

*Disclaimer*

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Pursuant to Article 93 of the Gas Market Act (Official Gazette No. 18/18, hereinafter: **GMA**) and the decision of the Croatian Energy Regulatory Agency (Class: 003-07/18-03/07, Ref. no.: 371-01-18-2) dated March 29<sup>th</sup> 2018 (hereinafter: **the Agency**), Operator of the Liquefied Natural Gas Terminal hereby issues the following

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

### **I. General Provisions**

#### **Article 1**

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

(2) These ROO are developed following the provisions of the Gas Market Act of the Republic of Croatia, Regulation (EC) No. 715/2009 of the European Parliament and of the Council dated of 13 July 2009 on Conditions for Access to the Natural Gas Transmission Networks and repealing Regulation (EC) No. 1775/2005 (OL 2009 L 211, p. 36) as well as other legal acts, regulations and ordinances and approved by the Agency following a public consultation process according to Article 93 paragraph 4 of GMA.

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

(4) These ROO are obligatory for Operator and Terminal Users as well as for other persons, who intend to become Terminal Users according to the procedure set forth in the legal acts and these ROO.

### **II. Definitions**

#### **Article 2**

(1) The terms used in these ROO shall have meaning given by the applicable European Union legislation and the laws of the Republic of Croatia regulating the energy sector, regulation of energy activities and the gas market, as well as the regulations adopted under these laws.

(2) Terms used in these ROO shall have the following meaning (including Annexes):

1. **Agent** – a person indicated by Terminal User who performs formalities related to arrival and stay of an LNG Carrier and performs required management of the LNG Carrier and its Cargo at the Port and/or to represent the LNG Carrier's owner or charterer.

2. **LNG Carrier** – an LNG carrier vessel nominated by Terminal User to unload LNG to the Terminal which shall be in all respects compatible with the Terminal, be in compliance with applicable laws and Operator's rights of inspection and approval pursuant to these ROO, such approval not to be unreasonably withheld.

3. **Ship/Shore Safety Checklist or SSSC** – document which records the procedure of coordination of compliance of an LNG Carrier with technical and safety requirements of the Terminal, carried out before LNG Discharge.

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

5. **LNG Supplier** – a person who is engaged in LNG supply.

6. **Allowed Laytime** – the period of time allowed for LNG Carrier to berth at the FSRU, pursuant to these ROO.
7. **Loanable Amount of LNG** – amount of LNG (including LNG consumed for technological needs) which is automatically assigned for lending by an LNG Lender to an LNG Borrower in accordance with an approved Service Schedule of a Terminal User.
8. **Available Capacities** – unallocated LNG Regasification Capacities which can be ordered by an Applicant in accordance with conditions and procedure set forth under these ROO.
9. **Allowable Loss Norm** – maximum allowable LNG loss in the Terminal, expressed in kWh, derived from the Allowable Consumption Norm for Technological Needs and Allowable Measurement Uncertainty Norm as defined in Operator's Natural Gas Allocation Policy (Annex No. 2 to these ROO), which amounts to the maximum of 2%.
10. **Allowable Measurement Uncertainty Norm** – the maximum allowable measurement uncertainty of natural gas quantity loaded into the Terminal, expressed in kWh, which amounts to the maximum of 1,65%.
11. **Electronic Terminal Service Scheduling and Administration System (ETSSAS)** – an information system administered by Operator, using which Operator and Terminal Users can exchange information regarding the Service Schedule, nomination arrangements, can provide operational information about services provided, LNG remainder, Returnable and Borrowed Amount of LNG, gas quality, and other relevant information, upon submission of a request by Terminal User to Operator to gain access to the system and by making an ETSSAS usage contract by an electronic form.
12. **FID** – a positive and unconditional approval by the shareholders of Operator to proceed with the project of construction of the Terminal for importation of LNG into Republic of Croatia through an LNG import terminal located at the Terminal Site.
13. **Physical Storage** – Cargo storage at the Terminal of a duration not longer than 30 (thirty) calendar days starting from completion of discharging of the Cargo into the Terminal of specific Terminal User until complete withdrawal of the Cargo from the Terminal through its regasification by Joint Terminal Use including all of Terminal Users' Natural Gas Losses.
14. **Contract Year** - means each gas year (being the 12 (twelve) month period from 1 October to the next following 30 September) during the term of the Terminal Use Agreement provided however that:
  - a) the first Contract Year shall commence on the Effective Date (as defined in TUA) and end on 30 September of the calendar year in which the Effective Date falls; and
  - b) the final Contract Year shall commence on 1 October of the calendar year in which the Terminal Use Agreement expires and end on the date of expiry of the TUA.
15. **Annual Open Season** – public procedure of allocation of Available Capacities conducted in accordance with these ROO before the beginning of each new gas year, which shall be published on Operator's Internet Page.
16. **Annual Schedule** – Service Schedule for a gas year.
17. **Terminal User's Gas Loss** – amount of LNG consumed for technological needs of the Terminal when Terminal is used by Terminal User, calculated in accordance with Operator's Natural Gas Allocation Policy (Annex No. 2 to these ROO) and not exceeding the Allowable Loss Norm.
18. **Terminal's Gas Loss** – amount of LNG consumed for technological needs of the Terminal, calculated in accordance with Operator's Natural Gas Allocation Policy (Annex No. 2 to these ROO).
19. **Operator's Natural Gas Loss** – natural gas loss occurring in the Terminal in excess of the Allowable Loss Norm calculated in accordance with Operator's Natural Gas Allocation Policy (Annex No. 2 to these ROO).
20. **Internet Page** – Operator's Internet webpage, [www.lng.hr](http://www.lng.hr)
21. **Quality and Quantity Report** – a document confirming the amount of LNG discharged from an LNG Carrier to the Terminal calculated according to the procedure and terms set forth in these ROO.
22. **Cargo Report** – quality and quantity Cargo certificates issued by a competent person at the port of loading for the Cargo loaded into the LNG Carrier.
23. **LNG Regasification Capacities** – amount of Gas which Terminal User is entitled to regasify using the LNG Regasification Service during a defined period of time.
24. **Boil-Off** - natural gas gasified from LNG in the FSRU's cargo tanks.

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

- a) the ownership or control (directly or indirectly) of fifty per cent (50%) or more of the voting share capital of that person; or
- b) the ability to direct the casting of fifty per cent (50%) or more of the votes exercisable at general meetings of that person on all, or substantially all, matters; or
- c) the right to appoint or remove directors of the relevant person holding a majority of the voting rights at meetings of the board (or equivalent body) of that person on all, or substantially all, matters;

and "**Controlled**" shall be construed accordingly.

26. **Terminal User** – a legal person (that may be represented by a person authorized to represent the legal person on the basis of an agreement, POA or the law) holding a natural gas trader or supplier license who has entered into a TUA and a Joint Terminal Use Agreement to whom LNG Regasification Capacities are allocated in accordance with the procedure set forth in these ROO.

27. **Terminal Site** - the jetty at which the FSRU is to be moored located at the northern part of the Island of Krk, within the Municipality of Omišalj, Republic of Croatia with approximate longitude of 345530 east and latitude 5008595 north.

28. **Port Authority** – Rijeka State Seaport Authority.

29. **Port Charges** – Port fees or charges, dues, pilot fees, and any costs in connection with any LNG Carrier or its Cargo to be discharged into the Terminal.

30. **Port – Seaport for special purpose** – LNG Terminal in Omišalj on island Krk.

31. **Internal Use Limit** - the limits on Internal Use on any given day shown for the various thresholds set out in the fuel consumption table as defined in Technical Conditions of the Terminal.

32. **LNG Heel** – the minimum quantity of LNG (expressed in m<sup>3</sup>) that needs to be retained in the cargo tanks of the FSRU on a continuous basis, retention of which is determined by Operator. Operator defines the LNG Heel in Terminal's Technical Characteristics, acting as a Reasonable and Prudent Energy Entity.

33. **Monthly Schedule** – Service Schedule for a month of a gas year.

34. **Surveyor** – an independent inspector hired for witnessing of Cargo quantity and quality by mutual agreement in writing between Terminal User and Operator.

35. **LNG Discharge Order** – submission by Terminal User to Operator of a specified quantity of Cargo for delivery to the Terminal.

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

37. **Adverse Weather Conditions** – weather and/or sea conditions which are sufficiently severe so as to either:

- a) delay or prevent the LNG Carrier from proceeding from the Pilot Boarding Station to the Terminal Site or berthing at the Terminal Site, in accordance with the weather standards prescribed in Maritime study published on the Internet Page or by the order of the relevant Port master; or
- b) cause an actual determination by the master of the LNG Carrier that it is unsafe for the LNG Carrier to berth at the Terminal Site.

38. **Adverse Metocean Conditions** – metocean and/or other conditions occurring at the Terminal Site which fall outside the determined safe conditions for the LNG Carrier to carry out the required activity, the parameters of which shall be as notified to Terminal Users by Operator from time to time which will differ depending on the particular activity being undertaken.

39. **Off-specification LNG** - LNG discharged or to be discharged at the Terminal that does not comply with the LNG Quality Specification.

40. **Notice of Readiness or NOR** – a notification received from an LNG Carrier's master about the LNG Carrier's arrival at the Port and its readiness for Cargo discharge.

41. **Maintenance** – any activities aimed at maintenance, restoration, and/or improvement of the Terminal's and/or transmission system's functionality, during which no Services of Operator are provided at all or their provision is limited.
42. **General Terms and Conditions or GTC** – the general terms and conditions applicable to the provision of the LNG Regasification Services and any nonstandard services of Operator, being a constituent part to these ROO as Annex No. 1 to.
43. **Operator** – LNG Croatia LLC as the developer, owner and Operator of the Terminal or its successors.
44. **FSRU Operator** – legal person who operates and oversees FSRU operation and is responsible for the maintenance of FSRU in accordance with the operation and maintenance agreement concluded with Operator.
45. **Terminal User Indemnified Party** – a Terminal User and all Terminal User's affiliates, contractors, subcontractors, directors, executives, officers, employees, agents, representatives, accountants, consultants, attorneys and advisors (but shall not include any Operator Indemnified Party).
46. **Operator Indemnified Party** – an Operator and all Operator's affiliates, contractors, subcontractors, directors, executives, officers, employees, agents, representatives, accountants, consultants, attorneys and advisors (but shall not include any Terminal User Indemnified Party).
47. **Gas Day** – a period of 24 hours beginning every day at 06:00 AM and ending the next day at 06:00 AM.
48. **Floating Storage and Regasification Unit or FSRU** – floating storage and regasification unit capable of discharging LNG and regasifying LNG.
49. **Applicant** – a Person complying with the requirements applied to Terminal Users set forth in these ROO and other legal acts and seeking to obtain requested LNG Regasification Capacities.
50. **Affiliate** - with respect to any legal entity, a person that Controls, is Controlled by, or is under common Control with such legal entity.
51. **LNG Regasification** – the process of Cargo regasification at the Terminal during which LNG is converted from liquid to gaseous state and regasified Gas is delivered to the Delivery Point.
52. **Consequential Loss** - any and all incidental, consequential, indirect, special, punitive or exemplary Damages of whatever kind and nature arising under or in connection with or resulting from TUA, howsoever caused (including by the default or negligence of a Party (as defined in TUA) or duty owed at law by a Party) and whether or not foreseeable at the date of concluding the TUA, including such indirect Damages relating to:
- a) loss, termination, cancellation or non-renewal of any operational or maintenance contract;
  - b) claims for loss of time, production, profit or revenue or business interruption;
  - c) loss of use of or damage to property or machinery (including pipelines, jetty, vessel or storage tanks); and
  - d) partial or total failure in performance or delayed performance under any contract (including any down-stream gas sales agreement, LNG sale and purchase agreement, LNG Carrier charters and tug charters), including any non-delivery, under-delivery or Off-specification LNG delivery.
53. **Confirmed Reload** - each Cargo Terminal User intends to load into an LNG bunker vessel or a small-scale LNG carrier vessel nominated by Terminal User to load LNG from the FSRU which shall be in all respects compatible with the FSRU, be in compliance with applicable laws and which is subject to the Technical Conditions of the Terminal and Operator's rights of inspection and approval, such approval not to be unreasonably withheld.
54. **Returnable Amount of LNG** – LNG amount that an LNG Borrower is obligated to return to an LNG Lender, which corresponds to Borrowed Amount of LNG.
55. **Borrowed Amount of LNG** – part of LNG Lender's Cargo, including Terminal User's Gas Loss, that is lent to LNG Borrower pursuant to these ROO.
56. **Invitation** – an invitation, publicly announced on the Internet Page, inviting to submit Requests for allocation of Available Capacities at the Terminal upon initiation of the Annual Open Season. The

Invitation shall be announced on the Internet Page continuously, as long as there are Available Capacities left to be allocated.

57. **LNG Discharge** – unloading of a Cargo into the Terminal from an LNG Carrier.

58. **LNG Borrower** – a Joint-User who borrows LNG from another Joint-User (LNG Lender) in accordance with the procedure set forth under these ROO.

59. **Estimated Time of Arrival or ETA** – estimated time of LNG Carrier arrival at the Pilot Boarding Station.

60. **Sanctions Laws** - the economic or financial sanctions Laws and/or trade embargoes, prohibitions, restrictive measures, decisions, executive orders or notices from regulators implemented, adapted, imposed, administered, enacted and/or enforced by any Sanctions Authority.

61. **Service Schedule** – Joint Terminal's and/ or Terminal User's Annual or Monthly Schedule of LNG Regasification Services, based on which Operator provides these services over a respective period of time with regard to service provision conditions specified in article 36 of these ROO and Terminal's Technical Characteristics.

62. **Short-term Capacity Booking** – procedure of allocation of Available Capacities after the Annual Open Season according to conditions specified in these ROO.

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

64. **Secondary Market** – a market of Unused capacities of the Terminal on which Terminal Users mutually trade with contracted capacities of the Terminal in accordance with the procedure and conditions set forth in these ROO.

65. **LNG Quality Specification** – required specification of quality for the LNG published on the Internet Page.

66. **Restricted Party** - a person that is:

- (a) listed on any list of persons or entities published in connection with Sanctions Laws by or on behalf of any Sanctions Authority (whether designated by name or by reason of being included in a class of sanctioned person);
- (b) domiciled, registered as located or having its main place of business in, or is incorporated under the laws of, a country which is subject to country-wide Sanctions Laws; or
- (c) directly or indirectly owned or Controlled by a person referred to in paragraphs (a) and/or (b) above.

67. **Standard Cargo Lot** - a quantity of LNG between sixty-five thousand cubic meters (65,000 m<sup>3</sup>) and one hundred and fifty thousand cubic meters (150,000 m<sup>3</sup>).

68. **Pilot Boarding Station** - the pilot boarding station designated by maritime authorities for the embarkation and disembarkation of pilots for the passage to the Terminal Site in accordance with the applicable pilotage rules, approximate geographical coordinates 45° 11.8' N, 14° 29.4' E.

69. **Actual Laytime** – the time actually taken by an LNG Carrier to berth, discharge and depart from the FSRU.

70. **Damages** – collectively; all claims, liabilities, obligations, losses, deficiencies, penalties, actions, suits, out-of-pocket costs, expenses and disbursements of any kind or nature whatsoever (including without limitation, reasonable legal fees and costs and expenses).

71. **Tariff** - the tariff applicable for the provision of LNG Regasification Services, established pursuant to the Methodology on Establishing of the Amount of the Tariff Items for the Acceptance and Dispatch of the Liquefied Natural Gas (Official Gazette no. 110/17) and any subsequent amendments.

72. **Terminal's Technical Characteristics** – technical and operational specifications of the Terminal set forth in the Technical Conditions of the Terminal which shall be published on the Internet Page.

73. **Technical Conditions of the Terminal** – detailed description of terms and conditions applicable to Terminal Users and LNG Carriers of Terminal technical characteristics, LNG Carriers approval, arrival,

berthing, mooring/unmooring and discharge procedures and other conditions of use of the Terminal, and which shall be published on the Internet Page.

74. **Terminal's Technological Capacity** – maximum continuous LNG Regasification Capacities that Operator can offer to Terminal Users with regard to Terminal's Technical Characteristics, integrity, requirements for Terminal operation and other factors.

75. **Cargo** – quantity of LNG to be actually discharged to the Terminal.

76. **Slot** – time period dedicated for arrival of the LNG Carrier within the planned gas year which is applied for annual scheduling purposes as set forth under these ROO, and during which time period Operator shall provide Services with regard to such LNG Carrier pursuant to these ROO.

77. **Terminal** – entirety of engineering structures and facilities including the FSRU through which LNG is imported into the Republic of Croatia and through which LNG Regasification Services and nonstandard services of Operator described in these ROO are provided.

78. **Sanctions Authority** - the Republic of Croatia, country of Terminal User, the United Nations, the European Union, the member states of the European Union, the United States of America and any authority enacting or enforcing Sanctions Laws on behalf of any of the foregoing entities.

79. **Delivery Point** – Gas metering station at the interconnection point with transmission system.

80. **Unloading Point** - the point where the outlet flanges of the LNG Carrier's unloading lines connect with the inlet flanges of the LNG loading lines of the FSRU.

81. **Terminal Use Agreement or TUA** – a contract entered into by Operator and Terminal User in regard of using the Terminal the form of which is published on the Internet Page.

82. **Joint Terminal Use Agreement** – a contract between Operator and all Terminal Users determining legal conditions for Joint Terminal Use as specified in article 52 of these ROO, the form of which is published at the Internet Page.

83. **LNG Regasification Services** – LNG regasification services as they are defined in article 14 of these ROO.

84. **Services** - the LNG Regasification Services and the non-standard services.

85. **LNG Lender** – a Joint-User who lends LNG belonging to it by right of ownership to another Joint-User (LNG Borrower) in accordance with the procedure set forth under these ROO.

86. **Duly Confirmed Cargo** – confirmed Cargo which:

- a) conforms to the LNG Quality Specification; and
- b) the unloading of which from a LNG Carrier to the FSRU would not exceed the maximum available safe LNG loading limit of the FSRU from time to time, reduced for the quantity of LNG in the FSRU's cargo tanks at the relevant time and for any regasified LNG which is being discharged simultaneously to the unloading of any LNG from an LNG Carrier onto the FSRU.

87. **Virtual Storage** – virtual / computer data on Cargo storage at the Terminal starting from completion of discharge of the Cargo into the Terminal by a specific Terminal User until complete withdrawal of the LNG quantity equivalent to Cargo size from the Terminal through the use of LNG Regasification Services by such Terminal User, including Terminal User's Gas Losses. In cases when Terminal User has completed the said withdrawal of the Cargo or has not yet delivered a Cargo into the Terminal and is using LNG Regasification Services, the Virtual Storage period shall commence from the date of the use of such services until the delivery of an equivalent LNG quantity.

88. **Internal Use** - the aggregate internal use of LNG and/or Gas by the FSRU, which includes LNG consumed as fuel and Gas lost to vent.

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

90. **Terminal Congestion** – a situation when the level of LNG Regasification Capacities sought to be obtained at a given time exceeds the Terminal's Technological Capacity or Available Capacities.

91. **Request** – Request for allocation of LNG Regasification Capacities (form of which is published at Operator's Internet Page) filled by an Applicant in accordance with the form established by Operator wherein the Applicant confirms its compliance with the requirements applied to Terminal User set forth in these ROO and other legal acts and undertakes to obtain requested LNG Regasification Capacities should they be allocated to it. The mentioned form of the Request shall be used both by the existing Terminal User (requiring allocation of incremental LNG Regasification Capacities) and the new Terminal User.

92. **Joint-User** – a Terminal User, who has entered into a Joint Terminal Use Agreement, and respectively lends own delivered LNG or borrows LNG delivered by another Terminal User according to the terms set forth in these ROO, so that Cargoes of all Terminal Users can be accepted and/ or regasified at the Terminal.

93. **Joint Terminal Schedule** – a joint Terminal User Service Schedule of respective period, resulting from joining together respective Service Schedules of Terminal Users.

94. **Joint Terminal Use** – use of the LNG Regasification Capacities when they are simultaneously used by more than one Terminal User as specified in these ROO.

### III. Description of the LNG Terminal

#### Technical Characteristics of the Terminal and Technical Conditions of the Terminal

##### Article 3

(1) The Terminal shall be located on the northern part of the island of Krk within the municipality of Omišalj.

(2) The Terminal, as an integrated whole, shall be developed, engineered, constructed, owned, operated, maintained by Operator pursuant to the terms of set forth in these ROO, TUA and GTC.

(3) The Terminal shall consist of the following parts:

1. LNG storage tanks and vaporization units on a permanently moored FSRU;
2. The Jetty consisting of a berth and mooring facilities, flexible loading/unloading arms and high-pressure gas platform;
3. Gas connecting pipelines and other gas infrastructure located within the limits of the Terminal including pigging station; and
4. All appliances, parts, instruments, appurtenances, accessories, equipment, buildings, civil engineering works, infrastructure and other property that may be incorporated or installed in, or otherwise necessary or convenient for the ownership, operation and maintenance of, any of the foregoing.

