discharged LNG, as well as any other LNG measurement or analysis equipment required to carry out all the prescribed LNG measurements and analyses on the Floating LNG Storage and Regasification Unit.

## Measurement of Discharged LNG

### Article 61

(1) The Terminal User shall be obliged to ensure that, when discharging LNG to the Terminal, the measurement of LNG quantity and quality is carried out in accordance with international ISO standards in 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 must be met to determine the level of 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 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 LNG to the Terminal, LNG quantity and quality is measured in accordance with international ISO standards in reference conditions, and regulations governing the sampling procedures and their frequency.

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

(6) The quantity of discharged LNG indicated in lower calorific value shall be calculated according to the following formula:

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

Where:

E – Quantity of discharged LNG expressed in kWh NCV

V – Quantity of discharged LNG expressed in m<sup>3</sup>

d – LNG density indicated in kg/m<sup>3</sup> (kilogram per cubic meter of LNG)

H<sub>m/nc</sub> – Lower calorific value of LNG mass indicated in kWh/kg

Q<sub>bog</sub> – Energy value of gas used by the LNG Carrier during LNG discharge, indicated in kWh NCV

Q<sub>r</sub> – Energy value of gas returned to the LNG Carrier during LNG discharge indicated in kWh NCV

The calculation indicated in lower calorific value shall be defined according to the following conditions:

– Lower calorific value measured at a pressure of 1.01325 bar,

– Lower calorific value measured at a temperature of 15°C/15°C.

(7) The quantity of discharged LNG indicated in higher calorific value shall be calculated according to the following formula:

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

Where:

E – Quantity of discharged LNG expressed in kWh GCV

V – Quantity of discharged LNG expressed in m<sup>3</sup>

d – LNG density indicated in kg/m<sup>3</sup> (kilogram per cubic meter of LNG)

H<sub>m/gc</sub> – Upper calorific value of the LNG mass indicated in kWh/kg

Q<sub>bog</sub> – Energy value of gas used by the LNG Carrier during LNG discharge, indicated in kWh GCV

Q<sub>r</sub> – Energy value of gas returned to the LNG Carrier during LNG discharge indicated in kWh GCV

The calculations shall be performed at the lower and upper calorific value in accordance with the following measurement conditions:

– Lower calorific value measured at a pressure of 1.01325 bar and a temperature of 15°C/15°C,

– Upper calorific value measured at a pressure of 1.01325 bar and a temperature of 25°C/0°C,

(8) Converting the lower calorific value of gas into the upper calorific value of gas shall be 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) Except if otherwise specified by the Operator, the quality of the discharged LNG shall be determined by a continuous online gas chromatograph as the primary system, and intermittent sampling system using the constant pressure/floating piston (CP/FP) container as a back-up system.

(2) Each LNG sampling and all procedures concerning LNG sampling, including LNG sampling during LNG discharge from the LNG Carrier to the Terminal, shall be carried out in accordance with ISO 8943:2007, 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 take samples and place them into three CP/FP containers during LNG discharge. Such containers with samples shall be sealed by the Surveyor present during the sampling, and the sampling cost shall be borne by the Operator.

(4) One CP/FP container with a sample shall be used for analysis, the second container shall be available to the Terminal User, while the third container shall be 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 its sample container, it shall be obliged to return it within five business days after receiving the container.

(6) The Terminal User shall have 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 its sample container or refused to sign the cargo acceptance certificate.

(7) By way of derogation from paragraph 5 hereof, 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 until the date of submitting the complainant to the Operator, but in any case, the Terminal User shall be obliged to return the sample container within 90 days from the receipt.

(8) In the event of an objection referred to in paragraph 6 hereof, 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 must 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 its representative, the Operator and/or the representative of the transmission system operator prior to commissioning of the Terminal and after each calibration according to the regulations.

### **Article 64**

(1) If the continuous online gas chromatograph as the primary system and the intermittent sampling system using the constant 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 shall be deemed to be correct.

(2) In the case referred to in paragraph 1 hereof, 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 trips with the same quantity of evaporation, and in the event that not sufficient historical data is available to determine the LNG quality, a model of theoretical aging 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 hereof does not provide the correct assumption of 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 DISPATCHED GAS QUANTITIES**

### **Article 65**

- (1) The Operator shall be obliged to provide Terminal Users with access to information on the LNG quantity owned by an individual Terminal User located 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 hereof shall be provided by the Operator via the Operator's Information System.
- (3) The quantity of LNG and gas shall be determined and updated in accordance with Annex II to 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 established 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 established surplus or shortage of LNG shall be assigned to Terminal Users proportional to the LNG Regasification Capacity used during the period for which the inventory was conducted.
- (6) The established LNG shortage that exceeds the allowable loss shall be allocated to the gas loss of the Operator, which the Operator shall compensate to Terminal Users in accordance with the procedures referred to in Annex II to these Rules.
- (7) The Terminal User shall have the right to request from the Operator to conduct an extraordinary inventory in accordance with the provisions of Annex II to 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 be obliged to pay to the Operator for 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 by 1 July, the Operator shall publish on its website the planned annual regular maintenance works schedule for the upcoming gas year, indicating the days of the planned suspension or limitation of the LNG Regasification Service due to regular Terminal 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 published by 1 July, provided that their total duration together with the planned annual regular maintenance works does not exceed seven days and enables regular use of the LNG Regasification Service, whereby Terminal Users shall be notified of the exact dates of maintenance works performance no later than 60 days before the commencement of the works;
  3. The Operator shall have the right to perform regular maintenance works concerning the dry mooring, in accordance with maritime regulations and in cases where the safe operation of the Terminal is endangered, as well as the lives or health of people, the

environment or the property of the Operator and/or Terminal Users, whereby the Operator must announce the overhaul of the Floating LNG Storage and Regasification Unit no later than 30 days after learning about the necessity to perform an overhaul.

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

1. Perform maintenance works when during the performance of regulatory and statutory surveys and/or when scheduled maintenance is performed on the transmission system in accordance with the published annual maintenance schedule of the transmission system operator;

2. Perform maintenance works that should normally be performed during any Arrival Window of an LNG Carrier at another date, in order to interfere as little as possible with the rights of Terminal Users.

(3) The Operator shall have the right to limit and/or suspend Terminal use and the provision of the LNG Regasification Service and non-standard services over the period and to the extent that is related to the maintenance works which shall be performed after Terminal Users have been notified in accordance with paragraphs 1 and 5 hereof.

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

(5) The Operator shall deliver a written notice to Terminal Users on the extraordinary maintenance works, immediately after learning that such works are required, and this notice shall contain a planned extraordinary maintenance works schedule indicating the time of the planned suspension or restriction of the provision of the LNG Regasification Service.

(6) The Terminal Users shall take into account the regular and extraordinary maintenance works schedule and shall cooperate reasonably and 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 that arises for Terminal Users in accordance with Annex I to these Rules.

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

## **XII CHANGES AND LIMITATIONS OF THE TERMINAL MANAGEMENT**

### **Article 67**

(1) In order to ensure continuous, regular and safe operation of the Terminal and to regularly provide LNG Regasification Services, the Operator shall have the right to empty the tanks of the Floating LNG Storage and Regasification Unit by using the LNG

Regasification Capacity 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 LNG Storage and Regasification Unit are not sufficiently empty to receive full cargo because one or more Terminal Users have not used the LNG Regasification Capacity in accordance with the Service Schedule;

2. The LNG Quality Specification in the tanks of the Floating LNG Storage and Regasification Unit does not comply with the LNG Quality Specification or is approaching the lowest allowable level of the LNG Quality Specification, whereby the Operator has the right to load 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 LNG 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 hereof, the Operator shall have the right to sell LNG and/or gas, by appropriately applying the rules for selling gas in an open sale procedure, to the best bidder, on behalf of the Terminal User whose gas quantity it is selling.

(3) Gas sale 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 coordinate with the Terminal Users on the implementation of the actions described in this Article, in order to mitigate the risks and/or losses of Terminal Users and/or the Operator.

(5) LNG that has been regasified and dispatched from the Terminal or otherwise removed from the tank of the Floating LNG Storage and Regasification Unit, in the cases referred to in paragraph 1(1) or (2) hereof, shall be deducted from the Terminal User's virtually stored LNG quantities, and all liabilities shall be assigned to the Terminal User whose actions or omissions have resulted in the Operator's measures described in this Article.

(6) If the tanks of the Floating LNG 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 Terminal Users whose actions or omissions have 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 hereof, it shall have the right to inform the Operator thereof within three days from the day of delivery of the decision.

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

(9) All incurred costs associated with the Off-Specification LNG referred to in paragraph 6 hereof shall be borne by the Terminal User whose actions or omissions have resulted in the occurrence of the Off-Specification LNG and/or the suspension of



the operation of the Terminal and/or caused the necessity to remove Off-Specification LNG from the tanks of the Terminal.

## **Article 68**

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

1. Suspension or limitation of LNG Regasification Services in the cases described in Article 67 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 operation of the Terminal.

(2) The Operator shall seek to implement the changes referred to in paragraph 1 hereof in such a manner as to minimally affect the approved schedule of Terminal Users whose actions were not the cause for the said changes.