##### Article 4

By signing TUA, Terminal Users acquire the right to use the Terminal within the Terminal's Technical Characteristics, that determine the maximum scope of LNG Regasification Services which shall be available and may be provided to Terminal Users. The right to use the Terminal may be limited only in cases pursuant to these ROO and regulations (including but not limited to: Maintenance, Adverse Weather Conditions, Adverse Metocean Conditions and circumstances that are outside of Operator's control or responsibility).

##### Article 5

(1) The Terminal's Technical Characteristics shall be provided in the Technical Conditions of the Terminal, which shall be published at the Internet Page and obligatory for Terminal Users as well as for other persons, who intend to become Terminal Users according to the procedure set forth in the applicable legal acts and these ROO.



## Connection to Transmission System

### Article 6

- (1) The Terminal shall be connected to the transmission system operated by the Transmission System Operator (Plinacro).
- (2) The connection of the Terminal with the transmission system is done in order to create prerequisites for safe and reliable delivery of gas.
- (3) Operator will ensure the exchange of information with the Transmission System Operator (Plinacro), while respecting the rules for data exchange as prescribed by the Network Code of the Transmission System.
- (4) The connection of the Terminal to the transmission system or the increase of the connection capacity is conducted in accordance with the provisions as set out in the Network Code of the Transmission System.
- (5) Operator and the Transmission System Operator (Plinacro) will regulate mutual rights and obligations and the manner of data exchange, in order to ensure efficient and reliable operation, development and maintenance planning of interconnected systems, and will conclude an agreement on mutual rights and obligations.
- (6) If it hasn't been regulated differently by the TUA, after contracting the LNG Regasification Services, Terminal User is obliged to reserve the capacity for the entry capacity into the transmission system which is also the exit from the Terminal, and for this purpose conclude an agreement with the Transmission System Operator (Plinacro) pursuant to the procedure set by the mentioned operator.

## IV. Development and construction of the Terminal

### Operator's Responsibilities for Construction of the Terminal

#### Article 7

Operator is responsible for construction, management and directing of the Terminal pursuant to the GMA. Operator shall perform mentioned activities taking into account that it needs to accomplish safe and reliable operation of the Terminal and ensure reliable provision of the Services to Terminals Users in accordance with the GMA and these ROO.

### Development and Construction Plan Description

#### Article 8

Operator shall carry out the design, engineering and construction of the Terminal according to the Terminal's development plan that the Operator shall draft according to the GMA, and under conditions and deadlines set in the TUA.

#### Article 9

Construction milestone deadlines may be adjusted in the case of Force Majeure Event (as defined in the GTC, hereinafter: **Force Majeure Event**) or other circumstances which are beyond of control or liability of Operator.

## Expansion of the LNG Regasification Capacities

### Article 10

Due to current limited capacities of the transmission system, the LNG Regasification Capacities offered to Terminal Users are lower than the full Technical Capacities of the Terminal.

### Article 11

Once the capacities of the transmission system are increased, Operator shall conduct an additional Annual Open Season for an allocation of new Available Capacities which shall not exceed the Terminal's Technological Capacity. The allocation of new Available Capacities pursuant to this provision shall not affect LNG Regasification Capacities already allocated to Terminal Users.

## V. Commissioning, Management and Supervision of the Terminal

### Article 12

(1) Operator shall inform Terminal Users, accordance with provisions of article 91, paragraph 2 and/or article 92, paragraph 1 of these ROO, with at least 5 (five) months' anticipation (3 (three) months window) of the estimated date for initiation of commissioning of the Terminal and update such information 3 (three) months (1 (one) month window), 1 (one) month (1 (one) week window) and 1 (one) week (1 (one) day window) before the commissioning.

(2) Operator shall ensure management and supervision of the Terminal once it is in commercial operation in coordination with Terminal Users, Transmission System Operator (Plinacro), master and operator of FSRU and Port Authority. Operator shall manage and oversee Terminal operation pursuant to GMA and these ROO.

## VI. Services Description

### Article 13

Operator provides the following services: (a) LNG Regasification Services, as standard services which are described in article 14 of these ROO; and (b) nonstandard services of Operator which are described in article 16 of these ROO.

### Article 14

(1) LNG Regasification Services consist of the following related and mutually dependent services (bundled services) that are provided to Terminal User only under the conditions specified below:

1. Acceptance and berthing at the Terminal of a FSRU compatible LNG Carrier which has successfully undergone the approval and vetting procedures established in these ROO and the Technical Conditions of the Terminal and is delivering a Cargo within an Arrival Window indicated in an approved Service Schedule;
2. LNG Discharge – unloading of a Cargo pursuant to the conditions established by these ROO;
3. Physical Storage and Virtual Storage at the Terminal of an LNG quantity assigned to Terminal User (available to the extent possible after combining the Service Schedules of all Terminal Users, i.e. Joint Terminal Use specified in articles 52-58 of these ROO);

4. LNG Regasification – regasification of an LNG quantity assigned to Terminal User over a period of time based on Terminal User's Service Schedule and/or Daily Nominations, at a respective LNG Regasification rate that in Joint Terminal Use cannot be less than the minimum LNG Regasification rate and cannot be greater than maximum LNG Regasification rate (defined by Terminal's Technical Characteristics from article 5, paragraph 1 of these ROO) except in cases of Maintenance, and, upon LNG Regasification completion, delivery of Gas to the Delivery Point.

## Article 15

In order to ensure the possibility of several different Terminal Users using the Terminal simultaneously and to swap delivered Cargoes in accordance with the conditions and procedure set forth under articles 52-58 of these ROO, it is established that, the conditions of Joint Terminal Use of the Terminal shall apply to all Terminal Users using the LNG Regasification Services at the same time.

## Article 16

(1) Apart from standard services defined in these ROO, Operator offers nonstandard services of Operator in accordance with the Methodology that will determine the fee for nonstandard services which is passed by Agency, and the pricelist for the nonstandard services of Operator published on the Internet Page.

(2) Operator may, unless the provision of such nonstandard services of Operator would have an adverse effect on the provision of LNG Regasification Services to the other Terminal Users, in its sole discretion, agree to provide Terminal Users with nonstandard services.

(3) Operator shall provide the following nonstandard services pursuant to these ROO:

- transfer of LNG Regasification Capacities on the Secondary Market – vendor's fee;
- transfer of LNG Regasification Capacities on the Secondary Market – buyer's fee;
- recording LNG trade for Terminal User LNG vendor;
- recording LNG trade for Terminal User LNG buyer;
- access to ETSSAS and opening of the balance account for the buyer of the LNG Regasification Capacities on the Secondary Market who does not have a valid TUA;
- monthly fee for managing the balance account for the buyer of the LNG Regasification Capacities on the Secondary Market who does not have a valid TUA;
- sale of unregasified/unwithdrawn LNG or natural gas in an open procedure pursuant to article 86 of these ROO; and
- emptying the tanks of the FSRU pursuant to article 84 of these ROO.

(4) For the avoidance of doubt, unless separately agreed otherwise, Operator is not obliged to provide any other services except the ones expressly stipulated in these ROO.

## VII. LNG Regasification Capacities and their Allocation

### Article 17

The maximum scope of LNG Regasification Services is determined in the Terminal's Technical Characteristics from article 5, paragraph 1 of these ROO. LNG Regasification Services are provided according to the Technical Conditions of the Terminal from article 5 of these ROO and are calculated based on ideal conditions. Provision of LNG Regasification Services may be limited only in cases pursuant to these ROO and regulations (including, but not limited to, Maintenance, Adverse Weather Conditions, Adverse Metocean Conditions and circumstances that are outside of Operator's control or responsibility).

## Article 18

Operator enables Terminal Users to use the LNG Regasification Services by allocating them the Available Capacities, which encompass a Terminal User's right and obligation to use the LNG Regasification Services at the required time period.

## Principles of Capacities Allocation

### Article 19

(1) Applicants shall book LNG Regasification Capacities at the Terminal in kWh per gas year for the period from 1 to 20 years starting from 2020.

(2) Requests will be evaluated in repeated steps (iterations) by requested duration of LNG Regasification Services use from most years of use to least years of use. The Available Capacities for a specific iteration are calculated taking into account the capacities already allocated in the earlier iterations. Applicants requesting LNG Regasification Capacities for the longest time period shall have priority in the Annual Open Season.

(3) The first reservation, allocation and contracting of the LNG Regasification Capacities shall be done on the basis of a non-discriminatory and transparent "Open Season" procedure carried out by Operator on the basis of the rules for the conduct of the Open Season procedure – binding phase and their annexes that form a constituent part thereof, published on the Internet Page, as well as other related documents.

### Article 20

If there is Terminal Congestion when allocating the LNG Regasification Capacities within a certain iteration of the Annual Open Season the following rules shall apply:

1. The Applicant requesting the largest total quantity of LNG Regasification Capacities shall have the priority in the Annual Open Season.
2. If there are multiple Applicants meeting the criterion set forth in point 1 of this article, the Applicant who stated in his Request the lowest total minimum LNG Regasification Capacities shall have the priority in the Annual Open Season.
3. If there are multiple Applicants meeting the criteria set forth in this article 20, points 1 and 2, the Applicant which provided the Request to Operator earlier shall have the priority in the Annual Open Season ("first come – first served" basis).

### Article 21

LNG Regasification Capacities obtained by a Terminal User give Terminal User the right to use the LNG Regasification Services to the extent of the LNG Regasification Capacities allocated to such Terminal User. The right to use LNG Regasification Services granted to Terminal User by allocating him LNG Regasification Capacities is implemented by Service Schedule coordinating, which takes place after the Annual Open Season set forth in articles 17-35 of these ROO. In order to avoid ambiguity LNG Regasification Capacities can be used only after Service Schedules coordination in accordance with the procedure and conditions established under these ROO.

### Article 22

(1) Operator allocates Available Capacities before the beginning of each gas year (Annual Open Season, performed according to articles 17-35 of these ROO). If there are Available Capacities left after these Annual Open Season was carried out, such Available Capacities shall be allocated in the procedure of Short-term Capacity Booking (the procedure is performed according to articles 17-35 of these ROO).

(2) Each year on the 15<sup>th</sup> May, Operator begins the Annual Open Season by publishing an Invitation on its Internet Page wherein Operator must specify:

1. The Available Capacities.
2. Start and end dates for Available Capacities' usage.
3. Procedure of the Request submission.
4. Deadline for submission of the Requests shall be 30 (thirty) calendar days from publishing the Invitation.

(3) In case the Annual Open Season does not take place, i.e. no Requests are received, or no LNG Regasification Capacities are allocated according to the received Requests, Operator can announce an iterated Annual Open Season without regard to the term specified in paragraph 2 of this article of these ROO.

### Article 23

(1) LNG Regasification Capacities are allocated by Operator also after the Annual Open Season, i.e. when the term determined according to the procedure set forth in article 22, paragraph 2, point 4 of these ROO has ended, when there are Available Capacities. Operator continuously announces and updates the information about Available Capacities on its Internet Page.

(2) During Short-term Capacity Booking, Operator shall not be required to consider nor accept Requests, including the documents specified in article 27, paragraph 2 of these ROO, submitted later than 60 (sixty) calendar days before the use of requested LNG Regasification Capacities commences. Requests can be submitted on other terms than those defined in these ROO upon agreement between Terminal User and Operator.

(3) If Requests during Short-term Capacity Booking are submitted by more than one Applicant, LNG Regasification Capacities are provided by priority to the Applicant which provided the Request to Operator earlier ("first come – first served" basis).

### Procedure of Capacity Allocation

### Article 24

(1) The Applicant shall submit a Request (the form of which is published by Operator on its Internet Page) containing the following information:

1. Duration of the LNG Regasification Capacities use.
2. Requested LNG Regasification Capacities.
3. Minimum acceptable LNG Regasification Capacities.

(2) Additional documents listed in article 27, paragraph 2 of these ROO shall be submitted along with the Request and the LNG Regasification Capacities are allocated according to the principles described in articles 19 and 20 of these ROO. By submitting the Request to Operator, the Applicant accepts and agrees to apply these ROO and the GTC.

## Requirements for Terminal Users and Documentation Submission and Evaluation

### Article 25

Applicants seeking to obtain LNG Regasification Capacities shall meet the following requirements, not later than as defined in TUA:

1. To hold a valid gas supply and/ or gas trading license in the Republic of Croatia.
2. To meet other requirements for Terminal User set forth under the TUA and GTC.

### Article 26

Terminal Users shall have a right to inform Operator about the possible non-compliance of an Applicant or Terminal User to the requirements set forth in these ROO. In such a case Terminal User must provide a detailed argumentation and the supporting evidence regarding the non-compliance to the requirements set forth in these ROO together with such notice. Operator has the right to reject the Request or unilaterally terminate the TUA according to the procedure set forth in the TUA if non-compliance of an Applicant or Terminal User to the requirements set forth in these ROO is determined after inspecting the provided information.

### Article 27

(1) Operator has the right to specify in the Invitation for submission of Requests that certain requirements from paragraph 2 of this article are not applicable to existing Terminal Users depending on the type and/or amount of the LNG Regasification Capacities being allocated.

(2) The Applicant shall provide Operator with the following documents along with the Request:

1. Copies of legal entity's registration certificate and articles of association (or other founding documents).
2. Copy of a valid natural gas supply and/or trading license in the Republic of Croatia.
3. Additional documents requested according to the GTC and/or TUA.

### Article 28

(1) The Request shall be submitted to Operator in writing along with the documents specified in article 27, paragraph 2 of these ROO (sent by fax, registered mail, courier service, or e-mail). In all cases the Applicant shall provide Operator with the originals or certified copies of the documents specified in the GTC and/ or the TUA.

(2) If the Applicant re-submits Requests during later Annual Open Season or Short-term Capacity Booking it can omit submitting the documents specified in article 27 of these ROO if said documents have already been submitted at an earlier Annual Open Season or Short-term Capacity Booking provided the term of validity of the submitted documents has neither expired (if they have a term of validity) nor have the circumstances specified in corresponding documents changed.

(3) Next business day (as defined in TUA, hereinafter: **Business Day**) after the deadline for submission of Requests specified in the Invitation (in case of Annual Open Season) or next Business Day after the day the Request was received (in case of Short-term Capacity Booking), if LNG Regasification Capacities for current gas year are requested, Operator evaluates the submitted Request and informs the Applicant submitting the Request if the Request meets the submission requirements as specified in these ROO and Invitation.

(4) Having identified inconsistencies with the Requests submission requirements Operator sets a reasonable term of not more than 3 (three) Business Days during which the Applicant has to correct the specified deficiencies and inform the Operator on the corrections of the Request.

(5) Requests for allocation of LNG Regasification Capacities are considered and decisions are made not later than in 5 (five) Business Days (or on the next Business Day after this period if the last day of the deadline falls on a day which is not determined as a Business Day) after the deadline for submission of Requests specified in the Invitation or in the case of deficiencies, no later than 8 (eight) Business Days (or on the next Business Day after this period if the last day of the deadline falls on a day which is not determined as a Business Day) after the deadline for submission of Requests.

## Article 29

(1) A Request is rejected in the following cases:

1. Request or Monthly Schedule provided during the Short-term Capacity Booking do not comply with the LNG Regasification Services providing conditions specified in article 14 of these ROO and the Applicant has not corrected the deficiencies indicated by Operator in accordance with article 28, paragraph 4 of these ROO.
2. The Applicant does not meet the requirements specified from article 25 of these ROO.
3. When Request and/ or at least one of the documents, required in article 27 of these ROO is missing or submitted improperly and Applicant has failed to correct deficiencies specified by Operator in accordance with article 28, paragraph 4 of these ROO.
4. If there is no sufficient Available Capacity.

(2) In each case Operator shall, not later than on the next Business Day after making the decision to reject a Request, informs the Applicant and the Agency about the decision made and the reasons behind making it.

## Article 30

All Applicants who have been allocated LNG Regasification Capacities to obtain the LNG Regasification Capacities must sign a TUA.

## Article 31

(1) Use of LNG Regasification Capacities allocated during Short-term Capacity Booking is only possible pursuant to the Annual Schedules and Monthly Schedules approved by Operator, which can be changed or adjusted only in accordance with the following cumulative conditions:

- (a) changes are in accordance with the procedure and conditions set forth under these ROO; and
- (b) if such changes are compatible with the Terminal's Technological Capacity; and
- (c) they do not affect the Arrival Windows specified in the Service Schedules of Terminal Users, unless Terminal Users whose Schedules would be changed provide their consent.

(2) The consent of Terminal Users, if necessary, should be provided within 5 (five) Business Days from the day of receiving Operator's notice about the received request from a Terminal User to change the Service Schedule. If a Terminal User does not provide a response within the given term, it is considered that Terminal User does not provide consent to change the Service Schedule.

(3) Terminal User, which has been allocated LNG Regasification Capacities during Short-term Capacity Booking but in a smaller amount than requested, within 60 (sixty) calendar days from the date of a decision regarding allocation of LNG Regasification Capacities to him, has the right to refuse the allocated LNG Regasification Capacities if such capacities cannot be used to the extent Terminal User has requested, due to the fact that other Terminal Users did not provide consent to change schedules.

(4) During the allocation of LNG Regasification Capacities in the process of Short-term Capacity Booking, Operator may provide approved Service Schedules of other Terminal Users to Terminal User

which has requested allocation of LNG Regasification Capacities in the process of Short-term Capacity Booking, upon that Terminal User's demand, in order to ensure that Terminal User's request for allocation of LNG Regasification Capacities is compliant to the approved Annual Schedules and Monthly Schedules of other Terminal Users.

## Conclusion of the Agreements

### Article 32

(1) Applicants whose Requests have been satisfied shall sign the TUA and the Joint Terminal Use Agreement, form of which shall be published by Operator on its Internet Page (hereinafter jointly referred to as "**Agreements**"). Each Applicant shall deliver to Operator originals of the signed Agreements via post within 7 (seven) calendar days from the date when Operator submitted the Agreements signed by Operator to the Applicant.

(2) When the Annual Open Season procedure ends, Agreements have to be signed and delivered to Operator not later than the 15<sup>th</sup> of July of each year. Copies of the Agreements to be signed are provided together with Operator's decision regarding the LNG Regasification Capacities allocation to Terminal Users.

### Article 33

If a Terminal User who is allocated with additional LNG Regasification Capacities according to the procedure set forth under these ROO, already holds a valid TUA with Operator, Operator shall draw up an annex to TUA relating to the additional LNG Regasification Capacities, sign it and submit it to Terminal User to be signed. Terminal User shall deliver original of the signed annex to TUA to Operator via post within 7 (seven) calendar days from the date when Operator submitted the annex to TUA signed by Operator to Terminal User.

### Article 34

If the Applicant fails to sign and deliver the signed TUA within the term defined in the article 32 paragraphs 1 and 2 (except for the cases when Terminal User is not allocated sufficient amount transmission system capacity) and/or the Applicant fails to sign and deliver the signed annex to TUA within the term defined in article 33 paragraph 1 of these ROO, Operator shall apply a fee defined in GTC. The period of validity of the TUA shall correspond to the period of use of the LNG Regasification Capacities allocated to Terminal User, (as defined in Schedule 1 of the TUA as the "**Service Period**") Terminal Use Agreements can be terminated before their term upon the grounds specified in the Terminal Use Agreements.

## LNG Trade and Terminal's LNG Capacities Trade

### Article 35

(1) Terminal Users shall have the right to transfer the Unused Capacities on the Secondary Market, which shall be done by concluding:



(a) an agreement on the transfer of the contracted capacities whereby only those rights and obligations from the Terminal Use Agreement that are related to the transferred capacity are transferred; or  
(b) an agreement on the transfer of the right to use the contracted capacities whereby the right to use the capacities on the basis of the Terminal Use Agreement are transferred in whole or in part.

(2) Terminal User may also transfer LNG, which is contained in the Terminal's tanks with or without transferring Unused Capacities.

(3) The forms of the mentioned agreement on the transfer of the contracted capacities, the agreement on the transfer of the right to use the contracted capacities and the agreement on transfer of LNG, shall be published on Operator's Internet Page.

(4) The Unused Capacities may be transferred to other Terminal Users who comply with the requirements established in these ROO for Terminal Users. Unused Capacities and/or LNG shall be transferred by an agreement between Terminal Users, form of which is published at Operator's Internet Page; one copy of which shall be submitted to Operator at least 5 (five) Business Days in advance before the day of the transfer, and subject to the consent of Operator.

(5) Terminal User has a right to transfer the title of LNG that is being held in the FSRU tanks to another Terminal User that has signed a valid TUA with Operator. Operator must be notified of any such title transfer 5 (five) Business Days in advance before the day of the title transfer. The notification must include the details of the transferring and acquiring Terminal User, the exact amount of LNG to be transferred and the date of the title transfer. The notification must be signed by the representatives of both Terminal Users. Operator shall make the necessary changes in the balances of Terminal Users in the beginning of the Gas Day on the specified date of the transfer.