(3) In the case referred to in paragraph 1 hereof, the Operator shall be obliged to inform the Terminal Users of any changes in the approved Service Schedules within 24 hours. The changed Service Schedules published by the Operator shall be binding on all Terminal Users.

(4) In the event of occurrence of damages in accordance with paragraph 1 hereof, 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 LNG Regasification Services in accordance with the procedure and conditions laid down in the regulations governing the gas market and these Rules.

(2) In the case referred to in paragraph 1 hereof, the Operator shall be obliged to inform the Terminal User of the reasons for limiting or suspending the provision of LNG Regasification Services via a written notice given to the Terminal User within a reasonable deadline.

(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 the LNG Regasification Service.

(4) The Operator shall have the right to limit or suspend the provision of the LNG Regasification Service without any fault of Terminal Users and/or the Operator, in order to protect public interest, uninterrupted and safe operation of the Terminal, or in other cases explicitly provided by the regulations governing energy, energy-related activities

and 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 an LNG Carrier, and/or to prevent danger to the lives or health of persons, the environment and/or property, in cases of force majeure, unauthorized actions by third parties and/or accidents, faults or other technical or safety reasons;

2. When it is necessary due to Adverse Weather and/or Metocean Conditions, and/or force majeure, and/or extraordinary operating conditions of the Terminal, 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 responsibility of the Operator, the Operator shall be liable for the damage incurred to Terminal Users in accordance with Annex I to these Rules.

(6) The Operator shall have the right to suspend or limit the provision of the LNG Regasification Service to Terminal Users without prior notice in cases specified in paragraph 4 hereof, as well as in the event of an accident, fault or failure on the Terminal and/or the LNG Carrier and/or related equipment. In any of the above cases, the Operator shall be obliged to immediately notify the Terminal User in writing about the suspended or limited provision of the LNG Regasification Service 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 responsible for the LNG Carrier fails to duly verify the compatibility of the LNG Carrier with the Terminal in accordance with the Technical Conditions of the Terminal;

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

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

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

(9) In the case referred to in paragraph 7(2) hereof, the Operator shall immediately after the suspension or limitation of the provision of the LNG Regasification Service, 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(3) hereof, the Operator shall no later than 10 days before the suspension or limitation of the provision of the LNG Regasification Service, 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 misconduct 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 the LNG Regasification Service, the Operator shall be obliged to deliver a notice to all Terminal Users whose rights and obligations are affected by that suspension or limitation.

## **XIV SALE OF LNG OR NATURAL GAS OF THE TERMINAL USER IN AN OPEN PROCEDURE**

### **Article 70**

(1) The Terminal User shall be obliged regasify and deliver the entire LNG quantity that is located at the Terminal and that is in its possession before the expiry of the Terminal Use Agreement on any legal basis.

(2) If the Terminal User fails to regasify and deliver the entire LNG quantity in accordance with paragraph 1 hereof in a timely manner, the Operator shall have the right to sell, in an open sale procedure, to the best bidder, all or a part of the LNG quantity not regasified and/or the natural gas to be dispatched, on behalf of and for the benefit of the Terminal User.

(3) The gas sale referred to in paragraph 2 hereof in the open procedure shall be deemed to be 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, whereby it shall first settle 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 duration of the Terminal Use Agreement;
- The cost of physical and Virtual Storage of the LNG quantity assigned to the Terminal User, corresponding to the quantity 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 that the Operator has suffered due to the gas not being withdrawn;
- Any other claim that the Operator has had related to any service provided to the Terminal User.

## **XV INDEMNIFICATION**

### **Article 71**

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

### **Article 72**

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

## **XVI DATA PUBLICATION AND INFORMATION EXCHANGE**

### **Operational Cooperation**

#### **Article 73**

(1) The Operator and the transmission system operator shall be obliged to conclude the agreement referred to in Article 7(4) of these Rules no later than by the start of the gas year 2020/2021.

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

(3) The exchange of data referred to in paragraph 2 hereof shall take place via the Operator's information platform and/or by e-mail, except if provided otherwise by these Rules.

### **Publishing of Information**

#### **Article 74**

(1) The Operator shall be obliged to regularly publish and update data on its website.

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

1. These Rules, including the Annexes;
2. Technical Conditions of the Terminal;
3. Contact details and e-mail address for data delivery and communication with energy operators;
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 Capacity;
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 operation and use of the Terminal;
  10. Information on emergency situations and force majeure events;
  11. Links to information published by the transmission system operator on the transmission system technical capacities at the Delivery Point;
  12. Terminal Maintenance schedule;
  13. Form of the application for access to the Operator's information platform and the form of the agreement for the use of the Operator's information platform;
  14. Other information in accordance with these Rules.
- (3) The Operator shall be obliged to publish on its website information in accordance with the GLE Transparency Template according to the instruction of Gas Infrastructure Europe.
- (4) The Operator shall be obliged to provide all stakeholders with access to information regarding the LNG Regasification Service and the non-standard services.
- (5) The Terminal User shall be obliged to 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, except if 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 Operator's Information System, the Operator and Terminal User shall conclude the agreement on the use of the information system.
- (2) After the conclusion of the agreement referred to in paragraph 1 hereof, 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(5) of these Rules shall be considered properly delivered 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 be obliged to take all measures to ensure data exchange in accordance with the regulations governing the information exchange security rules.
- (5) The data 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, except if the parties have agreed otherwise.

## **Article 76**

(1) The Operator and the Terminal User shall be obliged to 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 an LNG Carrier or cargo, the lives and health of persons, property or the environment, the Terminal User or its authorized representative shall immediately after learning of such a circumstance, notify the Operator by telephone without delay, and subsequently at least every four hours, about the changes of the circumstances until the complete elimination of the danger.

## **XVI 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 eight day from the day of 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 the definition of the mutual rights and obligations of the Operator and Terminal Users, as well as the establishment of conditions that shall apply to the provision of the Operator's services.

### *Definitions*

#### Article 2

Except if otherwise explicitly defined herein, the terms used in these General Terms and Conditions shall have meanings defined in the Rules and regulations governing energy, energy-related activities and the gas market.

### *Conclusion of the Terminal Use Agreement*

#### Article 3

(1) In order to exercise the right to receive the Operator's services, the Terminal User shall be obliged to conclude with the Operator a Terminal Use Agreement, an integral part of which shall be these General Terms and Conditions.

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

- Information on the energy operators 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 provisions as may be agreed between the Operator and the Terminal User.

### *Rights arising from the contracted service*

#### Article 4

The Operator shall be obliged to provide the contracted services in accordance with the conditions 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 the regulations governing energy, energy-related activities and the gas market, the Rules and the Terminal Use Agreement.

### *Terminal User's rights and obligations*

#### Article 6

The Terminal User shall have the right to:

1. Access the Terminal in accordance with the provisions of the regulations 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 capacity on the Secondary Market in accordance with the provision of the Rules.

#### Article 7

The Terminal User shall be obliged to:

- Settle in full any due invoices issued by the Operator for the Terminal use fee, the price of the Operator's non-standard services, 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 for communication with the Operator;
- Submit to the Operator the payment security instrument in accordance with these General Terms and Conditions;
- Ensure that the delivered LNG 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 are essential for the implementation of the Terminal Use Agreement;
- Be responsible for the transportation and mooring of each cargo that the Terminal User is entitled to discharge at the Terminal in accordance with the Technical Conditions of the Terminal and the Rules;
- Ensure the transmission system capacity or the gas supplier who shall take over the gas from it 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 regulations 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 be obliged to pay to the Operator a Terminal use fee.
- (2) The Terminal User shall be obliged to pay the Terminal use fee referred to in paragraph 1 hereof regardless of whether it had actually used the LNG Regasification Service that corresponds to the contracted LNG Regasification Capacity.
- (3) The Terminal use fee shall be defined and calculated pursuant to the Methodology on Establishing the Amount of Tariff Items for the Regasification of Liquefied Natural Gas and the Decision on the Amount of Tariff Items for the Regasification of Liquefied Natural Gas adopted by the Agency.
- (4) The calculation and invoice for paying the Terminal use fee and the final calculation of the Terminal use fee and the invoice issued based on such final calculation, shall be prepared and delivered by the Operator to the Terminal User within the deadlines prescribed by the Methodology on Establishing the Amount of Tariff Items for the Regasification of Liquefied Natural Gas adopted by the Agency.
- (5) If the Decision on the Amount of Tariff Items for the Regasification of Liquefied Natural Gas referred to in paragraph 3 hereof 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 be obliged to pay a fee to the Operator for the Operator's non-standard services that were provided to it.
- (2) The price of the Operator's non-standard services shall be determined in accordance with the Methodology on Establishing the Price of Non-Standard Services for Gas Transmission, Gas Distribution, Gas Storage, Regasification of 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 by 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 day on which the Operator issued the invoice.
- (3) If the last day of the deadline referred to in paragraph 2 hereof falls on a non-business day, the following business day shall be counted as the last day of the deadline.
- (4) The payment obligation shall be deemed to have been performed on the date on which the money is credited on the Operator's business account.
- (5) All invoices shall be issued through the Operator's Information System.
- (6) By concluding the Terminal Use Agreement, the Terminal User agrees to the invoicing method referred to in paragraph 5 hereof.
- (7) In case the Operator's Information System is unavailable, or in case the Terminal User and the Operator agree that invoices shall be issued in another manner, the invoices shall be delivered to the Terminal User via registered mail or courier service.
- (8) The payment due deadline shall start to run on the invoice issuance 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.