(6) A third party wishing to accept the LNG Regasification Capacities, who is not a Terminal User yet, shall submit the documents specified in article 27, paragraph 2 of these ROO, which prove that the mentioned third party complies with the requirements established in these ROO for Terminal Users, together with the signed Agreement of Transfer of Unused Capacities or Agreement of Transfer agreement of the Right to Use the Contracted Capacities (form of which is published at Operator's Internet Page). The third party has a right to indicate an additional amount of the LNG Regasification Capacities that it wishes to acquire in addition to the LNG Regasification Capacities that are being transferred to it by another Terminal User. Operator shall make a decision concerning the possibility that such third party acquires the capacities with the application, *mutatis mutandis*, of the requirements of articles 17-35 of these ROO.

(7) The transfer of the Unused Capacities and/or LNG shall be the responsibility of Terminal Users. Upon a request of Terminal User wishing to transfer the Unused Capacities, Operator shall place an announcement on its Internet Page regarding the LNG Regasification Capacities being offered. Operator shall inform Terminal User about any inquiries regarding the LNG Regasification Capacities being offered.

(8) Terminal User who has acquired LNG Regasification Capacities or LNG in accordance with the terms specified in the agreement with another Terminal User, along with the LNG Regasification Capacities or LNG, shall take over all of the rights, obligations, and responsibilities of Terminal User who has transferred the LNG Regasification Capacities or LNG, while Terminal User who has transferred the LNG Regasification Capacities or LNG shall correspondingly lose the rights, obligations, and responsibility within the scope of the transferred LNG Regasification Capacities or LNG.

(9) The LNG Regasification Capacities are transferred only when Terminal User who has acquired them signs the Terminal Use Agreement or an annex thereto regarding the use of the acquired capacities in the provision of the LNG Regasification Service or LNG transfer and delivers it to Operator and Operator has agreed with it.

(10) Terminal User shall pay a fee for the Unused Capacities pursuant to GTC and/or TUA if a Terminal User does not transfer such LNG Regasification Capacities or does not use all allocated LNG Regasification Capacities that were transferred to him (the take-or-pay condition).

(11) Operator shall deny its consent to the contract on the transfer of the contracted capacities and/or contract on the transfer of the right to use the contracted capacities and/or contract on the transfer of LNG of Terminal Users in the following situations:

- a. if the acquirer does not meet the conditions set in legal regulations for Terminal User; and / or
- b. if the acquirer has any outstanding debts towards Operator; and / or
- c. in the case of concluding a contract on the transfer of TUA, if the acquirer does not provide Operator with a valid payment security instrument in accordance with GTC; and / or
- d. if the information in the notification on the transfer is not in accordance with the TUA from which the contractual relationship or the right to use the capacity or the LNG is transferred.

## VIII. Scheduling

### Article 36

LNG Regasification Services are provided according to the Service Schedules compiled in accordance with the procedure established under these ROO and approved by Operator. Service Schedules can be Annual Schedule and Monthly Schedule.

### Article 37

(1) Operator has the right to change the modes of Terminal operation and change Service Schedules, only in extraordinary situations, when continuous, appropriate and safe operation of the Terminal is threatened. When altering the modes of Terminal operation and/or by establishing Service Schedules Operator cooperates with Terminal Users and seeks to take into account their suggestions. In order to ensure continuous operation of the Terminal, Terminal Users shall maintain the necessary LNG Heel specified in the Terminal's Technical Characteristics from article 5, paragraph 1 of these ROO. Terminal Users are responsible for maintaining the necessary amount of the LNG Heel in proportion to the actual LNG quantity stored at the Terminal belonging to Terminal Users.

(2) When establishing Service Schedules, Operator collects from Terminal Users information about their requested schedules for respective service provision and cooperates with Terminal Users in order to determine optimal Service Schedules that would satisfy all interested Terminal Users. Should Terminal Users fail to agree regarding Service Schedules, Operator has the right to make the final decision. Articles 38 – 51 of these ROO shall apply to the procedure of establishing Service Schedules.

(3) Should a Terminal User violate requirements of these ROO regarding establishment, coordination and/ or keeping on the Service Schedules, Operator can decide to assign a penalty according to the conditions established in GTC.

(4) The amounts of LNG planned to be regasified as specified in the Service Schedules submitted by Terminal Users to Operator shall comply with annual amounts allocated during the Annual Open Season and monthly amounts provided in the Monthly Schedules provided during the Short-term Capacity Booking.

## Annual Schedule

### Article 38

Not later than the 16<sup>th</sup> of July of each gas year, each Terminal User shall provide Operator with its proposed Annual Schedule draft, based on the form published at Operator's Internet Page with regard to the schedule of planned Maintenance announced by Operator. The following information shall be specified in the Annual Schedule draft:

1. Exact monthly and daily amounts of LNG Regasification.
2. Requested LNG Carrier Arrival Windows of not more than 6 (six) days.
3. Exact number of LNG Carriers and sizes of Cargoes to be delivered.
4. If known at the time of composing the Annual Schedule draft: names of LNG Carriers and international marine organization numbers (IMO number).

### Article 39

(1) Having combined all Annual Schedule drafts submitted by Terminal Users Operator not later than 5 (five) calendar days after the deadline for submission of the Annual Schedule drafts evaluates whether:

1. Such projections within the annual Joint Terminal Schedule draft are compatible with the Terminal's Technical Characteristics according to article 5 of these ROO and other requirements of these ROO; and

2. whether LNG Carrier Arrival Windows are mutually compatible, considering that according to the annual Joint Terminal Schedule draft there is a time window of at least 3 (three) days between the Arrival Window of one LNG Carrier and the Arrival Window of the next Carrier, and the Joint Terminal Schedule ensures Joint Terminal Use as specified in articles 52-58 of these ROO.

(2) If, according to Operator, Annual Schedule drafts submitted by Terminal Users meet the aforementioned conditions stipulated in paragraph 1. of this Article, Operator approves Annual Schedules of all Terminal Users as well as the annual Joint Terminal Schedule. Each approved Annual Schedules of Terminal User, Operator shall deliver only to that Terminal User to whom the approved Annual Schedule is related to.

### Article 40

(1) If, according to Operator, Annual Schedule drafts submitted by any of Terminal Users do not comply with the conditions set forth in article 39 of these ROO, Operator may:

1. Suggest that Terminal Users eliminate the inconsistencies with requirements of these ROO as specified by Operator and/or if it is appropriate, coordinate among themselves the Annual Schedule drafts proposed by them within 7 (seven) calendar days. For purpose of efficient coordination of Terminal Users who need to eliminate the inconsistencies in their Annual Schedule drafts and/or coordinate their Annual Schedule drafts pursuant to this provision, Operator has the right to circulate Annual Schedule drafts of all Terminal Users among Terminal Users.

2. Should Terminal Users fail to eliminate the inconsistencies with requirements of these ROO and/ or coordinate among themselves the Annual Schedule drafts within the given deadline, Operator shall not later than 7 (seven) calendar days correct the Annual Schedule drafts of Terminal Users following the scheduling procedure set forth in article 41 of these ROO and provide these Annual Schedules to Terminal Users.

(2) Terminal Users have the right, without Operator suggesting that, to provide Operator with mutually coordinated Annual Schedule drafts on their own initiative, but not later than 3 (three) calendar days from the day of provision of Annual Schedules drafts. Operator accepts such an offer if it satisfies the conditions stipulated in article 39 of these ROO and, according to Operator, does not constitute an obstacle for continuous, efficient, and safe operation of the Terminal.

(3) If Operator does not approve mutually coordinated Annual Schedule drafts submitted by Terminal Users in accordance with the procedure established in paragraph 2 of this article of these ROO or if Terminal Users do not exercise the right to provide Operator with mutually coordinated Annual Schedule drafts as defined in paragraph 2 of this article, Operator approves Terminal Users' Annual Schedules corrected in accordance with paragraph 1 point **Pogreška! Izvor reference nije pronađen.** of this article of these ROO and the annual Joint Terminal Schedule draft assembled by Operator on the basis of Annual Schedule drafts submitted by Terminal Users.

## Article 41

In case established under article 40, paragraph 1, point 2 of these ROO Operator seeks to ensure continuous, appropriate, and safe operation of the Terminal as well as Joint Terminal Use and performs the following procedure when making a decision regarding establishment of the Annual Schedules:

1. Operator shall merge the Annual Schedule drafts provided by Terminal Users, excluding information Terminal Users provided pursuant to article 38 paragraph 1 point 2 – 4 of these ROO, and form an annual Joint Terminal Schedule in which Operator shall include information on the Cargo sizes and Arrival Windows pursuant to these ROO. Operator forecasts the LNG level at the Terminal for the annual Joint Terminal Schedule taking into account the use of LNG Regasification Services provided in the Annual Schedule drafts provided by Terminal Users and the theoretical possible Terminal's Gas Loss.

2. If the amounts of LNG to be regasified per Gas Day indicated in the Annual Schedule drafts are not compatible with the Terminal's Technological Capacity, the Operator shall make adjustments to the Annual Schedule drafts as follows:

(i) When the amount of LNG to be regasified in aggregate by all Terminal Users is higher than the Terminal's Technological Capacity, Operator shall firstly decrease the amount of LNG to be regasified per Gas Days, applying the following principles:

- The amounts of LNG to be regasified per Gas Day are decreased for each Terminal User in proportion to: (a) Terminal's Technological Capacity; and (b) the requested amounts of LNG to be regasified on that Gas Day as specified in the Terminal Users' Annual Schedule drafts.
- The total decreased amount of LNG to be regasified per all Gas Days per individual Slot for a Terminal User is added to the other Gas Days during the same Slot, when the total requested amount of LNG to be regasified during such Gas Days is lower than the Terminal's Technological Capacity, starting from the first day of such Slot.
- The amount to be regasified for each Terminal User is increased up to the limit of the Terminal's Technological Capacity for a Gas Day per Slot. The amount of LNG to be regasified for each Terminal User is increased in proportion to: (a) the total decreased amount of LNG to be regasified per all Gas Days per Slot for the respective Terminal User; and (b) the total decreased amount to be regasified per all Gas Days per Slot for all of the Terminal Users in aggregate.

(ii) After completing the steps defined in previous subparagraph (i), Operator shall increase the amount of LNG to be regasified per Gas Days, when the amount to be regasified requested in aggregate by all Terminal Users is lower than the minimal amount to be regasified per Gas Day in the Terminal. In such case:

- The amounts of LNG to be regasified per Gas Day are increased for each Terminal User in proportion to: (a) Terminal's Technological Capacity; and (b) the requested amounts to be regasified on that Gas Day as specified in the Terminal Users' Annual Schedule drafts.
- The total increased amount of LNG to be regasified per all Gas Days per Slot for a Terminal User is deducted from the other Gas Days during the same Slot, when the total requested amount of LNG to be regasified during such Gas Days is higher than the minimal amount to be regasified per Gas Day in the Slot, starting from the first day of such Slot.
- The amount of LNG to be regasified is deducted for each Terminal User until the minimal amount of LNG to be regasified per Gas Day in the Terminal is reached for a Gas Day per Slot.
- The amounts of LNG to be regasified are deducted in proportion to: (a) the total increased amount to be regasified per all Gas Days per Slot for the respective Terminal User; and (b) the

total increased amount to be regasified per all Gas Days per Slot for all of the Terminal Users in aggregate.

(iii) If it is not possible to allocate all of the increased or decreased amounts of LNG to be regasified according to the subparagraphs (i) and (ii) of this article during the specific Slot, the remaining amounts shall be allocated during the following Slot.

3. When Annual Schedule drafts are merged, if there is a period of time when Terminal Congestion occurs or LNG Regasification rate is more than zero, but below the minimum technical LNG Regasification rate according to the Terminal's Technical Characteristics set in article 5, paragraph 1 of these ROO, and it is not possible to resolve such situation by applying rules set in points 1. and 2. of this article, each Terminal User is allocated its average LNG Regasification rate per day throughout all the gas year, calculated as total allocated LNG Regasification Capacities per gas year divided by the number of Gas Days within the gas year excluding the Gas Days allocated to planned Maintenance.

4. Operator shall divide the planned gas year into Slots within the annual Joint Terminal Schedule for the purposes of planning the specific Cargoes of Terminal Users and setting the Arrival Windows. For the purposes of maintaining continuous operation of the Terminal, the first Slot shall commence on the first day when the amount of LNG in the Terminal during the planned gas year would reach the LNG Heel as specified in Terminal's Technical Characteristics from article 5, paragraph 1 of these ROO and shall end upon withdrawal of the first Cargo from the Terminal through the use of LNG Regasification Services according to the annual Joint Terminal Schedule including the theoretical possible Terminal's Gas Loss. The withdrawal of the Cargo for scheduling purposes shall be considered completed when the amount of LNG in the Terminal would reach the LNG Heel.

## Article 42

(1) Operator shall appoint as the holder of the first Slot Terminal User who commits to deliver such Cargo quantity to the Terminal the utilization of which through the use of his LNG Regasification Services entails least Joint Terminal Use throughout the Slot (smallest possible Loanable Amount of LNG according to articles 52-58 of these ROO), except in case referred to in paragraph 7 of this article.

(2) Smallest possible Loanable Amount of LNG referred to in the previous paragraph of this article shall be calculated according to the following formula:

$$QI = C - U \text{ (kWh)},$$

where:

QI – Quantity of LNG being lent to other Terminal Users (Loanable Amount of LNG) during the Slot (kWh);

C – exact Cargo size indicated in Annual Schedule draft of Terminal User (m<sup>3</sup> converted to kWh using net calorific value determined by the Terminal Operator as specified in Technical Conditions of the Terminal). If Terminal User has indicated multiple Cargo sizes in Annual Schedule draft, the above formula shall be applied to all Cargo sizes in order to identify the least quantity of LNG being lent by such Terminal User throughout the Slot;

U – Amount indicated in Annual Schedule draft of Terminal User to be regasified with added theoretical possible Terminal's Gas Loss forecasted by Operator until the complete withdrawal of specific Terminal User's Cargo (kWh).

(3) The holder of the first Slot shall indicate to Operator the requested Arrival Window of LNG Carrier being the size appointed following the procedure from the paragraph 1 and 2 of this article for LNG Discharge, whereby the Arrival Window shall not be longer than 6 (six) days (taking into account the allowed Arrival Window beginning and end dates provided in this clause). Arrival Window for LNG Discharge may not end later than one day prior to the day when the amount of LNG in the Terminal would reach the LNG Heel level, however may start as early as it is technically possible to load the Cargo according to the Terminal's Technical Characteristics set in accordance with article 5 of these ROO.

(4) Second Slot shall commence at the day of completion of withdrawal of the first Cargo and shall end upon withdrawal of the second Cargo from the Terminal through the use of LNG Regasification Services according to the Joint Terminal Schedule including theoretical possible Terminal's Gas Loss forecasted

by Operator. Operator shall assign the second Slot to Terminal User whose quantity of LNG being lent to other Terminal Users (calculated according to the formula provided in this article of these ROO) is the least throughout the entire Slot. Such Terminal User shall indicate requested Arrival Window for LNG Discharge and exact size of the Cargo to be delivered in accordance with the principles set in this article of these ROO.

(5) If multiple Terminal Users equally meet the conditions set by paragraphs 1 - 4 of this article for allocation of the first and second Slot respectively, the Terminal User who provided the Request earlier shall have the priority in the appointment as the holder of the first and second Slot respectively, pursuant to this article of these ROO.

(6) Every other subsequent Slot shall be assigned to Terminal Users and the Cargoes as well as the Arrival Windows for LNG Discharge shall be scheduled in accordance with the principles set in this article, paragraphs 3 and 4 of these ROO, except for the case set in paragraph 7 of this article of these ROO.

(7) If during the assignment of Slots it occurs that in accordance with Joint Terminal Schedule, a specific Terminal User is assigned a Returnable Amount of LNG equal to more than one half (1/2) of the average Cargo size calculated based on the size of Cargoes not yet appointed to Slots indicated in the Annual Schedule draft provided by such Terminal User, he (LNG Borrower) shall become a holder of the next Slot for the purposes of returning of Borrowed Amount of LNG, unless according to the Joint Terminal Schedule no LNG Regasification Services are foreseen for the LNG Lender throughout this Slot. In this case, the LNG Borrower shall be assigned the nearest Slot where the use of LNG Regasification Services for the LNG Lender is scheduled. If more than one Terminal User has been assigned a Returnable Amount of LNG equal to more than one half (1/2) of his average Cargo, the next first Slot shall be assigned to Terminal User having the oldest Borrowed Amount of LNG and other Terminal Users who have been assigned the Returnable Amount of LNG are considered afterwards by age of Borrowed Amount of LNG from second oldest to newest.

(8) The principle set in previous paragraph 7 of this article of these ROO shall also apply for the assignment of the first or subsequent (depending on the use of LNG Regasification Services by the LNG Lender) Slots of the planned gas year, if the LNG Borrower was not assigned the Slot for returning of Returnable Amount of LNG equal to more than one half (1/2) of his average Cargo in the approved Annual Schedule of the current gas year. Provisions of paragraph 7 of this article of these ROO shall *mutatis mutandis* apply if more than one Terminal User is in such situation.

### Article 43

If it is foreseen in Terminal User's Annual Schedule or Monthly Schedules provided during the Short-term Capacity Booking, that Terminal User will borrow LNG from other Terminal Users before the Cargo delivery of Terminal User and shall not return the Borrowed Amount of LNG quantity for more than 60 (sixty) consecutive days, such Terminal User, not later than 60 (sixty) days before the commencement of LNG Regasification Services' use must provide evidence to Operator that Terminal User has a valid contract with an LNG supplier considering LNG transfer to Terminal User and that according to such contract the LNG quantity to be delivered to the Terminal shall be equivalent to the quantity planned to be delivered by Terminal User.

(2) If a Terminal User does not provide mentioned evidence on a valid contract with an LNG supplier, it is considered to be non-performance of an obligation to deliver all Cargos which is secured by the bank guarantee according to Joint Terminal Use Agreement. In such case, Terminal User shall be liable against Operator and other Terminal Users according to conditions established in Joint Terminal Use Agreement.

### Article 44

(1) Each individual Terminal Users' Annual Schedule approved by Operator is sent to respective Terminal User to whom the Annual Schedule relates to by e-mail and post. Terminal Users have to deliver signed Annual Schedules to Operator for record purposes, by e-mail and post in the following

deadlines: (i) by e-mail not later than 7 (seven) calendar days from date of their acceptance by post; and (ii) by post not later than 14 (fourteen) calendar days from date of their acceptance by post.

(2) Should a Terminal User fail to return a signed Annual Schedule within the period of time specified in previous paragraph, it is considered that Terminal User's Annual Schedule approved by Operator is valid for such Terminal User.

(3) Should a Terminal User inform Operator that he refuses to sign the Annual Schedule, the procedure of establishment of the Annual Schedule is repeated without such Terminal User.

(4) Terminal User shall pay penalties to Operator pursuant to GTC for his refusal to sign Annual Schedule pursuant to paragraph 3 of this article of these ROO.

(5) Annual Joint Terminal Schedule is published on Operator's Internet Page not later than 3 (three) weeks before the beginning of a gas year and becomes mandatory for Terminal Users from its publication moment.

## Article 45

Terminal Users have the right during the entire gas year to submit individual proposals to Operator regarding correction of approved Annual Schedules, including Arrival Windows. Within 5 (five) Business Days of receiving such proposals Operator shall respond to Terminal Users whether he accepts such proposals for corrections of Annual Schedules. Operator may approve said proposals if they comply with the following cumulative requirements: (i) proposals comply with *inter alia* article 39 of these ROO; (ii) they do not contradict the limitations of use of the Terminal and/ or transmission system; (iii) they comply with safety requirements; and (iv) they do not change Annual Schedules, including Arrival Windows, of other Terminal Users or if other Terminal Users agree to such changes, whereby their consent shall not to be unreasonably withheld.

## Monthly Schedule

### Article 46

Not later than 35 (thirty-five) calendar days before the beginning of each calendar month of the gas year, during which, according to the Annual Schedule, Terminal User is going to use LNG Regasification Services, each Terminal User shall submit to Operator its proposed Monthly Schedule draft for the respective month (form of which is published at Operator's Internet Page). Information specified in the proposed Monthly Schedule draft shall not contradict the information specified for the same month in the Annual Schedule or Monthly Schedules provided during the Short-term Capacity Booking approved for Terminal User, except for the cases and the allowed deviation set in article 47 of these ROO. The following information shall be specified in the Monthly Schedule draft:

1. Exact amounts of LNG Regasification for each day.
2. LNG Carrier Arrival Windows narrowed to a 2 (two) days interval.
3. Information about LNG Carriers, arriving during the respective month (names of LNG Carriers, international marine organization numbers, registration and/or date of approval at the Terminal).
4. Detailed information about each Cargo planned to be delivered during the respective month indicating the exact amount of LNG and planned LNG quality at the port of loading of the LNG Carrier and at the Terminal.
5. Information about the Agent, if available.