### *Currency*

#### Article 12.a

- (1) Payment of the Terminal use fee and all other fees, expenses and payments by the Terminal User to the Operator, and vice versa, by the Operator to the Terminal User, based on the Terminal Use Agreement and the Joint Terminal Use Agreement, shall be made in EUR, except when the Terminal User has its seat in the Republic of Croatia, in which case all such amounts shall be payable in HRK equivalent according to the middle exchange rate of the Croatian National Bank valid on the day of invoicing, **and if** no invoice is issued for a certain payment (for example, for the purpose of deposit payment), the middle exchange rate of the Croatian National Bank valid on the day of payment shall be applied.
- (2) The amount indicated in the payment security instrument provided by the Terminal User to the Operator on the basis of the Terminal Use Agreement and/or the Joint Terminal Use Agreement (where applicable) shall be indicated in EUR, except when the Terminal User has its seat in the Republic of Croatia, in which case it shall be indicated in EUR, payable in HRK equivalent according to the middle exchange rate of the Croatian National Bank valid on the day of payment.

## Article 13

- (1) In the event of any dispute of 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 Invoice Deviation).
- (2) The Terminal User shall be obliged to indicate the items and reasons for disputing the invoice and indicate the disputed amount in the Notice of Invoice Deviation.
- (3) After the Operator receives the Notice of Invoice Deviation referred to in paragraph 1 hereof, 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 hereof.
- (5) If the Parties fail to reach an agreement referred to in paragraph 4 hereof, either Party may initiate the dispute resolution procedure in accordance with Article 48 of the General Terms and Conditions.
- (6) In the event that an arbitration decision results in an obligation of payment or reimbursement of any amount to either Party, the related default interest shall also be payable at the statutory default interest rate, calculated from the date on which payment should have been made or, when applicable, from the date on which the late payment was made.
- (7) The Notice of Invoice Deviation referred to in paragraph 1 hereof shall not postpone the payment of outstanding liabilities according to the received invoice.

#### Article 14

- (1) All quantities specified in these General Terms and Conditions are indicated without VAT, except if 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, in addition to payment of the due amount, the VAT amount.
- (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 pilot services, agent fees and all other similar expenses related 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.

#### *Payment security*

#### Article 15

- (1) In order to secure all payment obligations of the Terminal Users under the Terminal Use Agreement and the obligations resulting from its termination, the Terminal User shall be obliged to submit to the Operator the payment security instrument in accordance with these General Terms and Conditions.

(2) The payment security instrument must be valid and in force for the entire period of the agreement for which the LNG Regasification Service has been contracted, from the date of entry into force of the Terminal Use Agreement, as defined in the Terminal Use Agreement, until the later of: (a) at least 60 days after the expiry of the Terminal Use Agreement, or (b) after the fulfillment of all obligations of the Terminal User in the event of termination of the Terminal Use Agreement (hereinafter: payment security period).

(3) All costs concerning the payment security, including the submission of a new payment security instrument, 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 payment security instrument 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 and the Terminal User without such a rating, but having an Affiliate with such a rating, shall not be obliged to provide the payment security instrument for the period while the Terminal User or its Affiliate have such a rating, provided that it submits 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 above rating), or a corporate guarantee with an enforcement clause issued by the Affiliate of the Terminal User (if the Affiliate has the above rating), by which that Affiliate guarantees, as a solidary guarantor to the Terminal User, that the Terminal User shall settle all its debts arising on the basis of the Terminal Use Agreement and/or as consequence of terminating the Terminal Use Agreement. The contents of the corporate guarantee must be acceptable to the Operator. The corporate guarantee shall specify that Croatian law shall govern the obligations from the corporate guarantee and that a Croatian court shall be competent for any disputes.

(3) For companies not meeting any of the conditions referred to in paragraph 2 hereof, the Terminal User shall be obliged to submit a payment security instrument in the quantity 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 payment security referred to in paragraph 3 hereof 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 account; or
2. An unconditional and irrevocable bank guarantee payable "on first demand" and "without objection", issued by a bank acceptable to the Operator, with contents acceptable to the Operator, issued for the period of validity of at least 60 days after the end of the next gas year, which the Terminal User shall be obliged to renew in accordance with Article 19 of these General Terms and Conditions, so that the Operator has a valid payment security instrument during the entire period of payment security, in accordance with these General Terms and Conditions.

(5) In the case of contracting the LNG Regasification Service in the Annual Capacity Booking procedure, the Terminal User shall be obliged to submit the payment security instrument no later than 15 days before the beginning of the gas year for which the service has been contracted.

(6) It shall be deemed that the Terminal User has submitted the payment security instrument when the Operator receives at the address of its seat the original of the corporate guarantee, the bank guarantee, or when the funds are credited to the deposit account and the Operator can dispose of such funds.

(7) The Operator shall return the payment security instrument to the Terminal User at its request, provided that the Terminal User has duly fulfilled all its obligations under the Terminal Use Agreement and in connection with it.

(8) By way of derogation from paragraph 5 hereof, for the gas year 2020/2021, Terminal Users shall be obliged to deliver the payment security instrument at the latest by 21 December 2020.

(9) The provisions on the payment security instrument for the services contracted in the Annual Capacity Booking procedure shall be applied *mutatis mutandis* to the Open Season Process.

#### Article 17

(1) For services contracted during Short-Term LNG Regasification Capacity Booking, the payment security shall amount to 100% of the total fees for the use of the Terminal for the contracted short-term LNG Regasification Capacity, plus VAT if VAT is applicable.

(2) The payment security referred to in paragraph 1 hereof 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 account; or

2. An unconditional and irrevocable bank guarantee payable "on first demand" and "without objection", issued by a bank acceptable to the Operator, with contents acceptable to the Operator, issued for the period of validity of at least 60 days after the end of the contracted service.

(3) The Terminal User shall be obliged to submit the payment security instrument no later than 15 days after signing the Terminal Use Agreement in the case of Short-Term LNG Regasification 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 payment security instrument 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 payment security ceases to be acceptable to the Operator, the Terminal User shall, at the request of the Operator, submit a new

payment security instrument within 15 days, with the same quantity, conditions 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 Service for several consecutive gas years, it shall be obliged to renew and submit a new bank guarantee or other appropriate payment security instrument in accordance with these General Terms and Conditions no later than 15 business days prior to the start of each next gas year, in which case each bank guarantee must be issued with a validity period of one gas year, except for the last bank guarantee, which must be issued with a validity period of at least 60 days after the end of the last gas year for which the LNG Regasification Service has been contracted.

(2) The procedure referred to in paragraph 1 hereof shall be repeated throughout the entire payment security period, so that the Operator has a valid bank guarantee during the entire period of payment security, 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, it must submit a certified translation in the Croatian language with the original bank guarantee.

(4) In the case that the new bank guarantee is not issued within the deadline referred to in paragraph 1 hereof or if the financial institution issuing the payment security instrument is no longer acceptable to the Operator, and the Terminal User failed to provide a new payment security instrument pursuant to Article 18 of these General Terms and Conditions, the Operator shall have the right to collect the bank guarantee and deposit the corresponding funds as a cash deposit to the deposit account of the Operator. This deposit shall constitute the payment security instrument 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 collecting the bank guarantee.

(5) For the avoidance of any doubt, the Operator shall not be obliged to pay to the Terminal User any interest on the deposit amount referred to in paragraph 4 hereof. In the event that the Operator receives interest on the deposit, such interest shall not automatically be counted into the fulfillment 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 payment security under these General Terms and Conditions.

(6) If the Terminal User fails to fulfill any payment obligation arising under the Terminal Use Agreement or as a result of its termination, including the obligation concerning indemnification, or fulfills some of its obligations under the Terminal Use Agreement with a delay, the Operator shall be entitled to collect, i.e. use the payment security to settle any claims arising on the basis of the Terminal Use Agreement or in connection with that Agreement. The Operator shall not use the payment security for the purpose of settlement of unpaid claims of the Terminal User prior to expiry of three

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 payment security for settlement of the Terminal User's obligations, regardless of the fact whether the payment security has been used in the entire quantity or only partially, the Terminal User undertakes to deliver to the Operator a new payment security instrument, in the quantity that corresponds to the quantity collected on the basis of the used payment security instrument, within 10 days from the day on which the Operator used the payment security.

(2) Paragraph 1 hereof shall also apply *mutatis mutandis* to the obligations of the Terminal User arising after the termination or cancellation of the Terminal Use Agreement as a result of the failure of the Terminal User to fulfill its obligations under that Agreement.

(3) If the Terminal User fails to deliver a new payment security instrument within the deadline referred to in paragraph 1 hereof, the Operator shall have the right to terminate the Terminal Use Agreement.

(4) 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 payment security instrument in the manner and within the deadlines prescribed in these General Terms and Conditions, the Operator shall have the right to terminate the Terminal Use Agreement in accordance with Article 40 of these General Terms and Conditions, after providing an additional fulfillment 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 that have arisen for the Operator as a result of terminating the Terminal Use Agreement.