### Article 47

(1) When submitting Monthly Schedule draft, Terminal Users are allowed to deviate from the Arrival Windows specified in their confirmed Annual Schedules or Monthly Schedules provided during the Short-term Capacity Booking.

(2) Terminal Users are also allowed to deviate from the LNG amounts to be delivered to the Terminal specified in the aforementioned schedules for the given month by not more than 10 (ten) percent if: (i) the mentioned deviation does not affect Service Schedules of other Terminal Users; or (ii) when the mentioned deviation affects Service Schedules of other Terminal Users, but other Terminal Users agree with such change; whereby in any case such deviation shall be in accordance with Terminal's Technical Characteristics. Terminal Users can deviate from the monthly LNG amounts to be delivered to the Terminal as well as to be regasified within the aforementioned limits more than once in a row when it does not violate the right of other Terminal Users to use the deviation allowance.

(3) Deviations from the monthly LNG amounts to be delivered to the Terminal as well as to be regasified, that are larger than 10 (ten) percent, are possible if both of the following two conditions are met: (i) Operator and Terminal User reached a mutual agreement on such deviation; and (ii) if the mentioned deviation does not affect Service Schedules of other Terminal Users or other Terminal Users agree with such change; whereby in any case such deviation shall be in accordance with Terminal's Technical Characteristics.

(4) Consent from the other Terminal Users on the requested deviation, if necessary pursuant to this article 47 of these ROO, must be provided within 3 (three) Business Days from the day of receiving Operator's notice about a request from a Terminal User. If a Terminal User does not provide a response within the given term, it is considered that Terminal User does not agree with the deviation from the Service Schedule.

(5) When the actual discharged LNG quantity, determined according to the procedure set forth in article 77, paragraph 5 of these ROO or the regasified LNG quantity differs from the LNG amounts which were planned to be delivered to the Terminal or regasified, as specified in the Annual Schedule or Monthly Schedule provided during the Short-term Capacity Booking, it is considered that the difference in quantity represents a deviation from Terminal User's Service Schedule.

(6) If in the future the Joint Terminal Schedule becomes incompatible with the Terminal's Technical Characteristics, Operator has the right to adjust a Terminal User's (which has practiced beforementioned deviation) discharge or regasification quantities of LNG, by not more than the total actual deviation quantity from Terminal User's approved Annual Schedule or Monthly Schedules provided during the Short-term Capacity Booking from the beginning of the gas year or Service Schedule approval date, depending which is later.

(7) For purpose of efficient coordination of Terminal User who requested deviations in his individual Monthly Schedule draft and other Terminal Users who need to consent to such deviation pursuant to this article of these ROO, Operator may, upon demand of Terminal User who requested the deviation, deliver to this Terminal User individual Monthly Schedule drafts of other Terminal Users.

## Article 48

(1) Having received Terminal Users' Monthly Schedule drafts, Operator combines them into a monthly Joint Terminal Schedule and evaluates it.

(2) In collaboration and seeking to take into account Terminal User suggestions, Operator prepares corrections to Terminal User Monthly Schedule drafts or approves them if they comply with the conditions set forth in article 39 of these ROO. Operator not later than 5 (five) calendar days informs Terminal Users in writing about suggestions on the Monthly Schedule draft corrections or about approved Terminal Users' Monthly Schedules and monthly Joint Terminal Schedule.

(3) If it is not possible to schedule the planned Maintenance works, as indicated in article 82, paragraph 2, point 2 of these ROO, so that they do not coincide with the Arrival Windows of the LNG Carriers, Operator, when combining Terminal Users' Monthly Schedule drafts, has the right to adjust the LNG Carrier Arrival Windows specified therein within the limits of a 6 (six) calendar days interval provided in the approved Annual Schedule for Terminal Users.



## Article 49

Terminal Users shall submit to Operator adjusted Monthly Schedule drafts with regard to Operator's suggestions not later than 5 (five) calendar days from the day of Operator's suggestions on the Monthly Schedule draft corrections.

## Article 50

Should Terminal Users fail to submit Monthly Schedule drafts or corrected Monthly Schedule drafts meeting the conditions set forth in article 39 of these ROO before the deadlines specified in this section VIII. (Scheduling), Operator prepares and approves Terminal Users' Monthly Schedules and a monthly Joint Terminal Schedule with regard to the information specified in the approved Annual Schedules and Monthly Schedules provided during the Short-term Capacity Booking of these Terminal Users.

## Article 51

(1) Monthly Schedules of Terminal Users approved by Operator have to be signed according to the article 44 of these ROO which article, is applicable *mutatis mutandis* to signature of the Monthly Schedules.

(2) In case the Monthly Schedules of Terminal Users are approved within the scope of article 48 of these ROO without deviating from their provided Monthly Schedule drafts, signing procedure is not needed and Operator informs about such schedule approval according to the article 48 of these ROO. Provisions of article 45 of these ROO are *mutatis mutandis* applied to submission of proposals regarding correction of Monthly Schedules.

(3) Within 5 (five) Business Days of approval of the Monthly Schedules by Operator, monthly Joint Terminal Schedule published on Operator's Internet Page shall be updated accordingly.

## IX. Joint Terminal Use

### Article 52

In order to ensure the possibility for several different Terminal Users to use the Terminal effectively it is established that, in terms of usage of LNG Regasification Capacities, Joint-Users which use the Terminal simultaneously, automatically use LNG Regasification Services according to Joint Terminal Use conditions. Respective rights and obligations of Terminal Users are established in the Joint Terminal Use Agreement which is entered into by Operator and all of Terminal Users.

### Article 53

According to the procedure established under these ROO and conditions stipulated in the Joint Terminal Use Agreement, to ensure Joint Terminal Use, LNG delivered by Terminal User or Terminal Users to the Terminal can be assigned to one of the Joint-Users in accordance with the procedure specified hereunder in this article regardless of which Joint-User's delivered LNG is being regasified:

1. When, according to approved Service Schedules of Terminal Users, the Cargo delivered by one of Terminal Users, i.e. LNG Lender, is being regasified, while the delivery of the Cargo for another Terminal User, i.e. LNG Borrower, is not envisaged in that period by the Service Schedule, LNG Regasification should be started for the LNG Borrower. In such situation, part of the LNG Lender's Cargo, including the amount of Terminal User's Gas Loss, (i.e. Loanable Amount of LNG), is lent to the LNG Borrower

automatically, without separate agreement, with regard to the Joint Terminal Schedule established by Operator.

2. Loanable Amount of LNG is equivalent to the Returnable Amount of LNG that the LNG Borrower shall returned to the LNG Lender in the Joint Terminal Use Agreement which is measured in energy value, including Terminal User's Gas Loss.

3. Loanable Amount of LNG for the purposes envisaged under these ROO and Joint Terminal Use Agreement is held to be temporarily lent by the LNG Lender to the LNG Borrower. Correspondingly, Returnable Amount of LNG is held to be LNG that needs to be returned by LNG Borrower to LNG Lender.

4. Joint Users shall be assigned to equal Loanable Amount of LNG (measured in energy value) to the amount of actual LNG regasified including Terminal User's Gas Loss over the period of regasification of a Cargo. Returnable Amount of LNG is assigned by applying the first-lent-first-returned principle, evaluating the actual LNG regasified over the period of regasification of Cargo, including Terminal User's Gas Loss. . In case Joint-Users are assigned Returnable Amount of LNG of the same age, the smaller Returnable Amount of LNG shall be returned first. Detailed principles of LNG lending and returning are provided in the Joint Terminal Use Agreement.

5. Operator seeks to set out the Service Schedules for LNG delivered by Joint-Users so as to ensure that, after application of the provisions in this article and the Joint Terminal Use Agreement, each Joint-User from whose delivered LNG a Borrowed Amount of LNG is taken would actually receive LNG according to the schedule as if no provisions were applied.

#### Article 54

The provisions of article 53 of these ROO shall not be applied if:

1. The Terminal because of Joint Terminal Use would at any time have to operate in a mode that might lead to risk for continuous, efficient, and safe operation of the Terminal.

2. According to Operator's justified opinion, application of provisions of article 53 of these ROO would cause a hazard to safe, efficient, and orderly operation of the Terminal in a specific situation.

#### Article 55

For the purpose of achieving more efficient Joint Terminal Use, Joint-Users have the right to agree on different conditions of Joint Terminal Use than the conditions foreseen in the Joint Terminal Use Agreement form (which the Operator publishes on its Internet Page), but such a Joint-Users' agreement shall be in accordance with the procedure set forth under the Joint Terminal Use Agreement and may not violate the requirements of these ROO nor the rights of other Terminal Users.

#### Article 56

When implementing its rights and obligations, Operator shall take into account that LNG Regasification Capacities are used as efficiently as possible. For this purpose, in case of Joint-Users' agreement referred to in article 55 of these ROO, Operator shall consider the approving such Joint-Users' agreement with due diligence. The mentioned Joint-Users' agreement will be valid and produce legal effects only if previously approved by the Operator.

#### Article 57

In order to secure obligations related to Joint Terminal Use, including the obligation to ensure provision of Cargo delivery, Terminal Users follow the provisions set forth Joint Terminal Use Agreement.

## Article 58

Operator bears no responsibility for any consequences of Joint Terminal Use or Joint-User actions (inaction) on interests of Joint-Users, except for Operator's liability arising from cases provided in these ROO regarding violation of Operator's duties envisaged under these ROO or GMA.

## X. Terms and Conditions of Terminal Use

### LNG Carrier Approval Procedure

#### Article 59

(1) LNG Carriers planning to be moored at the Terminal shall comply with all international standards as applicable for such LNG Carriers as well as have all permissions to enter and carry out operations in the Port and meet all Port operation conditions as well as the requirements raised by the Port Authority and Operator that represent the Technical Conditions of the Terminal.

(2) Compliance of the LNG Carrier with the requirements specified in previous paragraph 1 of this article of these ROO during Arrival Window shall be ensured by Terminal User.

(3) LNG Carriers scheduled to arrive to the Terminal shall be confirmed in accordance with the LNG Carrier approval procedure which is provided in the Technical Conditions of the Terminal. On its Internet Page Operator continuously updates and announces the list of approved LNG Carriers at the Terminal.

(4) Terminal Users shall submit a request to approve an LNG Carrier filled out in accordance with the form established in LNG Carrier approval procedure not later than 60 (sixty) calendar days before expected Arrival Window of the LNG Carrier or within other terms as agreed between Operator and Terminal User. Upon the LNG Carrier's arrival at the Port, Operator (or the FSRU Operator on its behalf) shall have the right to perform any necessary inspections to ensure that the LNG Carrier is compatible with the FSRU.

(5) Terminal Users ensure that the owners and operators of LNG Carriers should actively cooperate in the process of LNG Carrier approval by the Terminal.

(6) Upon successful completion of the approval procedure LNG Carriers are approved at the Terminal for a period indicated in LNG Carrier approval procedure. Should the name, country of registry, certificates, licenses, managing personnel of the LNG Carrier management company and/or owners or other data of an LNG Carrier approved at the Terminal change, Operator has the right to request a repeated Terminal approval procedure for the LNG Carrier.

(7) In order to ensure safe and smooth LNG Carrier arrival at the Terminal, Operator has the right to demand from Terminal User to meet additional conditions, e.g. to submit the specific guarantees for LNG Carrier, to carry out additional safety inspection and/or to comply with the technical and operational constraints.

(8) Should the owner, operator, manager, and/or master of the LNG Carrier fail to fulfil or would not properly fulfil their duties or requirements for LNG Carriers pursuant to these ROO (articles 60 - 72), Terminal User shall bear all responsibility for that.

### Arrival and Departure of an LNG Carrier

#### Article 60

(1) Terminal User shall ensure, that the LNG Carrier owner or his designated person provides, not later than 14 (fourteen) calendar days before the ETA of LNG Carrier to the Terminal, a filled out LNG Carrier nomination request form to Operator, provided in the LNG Carrier approval procedure.

(2) Terminal User shall ensure that the master of the LNG Carrier immediately or soon as possible informs Operator about the date and time of departure from the port of loading and specifies ETA of LNG Carrier by e-mail as well as provide Operator with the following documents:

- Bill of Lading,
- Cargo Report,
- Cargo Manifest,
- Cargo origin certificate,
- Cargo quantity certificate,
- Cargo quality certificate,
- Cargo Safety Data Sheet,
- Statement of Facts (SOF) – chronological description of the activities of the boat on the port,
- Master's Receipt of the Documents.

### Article 61

Terminal User shall provide an update or procure that the master of the LNG Carrier provides an update on the LNG Carrier ETA's to Operator and Port Authority at the following times:

1. 96 (ninety-six) hours prior to ETA. This notice of arrival also shall include:

the cargo status (estimated temperature, LNG tanks pressure and Cargo volume to be unloaded onto the FSRU); and

any current or expected operational deficiencies in the LNG Carrier that have or could have an impact on berthing and on LNG Discharge as well as entry of the LNG Carrier into the Port or during its time in the Port.

2. 72 (seventy-two) hours prior to ETA;

3. 48 (forty-eight) hours prior to ETA; and

4. 24 (twenty-four) hours prior to ETA;

whereby each as may be revised in accordance with article 62 of these ROO. In the 24 (twenty-four) hour period prior to the ETA, Terminal User or its Agent shall arrange for the LNG Carrier's master or its agent to provide updates to the ETA to Operator every 6 (six) hours.

### Article 62

If any given ETA, as outlined in the article 61 of these ROO, changes by more than 6 (six) hours, Terminal User shall provide, or shall cause the LNG Carrier's master to provide without undue delay to Operator and Port Authority of the corrected ETA.

### Article 63

(1) Terminal User shall provide NOR to Operator, or shall cause the LNG Carrier's master or the agent of any of them to provide NOR to Operator as soon as the following cumulative conditions are met:

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

2. Port Authority and competent authorities have granted the LNG Carrier all permissions necessary to enter the Port and moor at the FSRU;

3. LNG Carrier has ordered all Port services necessary for mooring; and

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

(2) Subject to points 3 and 4 of paragraph 1 of this article 63 and Article 64 of these ROO, Operator shall without hesitation provide the notice of permission to moor the LNG Carrier and/or shall indicate LNG Carrier mooring time if NOR is tendered properly, except for the cases where there are limitations to LNG Discharge to the Terminal pursuant to article 67 of these ROO or Terminal User informs Operator of the circumstances because of which LNG Discharge to the Terminal is impossible. Operator has a right to refuse to moor an LNG Carrier at the Terminal, if Terminal User does not provide the LNG Discharge Order on the same day when Terminal User was warned that the LNG Discharge Order has

not been provided within term set in article 72, paragraph 1 point 9 of these ROO. In this case Operator will not be held liable for Terminal User losses incurred as a result.

(3) An LNG Carrier arriving at the Port and/ or submitting a NOR earlier or later than the Arrival Window specified in the Monthly Schedule approved by Operator may be moored at the Terminal only if the following cumulative conditions are fulfilled: (i) this does not impede mooring of LNG Carriers which arrive according to approved Monthly Schedules; (ii) if mooring of such LNG Carrier meets the technical parameters of Terminal use and does not contradict the limitations of Terminal use; and (iii) if mooring of such LNG Carrier complies with Terminal's safety requirements. In this case Operator informs the master of the LNG Carrier or Agent or the Port Authority on agreement to moor the LNG Carrier at the Terminal.

(4) If the conditions established in this article are not met, Operator may reject the NOR, provided that Operator informs Terminal User about the reasons of refusal to moor the Carrier and specifies other mooring time. In all cases Terminal User is assigned a liability as set forth in TUA and/or ROO and/or GTC for arrival of the LNG Carrier after the Arrival Window specified in the Monthly Schedule approved by Operator.

## Article 64

If 2 (two) LNG Carriers arrive at the same time outside of their approved Arrival Windows, Operator shall ensure that such LNG Carriers are serviced in accordance with the following priorities (unless Terminal Users agree otherwise, and such agreement is approved by Operator):

1. Firstly, an LNG Carrier whose NOR was submitted after the Arrival Window and was not rejected by Operator (Delayed LNG Carrier), provided that the next Arrival Window is not delayed.
2. Secondly, an LNG Carrier whose NOR was submitted before the Arrival Window and was not rejected by the FSRU Operator (Early LNG Carrier).

provided that a Delayed LNG Carrier can be denied berth to the Terminal ahead of the Early LNG Carrier if Operator determines that berthing of the Delayed LNG Carrier will impede berthing of the Early LNG Carrier when its Arrival Window begins.

## Article 65

(1) Subject to article 65 paragraph 2 of these ROO, the period of time allowed for an LNG Carrier to berth at the FSRU (Allowed Laytime) shall be 50 (fifty) consecutive hours for a Standard Cargo Lot, provided that where the quantity of LNG to be unloaded is not a Standard Cargo Lot, Terminal User and Operator shall have a right to agree on a longer or shorter Allowed Laytime depending on the relevant quantity.

(2) Allowed Laytime shall be extended by any period of delay which is caused by one or more of the following:

1. Any reasons attributable to Operator, or any Operator Indemnified Party;
2. Reasons attributable to the Port Authority, towage, pilotage or mooring services at the Port except if the cause of such delay is under Operator's reasonable control;
3. Any period during which arrival at the Terminal, berthing, LNG unloading and/or departure from the Terminal is delayed or prevented by reason of Force Majeure Event;
4. Any period during which LNG Discharge is delayed or prevented by Terminal operational limits;
5. Adverse Weather Conditions or Adverse Metocean Conditions at the Port;
6. Due to LNG Discharge rate from LNG Carrier to the Terminal being less than the rate specified in the LNG Carrier specification and rate specified in the Terminal's Technical Characteristics (maximum LNG Discharge rate), except if such reduced rate is solely attributable to the Terminal;

(3) The Actual Laytime shall commence as follows:

1. If the LNG Carrier provides its NOR within the Arrival Window - upon the earlier occurrence of: 6 (six) hours after NOR is tendered; and the time at which the LNG Carrier being all fast at the Terminal Site.
2. If the LNG Carrier provides NOR prior to the Arrival Window - upon the earlier of:

06:00 a.m. on the first day of the Arrival Window; and  
the time at which the LNG Carrier being all fast at the Terminal Site; or  
3. If the LNG Carrier provides its NOR after the Arrival Window - at the time at which the LNG Carrier being all fast at the Terminal Site;  
and shall continue until the earlier of:  
1. The last flexible loading hose is disconnected and the LNG Carrier master duly confirming the Duly Confirmed Cargo has been fully discharged, and  
2. The LNG Carrier departing from the Terminal without unloading (or fully unloading) its Duly Confirmed Cargo.

## Performance of LNG Discharge

### Article 66

(1) During LNG Discharge operations LNG Carrier's master and Agent shall observe orders, instructions, regulations, and other requirements towards activities in the Port and at the Terminal raised by the Port Authority and Operator.

(2) LNG Discharge can only be carried out if both of the following two conditions are met:

1. The LNG Carrier has all the documents necessary for LNG Discharge and is appropriately authorized by Terminal User and/ or third parties to perform LNG Discharge at an agreed time; and
2. LNG Carrier's master or a person authorized by him/her performed review of the Ship/shore safety check list (SSSC) in attendance of Operator or its authorized representative.

### Article 67

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

1. Justified order from the Port Authority has been received.
2. The document confirming completion of SSSC has not been signed.
3. The LNG Carrier does not fulfil orders and/or instructions from the Port Authority and/or Operator, ROO, or other requirements for its activities in Port and at the Terminal, including safety requirements, or fulfils them inappropriately.
4. Upon decision of Operator when the condition of the LNG Carrier or LNG Discharge may cause hazards to people, property, Terminal operation and/or environment.
5. Delivered LNG does not meet LNG Quality Specification.
6. In case of other circumstances specified in these ROO and/or TUA and/or GTC, which are outside of Operator's control.

### Article 68

Upon completion of LNG Discharge the LNG Carrier must leave the Terminal as soon as it is practically possible and allow access to the Terminal for other Terminal Users, except for the cases when the Port Authority gives the LNG Carrier other orders or if a different unmooring and/or access procedure is agreed with Operator. Should the LNG Carrier fail to unmoor within the Allowed Laytime or completion of LNG Discharge depending which moment will occur earlier, Operator can assign a fee as established in the GTC.

## Article 69

LNG Carrier's master and Operator perform LNG Discharge in accordance with the safety requirements. Operator is responsible for appropriate performance of LNG Discharge operations at the Terminal until Terminal's flexible LNG Discharge hoses disconnections on the LNG Carrier.

## Article 70

Operator is not responsible for any direct or indirect losses, expenses and damage, including ceased profits incurred by Terminal User, LNG Carrier, its owner, manager, LNG Supplier, carrier and/or mediators, agents as well as any other related third parties in the following cases:

1. Operator has stopped LNG Discharge or did not start LNG Discharge in accordance with the conditions set forth under these ROO (for example, cases from articles 74, 85 of these ROO and similar), and/or
2. LNG Discharge was delayed or went by with interruptions because of the circumstances outside of Operator's control.

## Performance of LNG Regasification

### Article 71

(1) Amounts of LNG to be regasified are specified in Annual Schedules and Monthly Schedules compiled in accordance with the procedure and conditions specified in these ROO.