### *Indemnification by the Terminal User*

## Article 21

(1) The indemnified parties of the Terminal User shall not be liable to the Operator for damage resulting from:

1. Any damage to the property of any indemnified party of the Operator; or
2. Any bodily injury or death (including fatal injury, illness or disease) to employees, agents or staff of the indemnified parties of the Operator or other natural persons engaged by the indemnified parties of the Operator; or
3. Any damage to the environment or environmental pollution (including fines imposed by competent authorities, including damages due to control, prevention of further pollution, removal, remediation, restoration and clean-up of pollution or contamination) that occurred due to a fire, cave-in, seepage, leakage or any other uncontrolled or illegal leakage of liquids, gas, water or other substances, which

damage or pollution originated from the property of any indemnified party of the Operator, including spills or leaks of fuel, lubricants, oils, sealants, paints, solvents, ballasts, bilge, waste or sewerage,

Except if such damage was caused by any indemnified party of the Terminal User by intent or negligence.

(2) If any third party or indemnified party of the Operator files a claim for damages or initiates proceedings against the indemnified party of the Terminal User for compensation of damage resulting from the event referred to in paragraph 1 hereof, the Operator undertakes to protect and defend the indemnified party of the Terminal User from such a claim, and reimburse the damage that such person may collect, but only on condition that the damage was not caused by the indemnified party of the Terminal User by intent or negligence.

### *Indemnification by the Operator*

#### Article 22

(1) The indemnified parties of the Operator shall not be liable to the Terminal User for damage resulting from:

1. Any damage to the property of any indemnified party of the Terminal User; or
2. Any bodily injury or death (including fatal injury, illness or disease) to employees, agents or staff of the indemnified parties of the Terminal User or other natural persons engaged by the indemnified parties of the Terminal User; or
3. Any damage to the environment or environmental pollution (including fines imposed by competent authorities, including damages due to control, prevention of further pollution, removal, remediation, restoration and clean-up of pollution or contamination) that occurred due to a fire, cave-in, seepage, leakage or any other uncontrolled or illegal leakage of liquids, gas, water or other substances, which damage or pollution originated from the property of any indemnified party of the Terminal User, including spills or leaks of fuel, lubricants, oils, sealants, paints, solvents, ballasts, bilge, waste or sewerage,

Except if such damage was caused by any indemnified party of the Operator by intent or negligence.

(2) If any third party or indemnified party of the Terminal User files a claim for indemnification or initiates proceedings against the indemnified party of the Operator for compensation of damage resulting from the event referred to in paragraph 1 hereof, the Terminal User undertakes to protect and defend the indemnified party of the Operator from such a claim, and reimburse the damage that such person may collect, but only on condition that the damage was not caused by the indemnified party of the Operator by intent or negligence.



## Article 22.a

Each party (hereinafter: first party) shall protect, defend and reimburse the other party (hereinafter: other party) (and/or any indemnified party of the Operator (when the other party is the Operator) and/or any indemnified party of the Terminal User (when the other party is the Terminal User) from any and all damages claimed from or suffered by the other party (and/or any indemnified party of the Operator (when the other party is the Operator) and/or any indemnified party of the Terminal User (when the other party is the Terminal User) in relation to any of the following:

- (i) Loss of or damage to the property of any person other than the Operator, Terminal User, any indemnified party of the Operator or any indemnified party of the Terminal User (hereinafter: third party); and/or
- (ii) Bodily injury or death (including fatal injury, illness or contagion) of any third party or worker, agent or staff of the third party or other natural persons engaged by the third party,

To the extent that such damages arise under or in connection with the Terminal Use Agreement and are caused by intent or negligence of the first party (or, if the first party is the Operator, the indemnified parties of the Operator, and if the first party is the Terminal User, the indemnified parties of the Terminal User).

## Article 23

(1) A party entitled to protection by the other party in accordance with Articles 21(2), 22(2) or 22.a of these General Terms and Conditions (hereinafter: protected party), shall immediately notify the other party of any claim for indemnification in respect of which it is entitled to protection in accordance with the above Articles.

(2) The notification referred to in paragraph 1 hereof shall be submitted no later than 30 days after the protected party gains knowledge of the claim referred to in Article 21(2), 22(2) or 22.a of these General Terms and Conditions.

(3) The protected party shall have the right to challenge, defend and conduct litigation (and engage legal advisers of its choice in this regard) in relation to any claim, action, lawsuit or proceeding that threatens or is initiated against the protected party, and arising out of any matter in respect of which the protected party is entitled to protection under Article 21(2), 22(2) or 22.a of these General Terms and Conditions, and the reasonable costs thereof shall be subject to the said indemnification. The party that is obliged to protect the protected party shall have the right to declare the manner of legal protection against such claim, action, lawsuit or proceeding and to participate at its own expense and through legal advisers of its choice in monitoring the legal protection

procedure of the protected party. The protected party shall take into account the instructions of the other party on such legal protection.

(4) The protected party shall not settle on a claim, action, lawsuit or proceeding in respect of which it has the right to protection by the other party, without the prior written consent of such other party, which consent shall not be unreasonably denied or delayed.

### *Restoration of environmental damage*

#### 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 restoration of any environmental damage for which any indemnified party of the Terminal User is responsible.

(2) To the extent to which the Terminal User is responsible for environmental damage pursuant to Article 21(1)(3) of these General Terms and Conditions, the Terminal User shall indemnify the Operator (or its Affiliates) for restoration and/or clean-up costs, and the Operator (and its Affiliates) shall not be liable to the Terminal User with respect to such restoration and/or clean-up.

(3) The Terminal User shall also be obliged to 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 of the Operator or its Affiliates have been taken on the basis of prior written consent of the Terminal User; or
2. The Operator or its Affiliates are obliged, under the law, to undertake such restoration actions; or
3. The actions of 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 hereof, if the Operator or its Affiliates have acted with gross negligence or intent in undertaking the actions referred to in paragraph 3 hereof, 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.

(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 not affect any other rights or legal remedies of any indemnified party of the Terminal User based on the Terminal Use Agreement or any other basis.

#### Article 25

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

(2) The Operator's liability for damages that have arisen due to non-performance of services during regular operation of the Terminal, other than when these services are not performed due to a force majeure Event or any other reason for which the Operator is not responsible, shall not exceed:

1. The amount of EUR 50,000.00 (fifty thousand Euros) per day towards all Terminal Users; and
2. The amount of 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 hereof towards any individual Terminal User shall, in any case, not exceed the proportional part of the maximum relevant amount that is determined in accordance with the contracted LNG Regasification Service of such a Terminal User in relation to the total contracted LNG Regasification Service of all Terminal Users in that calendar year.

### *Obligations in respect of 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 be obliged to 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 additional time spent 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 additional time spent 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 additional time spent and/or confirmed reload;
- and
- Reasonably documented costs actually incurred by the Terminal User during the additional time spent.

#### Article 27

If, due to any action or omission of the Terminal User, the LNG Carrier or the LNG Carrier's master/commander, the discharge of cargo has not been completed within the Allowed Laytime, the Terminal User shall pay to the Operator a fee 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 additional time spent 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 additional time spent 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 additional time spent and/or confirmed reload;
- and

– Reasonably documented 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 circumstance referred to in Article 26 or 27 of these General Terms and Conditions, the fee for demurrage for exceeding the Allowed Laytime by 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 amended 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 all direct losses incurred due to the actions or omissions of the other party in the event of need for extraordinary maintenance work due to the fault of such other party, except if exceptional maintenance work is required due to force majeure.

(2) In all cases, the fee 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 the fee for demurrage in accordance with Articles 26 and 27 of these General Terms and Conditions shall pay statutory default interest applicable in that period to the other party.

(3) All claims for the payment of the fee 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, lose 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 Window specified in the Approved Monthly Service Schedule, 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 managing the LNG Carrier could not have foreseen and/or control through no fault of their own.

(5) The Operator shall indemnify the Terminal User for any damage that occurred due to failure to comply with the Arrival Window in accordance with the Approved Monthly Service Schedule, for reasons attributable to the Operator, except when such failures are a result of the Terminal User's actions or its omission or other circumstances under the Rules, these General Terms and Conditions and/or the Terminal Use Agreement, which the Operator and/or the indemnified party of the Operator could not have foreseen and/or control through no fault of their own.

(6) For each failure to comply with the requirements for unberthing from the Terminal and enabling access to the Terminal to other LNG Carriers and/or leaving 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 Use Agreement, which the Terminal User and/or the person responsible for the LNG Carrier management could not have foreseen and/or controlled through no fault of their own.

(7) For each disabling of unberthing from the Terminal and/or disabling of departure from 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 through no fault of their own.

(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 LNG 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, the Terminal User shall be liable to pay the Operator a fee calculated as follows:

$$P = \frac{Q \times \mu \times H}{1000} \times$$

LNG Regasification Service tariff (EUR/MWh)

Where:

Q – LNG Regasification Capacity requested by a certain Terminal User during the first gas year (if the request has been submitted during the Annual Capacity Booking) or during the entire service provision period (if the request is submitted during the Short-Term LNG Regasification Capacity Booking) in m<sup>3</sup> of LNG

H – Estimated lower calorific value of natural gas (kWh/m<sup>3</sup> of natural gas) determined by the Operator

μ – Estimated expansion coefficient (m<sup>3</sup> of LNG/m<sup>3</sup> of natural gas) determined by the Operator.

(11) For the avoidance of any 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 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 (including loss of earnings) caused by ordinary negligence of the Party that has caused the damage.

### *Payment of indemnity*

#### Article 31

- (1) If any amount becomes payable to any party (hereinafter: receiving party) as indemnity by the other party (hereinafter: 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: Indemnity Invoice).
- (2) The Paying Party shall, in accordance with paragraph 3 hereof, pay to the Receiving Party the amount defined in the Indemnity Invoice within 20 business days after it receives the Indemnity Invoice.
- (3) Any payment that is due under the Terminal Use Agreement on a day that is not a business day, shall be made on the next 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 quantity of the Indemnity Invoice shall be payable in HRK equivalent according to the middle exchange rate of the Croatian National Bank applicable on the date of invoice issuance.
- (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: Indemnity Dispute Notice), whereas, in the case of a clear 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 quantity 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 corresponding statutory default interest accruing from the original due date to the date of payment of the due quantity.
- (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 LNG Storage and Regasification Unit*

Article 32

- (1) A Party (hereinafter: 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 effect is beyond reasonable control of the Parties, and the effects of which cannot be prevented or avoided by actions and care of a prudent Operator, i.e. a prudent Terminal User, whereby the force majeure event prevents any of the Parties (fully or in part) from fulfilling the obligations it has towards 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 defined in paragraph 2 hereof, 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, tsunamis 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, revolutions, 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 LNG Storage and Regasification Unit is moored or to which or from which it departs;
- Chemical or radioactive contamination or ionizing radiation;
- Fire, accident, structural collapse or explosion;
- Collision, shipwreck, navigational and maritime hazards;
- Epidemics, plague or quarantine;
- Cyber security breach or online attack;
- Sonic boom;
- Plane crashes;
- Decisions of the Government of the Republic of Croatia adopted in accordance with the regulation governing energy 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 disasters or technological catastrophes (crisis situations) pursuant to the regulation governing energy;
- The failure, unlawful or discriminatory delay or refusal by any competent authority to grant, amend or renew the license 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 license, except if 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 license or other requirement);
- Nationalization, confiscation, expropriation, compulsory acquisition, seizure of any assets (including the Floating LNG 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 case within three calendar days from the date of the occurrence of a force majeure event, the Affected Party shall notify the other Party of such force majeure event 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 from being performed, 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 hereof shall be supplemented and updated at reasonable intervals during the period of such a force majeure event, specifying the actions being taken to remedy the circumstances causing such a force majeure event and the date on which such a force majeure event and its effects are expected to end. The Affected Party shall make reasonable efforts to mitigate the effects of such a force majeure event and to resume normal performance of obligations under the Terminal Use Agreement, as soon as it is reasonably practicable.

*Consequences of force majeure events and the loss of the Floating LNG Storage and Regasification Unit*

Article 34

(1) To the extent in which the performance of obligations by the Affected Party is prevented or delayed due to 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 make reasonable efforts to mitigate the effects of a force majeure event and resume the performance of obligations as soon as reasonably practicable, and to the extent in which the Affected Party fails to make reasonable efforts to overcome or mitigate the effects of a force majeure event, it shall not be released from liability for damages due to any delay or failure in performance that would have been avoided by making such reasonable efforts.

(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 Service 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 prevent the Affected Party from performing all or a substantial part of its obligations or any of its material obligations under the Terminal Use Agreement, or delay the performance thereof, for a continuous period of 3 months or more (hereinafter: extended force majeure event), 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(7) of these General Terms and Conditions.



(5) In order for the Party not affected by force majeure to have the right to terminate the Terminal Use Agreement, in addition to the conditions provided for in paragraph 4 hereof, in the event of force majeure, the Party must 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) If at any time, the Floating LNG 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 the 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 LNG 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 LNG Storage and Regasification Unit's underwriters, the day on which it is established by a competent court that a constructive or compromised or arranged total loss of the Floating Storage and Regasification Unit has occurred; or

– Goes 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 news on the Floating LNG Storage and Regasification Unit was last heard.

(7) The consequences of terminating the Terminal Use Agreement in accordance with paragraph 6 hereof, except in the cases referred to in Article 41(3) and (5) of these General Terms and Conditions, shall be as set out in Article 41(7) of these General Terms and Conditions.

### *Suspension of service provision*

#### Article 35

(1) The Operator may terminate the provision of all services subject to these General Terms and Conditions if the Terminal User:

(i) Has failed to settle any two invoices issued for the Terminal use fee in accordance with Article 9 of these General Terms and Conditions within 10 business days from the due date of the second (later issued) invoice,

(ii) There is a default of payment obligations for an extended period of time by the Terminal User, or

(iii) Has not renewed the payment security instrument in accordance with these General Terms and Conditions,

whereby the suspension of service provision shall be carried out only in respect of the Terminal User that is in breach of its obligations.

(2) The default of payment obligations for an extended period of time referred to in paragraph 1 hereof by the Terminal User shall be deemed to exist if the debt (except for debt based on invoices for the Terminal use fee as provided in paragraph 1(i) hereof) has not been paid within 10 business days from its due date.

## 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 of all unpaid quantities together with the corresponding interest, as well as all fixed quantities 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 delivering the notice on the resumption of services provision to the Terminal User.
- (3) The Terminal User shall bear all damages incurred to the Operator as a result of the suspension and resumption of the provision of services in accordance with these General Terms and Conditions, whereby the Terminal User shall be liable to the Operator for the incurred damages up to the total amount of EUR 10,000,000.00 (ten million Euros) per event.
- (4) In the event when limitation or suspension of service provision due to the circumstances attributable to the responsibility 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, causes damage for Terminal Users, the Operator shall be obliged to compensate Terminal Users for damage that occurs as a result of such a limitation or suspension of service provision, in accordance with the scope of liability as provided in paragraph 5 hereof.
- (5) In the case referred to in paragraph 4 hereof, the Operator shall be liable to Terminal Users up to the amount of actual damages, and up to the total amount of EUR 10,000,000.00 (ten million Euros) per event to all Terminal Users to which damage was incurred, subject to the limitation of liability provided for in Article 25(2) and (3) of these General Terms and Conditions. In the case referred to in this Article, the maximum amount of liability of the Operator for damage to each individual Terminal User per event shall be calculated as follows: LNG gasification capacity of each Terminal User contracted for the calendar year in which the damage occurred is divided by the total LNG gasification capacity contracted by all Terminal Users for the calendar year in which the damage occurred, and the result is then multiplied by EUR 10,000,000.00.
- (6) In any event, the suspension of service provision shall not release the Terminal User from its obligation to settle all outstanding debts or any debts that could arise in the future, including accrued default interest.
- (7) During the period of suspension of service provision, the Terminal User to which the provision of services has been suspended will not be able to contract additional LNG Regasification Capacity.

## Article 37

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

(2) In addition to the case referred to in paragraph 1 hereof, the Operator shall have the right to partially or totally suspend 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 provided for under the relevant regulations of the Republic of Croatia, including but not limited to situations provided for by the regulation governing the gas market.

(4) The Terminal User shall not be obliged to pay a Terminal use fee in case of regular maintenance works concerning the dry mooring and extraordinary maintenance works, for the period in which the Terminal did not provide the contracted services and in the quantity 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 produce effects when the contracted period of service provision expires (hereinafter: services termination date).

#### Article 39

(1) The Parties shall be entitled to terminate the Terminal Use Agreement in the events provided for 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 of both Parties;
2. In cases of an extended force majeure event or loss of the Floating LNG Storage and Regasification Unit in accordance with Article 34 of these General Terms and Conditions;
3. After the expiration of 30 days after the Terminal User is notified of the suspension of service provision due to failure to pay the Terminal use 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 year of the Terminal Use Agreement duration 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 resolve this situation, and prescribe an additional period of no more than 10 days to comply with the request. If this period expires and the Terminal User in default fails to remedy the situation, the Terminal Use Agreement shall be deemed terminated by virtue of law;
5. If the Terminal User fails to deliver or renew the payment security instrument in accordance with Articles 15 to 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. If the Terminal User breaches any of its other material obligations under the Terminal Use Agreement, if the breach is not remedied within 15 days of delivery of termination

notice. If this period expires and the Terminal User fails to remedy the breach of obligations, the Terminal Use Agreement shall be deemed terminated by virtue of law; 8. If the Terminal User fails to pay any amount that is due under or in relation to the Terminal Use Agreement after the Operator has provided an additional period and has requested the Terminal User to fulfill the obligations, and the Terminal User has failed to fulfill them in the additional period.

#### Article 40

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

1. Based on mutual agreement of both Parties;
2. In cases of an extended force majeure event in accordance with Article 34 of these General Terms and Conditions;
3. If the Operator breaches any of its other material obligations under the Terminal Use Agreement, if the breach is not remedied within 10 days of delivery of the termination notice. If this period expires and the Operator fails to remedy the breach of obligations, the Terminal Use Agreement shall be deemed terminated by virtue of law; or
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 10,000,000.00 (ten million Euros), and its liability towards each individual Terminal User exceeds the proportional part of the relevant maximum amount which is determined in accordance with the LNG Regasification Service contracted by such Terminal User in that calendar year in relation to the contracted LNG Regasification Services of all Terminal Users in the relevant calendar year.