(2) Operator shall load the amount of LNG specified in LNG Discharge Order (form of which is published at Operator's Internet Page) provided by Terminal User and confirmed by Operator according to the procedures set forth in the Technical Conditions of the Terminal (article 5 of these ROO), all pursuant to these ROO.

(3) Operator shall regasify the Gas quantity equal to the quantity provided in Terminal User's Daily Nomination, pursuant to these ROO. The quantity of Gas allocated to Terminal User on a specific day at the Delivery Point is equal to the gas quantity actually allocated according to the conditions set forth in the Natural Gas Allocation Policy (Annex No. 2 of these ROO).

### Article 72

(1) Terminal Users have to submit Daily Nominations, based on approved Monthly Schedules, to Operator for approval (form of which is published at Operator's Internet Page) as well as LNG Discharge Orders (form of which is published at Operator's Internet Page). In case of Joint Terminal Use, Daily Nominations shall be submitted by Terminal User for which requested LNG Regasification Services shall be provided. Nominations shall be submitted pursuant to the following terms:

1. The nomination must include the planned daily amount of gas in kWh, elaborated for each hour of the next Gas Day D.
2. Daily Nominations for Regasification Capacities are accepted by e-mail and/or in writing and/or in some alternative way determined by Operator on which Operator shall inform Terminal Users, not later than before 11:00 on the day D-1. Operator adjusts the submitted Daily Nominations, if necessary, and approves them, considering article 47 of these ROO.
3. Terminal User has the right to submit the renomination for Gas Day D to Operator in the period of 16:00 p.m. on the Gas Day D-1 to 22:00 on the Gas Day D.
4. If Operator approves a Daily Nomination that contains an amount different from the amount planned according to the Annual Schedule or Monthly Schedule given during the Short-term Capacity Booking,

it is considered that the difference in quantity represents a deviation from Terminal User's Service Schedule pursuant to provisions set in article 47 of these ROO.

5. If in the future the Joint Terminal Schedule becomes incompatible with the Terminal's Technical Characteristics due to the mentioned deviation from Terminal User's Service Schedule (e.g. there is no possibility to accept LNG Carriers within the Arrival Window provided in the approved Service Schedule), Operator has the right to adjust a Terminal User's (who has practiced beforementioned deviation) discharge or regasification quantities of LNG, by not more than the total actual deviation quantity. Deviation quantity shall be calculated with regard to approved Annual Schedule or Monthly Schedules provided during the Short-term Capacity Booking from the beginning of the gas year or Service Schedule approval date, depending on which one is later.

6. After the expiration of the nomination/renomination deadline referred to in points 2 and 3 of paragraph 1 of this article, Operator informs Terminal User and the Transmission System Operator (Plinacro) of the accepted nomination amount within one hour.

7. The nomination or renomination that is last accepted by Operator becomes binding both for Terminal User and Operator.

8. If a Terminal User does not submit a Daily Nomination for LNG Regasification Capacities or the submitted Daily Nomination is not approved by the Operator, it is considered that the amount of LNG to be regasified for that day for Terminal User is equal to the amount specified in the confirmed Monthly Schedule. If a Monthly Schedule was not submitted, it is considered that the amount of LNG to be regasified for that day is equal to the amount specified in the confirmed Annual Schedule for Terminal User.

9. LNG Discharge Orders shall be submitted not later than 2 (two) calendar days prior to the Arrival Window. If Terminal User does not submit or is late to submit the LNG Discharge Order, the provisions of article 63, paragraph 2 of these ROO are applied.

(2) The total amount of LNG Discharge and Regasification Capacities nominated by a Terminal User can vary within the scope of Daily Nominations and LNG Discharge Orders in comparison to quantities approved in the Annual Schedule and Monthly Schedule. In any case Daily Nominations and LNG Discharge Orders provided by Terminal User cannot deviate from the Joint Terminal Schedule so that it would be incompatible with the Terminal's Technical Characteristics from article 5, paragraph 1 of these ROO. The requirement on compatibility with the Terminal's Technical Characteristics defined in paragraph 2 of this article of these ROO is applied regardless of the possibility of deviation that Terminal Users have pursuant to article 47 of these ROO.

## XI. LNG and Gas Quality Specification and Measuring

### Requirements to LNG Quality and Off-Specification LNG

#### Article 73

(1) Terminal User has to ensure that the quality of Cargo delivered to the Terminal at the time of discharge will comply with the LNG Quality Specification and at the time of the dispatch regasified gas into the transmission system will comply with the standard quality of the natural gas as defined in the General Conditions for the Gas Supply. Operator shall not at any time be responsible for the quality of any Cargos tendered for delivery to the Terminal.

(2) Operator warrants that the content and specification of the LNG or regasified gas delivered at the Delivery Point shall be materially consistent with the content and specification of the LNG delivered to the Terminal (other than in respect of any variances permitted under the terms of these ROO, including any change to the temperature or state of the LNG or regasified gas brought about by the LNG Regasification process, natural LNG ageing process during Physical Storage at the Terminal, LNG Discharge operations as well as any change due to mixing of LNG in cases where Cargoes delivered by Terminal Users are mixed).



(3) Terminal User shall in all cases bear in mind that LNG quality parameters change with time, therefore, quality parameters of Cargo delivered to the Terminal can differ from the same regasified gas quality parameters and they may change accordingly during transportation from loading port to the Terminal.

(4) Operator and Terminal User shall notify each other as soon as they become aware that Cargo delivered, or to be delivered, represents or could represent Off-Specification LNG and such notice shall detail the extent of the expected variance.

#### Article 74

(1) Notwithstanding the above, Operator shall have the right to reject LNG tendered or proposed to be tendered for delivery at the Unloading Point and shall have the right to stop unloading LNG that does not conform to the LNG Quality Specification, as Off-Specification LNG.

#### Article 75

(1) LNG quantity shall be measured, and quality determined, in accordance with the provisions of articles 76, 77 and 78 of these ROO.

(2) Operator upon separate request from Terminal User, based on historical data and other available presumptions can forecast preliminary changes in LNG quality and preliminarily evaluate when LNG quality might become Off-Specification during the period of Physical Storage of the LNG at the Terminal.

#### Article 76

(1) All LNG tanks and instruments used for Cargo measurement aboard an LNG Carrier have to be calibrated and certified by independent authorized institutions according to then applicable international standards and have documents with data necessary for LNG quantity measurement and accounting.

(2) All documents with LNG parameter measurement results shall be approved by the Surveyor in the presence of Operator and Terminal User or Terminal User's authorized representatives. If a Terminal User or its authorized representative does not take part in Cargo inspection, the Surveyor is considered to be authorized to represent Terminal User in all Cargo inspections, unless otherwise provided in an agreement between Operator and Terminal User.

### Measurement of Discharged LNG

#### Article 77

(1) Terminal Users shall ensure that the amount and quality of discharged LNG are measured during the LNG Discharge with the appropriate measuring equipment on the LNG Carrier in accordance with international ISO standards at reference conditions, and other legal rules regulating sampling procedure and its frequency, stipulated by Croatian legal acts. If quantity and quality of LNG are not determined in accordance with international ISO standards, Terminal User must ensure that the quantity and quality shall be recalculated in accordance with international ISO standards and approved by Surveyor prior to commencement of LNG Discharge to the Terminal.

(2) As a minimum requirement, in the event of level of the LNG in the boat containers, temperature, pressure and technical specifications for the LNG Carrier shall meet the conditions as described in currently applicable ISO10976:2015 or newer standard (if it will be published).

(3) Operator, Terminal User and the Surveyor jointly participate in 2 (two) Cargo measurements, before and after LNG Discharge (including measurements of draft, volume, temperature and pressure in the LNG Carrier's tanks).

(4) Surveyor shall witness and verify all devices for levels measurements, gauging and analysis, calibration/validation of equipment have all the required attestations. The Surveyor shall prepare and sign Quantity and Quality Report on the basis of Cargo quantity data, provided by LNG Carrier's master or

his representative and Cargo quality data provided by Operator. Provisional Quantity and Quality Report shall be issued within 24 (twenty-four) hours after LNG Discharge operation, and final Quantity and Quality Report shall be prepared within 72 (seventy-two) hours after LNG Discharge operation.

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

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

Where:

E – Amount of discharged LNG expressed in kWh.

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

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

H<sub>m</sub> – net value of LNG expressed in kWh/kg.

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

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

All calculations shall be done in line with ISO6976:2016 standard or more recent standard (if it will be published).

## LNG Sampling

### Article 78

(1) Unless confirmed differently by Operator the quality of the discharged LNG is determined by continuous online gas chromatograph as primary system and intermittent sampling system using the constant pressure/floating piston (CP/ FP) sample container as a back-up system. The LNG sampling procedure shall be conducted in accordance with the ISO 8943:2007 standard or more recent standard (if it will be published).

(2) Operator shall charge samples into 3 (three) CP/ FP sample containers during the LNG Discharge operation. Such sample containers shall be sealed by the Surveyor who witnessed the sampling.

(3) One CP/ FP sample container shall be used for analysis, second container shall be made available for Terminal User, third container shall be retained by Operator for least 30 (thirty) days period or until the Quality and Quantity Report has been signed by both parties. In case Terminal User exercises the right of using this container, it should be returned within 5 (five) Business Days after container receipt. In case of any dispute as to the accuracy of any analysis which is provided by Terminal User to Operator within such 30 (thirty) days period, the container(s) shall be further retained until Terminal User's advice, but in any case for not longer than 90 (ninety) days. In case of any dispute the container shall be taken to a laboratory agreed by both parties.

(4) Operator after the completion of LNG Discharge shall prepare Quality and Quantity Report.

(5) Operator shall bear the costs of sampling pursuant to this article of these ROO.

### Article 79

The gas chromatograph used for LNG quality determination shall be validated and/or calibrated pursuant to rules of the profession and the applicable practice and witnessed by the Surveyor and/or Terminal User or its representative, and Transmission System Operator (Plinacro).

## Article 80

(1) In case Terminal online gas chromatograph and LNG sampling system is out of operation then discharged LNG quality shall be determined in consultation with the Surveyor based on the Cargo Report and the actual voyage conditions assuming that the LNG quality determined at the load port is correct. This determination will be based upon historical data from the same loading port (and similar quality) using only voyages with a similar boil-off quantity. In case not enough historical data is available for LNG quality determination, then theoretical ageing model shall be applied pursuant to GIIGNL – LNG Custody Transfer Handbook from 2017 v. 5.0 or more recent one if it will be published afterwards.

(2) If both Terminal User and Operator agree that at least one of the above results does not give a fair representation of the quality of the LNG, Operator and Terminal User shall decide in good faith in consultation with the Surveyor the method acceptable to both parties to determine the quality of LNG.

(3) Operator will procure, operate and maintain, or cause to be procured, operated and maintained, devices required for collecting LNG samples and for determining quality of the discharged LNG and all other measurement or testing devices that are necessary to perform the measurement and testing in FSRU.

## Terminal Inventory

### Article 81

(1) Every Gas Day Operator provides Terminal Users with information about the amount of LNG being in the Terminal due to each Terminal User as well as quality and amount of gas regasified in the Terminal. The mentioned information shall be provided by Operator to Terminal Users continuously through ETSSAS.

(2) In accordance with provisions of Operator's Natural Gas Allocation Policy amount of gas and LNG is updated and inventoried.

(3) Upon justified request from a Terminal User Operator shall provide all data related to determination and accounting of the amount and quality of gas and LNG.

(4) Operator performs inventory of LNG in the Terminal not less than once per year. If during inventory it is identified that the available amount of LNG in the Terminal differs from the LNG accounting data and the difference does not exceed the (i) Allowable Loss Norm as defined in Operator's Natural Gas Allocation Policy until Allowable Loss Norm is regulated in the legal acts of the Republic of Croatia; or (ii) Allowable Loss Norm as it will be defined in the legal acts of the Republic of Croatia; then identified surplus or shortage is allocated to Terminal Users in proportion to the LNG Regasification Capacities they have used over the respective inventory period. Identified shortage in excess of the Allowable Loss Norm is assigned to Operator's Natural Gas Loss, which Operator compensates in accordance with the procedure specified in the Natural Gas Allocation Policy.

(5) Terminal Users have the right to request Operator to perform an unscheduled LNG inventory according to provisions of the Natural Gas Allocation Policy approved by Operator. Requesting Terminal User covers Operator's expenses incurred due to the unscheduled gas and LNG inventory if the inventory reveals that the Allowable Loss Norm was not exceeded. Otherwise, these expenses are covered by Operator.

## XII. Maintenance of the Terminal

### Article 82

(1) Operator publicly informs Terminal Users about planned Maintenance works according to the following terms:

1. Every year on the 1st of July Operator announces planned annual Maintenance works schedule and planned Terminal limitations for the period from the 1st of October of the current year to the 1st of October of the next year.
2. Operator has the right to perform periodical dry docking, announcing the intent to Terminal Users in accordance with the procedure described in paragraph **Pogreška! Izvor reference nije pronađen.**, point 1 of this article of these ROO.
3. Operator shall have the right to perform Maintenance works not introduced into the Maintenance works schedule, provided their total duration together with planned annual Maintenance works does not exceed 7 (seven) calendar days, having notified Terminal Users not less than 90 (ninety) calendar days in advance of commencement of such Maintenance works.
  - (2) Operator shall use reasonable endeavors to:
    1. Schedule Maintenance works at the same time as regulatory and statutory surveys and/or when scheduled maintenance is taking place on the transmission system;
    2. Reschedule any Maintenance works which are due to be undertaken during any Arrival Window with a view to minimizing disruption to the interests of Terminal Users.
  - (3) Operator has the right to limit and/or suspend Terminal use and provision of LNG Regasification Services and nonstandard services of Operator for Terminal Users for a period and to extent that is related to the planned Maintenance works being performed after notifying Terminal Users accordingly as stated in these ROO.
  - (4) Operator shall inform Terminal Users of unplanned Maintenance works immediately after learning of their necessity.
  - (5) Terminal Users shall take into account Operator's planned Maintenance works schedule and unplanned Maintenance works being performed and shall diligently cooperate with Operator and conform to the Maintenance works respectively by adjusting Annual and Monthly Schedules.
  - (6) Operator has the right to establish additional technical requirements for LNG Carriers and Terminal Users if it is necessary for performance of Maintenance works.

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

#### Article 83

Operator and Terminal Users shall have all the rights and obligations as defined in these ROO, TUA and GTC.

#### Article 84

- (1) Operator shall have the right to empty the tanks of the FSRU by mandatorily regasifying or in other ways removing the LNG or gas belonging to Terminal User in order to ensure continuous, regular and safe Terminal operation and LNG Regasification Service to all of Terminal User in the following cases:
  1. A Cargo arrives according to the approved Service Schedule and the FSRU tanks are not empty enough to accept the full Cargo as a result of failure to perform LNG Regasification according to the Services Schedule by one of Terminal Users.
  2. LNG quality parameters do not comply with the LNG Quality Specification or approach the lowest LNG Quality Specification, after which LNG is reloaded from the tank to the LNG Carrier and transported.
  3. In other cases when LNG or Gas removal from the FSRU tanks is necessary to ensure safety of Operator's or Terminal User's personnel or any other person, environment or property of Operator or Terminal Users.
- (2) In cases referred to in points 1 and 3 of the previous paragraph, Operator shall have the right to sell LNG. Operator shall, on the basis of an open sale procedure, sell to the best bidder the quantity of gas that is being sold for the benefit of Terminal User, applying *mutatis mutandis* the rules for open sale procedure from article 86 of these ROO.

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

(4) Operator shall make reasonable efforts to coordinate the performance of actions set in this article with Terminal Users that might be affected by these actions in order to mitigate the risks and/or losses to Terminal Users and/or Operator.

(5) The LNG that was regasified or in other ways removed from the FSRU tanks in cases specified in paragraph 1, points 1 or 2 of this article shall be deducted from the virtually stored LNG quantity of Terminal User and any liability shall be attributed to a Terminal User whose actions or failure to act have resulted for need for actions specified in paragraph 1, points 1 or 2 of this article.

(6) If the FSRU tanks contain Off-Specification LNG and therefore such LNG cannot be regasified and delivered to the transmission system and there is more than one Terminal User owning the LNG in the FSRU tanks, Operator shall identify Terminal User(s) whose actions or failure to act have resulted in LNG becoming Off-specification LNG. Should at least one Terminal User disagree with Operator's decision, the decision shall be made by an independent expert jointly selected by Terminal Users. Terminal Users shall have the right to notify about their disagreement with Operator's decision and name the selected independent expert in 10 (ten) Business Days after Operator's decision is submitted to them. If at least one Terminal User disagrees with Operator's decision but Terminal Users fail to select an independent expert within the time period specified in this paragraph Operator shall select an independent expert. The independent expert's decision is final. The losses are covered by Terminal User whose actions or failure to act have resulted in LNG going off-specification, interruption of operations of the Terminal or made it necessary to perform the removal of LNG stored in the Terminal tanks, mixing of the LNG at the Terminal. If it is impossible to clearly identify such Terminal User(s) such losses shall be covered by Terminal Users proportionally to the actual quantities of LNG owned by each Terminal User that have been stored at the Terminal before the moment of LNG going off-specification and being transported from the Terminal.

(7) Operator shall have the right to change LNG Regasification modes or scheduled Arrival Windows in the following cases: (i) limitation or suspension of provision of LNG Regasification Service in cases described in article 85 of these ROO; (ii) termination of at least one Terminal Use Agreement before the end of its validity period; or (iii) emergence of risks to uninterrupted, efficient, and safe operation of the Terminal. Operator seeks to make such changes with the least possible impact on the Service Schedule with a priority to make the lowest possible impact to Terminal Users whose actions are not the reason for such changes. Operator shall in 24 hours notify Terminal Users about any changes made to the Service Schedules. The adjusted Service Schedules published by Operator shall be mandatory to all Terminal Users.

## Article 85

(1) Operator shall have the right to limit or suspend provision of LNG Regasification Service under the procedures and on conditions set in the legislation and these ROO. Operator shall notify Terminal User on limitation or suspension of provision of LNG Regasification Service according to the procedures and in terms set in the legislation and ROO. To the extent it is proper according to Operator's judgment, Operator will endeavour to give the Terminal Users a deadline to align their scope of use of LNG Regasification Service with the limitation or suspension of provision of LNG Regasification Service.

(2) Operator may limit or suspend provision of LNG Regasification Service at no fault of any Terminal User in order to safeguard public interest, uninterrupted and safe operation of the Terminal, or in other cases expressly set in the legislation, ROO, TUA or Joint Terminal Use Agreement, including but not limited to:

1. It is necessary to prevent an accident at the Terminal or on the LNG Carrier and/or prevent danger to persons, environment and/or property in cases of Force Majeure Event, unauthorized actions by third parties and/or accidents, faults, or other technical failures.

2. In situations of Adverse Weather Conditions, Adverse Metocean Conditions or extreme operating conditions of the Terminal as specified in Technical Conditions of the Terminal and/or Force Majeure Event.

(3) Operator shall have the right to limit or suspend provision of LNG Regasification Service to Terminal Users without prior notice in cases specified in paragraph 2 of this article herein as well in the event of an accident, fault, or failure on the Terminal, on an LNG Carrier and/or related equipment. In any of such cases Operator shall immediately notify Terminal User in writing about limitation or suspension of provision of LNG Regasification Service and specify the reason for such a limitation or suspension, its time, and expected duration. Operator shall apply its best efforts to restore and continue the LNG Regasification Service as soon as possible.

(4) Operator may limit or suspend the use of a Terminal to a Terminal User(s) due to the fault of Terminal User in cases expressly set in the legislation, ROO, GTC, TUA or Joint Terminal Use Agreement, including but not limited to:

1. Terminal User or the LNG Carrier's owner/master fails to duly complete a compatibility check of an LNG Carrier.

2. The quality of LNG delivered to the Terminal by Terminal User is not compliant with the LNG Quality Specification or undergoes a change during its voyage or discharge to the Terminal in a way that may interfere with normal functioning of the Terminal.

3. Terminal User fails to make any payments for Services provided or other mandatory payments, penalties or securities to Operator in a proper and timely manner.

(5) Having made a decision to limit or suspend the use of the Terminal in cases described in previous clause, point 1 of this article, Operator shall notify Terminal User in writing 1 (one) day in advance and specify the reason for, the time and duration of such limitation or suspension. Having made a decision to limit or suspend the use of the Terminal in cases described in point 2 of the previous clause, Operator shall notify Terminal User immediately after the start of such limitation or suspension and specify the reason for, the time and duration of such limitation or suspension.

(6) In case of a breach of obligations of Terminal User set in the legislation, TUA, or in cases described in point 3 of the paragraph 4 in this article, Operator shall notify Terminal User in writing 10 (ten) calendar days in advance (unless the applicable laws, GTC or the TUA has set different terms) about impending limitation or suspension of the use of the Terminal and reasons for such limitation or suspension, and give a period of up to 30 (thirty) calendar days to eliminate violations. Should Terminal User fail to eliminate violations in time specified by Operator, Operator shall terminate the TUA due to the fault of Terminal User.