#### Article 41

- (1) If the termination of the Terminal Use Agreement occurs prior to the expiry of the services termination date, the Terminal User shall pay to the Operator an amount equivalent to the Terminal use fees that the Terminal User would have paid to the Operator by the services termination 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)(1) and (2) or Article 40(1), (2), (3) and (4) of these General Terms and Conditions. Such amounts shall be paid in full on the date of termination of the Terminal Use Agreement.
- (2) The total, cumulative, overall liability of the Terminal User towards the Operator, based on or in connection with the termination of the Terminal Use Agreement referred to in paragraph 1 hereof, 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 intent or gross negligence of the Terminal User.
- (3) If the Floating LNG Storage and Regasification Unit becomes a total loss, as provided in these General Terms and Conditions, due to the fault or breach of obligation (including statutory obligation) or breach of the Terminal Use Agreement by the

Terminal User, the consequences of such termination shall be as provided in paragraph 1 hereof.

(4) If termination of the Terminal Use Agreement takes place before the services termination date in accordance with Article 40(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 indemnity from 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 total, 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 quantity of EUR 20,000,000.00 (twenty million Euros), and its liability towards each individual Terminal User shall not exceed the proportional part of the relevant maximum quantity, which is determined in accordance with the LNG Regasification Service contracted by such Terminal User in relation to the LNG Regasification Services contracted by all Terminal Users. The limitation of liability referred to in this paragraph shall not apply in the case of intent or gross negligence of the Operator.

(5) If the Floating LNG Storage and Regasification Unit becomes a total loss, as provided in these General Terms and Conditions, due to the fault, breach of obligation (including statutory obligation) or breach of the Terminal Use Agreement by the Operator, the consequences of such termination shall be as provided in paragraph 4 hereof.

(6) In order to calculate the quantity that the Terminal User shall pay to the Operator in accordance with paragraph 1 hereof, 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.

(7) If the termination of the Terminal Use Agreement takes place before the services termination date in accordance with Article 34(4) and (6) of these General Terms and Conditions, then, except in the conditions referred to in Article 41(3) and (5) 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.

(8) Despite the termination of the Terminal Use Agreement, the payment security instrument submitted by the Terminal User in accordance with Articles 15 to 20 of these General Terms and Conditions shall remain valid 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 contracting and maintaining insurance policies in respect of the Terminal and any other Operator's property which the Operator considers appropriate for insurance, including the following:

- Property insurance against all risks in respect of the moor and the pipeline;
- Hull and machinery damage (marine and war risks) and protection and indemnity insurance in respect of the Floating LNG Storage and Regasification Unit;

- LNG cargo insurance against all risks in respect of LNG at any time such LNG or gas is in the Terminal;
- The Operator's liability insurance; and
- Insurance against employer's liability and/or employee compensation, if required under applicable law.

#### Article 43

The Terminal User shall be responsible for contracting 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 for insurance, including the following:

- Hull and machinery damage (marine and war risks) and protection and indemnity insurance in relation to any LNG Carrier;
- Comprehensive general third party liability insurance; and
- Insurance against employer's liability and/or employee compensation, if required under applicable law.

#### *Delivery of notifications*

#### Article 44

Except in cases relating to actions of which notification must be delivered 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 shall be possible in accordance with Articles 21 to 24 of the Rules.
- (2) Neither the Terminal User nor the Operator may 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, if the assignee (new party) would fulfill 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 from the Terminal Use Agreement referred to in the preceding paragraph hereof shall not apply if the Operator cedes the claims it has towards the Terminal User under the Terminal Use Agreement to third parties for the purpose of securing 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 concluding the Terminal Use Agreement have been modified or amended, and they 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 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, which amendments shall be in accordance with the provisions of the concluded Terminal Use Agreement.

(2) The provision referred to paragraph 1 hereof 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 hereof, the Terminal User shall have the right to terminate the Terminal Use Agreement in accordance with Article 40 of these General Terms and Conditions.

*Applicable 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, as well as any dispute or claim arising out of or in connection with them, shall be governed by and construed in accordance with Croatian law, excluding the application of rules on conflict of laws that would refer to the application of the law of another state.

(2) The Agreements referred to in paragraph 1 hereof shall be concluded in the Croatian and English language, and in the event of discrepancies between the text in Croatian and English, the Croatian version shall prevail.

*Disputes arising from 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 issue regarding its existence, validity or termination, shall be finally resolved by binding arbitration conducted in accordance with the Rules of Arbitration of the International Chamber of Commerce (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 disable or prevent the Terminal User from using legal remedies provided by mandatory Croatian law (such as legal remedies concerning the protection against unlawful actions of the Operator, provided for in the regulations governing the gas market and regulations governing energy-related activities).

## *Confidentiality*

### Article 49

(1) The Terminal User and the Operator shall be obliged as follows:

– Keep confidential and not disclose (in whole or in part) to any third party the provisions 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. On the basis of a request of a regulatory authority, court or other competent body, or
3. On the basis of a legal obligation,

– Not use confidential information other than for the purposes connected with the Terminal Use Agreement; and

– Ensure 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 provided 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 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 that 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 LNG loss.

(3) The liability for loss or damage of LNG, within the meaning of paragraph 2 hereof, 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 hereof, shall pass on to the Terminal User at the moment of passing 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 calculating natural gas available at the Terminal.
- (2) The Natural Gas Allocation Policy has been prepared in accordance with the relevant legal regulations of the Republic of Croatia.
- (3) This version of the Natural Gas Allocation Policy shall be an integral part of the Rules.
- (4) The Natural Gas Allocation Policy has been prepared and shall be applied in accordance with the principles of transparency, non-discrimination of Terminal Users as well as clarity, objectivity, and rationality.
- (5) The Operator shall exercise the right of ownership over the quantity of natural gas remaining in the pipeline connecting the Terminal, necessary to maintain uninterrupted operation of the Terminal.
- (6) The quantity of natural gas in the Terminal, belonging to each Terminal User and the Operator, shall be calculated individually.
- (7) The quantity of natural gas shall be calculated in units of energy (kWh).

### **Definitions**

#### **Article 2**

- (1) Reporting Period – period during which natural gas inventory is taken at the Terminal.
- (2) Other definitions of the Natural Gas Allocation Policy shall be applied as determined in the Rules.

### **Calculation of LNG discharged from an LNG Carrier to the Terminal**

#### **Article 3**

- (1) In accordance with procedures and conditions set out in 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, cargo discharge Terminal, the Terminal User or the authorized representative exercising the right of ownership over the cargo);
  - Measurement data on the quantity of cargo in the LNG Carrier's tanks before and after the cargo discharge;
  - LNG volume (m<sup>3</sup>) in the LNG Carrier's tanks prior to and after cargo discharge;
  - LNG temperature in the LNG Carrier before LNG discharge;

- LNG density determined at the temperature specified in the previous item;
- Average lower calorific value of the LNG, and quality parameters;
- Quantity of natural gas returned to the LNG Carrier during LNG loading, and calculation thereof;
- Quantity of natural gas consumed by the LNG Carrier during LNG discharge, and calculation thereof;
- Quantity of natural gas consumed by the LNG Carrier during transportation of LNG, and calculation thereof;
- Quantity of LNG discharged 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 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**

After stoppage of 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 Cargo Acceptance Certificate shall be prepared only for the LNG quantity that was actually discharged from the LNG Carrier to the Terminal. After re mooring of 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.

#### **Calculation of LNG regasified at the Terminal**

#### **Article 5**

(1) The total quantity of LNG regasified at the Terminal per Gas Day shall be determined at entry point into the transmission system by 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 quantity of gas at the Delivery Point (the form of which shall be published by the Operator on its website).

#### **Article 6**

(1) The total actual quantity of 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 a Gas Day shall be deemed 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 Terminal Users according to the following formula:

$$D_i^P = D^P \times \frac{U_i^P}{\sum_i^n U_i^P}$$

Where:

$D_i^P$  – Quantity of natural gas regasified at the Terminal per Gas Day for a certain Terminal User (kWh),

$D^P$  – Total quantity of gas regasified at the Terminal per Gas Day (kWh),

$U_i^P$  – Regasification capacity of the Terminal nominated by a certain Terminal User (kWh),

$n$  – Number of 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:

$E$  – LNG quantity indicated in energy value (kWh),

$V_{SGD}$  – LNG quantity indicated in units of volume ( $m^3$ ) at the measuring temperature,

$d$  – Average density of LNG ( $kg/m^3$ ) at the average volume measurement temperature,

$Hm$  – Average lower calorific 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:

$E$  – Natural gas quantity indicated in energy value (kWh),

$V_{GD}$  – Natural gas quantity indicated in units of volume ( $m^3$ ),

$Hm$  – Average lower calorific value of LNG ( $kWh/m^3$ ).

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

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

Where:

$M$  – LNG quantity indicated in units of mass (kg),

$V_{SGD}$  – LNG quantity indicated in units of volume ( $m^3$ ) at the measuring temperature,

$d$  – Average density of LNG ( $kg/m^3$ ) at the average volume measurement temperature.