(7) Terminal User shall ensure that it and any Terminal User Indemnified Party will give its best efforts to prevent or minimize the losses in case provision of LNG Regasification Service is stopped, limited, or otherwise interrupted and will give its best efforts to protect the Terminal and/or LNG Carrier.

## XIV. Selling Terminal User's LNG or natural gas in an Open Procedure

### Article 86

(1) Terminal User is obliged to regasify/withdraw the entire quantity of LNG or natural gas respectively from the Terminal before the date TUA ceased to be valid on any ground.

(2) If the Terminal User does not regasify/withdraw entire quantity of LNG or natural gas from the Terminal in a timely manner, within the deadline referred to in the previous paragraph of this Article, the Operator shall sell the LNG or natural gas that has not been regasified/withdrawn or part quantity of LNG or natural gas to the most favourable bidder, on behalf of and for Terminal User's account.

(3) The sale of unregasified/unwithdrawn LNG or natural gas in an open procedure is considered a nonstandard service and is charged according to Operator's price list for nonstandard services.

(4) From the proceeds of the sale of LNG or natural gas that Terminal User has not regasified/withdrawn from the Terminal in timely manner, the Operator will settle its next claims towards Terminal User and transfer the remaining funds to Terminal User without delay:

- the price of nonstandard service of sale of unwithdrawn LNG or natural gas;
- any unsettled claims for the Services provided during the term of TUA;

- the cost of physical and virtual storage of the quantity of LNG assigned to Terminal User corresponding to the amount of the gas storage fee for the period from the date when TUA ceased to be valid until the date of the gas sale;
- any damages suffered by Operator due to unwithdrawn natural gas;
- any other claim that the Operator has for any given Service.

## XV. Damage Compensation

### Article 87

Operator shall defend Terminal User Indemnified Party from and against any and all Damages and indemnify for all Damages (excluding Consequential Loss) pursuant to conditions defined in GTC.

### Article 88

Terminal User shall defend Operator Indemnified Party from and against any and all Damages and indemnify for all Damages (excluding Consequential Loss) pursuant to conditions defined in GTC.

## XVI. Publication of Information and Information Exchange

### Operational Cooperation

#### Article 89

Operator and Transmission System Operator (Plinacro) shall cooperate in accordance with the requirements set forth in the legal acts of Republic of Croatia and provisions of the cooperation agreement entered into by these operators.

### Information Publication

#### Article 90

(1) Operator shall publish the following information on its Internet Page:

1. ROO, including their Annexes;
2. Information about Annual Open Season;
3. Information about allocated and Available Capacities;
4. Joint Terminal Schedule;
5. Information about the LNG level in the FSRU tanks;
6. Approved LNG Carriers list at the Terminal;
7. Information about occurrence of circumstances and/ or conditions and their changes that might have an impact on availability of the Terminal for use by Terminal Users;
8. Information about emergency situations and Force Majeure Event;
9. Links to the information published by the Transmission System Operator (Plinacro) about established technical transmission system capacities at the Delivery Point;
10. Terminal Maintenance works schedule;
11. ETSSAS access request form and contract form for the use of ETSSAS (at the time and if it is implemented by Operator);

12. Other information specified in the legal acts and ROO.

(2) Operator shall provide Terminal Users with information related to the LNG Regasification Services and nonstandard services of Operator, including information about certain LNG Regasification Capacities assigned to Terminal Users, payments, other individually applicable and/ or mandatory conditions of the Terminal use.

### Article 91

(1) Terminal Users shall submit their requests, notifications, and information to Operator under the procedure and on conditions set in the legislation, these ROO, GTC and the TUA.

(2) Terminal Users and Operator shall submit their requests, notifications, and information by e-mail unless the provisions herein require submission of original documents. All requests, notifications, and information shall be addressed to relevant contact persons that are responsible for the appropriate activities and listed in the TUA and/or Joint Terminal Use Agreement or Operator's Internet Page.

### Article 92

(1) At the time ETSSAS will be implemented by Operator, Terminal Users by signing a contract with Operator for the use ETSSAS will have the possibility to provide and receive the information related to scheduling, forming orders and nominations, reporting and other related information electronically.

(2) A request, notification and/ or information submitted in accordance with article 91, paragraph 2 of these ROO shall be considered properly submitted if Operator can justifiably believe that it was submitted in the name of Terminal User by a person appropriately authorized by Terminal User. All digitally transmitted data shall comply with information exchange security requirements.

### Article 93

(1) Information exchange between Operator and Terminal Users shall be performed in Croatian language when Terminal User is registered in the Republic of Croatia, otherwise in English language, unless TUA specifies otherwise.

(2) Documents intended for institutions of the Republic of Croatia shall be drawn in the Croatian language or their translation into the Croatian language complying with the requirements of the mentioned institutions and the legal acts shall be provided.

### Article 94

(1) Operator and Terminal User immediately notify inform each other about emergencies and any event or conditions that may affect proper execution of these ROO and/ or TUA or is mandatory to report according to the provisions of these ROO, GTC, TUA and any Joint Terminal Use Agreement.

(2) In case of occurrence or risk of occurrence of circumstances that raise hazards for an LNG Carrier or Cargo (e.g., stranding), human life, health, property, or environment, Terminal User or its authorized person shall inform Operator immediately after learning of such circumstances and at least every 4 (four) hours notify Operator about changes in the situation by phone and/ or e- until complete elimination of the hazard.

## XVII. Final Provisions

### Article 95

(1) Operator prepares, accommodates, changes and publishes these ROO in accordance with the procedures and conditions set forth under legal acts of Republic of Croatia. ROO shall be published on Agency's and Operator's Internet Page.



## Rules of operation

(2) Procedures, document forms, and/ or other requirements specified in these ROO are published on Operator's Internet Page.

## Article 95

These Rules become binding on the eighth day after publication in the Official Gazette.

## **Annex 1:**

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

## **I. Subject and definitions**

### **Article 1**

(1) The subject of these General Terms and Conditions (GTC) is to ascertain the mutual rights and obligations of Operator and Terminal User and to set out the general terms and conditions applicable to the provision of the LNG Regasification Service and the non-standard services (as described in the Rules of Operation (ROO)) (jointly referred to as: the Services) by the Operator to the Terminal User.

(2) Unless otherwise explicitly defined herein, terms which are used within these GTC have meanings which are determined by the ROO, TUA and legislation which governs the energy sector, regulation of energy activity, gas market, as well as provisions which were adopted on the basis of those laws.

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

### **Article 2**

(1) In order to obtain the Services, a Terminal User must enter into a TUA with Operator, whose integral part are these GTC.

(2) The TUA shall contain, amongst other things, specific terms regarding:

- The Services allocated to Terminal User in the Service Period;
- The Service Period; and
- any other individual terms as may be agreed between Operator and Terminal User.

(3) Nothing in these GTC confers to Terminal User any rights to Services greater than the ones allocated or held, in accordance with the TUA.

### III. Rights which arise from the contracted service

#### Article 3

Operator shall perform the contracted Services in accordance with the terms defined in the Terminal Use Agreement, this GTC and ROO.

### IV. Rights and obligations of the Operator

#### Article 4

Operator has the right to:

- charge a fee for the Services he provides according to these GTC, TUA, ROO and applicable regulation.
- limit or temporarily discontinue the provision of the Services which is the subject of the TUA, in accordance with chapter XI. of these GTC,
- reject Cargo that does not conform to the LNG quality specification determined within the provisions of the ROO,
- refuse to give consent for conclusion of the contract on the transfer of the contracted capacities and/or contract on the transfer of the right to use the contracted capacities and/or contract on the transfer of LNG of Terminal Users in accordance with the provisions of the ROO; and
- receive from Terminal Users the information, defined by the GTC, TUA, ROO and other applicable acts, necessary for the exercise of Operator's obligations.

#### Article 5

(1) Operator is obligated to:

- Provide to Terminal User the contracted Services pursuant to the TUA,
- Operate and maintain the Terminal in accordance with the ROO,
- Notify Terminal User about the received and delivered Gas quantities in accordance with the provisions of the ROO,
- Perform maintenance of the Terminal in accordance with the provisions of the ROO
- Guarantee the confidentiality of confidential information that has been made available to Operator, and
- Perform LNG Discharge and LNG Regasification operations under the procedure prescribed by ROO.

(2) Operator also has other rights and obligations prescribed by ROO, TUA, applicable laws and regulations.

## V. Rights and obligations of the Terminal User

### Article 6

Terminal User has the right to:

- Book and receive Services in accordance with the ROO and TUA; and
- Transfer in Secondary market the Unused capacities in accordance with the ROO.

### Article 7

Terminal User is obligated to:

- Pay a fee for the Services contracted according to regulation, TUA and these GTC,
- Ensure that the LNG delivered satisfies the LNG quality specification determined by the ROO,
- Settle in full, when due, invoices which are issued by Operator for the fee for the use of the Terminal, the price of nonstandard services of Operator as well as, if required, other payment obligations which arise from the TUA and/or these GTC, and deliver to Operator Credit Support in accordance with these GTC,
- Use the Services in accordance with the Services Schedules approved under the procedure defined in ROO,
- Terminal User shall notify Operator on any change in circumstances that could lead to a termination of the Terminal Use Agreement,
- Terminal User is responsible for the transportation and berthing of each Cargo that Terminal User is entitled to unload at the Terminal, as defined in ROO and
- Guarantee the confidentiality of confidential information that has been made available to Terminal User.

### Article 8

Terminal User also has other rights and obligations prescribed by the ROO, TUA, applicable laws and regulations.

## VI. Fee for the use of the Terminal

### Article 9

(1) Terminal User is obligated to pay to Operator a fee for the use of the Terminal and fee for nonstandard services of Operator which were provided to him.

(2) The fee for the use of the Terminal is calculated and charged pursuant to the Methodology on Establishing of the Amount of the Tariff Items for the Acceptance and Dispatch of the Liquefied Natural Gas and Decision on the Amount of Tariff Items for the acceptance and dispatch of the liquified natural gas, passed by the Agency.

(3) Calculation and invoice for the fee for use of the Terminal; and final statement of account for the fee for use of the Terminal and the invoice issued upon such final statement, shall be drawn up, i.e. delivered by Operator to Terminal User within the terms prescribed by the Methodology on Establishing of the Amount of the Tariff Items for the Acceptance and Dispatch of the Liquefied Natural Gas, passed by the Agency.

## Article 10

(1) Fee for nonstandard services of Operator is determined pursuant to the Methodology that will determine the fee for nonstandard Services, passed by the Agency, and the pricelist for nonstandard services of Operator.

(2) In the event that the Tariff amount and calculation method of the fee for use of the Terminal at any time cease to be regulated by the Agency (hereinafter: Cessation of the tariff), the Parties shall attempt to agree in good faith, in writing, within a maximum period of two months from the date of the Cessation of the tariff, on the corresponding financial consideration for use of the Terminal, based on the principles of transparency, non-discrimination and fair remuneration. The amount of the fee agreed by the Parties shall be applied retroactively starting from the date of the Cessation of the tariff, and until the date of such written agreement between the Parties, the most recent Tariff and calculation method of the fee for use of the Terminal, regulated by the Agency, shall continue to apply. Should the Parties fail to reach a written agreement in relation to consideration mentioned herein, within 2 months from the date of the Cessation of the tariff, each Party is entitled to initiate the conflict resolution mechanism set out in Article 50 of these GTC with the purpose of determining the amount and manner of calculation of the fee for use of the Terminal. In these circumstances, the arbitral tribunal shall determine the consideration taking into account the then current method of the fee for the use of the Terminal regulated by the Agency and an appropriate weighted average cost of capital for Operator. Until the consideration amount is determined by final arbitration decision, in which case such consideration amount shall be retroactively applied as of the date of the Cessation of the tariff, the most recent Tariff and calculation method of the fee for use of the Terminal, regulated by the Agency, shall continue to apply.

## Article 11

(1) The fee for use of the Terminal shall be invoiced monthly in accordance with chapter VIII. of these GTC.

(2) For each day of delay in the payment of the fees, Terminal User is obliged to pay the legal penalty interest which is current in the relevant period. The penalty interest begins to accrue from the first day after the invoice becomes due according to chapter VIII of these GTC.

## VII. Credit support

### Article 12

In order to secure all payment obligations of Terminal User under the Terminal Use Agreement and obligations which arise as consequence of its cessation, Terminal User is obliged to deliver security to

Operator in accordance with this chapter VII of GTC (hereinafter: Credit Support), which must be valid and in force for the whole period from the Effective Date (as defined in TUA) until the later of:

- 60 days after the expiry of the Terminal Use Agreement contract period or
- after fulfilment of all its obligations of Terminal User, in case of termination of the Terminal Use Agreement (hereinafter: Credit Support Period).

### Article 13

(1) For Services booked on the Annual Open Season, the Credit Support provided by Terminal User will have to fulfil any of the following conditions at all times:

a) Terminal User having a rating at least BBB+ by S&P/Fitch or Baa1 by Moody's FC LT shall not be obligated to provide Credit Support, during the time in which it has such rating, under condition that it provides Operator with evidence that it has such rating;

b) if Terminal User does not have rating of at least BBB+ by S&P/Fitch or Baa1 by Moody's FC LT, but its Affiliate has such rating, then Terminal User is obligated to provide to Operator evidence that its Affiliate fulfils such ratings and provide a corporate guarantee, with the content acceptable to Operator, by which such Affiliate will guarantee, as solidary guarantor, payment of all Terminal User's debts arising from the Terminal Use Agreement and/or as consequence of Terminal Use Agreement termination;

c) For non-rated companies that fulfill the following conditions, Terminal User will have to provide Credit Support in the amount corresponding to 50% of the total fees for the LNG Regasification Services contracted increased for VAT (if VAT is applicable), for the entire contract period:

(i) having an annual EBITDA at least 15 times the aggregate annual amount of the fees for use of the Terminal for all its annual Services contracted and;

(ii) having a net worth at least amounting 5 times the aggregate total amount of all (total) of the fees for use of the Terminal for all its Services contracted, and

(iii) having a Net Debt to EBITDA not greater than 2.5.

In case of this point (c), Terminal User may, instead of Credit Support, provide to Operator: (a) Credit Support of the company which is one hundred per cent (100%) owner of Terminal User and (b) a corporate guarantee, with the content acceptable to Operator, by which such company which is one hundred per cent (100%) owner of Terminal User will guarantee, as solidary guarantor, payment of all Terminal User's debts arising from Terminal Use Agreement and/or as consequence of Terminal Use Agreement termination.

d) For companies not meeting any of the above criteria, Terminal User will have to provide Credit Support in the amount corresponding to 100% of the total fees for the use of the Terminal plus VAT (if VAT is applicable) for the entire contract period.

e) The amounts covered by the Credit Support under this paragraph (1) points c) and d) shall be adjusted annually in order to reflect the pending payable amounts of the fees for use of the Terminal up to the end of the Service Period. The first Credit Support which is provided by Terminal User to Operator upon conclusion of TUA must be in full amount as envisaged under this Article, and each following Credit Support which is provided by Terminal User in the process of renewal of Credit Support pursuant to Article 17 of these GTC shall be correspondingly reduced by the amount of fees for use of the Terminal which Terminal User paid to Operator in the previous Contract Year, so that the renewed Credit Support is provided in the amount of total remaining (unpaid) fees for use of the Terminal, increased by VAT (if applicable) for the remaining contract period.

(2) For Services booked on Short-term Capacity Booking, the Credit Support will be for one hundred per cent (100 %) of the total fees for the use of the Terminal, for entire contract period, plus VAT (if VAT is applicable).

#### Article 14

Should Terminal User, or its Affiliate providing a guarantee in accordance with Article 13 of these GTC, cease to be rated BBB+ by S&P/Fitch or Baa1 by Moody's FC LT, a new Credit Support shall be provided, in accordance to Articles 12 and 13 of GTC, at the latest within a period of 30 days from the date of change of rating.

#### Article 15

(1) Credit Support is to be provided:

- cash deposit in Euros (in case that Terminal User has registered seat outside Republic of Croatia), or in Kunas (in case that Terminal User has registered seat in Republic of Croatia), by depositing of cash to Operator's deposit bank account opened with a rated OECD financial institution (at least BBB+ by S&P/ Fitch or Baa1 by Moody's FC LT), or
- unconditional and irrevocable bank guarantee payable „on first demand“ and „without objection“ from a rated OECD financial institution (at least BBB+ by S&P/ Fitch or Baa1 by Moody's FC LT).

(2) Bank guarantee from paragraph (1) of this Article must be issued at least for a term of 1 year, and Terminal User is obligated to renew it in accordance with Article 17 of these GTC, so that Operator during the entire Credit Support Period holds valid Credit Support pursuant to the terms envisaged in these GTC.

(3) All costs relating to issuance and renewal of the bank guarantee from paragraph (1) of this Article, i.e. relating to deposit bank account which Operator opened for Terminal User for the purpose of payment of deposit pursuant to paragraph (1) of this Article, shall be borne by Terminal User.

#### Article 16

For the purposes of Article 15 of these GTC, in the event the financial institution providing the Credit Support cease to be rated BBB+ by S&P/Fitch or Baa1 by Moody's FC LT, Terminal User shall cancel such Credit Support and provide to Operator a new one by a financial institution which fulfills such credit rating requirements, at the latest within a period of 10 days as of the change of rating.

#### Article 17

(1) Credit Support renewal mechanism:

- In case Terminal User is providing a bank guarantee as Credit Support, as described in Article 15 of these GTC, and this guarantee expires earlier than the Service End Date, the guarantee must be renewed not later than thirty (30) days prior to its expiry date, whereas the new guarantee must be issued for a period of at least one additional year, and this procedure shall be repeated during the entire Credit Support Period, so that Operator holds a valid bank guarantee, pursuant to stipulated conditions, during the entire Credit Support Period, and
- In case the new bank guarantee is not issued in the deadline from the previous sub-paragraph of this paragraph (1) or BBB+ or Baa1 rating of the financial institution which issued the Credit Support is lost, and Terminal User failed to provide new Credit Support pursuant to Article 16 of these GTC, Operator shall have the right to draw the bank guarantee and deposit the corresponding funds as cash collateral in an escrow account of Operator. This deposit will constitute the Credit Support until a new bank guarantee is issued by Terminal User according to the terms described in this section VII of GTC,



after which Operator shall return to Terminal User the funds received by drawing the bank guarantee. For avoidance of doubt, Operator shall not have obligation to pay any type of interest on the deposit to Terminal User, and in the event that Operator receives interest on the deposit, such interest will not automatically be counted into the fulfilment of Terminal User's obligations under the Terminal Use Agreement, but they will be added to the total deposit amount, and Operator will be entitled to use it under the same conditions under which Operator is authorised to use the Credit Support under these GTC.

(2) In case Terminal User does not fulfil any of its payment obligations under the, Terminal Use Agreement, Operator will have the right to draw, i.e. use the Credit Support. Operator will not use the Credit Support for the purpose of settlement of unpaid claims towards Terminal User prior to expiry of 3 Business Days as of the date of maturity of the respective claim towards Terminal User.

### Article 18

(1) In case Operator uses the Credit Support for settlement of Terminal User's obligations (regardless of the fact whether the Credit Support was used in the entire amount or only partially), Terminal User undertakes to provide to Operator a new Credit Support, in the amount which corresponds to the amount collected based on the used Credit Support, within 10 days after Operator has used the Credit Support. If Terminal User fails to deliver the new Credit Support within the stipulated period, Operator shall have the right to terminate the Terminal Use Agreement.

(2) Without prejudice to any other rights which the Operator has pursuant to this section VII of GTC, if the Terminal User fails to provide or to renew Credit Support in accordance with the terms described in Terminal Use Agreement and the terms of this section VII of GTC, the Operator will have the right to terminate this Agreement pursuant to Article 42 of GTC, after granting a cure period of 3 Business days, and to request damages against the Terminal User which incurred to the Operator as a result of the termination of the Terminal Use Agreement.

## VIII. Invoicing and payment

### Article 19

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

(2) Invoices issued by the Operator shall be paid by the Terminal User within fifteen (15) calendar days from the date on which the Operator issues the invoice. For this purpose, the Terminal User shall make each payment on a timely manner and shall take all necessary actions to ensure that the Operator receives each payment within fifteen (15) calendar days from the date on which the Operator issues the invoice. In the case of manifest error in computation of amounts in the invoice, the Terminal User shall pay the correct amount after informing the Operator of the error.

(3) All invoices shall be issued through the Electronic Terminal Service Scheduling and Administration System (ETSSAS), and the Terminal User agrees to such invoicing by concluding the TUA. In case ETSSAS is unavailable, or in case the Terminal User and the Operator agree that invoices shall be issued in other manner, the invoice shall be sent to the Terminal User via post or courier.

(4) The issued date of the invoice, from which the time to make the payment will start, is the issued date noted on the invoice, except in case of electronic invoices. The issued date of the electronic invoices,

from which the time to make the payment will start, will be the day when the invoices are available on the ETSSAS.

## Article 20

(1) In the event of any discrepancy with the items or amounts billed by the Operator in its invoice, the Terminal User must provide the Operator with written or online notification setting out the items and the reasons for such discrepancy and the disputed amount of the invoice (hereinafter: Notice of Discrepancy). The undisputed portion of the invoice shall be paid to the Operator pursuant to the provisions set out in the chapter VIII. of GTC. Once the Notice of Discrepancy sent by the Terminal User has been received, the Operator shall answer the discrepancy within fifteen (15) calendar days using the same channel of communication. The Parties shall attempt to reach a written agreement in good faith within a period of ten (10) calendar days from when the Terminal User receives the response from the Operator.

(2) Should the Parties fail to reach such an agreement, the discrepancy may be submitted by either of them to the conflict resolution mechanism provided for Resolution of discrepancies Article 50 of GTC.

(3) In the event that the arbitration decision determines obligation of payment or reimbursement of any amount to any of the Parties, the related interest accrued shall also be payable at the statutory legal penalty interest, calculated from the date on which payment should have been made or, if applicable, from the date on which the undue payment was made.

## Article 21

(1) All amounts specified under these GTC shall be deemed to be exclusive of any VAT, unless otherwise stated. If VAT is chargeable on any payment made by a Party in connection with the Terminal Use Agreement, the Party making the payment shall pay to the Party receiving the payment, in addition to payment of the amount due, an amount equal to the VAT.

(2) Terminal User shall be exclusively responsible for, and shall directly pay and discharge promptly, all costs and expenses (including any and all customs and/or import duties, excise duties, transportation tax or other taxes of any nature) in connection with LNG, tugs, harbour fees, mooring and pilotage services, agent's fees and all other similar expenses relating to Terminal User's LNG Carrier, Terminal User's LNG and/or the berthing of Terminal User's LNG Carriers at the Terminal.

(3) Payments of all amounts which become due and payable to a Party under these GTC shall be paid to a bank account or accounts designated by and in accordance with instructions issued by such Party.

## IX. Indemnities

### Article 22

#### Indemnification by the Operator

Operator shall protect, defend, indemnify, and hold Terminal User Indemnified Parties harmless from and against any and all Damages (excluding Consequential Loss) that may be imposed upon, incurred by or asserted against any Terminal User Indemnified Party arising out of or in connection with the Terminal Use Agreement as a result of the following:

- (i) any damage to any of Operator's property, or property of any of the Operator Indemnified Parties; or
- (ii) any personal injury or death (including fatal injury, illness or disease) of Operator's employees, personnel or servants or those of any Operator Indemnified Parties; or

(iii) any and all damage or harm to the environment, including fines imposed by a competent authority, including Damages for control, removal, remediation, restoration and clean-up of all pollution or contamination, arising from or on account of pollution or contamination resulting from fire, blowout, cratering, seepage, leakage or any other uncontrolled or unlawful flow of liquids, gas, water or other substances, which originates from any of Operator's property or the property of any Operator Indemnified Party, including spills or leaks of fuel, lubricants, oils, pipe dope, paints, solvents, ballasts, bilge, garbage or sewerage, regardless of whether or not any Damages are asserted to have arisen or been caused by or contributed to by virtue of tort (including negligence or negligent misstatement), breach of contract or quasi-contract, breach of any representation or warranty, breach of statutory duty, strict liability, breach of any laws, in each case, except in the event of gross negligence or wilful misconduct by or on the part of the person seeking indemnification.

## Article 23

### Indemnification by Terminal User

Terminal User shall protect, defend, indemnify, and hold the Operator Indemnified Parties) harmless from and against any and all Damages (excluding Consequential Loss) that may be imposed upon, incurred by or asserted against any Operator Indemnified Party arising out of or in connection with the Terminal Use Agreement as a result of any of the following:

(i) any damage to any of the Terminal User's property or property of any of the Terminal User Indemnified Parties; or

(ii) any personal injury or death (including fatal injury, illness or disease) of Terminal User's employees, personnel or servants or those of any Terminal User Indemnified Parties; or

(iii) any and all damage or harm to the environment, including fines imposed by a competent authority, including Damages for control, removal, remediation, restoration and clean-up of all pollution or contamination, arising from or on account of pollution or contamination resulting from fire, blowout, cratering, seepage, leakage or any other uncontrolled or unlawful flow of liquids, gas, water or other substances, which originates from any of Terminal User's property or the property of any Terminal User Indemnified Party, including spills or leaks of fuel, lubricants, oils, pipe dope, paints, solvents, ballasts, bilge, garbage or sewerage,

regardless of whether or not any Damages are asserted to have arisen or been caused by or contributed to by virtue of tort (including negligence or negligent misstatement), breach of contract or quasi-contract, breach of any representation or warranty, breach of statutory duty, strict liability, breach of any laws, in each case, except in the event of gross negligence or wilful misconduct by or on the part of the person seeking indemnification.

## Article 24

Each Party (hereinafter: First Party) shall protect, defend and indemnify and hold harmless the other Party (hereinafter: Second Party) (and/or, any Operator Indemnified Party (where Operator is the Second Party) and/or any Terminal User Indemnified Party (where Terminal User is the Second Party)) from and against any and all Damages that may be imposed on, incurred by, or asserted against that Second Party (and/or, which may be imposed on any Operator Indemnified Party (where Operator is the Second Party) and/or any Terminal User Indemnified Party (where Terminal User is the Second Party)) in respect of:

(i) loss or damage to the property of any person other than Operator, Terminal User, any Operator Indemnified Party or any Terminal User Indemnified Party (hereinafter: Third Party); and/or

(ii) personal injury or death (including fatal injury, illness or disease) of any Third Party or the employees, personnel or servants of any Third Party, to the extent that such Damages arise out of or in connection

with the Terminal Use Agreement and are caused by the First Party (or, if First Party is Operator, Operator Indemnified Party and if the First Party is the Terminal User, the Terminal User Indemnified Party).

## Article 25

For the purposes of this GTC, terms "Affiliate" and "Control" shall have the meaning as defined in the ROO.

## Article 26

### Remediation

(1) Operator (or any of its Affiliates) shall have the right, but not the obligation, to take any steps that are reasonably necessary in connection with remediating or cleaning up any damage or harm to the environment attributable to any Terminal User Indemnified Party.

(2) Subject to paragraph (3) of this Article, to the extent that Terminal User is liable pursuant to Article 23 point (iii) of these GTC, for such damage or harm, Terminal User shall reimburse Operator (or its Affiliates) such remediation and/or clean-up costs and Operator (and its Affiliates) shall not have any liability with respect to such remediation and/or clean-up actions.

(3) Terminal User shall not be obliged to reimburse Operator or its Affiliates to the extent Operator 's or its Affiliates' actions cause further damage or harm, unless (subject to paragraph (4) of this Article):

(i) Operator's or its Affiliates' actions have been taken with the prior written consent of Terminal User; or

(ii) Operator or its Affiliates are under a legal requirement pursuant to the laws of Croatia to undertake such remediation actions; or

(iii) Operator's or its Affiliates' actions are conducted in cooperation with Terminal User's insurance company and any relevant competent authority.

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

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

## Article 27

(1) The aggregate payment due by either Party under Article 22 – 26 of these GTC shall be without monetary limitation. The Parties shall procure and maintain, at their own cost, valid and enforceable insurances to cover their obligations under Article 22 and Article 24 of these GTC in the case of Operator and Article 23 and Article 24 of these GTC in the case of Terminal User in accordance with Section XIII of these GTC.

(2) Operator's liability for non-performance of the Services due to causes other than Force Majeure Event, Maintenance or any other reason for which Operator is not liable, shall not exceed:

(i) an amount equal to 20,000 EUR (twenty thousand euro) per day towards all Terminal Users; and

(ii) an amount equal to 1.200,000 EUR (one million two hundred thousand euro) in aggregate in respect any Contract Year towards all Terminal Users;

and towards each individual Terminal User, shall not exceed the proportionate part of the respective cap amount, which is determined pursuant to such Terminal User's contracted LNG Regasification Capacities.

## Article 28

### Liabilities concerning demurrage

If, in relation to any Duly Confirmed Cargo or a Confirmed Reload, the Actual Laytime determined in accordance with Article 65 of the ROO, exceeds the Allowed Laytime Operator shall pay to Terminal User:

- fee for LNG Carriers with a gross capacity of up to 60,000 m3: € 23,000 per day, in respect of the excess time and/or reloading; or
- fee for LNG Carriers with a gross capacity of between 60,000 m3 and 110,000 m3: € 39,000 per day, in respect of the excess time and/or reloading; or
- fee for LNG Carriers with a gross capacity of over 110,000 m3: € 56,000 per day in respect of the excess time and/or reloading; and
- reasonable documented Boil-Off costs actually incurred by Terminal User during the period of excess time.

## Article 29

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

- For LNG Carriers with a gross capacity of up to 60,000 m3: € 23,000 per day, in respect of the excess time and/or reloading; or
- For LNG Carriers with a gross capacity of between 60,000 m3 and 110,000 m3: € 39,000 per day,, in respect of the excess time and/or reloading; or
- For LNG Carriers with a gross capacity of over 110,000 m3: € 56,000 per day. in respect of the excess time and/or reloading; and
- reasonable documented excess Boil-Off costs actually paid by Operator to any other Terminal User as a result of the delay.

## Article 30

(1) In case of occurrence of any of the circumstances from Article 28 or 29 of these GTC, compensation for demurrage for overstepping the Allowed Laytime which lasted less than a day will be calculated on a pro-rata basis.

(2) The charges indicated in Articles 28 and 29 of these GTC may be revised annually by the Operator in line with the average annual increase in the Croatian consumer price index published by the Croatian Bureau of Statistics.

## Article 31

(1) In all cases, compensation for demurrage must be paid within twenty (20) Business Days of receipt of invoice. If payment is not made within this period, the Party who has the obligation to pay the demurrage compensation in accordance with Articles 28 and 29 of these GTC, will have the obligation to pay to the other Party statutory default interest which is current in the relevant period.

(2) All claims for demurrage must be submitted to the other Party within a period of ninety (90) days from the date on which the demurrage event occurred. Otherwise, the claiming party will forfeit its right to claim under Articles 28 and 29 of these GTC once this term has elapsed.

(3) For each failure by Terminal User to comply with the arrival period specified in the monthly schedule approved by the Operator, Terminal User shall indemnify the Operator for any Damages incurred by Operator except when such failures are due to the Operator's actions or omission or other circumstances specified in the ROO; GTC and/or Terminal Use Agreement, which the Terminal User and/ or a person responsible for LNG Carrier management could not foresee and/ or control.

(4) For each failure to observe the requirements to unmoor from the Terminal and allow access to the Terminal for other LNG Carriers and/ or leave the Port, Terminal User shall indemnify the Operator for any liability incurred by the Operator except when such failures are due to the Operator's actions or inaction or other circumstances specified in the ROO, GTC and/or Terminal Use Agreement, which the Terminal User and/ or a person responsible for LNG Carrier management could not foresee and/ or control.

(5) Terminal User shall indemnify the Operator for each failure of the Terminal User to follow the requirements regarding conclusion, coordination and signing of the Service Schedule envisaged in the ROO. The Terminal User shall pay to the Operator liquidated damages in case that the Terminal User notifies the Operator that he refuses to sign the Annual Schedule in written form, in the amount 100.000 EUR (one hundred thousand euro), per each individual case of such conduct of Terminal User.

(6) Operator shall obtain and maintain in force the licenses, permits and authorizations required by competent authorities for the operation and maintenance of the FSRU. Terminal User shall obtain and maintain in force the licenses, permits and authorizations required by any competent authorities for carrying out its obligations under the Terminal Use Agreement including as required for delivery and transportation of LNG and gas after the delivery point to the transmission system (downstream).

(7) Fee for non-signing the Agreement, according to the Article 34 of the ROO is calculated in the following way:

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

where:

Qr – LNG Regasification Capacities requested by the Applicant during the first Gas Year (if Request is submitted during Open Season) or during the whole Service Period (if Request is submitted during Spot Capacity Booking), m3 LNG;

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

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

(8) For avoidance of doubt, for the purposes of Articles 28 – 31 of these GTC, the acts or omissions of the transmission system operator, located adjacent to the Terminal (who's responsibility is to control the introduction of the regasified LNG into the transmission system), shall not be the acts or omissions of the Operator.

## Article 32

(1) Exclusion of liability for Consequential Loss or damage:

a) Save as expressly set out in these GTC, TUA or ROO, neither Party shall under any circumstances whatsoever be liable to the other Party for Consequential Loss suffered or incurred by the other Party, whether or not any Damages are asserted to have arisen or been caused by or contributed to by virtue of tort (including negligence or negligent misstatement), breach of contract or quasi-contract, breach of any representation or warranty, breach of statutory duty, strict liability, breach of any laws or gross negligence or wilful misconduct by or on the part of the person seeking indemnification.

b) Save as expressly set out in these GTC, Operator shall be liable for and shall protect, defend and indemnify and hold the Terminal User Indemnified Parties harmless against any and all Consequential Loss suffered by any Operator Indemnified Party arising out of or in connection with these GTC and Terminal Use Agreement, whether or not any Damages are asserted to have arisen or been caused by or contributed to by virtue of tort (including negligence or negligent misstatement), breach of contract or quasi-contract, breach of any representation or warranty, breach of statutory duty, strict liability, breach of any laws, except in case of gross negligence or wilful misconduct by or on the part of a Terminal User Indemnified Party.

c) Save as expressly set out in this GTC, Terminal User shall be liable for and shall protect, defend and indemnify and hold the Operator Indemnified Parties harmless against any and all Consequential Loss suffered by any Terminal User Indemnified Party arising out of or in connection with these GTC and Terminal Use Agreement, whether or not any Damages are asserted to have arisen or been caused by or contributed to by virtue of tort (including negligence or negligent misstatement), breach of contract or quasi-contract, breach of any representation or warranty, breach of statutory duty, strict liability, breach of any laws, except in case of gross negligence or wilful misconduct by or on the part of an Operator Indemnified Party,

d) for avoidance of doubt, exclusion of liability under this Article shall not be applied in case the debtor caused damage intentionally or due to gross negligence.

## Article 33

### Payment of indemnities

(1) If any amounts become payable to a Party (hereinafter: Receiving Party) as indemnity by the other Party (hereinafter: Paying Party) under the terms of these GTC, 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, subject to paragraph (3) of this Article pay the Receiving Party the amount set out in the Indemnity Invoice within twenty (20) Business Days after receipt by the Paying Party of the Indemnity Invoice.

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

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

(5) In the event the Parties are unable to resolve the dispute as to an Indemnity Invoice within twenty (20) days of a receipt of an Invoice Dispute Notice the matter shall be referred to arbitration in accordance with clause 51 of these GTC.

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

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

## X. Force majeure and loss of FRSU

### Article 34

(1) Subject to Article 35 of these GTC, a Party (hereinafter: the Affected Party) shall not be responsible for: (i) any failure to perform any of its obligations under the Terminal Use Agreement; or (ii) for 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. A Force Majeure Event means any event or circumstance which:

(i) is beyond the reasonable control of Affected Party, acting as a Reasonable and Prudent Energy Entity, to avoid, prevent or overcome;

(ii) does not result from the fault, negligence or the failure to avoid or overcome by the exercise of reasonable diligence by the Affected Party; and

(iii) prevents, hinders or delays the Affected Party from performing its obligations under the Terminal Use Agreement.

(2) A Force Majeure Event shall include, but not be limited to, the following events or circumstances (to the extent such events or circumstances satisfy the general definition of Force Majeure Event as set out in paragraph (1) of this Article):

(i)

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

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

- any strike, lockout or industrial disturbance at a port or other facility at which the FSRU is moored or to which or from which the FSRU transits; or



## Rules of operation

- chemical or radioactive contamination or ionising radiation; or
- fire, accident, structural collapse or explosion; or
- collisions, shipwrecks, navigational and maritime perils or
- epidemics, plagues or quarantine or
- cyber security breach or internet attack; or
- sonic boom; or
- aviation disasters.

(ii) action, inaction or delay of any competent authority, including pursuant to Article 26 of the Croatian Energy Act

(iii) the failure, unlawful or discriminatory delay or refusal by any competent authority to grant, amend or renew an authorisation that is necessary for Operator or Terminal User to perform its obligations under the Terminal Use Agreement, or the withdrawal, modification, cancellation or revocation by such competent Authority of such authorisation unless such failure, unlawful or discriminatory delay or refusal or withdrawal, modification, cancellation or revocation is caused by Operator's or Terminal User's actions (including a violation or breach of the terms and conditions and obligations of any existing authorisation or other requirement of Croatian law); or

(iv) nationalisation, confiscation, expropriation, compulsory acquisition, arrest or restraint of any assets (including, for the avoidance of doubt, the FSRU) by any competent authority, or(v) change of law.

## Article 35

(1) For the avoidance of doubt and notwithstanding the provisions of Article 34 paragraphs (1) and (2) of these GTC, the following events and circumstances shall not constitute a Force Majeure Event:

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

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

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

(i) actions, including a violation of or breach of the terms and conditions of any existing approval, permit, license or consent or other requirement of applicable law; or

(ii) the failure to apply for or follow the necessary procedures to obtain any approval, permit, license or consent or request, acquire or take all commercially reasonable actions to obtain the maintenance, renewal or reissuance of the same, in each case of or by the Affected Party (or any Affiliate of Operator where Operator is the Affected Party or any Affiliate of Terminal User where Terminal User is the Affected Party);

(d) changes in a Party's market factors, default of payment obligations or other commercial, financial or economic conditions;

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

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

(g) in relation to the Terminal User, the lack of gas supply for any reason, and

(h) failure of the transmission system operator adjacent to the Terminal to comply with its obligations with Terminal User in relation to the gas transportation services.

### Article 36

(1) As soon as possible upon the occurrence of an event that a Party considers may result in a Force Majeure Event, and in any event within three (3) calendar days from the date of the occurrence of a Force Majeure Event, the Affected Party shall give notice of such Force Majeure Event to the other Party describing in reasonable detail:

(i) 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;

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

(iii) the particulars of the activities to be implemented to ensure full resumption of normal performance under the Terminal Use Agreement.

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

### Consequences of Force Majeure Event and loss of FSRU

### Article 37

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

(2) During any period of Force Majeure Event, to the extent permitted by law, regardless of whether Operator is the Affected Party or Terminal User is the Affected Party, Terminal User shall continue to pay the fees described in Section VI of these GTC.

(3) If one or more Force Majeure Events prevents or delays the Affected Party from performing all or a substantial part of its obligations or any of its material obligations under the Terminal Use Agreement, for a continuous period of 3 months or more (hereinafter: the Extended Event of Force Majeure), then the Party who is not the Affected Party shall have the right to terminate the Terminal Use Agreement, by giving thirty (30) days' notice to the Affected Party, and the consequences of such termination shall be as set out in Article 44 paragraph (7) of these GTC.

(4) In case of Force Majeure Event, the Parties shall have rights and obligations as envisaged under the applicable legislation (the Energy Act and the Civil Obligations Act).

(5) If at any time, the FSRU:

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

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

(c) is missing, the fee for the use of the Terminal shall cease to be payable and Operator may terminate the Terminal Use Agreement at the time and on the day on which she was last heard of,

and in each case, the consequences of such termination shall, subject to Article 44 paragraph (2) and Article 44 paragraph (4) of these GTC, be as set out in Article 44(7) of these GTC.

## XI. Suspension of services

### Article 38

(1) The Operator may suspend all the Services that are the subject of these GTC, if there is a prolonged breach of payment obligations by a Terminal User not covered by the Credit Support. For avoidance of doubt, the suspension of Services is carried out only in respect of the Terminal User which is breaching its obligations.

(2) To that end, a prolonged breach of payment obligations by a user shall be deemed to exist if a debt has not been paid within ten (10) Business Days from the date on which the claim was submitted through registered mail, courier or system for transmitting authenticated messages (e.g. Burofax) and without the Terminal User paying this amount or reporting any discrepancy pursuant to these GTC.

### Article 39

(1) The suspension of the Services shall take effect from the moment the Terminal User is notified on 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 payment for all unpaid amounts together with the corresponding interest, as well as all fixed amounts that had accrued and became due during the period of suspension, the Operator shall immediately resume the provision of the Services, and said resumption shall be effective from the next Gas Day following delivery of notification of reestablishment of provision of Services to the Terminal User.

(3) Terminal User shall bear all costs that Operator incurs as a result of the suspension and reestablishment of provision of the Services as described in this chapter XI. of GTC.

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

(5) During the suspension period the Terminal User shall not book additional LNG Regasification capacity.

#### Article 40

(1) During Maintenance works the Operator has the right to partially or totally suspend the Services as it is provided in ROO.

(2) Other causes for suspension of Services are defined in Article 85 of ROO.

(3) The Operator is entitled to limit or suspend the Services also in other cases where such right or obligation is envisaged under the applicable laws and bylaw regulations, including but not limited to situations envisaged by Article 35. of the Gas Market Act.