(4) Natural gas quantity indicated in units of mass (kg) shall be calculated according to the following formula:

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

Where:

$M$  – Natural gas quantity indicated in units of mass (kg),

$V_{GD}$  – Natural gas quantity indicated in units of volume ( $m^3$ ),

d – Average LNG density (kg/m<sup>3</sup>).

### 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 Floating LNG Storage and Regasification Unit behind the regasification unit, taking into account the deviations of the quantity of natural gas located in the pipeline connecting the Terminal.

### Calculation and Accounting of 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:

- $G^P$  – LNG quantity consumed per Gas Day for the technological needs of the Terminal (kWh),
- $K^0$  – LNG quantity in the Terminal at the beginning of a Gas Day (kWh),
- $K^1$  – LNG quantity in the Terminal at the end of a Gas Day (kWh),
- $P^P$  – LNG quantity accepted to the Terminal per Gas Day (kWh),
- $D^P$  – Quantity of natural gas regasified in the Terminal per Gas Day (kWh).

(2) Total Gas Loss of the Terminal per Gas Year shall be determined according to the following formula:

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

- $G^G$  – Total Gas Loss of the Terminal per Gas Year (kWh),
- $G_i^P$  – Total Gas Loss per Gas Day (kWh),
- $i \in [1; n]$ ,
- $n$  – Number of days in a Gas Year

(3) Allowable Gas Loss shall be determined on the basis of the following formula:

$$DG^G \leq 0.02 \times P^G$$

Where:

- $DG^G$  – Allowable Gas Loss per Gas Year (kWh),

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

(4) Unallowable Gas Loss shall be determined on the basis of the following formula:

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

Where:

$NG^G$  – Unallowable Gas Loss per Gas Year (kWh),

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

$DG^G$  – Allowable Gas Loss per Gas Year (kWh).

### Article 10

(1) On every business day of the Terminal, the Operator shall determine the quantity of the virtually stored LNG belonging to each Terminal User at the beginning of each Gas Day, based on the following formulas and principles:

The quantity of virtually stored LNG belonging to each Terminal User at the beginning of each 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:

$S_i^0$  – Quantity of virtually stored LNG belonging to a certain Terminal User at the beginning of a Gas Day (kWh),

$S_i^{0-1}$  – Quantity of virtually stored LNG belonging to a certain Terminal User at the beginning of the previous Gas Day (kWh),

$D_i^{P-1}$  – Quantity of regasified LNG in the previous day for a certain Terminal User (kWh),

$G_i^{P-1}$  – Gas loss of a Terminal User per previous Gas Day (kWh),

$P_{Pi}$  – Quantity of LNG accepted to the Terminal from a certain Terminal User, or planned to be accepted to the Terminal (kWh) as a part of a Terminal User's schedule that had previously been approved by the Operator, depending on what was later approved by the Operator,

$dP_p^0$  – On a Gas Day, when the amended LNG quantity of a certain Terminal User is planned to be accepted to the Terminal, and such quantity has been approved by the Operator. It is the difference between the amended LNG quantity planned to be accepted to the Terminal for a certain Terminal User and a certain LNG quantity previously planned to be accepted to the Terminal for the certain Terminal User, as described in the description of  $P_{Pi}$ ,

$dP_f^0$  – On a Gas Day, when the LNG quantity of a certain Terminal User accepted to the Terminal and approved by the Operator, the difference between the actual LNG quantity accepted to the Terminal for a certain Terminal User and the last planned LNG quantity used for the purpose of calculating the virtually stored LNG quantity, in accordance with the situation defined in the description of  $P_{Pi}$ ,

$A_i$  – Quantity of natural gas lost during an accident or failure, assigned to a certain Terminal User (kWh),

$N_i$  – Difference (shortage or surplus) of LNG established during inventory taking and assigned to a certain Terminal User (kWh),

$i \in [1; n]$ ,

$n$  – Number of Terminal Users.

(2) If the Terminal User begins using the LNG Regasification Service after that Terminal User's LNG quantity has been accepted to the Terminal, or if a Terminal User has already been using the LNG Regasification Service and the remaining quantity of the virtually stored LNG of that Terminal User is sufficient for the use of the service (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 Service before that Terminal User's LNG quantity has been accepted to the Terminal, or if the Terminal User has already been using the LNG Regasification Service and that Terminal User's remaining LNG quantity is insufficient for the use of the service (including the Terminal User's gas loss), then, for the purpose of calculating the virtually stored LNG quantity, the next LNG quantity planned to be accepted in the approved schedule of that Terminal User shall be relocated to the Gas Day on which the remaining virtually stored LNG quantity is insufficient for the use of the service.

### Article 11

(1) The allocation of the Total Gas Loss on a business day of the Terminal to each Terminal User shall be determined on every Gas Day by the Operator on the basis of the following formula:

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

Where:

$G_i^P$  - Terminal User's gas loss per Gas Day,

$G^P$  - Total Gas Loss at the Terminal per Gas Day,

$R_i^n$  - Total quantity of regasified LNG of a certain Terminal User per Gas Day (kWh),

$i \in [1; n]$ ,

$n$  - Number of Terminal Users.

(2) The allocation of Total Gas Loss per Gas Year, as well as allowable and unallowable loss for each Terminal User, shall be determined by the Operator on each Gas Year on the basis of the following formula:

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

Where:

$G_i^G$  - Terminal User's gas loss per Gas Year,

$G^G$  - Total Gas Loss at the Terminal per Gas Year,

$P_i^G$  - Total yearly gas quantity accepted to the Terminal for an individual Terminal User that includes transactions on the Secondary Market (kWh),

$i \in [1; n]$ ,

$n$  - Number of Terminal Users.

$$DG_i^G \leq 0.02 \times P_i^G$$

Where:

$DG_i^G$  – Terminal User's Allowable Gas Loss per Gas Year,

$P_i^G$  – Total yearly gas quantity accepted to the Terminal for an individual Terminal User that includes transactions on the Secondary Market (kWh),

$i \in [1; n]$ ,

$n$  – Number of Terminal Users.

$$NG_i^G = G_i^G - DG_i^G$$

Where:

$NG_i^G$  – Terminal User's Unallowable Gas Loss per Gas Year,

$G_i^G$  – Terminal User's gas loss per Gas Year,

$DG_i^G$  – Terminal User's Allowable Gas Loss per Gas Year,

$i \in [1; n]$ ,

$n$  – 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:

$G_i^P$  - Gas loss per gas day of a Terminal User responsible for disrupting the regasification process in the Terminal (kWh),

$G^P$  – Total Gas Loss at the Terminal per Gas Day (kWh), calculated in accordance with Article 9(1) of this Natural Gas Allocation Policy,

$U_i^P$  - LNG quantity nominated for LNG regasification by the Terminal User responsible for disrupting the LNG regasification process in the Terminal (kWh),

$i \in [1; k]$ ,

$k$  – Number of Terminal Users responsible for disrupting the LNG regasification process in the Terminal.

## Article 13

In the cases where the LNG discharge operation continues for more than one (1) Gas Day, the Total Gas Loss at the Terminal shall be calculated as follows: the LNG quantity in the Terminal shall be measured prior to and after the LNG discharge, and the Total Gas Loss at the Terminal shall be determined for the whole LNG discharge period. The calculation of the Total Gas Loss at the Terminal after the end of LNG discharge shall be carried out according to the normal procedure until the end of the current Gas Day. The Total Gas Loss at the Terminal during LNG discharge shall be proportionally allocated to the respective Gas Days during which LNG discharge for Terminal Users was performed, 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 certain 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 calculation report for the reporting month for that Terminal User, as prescribed in Article 18 of this Natural Gas Allocation Policy.

#### Article 15

(1) Total Gas Loss at the Terminal in situations when the provision of services is suspended due to maintenance of the Terminal (except where the need for this maintenance of the Terminal arose due to a fault of a Terminal User or force majeure) shall be included in the accounting of Total Gas Loss per Gas Year.

(2) Terminal Users shall be compensated by the Operator for the unallowable loss at the Terminal.

(3) The Operator shall, simultaneously with sending the accounting at the end of the Gas Year, compensate to Terminal Users the Unallowable Gas Loss accumulated during the Gas Year, calculated *mutatis mutandis* pursuant to the following formula:

$$C_i = NG_i^P * W$$

Where:

$C_i$  – Quantity to be compensated to a certain Terminal User in EUR,

$NG_i^P$  – Terminal gas loss for a certain Terminal User (kWh), accumulated in the course of a Gas Year, in the cases indicated in Article 15 of this Natural Gas Allocation Policy,

$W$  - The CEGH gas index value for the day on which the compensation is to be paid (price determined according to CEGHIX reporting index for the day preceding the day for which the compensation is to be paid);

$i \in [1; n]$ ,

$n$  - Number of Terminal Users,

The GCV to NCV conversion factor is 0.901.

### Calculation of the Loanable LNG Quantity

#### Article 16

(1) The procedures for the transfer of Loanable LNG Quantity, returning the Returnable LNG Quantity and the calculation thereof shall be regulated by the Joint Terminal Use Agreement. The scope of such transactions shall be based on the physical cargo storage, i.e. the actual LNG quantity available at the Terminal and calculated for each Terminal User, according to Article 17 of this Natural Gas Allocation Policy.

(2) Cargo borrowing and/or returning for the previous Gas Day shall be prepared by 11 AM of the next business day.



(3) The Terminal User loaning LNG shall be assigned, in accordance with the terms and provisions of this Policy, the following: the Total Gas Loss at the Terminal attributable to regasified LNG quantity, LNG shortage/surplus established during the inventory and attributable to the Loanable LNG Quantity, the Total Gas Loss at the Terminal due to the fault of the Terminal User, and the Allowable Loss.

(4) The Loanable/Returnable LNG Quantity 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 established during the inventory and attributable to the Loanable LNG Quantity, the Total Gas Loss at the Terminal due to the fault of the Terminal User, and the Allowable Loss.

### **Natural Gas Calculation Balancing**

#### **Article 17**

Every business day, the Operator shall determine the actual LNG quantity available at the Terminal at the end of each Gas Day for 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:

$K_i^1$  – LNG quantity for a certain Terminal User at the end of a Gas Day (kWh);

$K_i^0$  – LNG quantity for a certain Terminal User at the beginning of a Gas Day (kWh), which shall correspond to the LNG quantity for a certain Terminal User at the end of the previous Gas Day;

$P_i^P$  – LNG quantity discharged to the Terminal per Gas Day for a certain Terminal User (kWh);

$D_i^P$  – LNG quantity regasified per Gas Day for a certain Terminal User (kWh);

$G_i^P$  – Total Gas Loss at the Terminal per Gas Day for a certain Terminal User (kWh);

$R_i^P$  – Available (received) LNG quantity of a certain Terminal User per Gas Day (kWh);

$L_i^P$  – Returnable (returned) LNG quantity of a certain Terminal User per Gas Day (kWh);

$i \in [1; n]$ ,

$n$  – Number of Terminal Users.

#### **Article 18**

(1) For operational management purposes, the Operator shall send on each business day by e-mail a Report of natural gas calculation, indicating the LNG quantity owned by a certain Terminal User at the beginning and at the end of the Gas Day, the LNG quantity that has been accepted to the Terminal, the quantity that has been regasified, the Loanable and Returnable LNG Quantity, 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 Terminal Users a Report of natural gas calculation for the reporting month, indicating the LNG quantity owned by a certain Terminal User during the reporting month, the LNG quantity that was accepted to the Terminal, the regasified quantity, the Total Gas Loss of the Terminal User as well as inventory results attributed to a certain 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 Terminal Users a Report on natural gas accounting for the reporting year, indicating the LNG quantity owned by a certain Terminal User during the accounting Gas Year, the LNG quantity that was accepted to the Terminal, and the quantity regasified in the accounting Gas Year, the Total Gas Loss of the Terminal User in the accounting Gas Year, the inventory results attributed to a certain Terminal User in the accounting Gas Year, as well as the indication of the Unallowable Loss accumulated during 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 regulations. If necessary, the Operator shall carry out extraordinary "cargo to cargo" inventory and inventories after the expiry of the Joint Terminal Use Agreement. For calculation purposes, the Operator shall carry out monthly inventories of natural gas.

(2) The Operator shall inform Terminal Users about the planned inventory not later than 10 (ten) calendar days before the beginning of the inventory.

(3) The representatives of Terminal Users shall have the right to participate in the inventory. 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 from the Terminal User, following the procedure described below:

1. 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 (Annex no. 1 to 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 desired inventory date indicated in the request.

3. After receipt of the request for performing 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 adopting a decision to approve the request, the Operator shall inform 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 adopting a decision to refuse the request, the Operator shall inform the Terminal User, specifying the reasons for refusing the request to perform extraordinary inventory, not later than on the business day following the date of adopting the decision.

### Article 21

(1) For inventory purposes, the inventory period shall be the period from the date of completion of the latest inventory carried out at the Terminal to the date of beginning the current, annual or extraordinary inventory.

(2) The General Manager of the Operator shall set the date and time of the inventory by virtue of an order, establish the inventory commission and appoint a chairman of the inventory commission.

(3) During the inventory, the actual quantity of natural gas stored in the FSRU and the connecting pipeline shall be determined.

### Article 22

The shortage (surplus) of LNG established during the inventory shall be assigned to 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:

$N_i$  – Shortage (surplus) of LNG for a certain Terminal User (kWh),

$N$  – Total shortage (surplus) of LNG established during the inventory (kWh),

$D_i^P$  - Quantity of gasified natural gas for a certain Terminal User in the Terminal during the reporting period (kWh),

$i \in [1; n]$ ,

$n$  – Number of Terminal Users.

### Article 23

When LNG regasification is not performed at the Terminal, LNG shortage (surplus) established during the inventory shall be assigned to 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:

$N_i$  – Shortage (surplus) of LNG belonging to a certain Terminal User (kWh),

$N$  – Total shortage (surplus) of LNG established during the inventory (kWh),

$K_i^0$  – LNG quantity belonging to a certain Terminal User at the beginning of the Gas Day (kWh),

$i \in [1; n]$ ,

$n$  - Number of Terminal Users.

## Article 24

(1) After a shortage exceeding the Allowed Measurement Uncertainty has been established, 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 established shortage (surplus) and the assignment to Terminal Users. The inventory summary shall be signed by all members of the inventory commission who have participated in the inventory.

(3) The corrections listed below shall be made in the natural gas calculation 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 a certain Terminal User in accordance with Article 22 of this Natural Gas Allocation Policy. For this quantity, the Operator shall prepare a natural gas write-off document, which shall be signed by the Operator and the representatives of Terminal Users.

2. The LNG quantity in the calculation documents shall be adequately increased to the LNG surplus assigned to a certain Terminal User pursuant to Articles 22, 23 and 24 of this Natural Gas Allocation Policy. For this quantity, the Operator shall prepare a natural gas acceptance document, which shall be signed by the Operator and the representatives of Terminal Users.

3. The virtually stored LNG quantity belonging to a certain Terminal User shall be increased or reduced due to the surplus or shortage established during the inventory.

## Calculation 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 regulations 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 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 failure at the Terminal, as provided in the relevant legal regulations of the Republic of Croatia.

(4) The natural gas quantity lost during the accident or failure, and the quantity of LNG not regasified as the result of the accident or failure shall be calculated during the investigation of the accident or failure.

(5) After the accident or a failure at the Terminal has been investigated, the certificate of the form established by legal regulations shall be drawn up and signed by all the members of the commission who participated in the investigation.

## Article 26

(1) The corrections listed below shall be made in the natural gas calculation 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:

$A_i$  - Quantity of natural gas lost during the accident or failure, assigned to a certain Terminal User (kWh),

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

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

$i \in [1; n]$ ,

$n$  – Number of Terminal Users.

2. The natural gas quantity in the calculation documents shall be reduced adequately with regard to the quantity of natural gas lost during the accident or failure, and assigned to a certain Terminal User in accordance with Article 26(1)(1) of this Natural Gas Allocation Policy. The Operator shall prepare a natural gas write-off form for this quantity, which shall be signed by the Operator and the representatives of Terminal Users.

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 a certain Terminal User and lost during the accident or failure according to the formula listed below:

$$C_i = A_i \times W$$

Where:

$C_i$  – Quantity to be reimbursed to a certain Terminal User (EUR),

$A_i$  - Quantity of LNG lost during the accident or failure, to be assigned to a certain Terminal User (kWh), calculated according to Article 26(1)(1) of this Natural Gas Allocation Policy,

$W$  – CEGH gas index value on the day for which compensation is to be paid (price determined according to CEGHIX reporting index for the day preceding the day for which the compensation is to be paid),

$i \in [1; n]$ ,

$n$  – Number of 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 restart of the Terminal operation:

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

Where:

S – LNG quantity not regasified as a result of the accident or failure (kWh),

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

$D^A$  - LNG quantity regasified within the period between the accident or failure and the restart of the Terminal operation (kWh),

$i \in [1; n]$ ,

n - 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 Management**

### **Article 27**

(1) 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 compliance with customs and/or excise procedures, according to the conditions and procedures established by legal regulations.

(2) In case of establishing a customs warehouse and/or a tax warehouse for taxable goods, the Operator shall be responsible for the fulfilment of liabilities applicable to the owners of the customs warehouses and/or the owners of tax warehouses for taxable goods, according to the conditions and procedures established by legal regulations.

## **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 Terminal Users.

(2) Amendments to this Natural Gas Allocation Policy shall be made after changes to the legal regulations regulating natural gas calculation, the provisions of other related legal regulations and/or processes in progress at the Terminal, having an effect on natural gas calculation.

I, **MATEJA ŠARTAJ** FROM ZAGREB, COURT INTERPRETER FOR ENGLISH LANGUAGE, RE-APPOINTED BY THE DECREE OF THE PRESIDING JUDGE OF THE COUNTY COURT IN ZAGREB ON 7 JULY 2020, No.: 4 Su-977/2019, HEREBY CERTIFY THAT THE ABOVE IS A TRUE AND TO THE BEST OF MY KNOWLEDGE, CORRECT TRANSLATION OF THE ABOVE INSTRUMENT WRITTEN IN THE CROATIAN LANGUAGE.

IN ZAGREB, January 5, 2021  
No.: OV-1/2021