## XII. Duration and termination of the Terminal Use Agreement

#### Article 41

The Terminal Use Agreement will cease upon reaching the end of the Service Period (hereinafter: the Services End Date).

#### Article 42

(1) The Parties are entitled to terminate the Terminal Use Agreement in the events envisaged under these GTC and the TUA.

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

a) based on mutual agreement by both Parties.

b) In cases of an Extended Event of Force Majeure in accordance with chapter X. of these GTC.

c) Once one month and 30 days of remedy period have elapsed from suspension of the services, if the reasons for the suspension have not been resolved.

d) If due to noncompliance of the Terminal User with obligations from the Terminal Use Agreement, Operator carries out suspension of Services pursuant to thisthese GTC more than four times in a Contract Year. In this case, and prior to exercising the right to terminate the Terminal Use Agreement, Operator must request a petition to the Terminal User in default to put an end to this situation, and give a period of no more than ten days to comply. If the period of time given elapses and the Terminal User at fault does not remedy the situation, the Terminal Use Agreement is terminated by virtue of law.

e) In the case of a representation or warranty when made or repeated or deemed to have been made or repeated by Terminal User pursuant to the Terminal Use Agreement proves to have been incorrect or misleading in any respect when made or repeated or deemed to have been made or repeated.

f) In the event that the Terminal User is in breach of Article 54 of these GTC or is under the circumstances described in Article 55 of these GTC or.

g) If Terminal User fails to provide or renew the relevant Credit Support in accordance with chapter VII of GTC.

h) In the event Terminal User is subject to an Insolvency Event.

## Rules of operation

i) If Terminal User fails to maintain any insurance it is obliged to maintain under Terminal Use Agreement and fails to cure such failure within thirty (30) days of receiving notice from Operator requiring it to do so.

j) If Terminal User breaches any other of its material obligations under the Terminal Use Agreement, if the breach is not cured within ten (10) days of delivery of termination notice; k) if Terminal User fails to pay any amount due under or relating to TUA, and

l) in cases envisaged in ROO.

(3) Insolvency Event for purpose of this Article and Article 43 of the GTC, shall mean in respect of any person, if that the person: a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;

c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition: (i) results in a decision of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or

(ii) is not dismissed, discharged, stayed or if it was not decided in some other manner that there is no basis for initiating such procedure, in each case within 60 (sixty) days of the institution or presentation of the same;

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

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

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

causes or is subject to any event that, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs a) to g) above.

## Article 43

The Terminal User may terminate the Terminal Use Agreement because of the following reasons:

a) Based on mutual agreement of both Parties.

b) In cases of an Extended Event of Force Majeure in accordance with Article 37 of these GTC.

c) In the event that the Operator is in breach of Article 54 of these GTC or is under the circumstances described in Article 55 of these GTC.

d) In the case of a representation or warranty when made or repeated or deemed to have been made or repeated by Operator pursuant to the Terminal Use Agreement proves to have been incorrect or misleading in any respect when made or repeated or deemed to have been made or repeated.

e) In the event Operator is subject to an Insolvency Event.

f) In case the Operator breaches any other of its obligations under the Terminal Use Agreement.

g) If the aggregate number of days on which:

i) the fee for the use of the Terminal is not payable; or

ii) the fee for the use of the Terminal is reduced to zero; or

iii) the fee for the use of the Terminal is less than fifty per cent (50%) of the fee for the use of the Terminal,

exceeds a cumulative total of sixty (60) days in a Contract Year.

h) If in any calendar year, the aggregate liability of Operator for failure to provide the Services towards all Terminal Users exceeds twenty million EUR (€20,000,000), and towards each individual Terminal User, exceeds the proportionate part of the respective cap amount, which is determined pursuant to such Terminal User's contracted LNG Regasification Capacities.

#### Article 44

(1) If termination of the Terminal Use Agreement occurs prior to the expiry of the Service End Date, the Terminal User shall pay to the Operator an amount equivalent to the fees for use of the Terminal that Terminal User would have paid to the Operator until the Service End Date, as if the Terminal Use Agreement had not been terminated, and along with that, any Damages that may arise as a consequence of the termination of the Terminal Use Agreement (excluding Consequential Loss), except in the event the Terminal Use Agreement is terminated in accordance with Article 42, paragraph 2, points a) and b) or Article 43, points a), b) c), d), e), f), g) and h) of these GTC. Such amounts shall be paid in full on the date of termination of the Terminal Use Agreement.

(2) If the FSRU is lost as set out in Article 37 paragraph (5) of these GTC due to the fault of, or breach of duty (including statutory duty) or breach of the Terminal Use Agreement by Terminal User, the consequences of such termination shall be as set out in Article 44 paragraph (1) of these GTC.

(3) If termination of the Terminal Use Agreement occurs prior to expiry of the Service End Date in accordance with Article 43, points c), d), e), f), g) and h) of these GTC, such termination shall be without prejudice to any losses, liabilities and costs that Terminal User may incur as a result of such termination, and Terminal User shall be entitled to make a claim for Damages against Operator in respect of any losses, liabilities and costs that Terminal User may incur as a result of such termination excluding any Consequential Loss. The aggregate, cumulative, total liability of Operator towards all Terminal Users, under or in connection with such termination, whether in contract, tort (including negligence) or otherwise arising at law, shall in no event exceed an amount equal to eighteen million two hundred and fifty thousand EUR (€18,250,000), and towards each individual Terminal User, shall not exceed the proportionate part of the respective cap amount, which is determined pursuant to such Terminal User's contracted LNG Regasification Capacities. Limitation of liability from this paragraph shall not be applied in case of intent or gross negligence of the Operator.

(4) If the FSRU is lost as set out in Article 37 paragraph (5) of these GTC due to the fault of, or breach of duty (including statutory duty) or breach of the Terminal Use Agreement by Operator, the consequences of such termination shall be as set out in Article 44 paragraph(3) of these GTC.

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

(6) If termination of the Terminal Use Agreement occurs prior to the expiry of the Service End Date pursuant to Article 37 paragraph (3) or (5) of these GTC, then, subject to Articles 44 paragraph (2) and (4) of these GTC, neither Party shall have any claim against the other party as a result of or in connection with such termination.

(7) Despite the early termination of the Terminal Use Agreement, the credit support provided by the Terminal User in accordance with section VII of these GTC shall remain in place and in possession of the Operator until all the obligations of the Terminal User have been fulfilled.

### XIII. Insurance

#### Article 45

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

- a) all risks property damage insurance in respect of the jetty and the pipeline;
- b) Hull and Machinery (marine and war risks) and Protection and Indemnity insurance in respect of the FSRU;
- c) All risks LNG cargo insurance in respect of the LNG at any time such LNG or gas is in the Terminal;
- d) Operator's liability insurance; and
- e) employer's liability and/or worker's compensation insurance as required under applicable law.

#### Article 46

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

- a) Hull and Machinery (marine and war risks) and Protection and Indemnity insurance in respect of any LNG Carrier; and
- b) comprehensive general third party liability insurance; and
- c) employer's liability and/or worker's compensation insurance as required under applicable law.

#### Article 47

(1) In respect of the Operator, the insurance cover level shall not be lower than:

- a) All risk property damage insurance with regard to jetty and pipeline – full repair/replacement value,
- b) Hull and machinery (marine and war risks) of the FSRU – full market value,

## Rules of operation

c) Protection and Indemnity – mutual limits provided by a P&I Club which is a member of the International Group of P&I Clubs,

d) all risks LNG cargo stock insurance in respect of the LNG at any time such LNG or gas is in the Terminal – no less than the maximum value of LNG stored in the Terminal (including the FSRU)

e) Operator's liability insurance – no higher than USD 10,000,000 per event,

f) employer's liability and/or worker's compensation insurance as required under applicable law – as required by law.

(2) In respect of the Terminal User, the insurance cover level shall not be lower than:

a) Hull and machinery of any LNG Carrier (marine and war risks) – full market value,

b) Protection and Indemnity insurance in respect of any LNG carrier – mutual limits provided by a P&I Club which is a member of the International Group of P&I Clubs,

c) comprehensive general third party liability - no less than USD 10,000,000 per event,

d) employer's liability and/or worker's compensation insurance as required under applicable law as required by law.

## IX. Delivery of notices

### Article 48

(1) Except in cases relating to operations which must be notified in accordance with the ROO, all other communication between the Parties pertaining to the Terminal Use Agreement will be sent by regular mail or by e-mail.

(2) Any change in the data submitted must be immediately reported to the other Party in writing in the manner envisaged herein.

## XV. Ttransfer of the Agreement, assignment of rights and financing

### Article 49

(1) The capacity transfer in Secondary market will be covered in the ROO.

(2) Neither the Terminal User nor Operator can partially nor wholly transfer the Terminal Use Agreement, nor assign rights from the Terminal Use Agreement without prior written consent of the other contracting party, which consent shall not be unreasonably withheld, should the assignee (new party) fulfil all the requirements as set out in the Terminal Use Agreement.

(3) Notwithstanding the above, Operator may transfer, assign, or charge (and Terminal User hereby consents such transfer, assignment or charge) any of its claims under the Terminal Use Agreement to any person that advances or provides funds, other than shareholder loans made as a shareholder of the Operator, for all or a part of the costs and expenses associated with the development, construction, ownership, operation and maintenance of the Terminal and all activities relating to any of the foregoing, or acts as a guarantor for such funds, whether such funds are obtained prior to, during or after the construction of the Terminal (hereinafter: the Lenders) if required under any financing agreement related to the Project.



## XVI. Disputes

### Article 50

(1) Any dispute or claim arising out of or in connection with the Terminal Use Agreement (individually: a Dispute), including any question regarding its existence, validity or termination, will be finally resolved by binding arbitration conducted in accordance with the Rules of arbitration of the International Chamber of Commerce (ICC Rules). The seat of the arbitration will be Zagreb, Croatia and the arbitral panel will consist of three (3) arbitrators. Arbitration proceedings will be conducted in the English language. In case when the Terminal User is a company incorporated in Republic of Croatia, arbitration proceedings will be conducted in the Croatian language. Croatian law is the governing law for this arbitration clause.

(2) Nothing in this Section will prevent or exclude the Terminal User from use of remedies arising from mandatory provisions of Croatian law (such as the remedies related to the protection from Operator's or supplier's unlawful practices, foreseen by the relevant provisions of the Gas Market Act and Regulation of Energy Activities Act).

## XVII. Governing law and language of the Agreement

### Article 51

(1) The Terminal Use Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) will be governed by and construed in accordance with the Croatian law law.

(2) Neither the United Nations Convention on Contracts for the International Sale of Goods (1980), nor the United Nations Convention on the Limitation Period in the International Sale of Goods, shall govern or apply to the Terminal Use Agreement, the performance of the Terminal Use Agreement or any aspect of any Dispute arising under the Terminal Use Agreement.

(3) The Terminal Use Agreement and this GTC are made in Croatian language, and the Operator may publish its translation to English language on its website, which is to be used only for informative purposes, and in the event of incongruity between the Croatian and English language version of these GTC, the Croatian version shall prevail.

## XVIII. Changed circumstances

### Article 52

The Terminal User understands that the regulations regarding the energy activity are evolving, and he accepts that if during the duration of the Terminal Use Agreement there are changes to the current legal and sublegal regulations, which affect TUA, GTC or ROO, such change has to be applied to the Terminal Use Agreement, GTC and ROO which are in force at the moment of entry into force of legal or sublegal changes. Such changes will enter into force for all Terminal Users on the same day which is determined by the Agency or the legislator or another competent body.

## XIX. Confidentiality

### Article 53

(1) The Parties hereby undertake to keep secret all information of a confidential nature placed at their disposal. Such confidential information the Parties may disclose exclusively to the persons and under conditions mentioned in paragraph (2) of this Article.

(2) Terminal User and Operator must:

- keep confidential and not disclose (in whole or in part) to any third party the terms of the Terminal Use Agreement and all 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: a) with the prior written consent of the other Party or b) if so required by the regulatory authority, court or other competent body, or c) if so required by law,
- not use the Confidential Information other than for a purpose connected with the Terminal Use Agreement, and
- and procure that its employees, members of the management board or supervisory board, shareholders, affiliates, associates, external advisors or any third person engaged by the Party, its Affiliates or its shareholders, keep secret and treat as confidential all such confidential Information.

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

## XX. Anti-corruption and sanctions

### Anti-Corruption

#### Article 54

(1) Each Party agrees that in connection with these GTC and the activities contemplated under the Terminal Use Agreement, neither it nor its directors, officers, employees, agents, or any contractors or Affiliates within such Party's control, will:

- act or omit to act in violation of any applicable laws;
- take any action or omit to take any action that would cause the other Party to be in violation of any applicable laws;
- (i) give, promise, offer or authorise; or (ii) accept, request, receive or agree to receive, any payment, gift, reward, rebate, contribution, commission, incentive, inducement or advantage to or from any person, in contravention of the UK Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, European Union member country anti-bribery and corruption laws or the anti-bribery and corruption laws of any jurisdiction to which the activities under these GTC are subject and in each case any related rules, regulations and guidance; and
- act or omit to act in violation of any Sanctions Laws or other measures of embargo issued by any Sanctions Authority.

(2) The Parties agree that all invoices rendered by each to the other Party shall, in reasonable detail, accurately and fairly reflect the facts about all activities and transactions which are the subject of the invoice.

(3) Terminal User and Operator may each from time to time advise the other Party of any ethical or business practices policy which apply to the relevant Party and the other Party shall use reasonable endeavours to adhere to such policy, provided it does not give rise to the other Party incurring any unreasonable cost.

## Sanctions

### Article 55

(1) Each Party represents and warrants for itself and their respective Affiliates that at the date of entering into the Terminal Use Agreement:

1. it is in compliance with Sanctions Laws applicable to such Party;
2. it is not a Restricted Party; and
3. it is not subject to or involved in any inquiry, claim, action, suit, proceeding or investigation against it with respect to Sanctions Laws applicable to such Party by any Sanctions Authority.

(2) If at any time either Party becomes aware that the other Party (hereinafter: the Non-Compliant Party) would be in breach of any representations and warranties in Article 55 paragraph (1) GTC:

1. such Party shall give notice to the Non-Compliant Party (hereinafter: a Sanctions Warranty Notice);
2. from the date of the Sanctions Warranty Notice, performance of the obligations of Operator and Terminal User under these GTC shall be suspended without liability of either Party unless and until performance resumes in accordance with Article 55 paragraph (2) point 3 of this GTC or the Terminal Use Agreement is terminated pursuant to Article 55 paragraph (2) point 4 of this GTC;
3. Operator and Terminal User shall use all reasonable endeavours to apply for and obtain any applicable license or authorisation which will enable the Parties to resume performance of the Terminal Use Agreement notwithstanding the circumstances giving rise to the operation of this Article 55(2) of GTC and upon the obtaining of such license or authorisation performance of the obligations of Operator and Terminal User under the Terminal Use Agreement shall resume; and
4. if no licence or authorisation as referred to in Article 55 paragraph (2) point 3 of GTC is obtained within 30 days of the Sanctions Warranty Notice referred to in Article 55 paragraph (2) point 1 of this GTC or if it shall at any earlier time be apparent to the Party which is not the Non-Compliant Party that there is no reasonable prospect of any such licence or authorisation being obtained, either Party may terminate the Terminal Use Agreement by written notice to the other Party, such termination being treated as a termination under Articles 57 and 58 of these GTC.

(3) Notwithstanding anything in this Article 55 of GTC to the contrary, Operator or Terminal User shall not be required to do anything which constitutes a violation of Sanctions Laws applicable to such Party, or of any other Laws and regulations of any state to which either of them is subject.

### Article 56

(1) Operator shall not be obliged to provide the Services to Terminal User in a manner which would be contrary to Sanctions Laws applicable to Operator or its Affiliates.

(2) If Operator is already providing the Services to Terminal User and such provision contravenes or becomes illegal under Sanctions Laws, Operator shall have the right to suspend such Services and to make arrangements for any LNG on board the FSRU to be discharged and redelivered to Terminal User. The fee payable by Terminal User to Operator in accordance with Article 9 and Article 10 of these GTC

shall remain payable during any period where such Services are provided to Terminal User, including without limitation, any discharge pursuant to this Article 56 of GTC.

## XXI. Waiver of sovereign immunity

### Article 57

To the extent permitted by law, if any one or more of the Parties may in any jurisdiction whatsoever claim or permit to be claimed for itself or any of its agencies, instrumentalities, properties or assets, immunity (whether characterised as sovereign or otherwise, or as arising from an act of State or sovereignty) from suit, set-off, interim relief, injunction, enforcement action, execution of any judgment or arbitration award, attachment (whether in aid of execution, before judgment or otherwise) or from other legal process including, without limitation, immunity from service of process and immunity from the jurisdiction of an arbitral tribunal, each such party or parties hereby expressly and irrevocably waives and abandons absolutely to the fullest extent permitted by law any such claim to immunity which it may have now or may subsequently acquire on its behalf or on behalf of its agencies, instrumentalities, properties or assets, including but not limited to its bank accounts (present or subsequently acquired and wherever located).

## XXII. Title and risk

### Article 58

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

(2) The Operator is liable to Terminal User for damage or loss of LNG and gas, which arises or occurs during the time when LNG or gas is in the Terminal, except: in case of Force majeure, in case of damage or loss of LNG due to Internal Use within the Internal Use Limit, and in case where there is no fault of Operator.

(3) Liability for loss or damage of LNG, within the meaning of paragraph (2) of this Article, shall pass on to the Operator at the moment of LNG passing through the Unloading Point.

(4) Liability for loss or damage of gas, within the meaning of paragraph (2) of this Article, shall pass on to the Terminal User at the moment of crossing the Delivery point into the transmission system.

## XXIII. Final provisions

### Article 59

(1) These GTC shall enter into force on the eight day after publication in the Official Gazette.

(2) The Operator is entitled to amend and supplement the ROO and these GTC as its constituent part, in accordance with the procedure envisaged under the Gas Market Act.

## Annex 2:

# NATURAL GAS ALLOCATION POLICY

## 1. General Provisions

- 1.1. Natural gas allocation policy (hereinafter, **Allocation Policy**) determines the principles of accounting natural gas available at the liquefied natural gas terminal (hereinafter, **Terminal**).
- 1.2. The Allocation Policy was drafted in accordance with relevant legal acts of Republic of Croatia.
- 1.3. This edition of the Allocation Policy is an integral part of the Rules of Operation (hereinafter, **ROO**).
- 1.4. The Allocation Policy was drafted and is applied in accordance with the principles of transparency and publicity, non-discrimination of Terminal Users as well as clarity, objectivity, and rationality.
- 1.5. The Operator exercises the right of ownership towards the quantity of natural gas remaining in the Terminal connecting pipeline necessary to maintain uninterrupted operation of the Terminal.
- 1.6. The quantity of natural gas in the Terminal belonging to each Terminal User and the Operator is accounted individually.
- 1.7. The quantity of natural gas is accounted in units of energy (kWh).

## 2. Definitions

- 2.1. **Reporting period** – a period for which natural gas inventory is carried out in the Terminal.
- 2.2. The other Allocation Policy definitions are understood as they are determined in the ROO.

## 3. Accounting of LNG Discharged from an LNG Carrier into the Terminal

- 3.1. In accordance with procedures and conditions set forth in the ROO the Expert prepares a Quality and Quantity Report wherein the following information is specified:
  - 3.1.1. General cargo information:
    - 3.1.1.1. Name of the LNG Carrier.
    - 3.1.1.2. LNG Carrier voyage.
    - 3.1.1.3. Cargo loading terminal.
    - 3.1.1.4. Terminal User or authorised representative exercising the right of ownership towards the Cargo.
  - 3.1.2. Cargo quantity measurement data in the LNG Carrier's tanks before and after LNG Discharge of the Cargo.

- 3.1.3. Volume of LNG (m<sup>3</sup>) in the LNG Carrier's tanks before and after LNG Discharge of the Cargo.
  - 3.1.4. Temperature of LNG in the LNG Carrier before LNG Discharge.
  - 3.1.5. Density of LNG determined under the temperature specified in clause 3.1.4.
  - 3.1.6. LNG gross calorific value average and quality parameters.
  - 3.1.7. The quantity of natural gas returned to the LNG Carrier during LNG Discharge and its calculation.
  - 3.1.8. The quantity of natural gas consumed by the LNG Carrier during LNG Discharge and its calculation.
  - 3.1.9. The quantity of natural gas consumed by the LNG Carrier during transportation and its calculation.
  - 3.1.10. Quantity of LNG unloaded to the Terminal in units of energy (kWh), volume (m<sup>3</sup>) and mass (kg).
- 3.2. Based on the Quality and Quantity Report prepared by the Expert, the Operator prepares a free form Cargo acceptance certificate which is signed by the representatives of the Operator and Terminal User.

Having stopped LNG Discharge of LNG and upon the Operator's demand for an LNG Carrier to unmoor from the Terminal before completion of LNG Discharge in cases envisaged by the ROO, the free form Cargo acceptance certificate is prepared only for the quantity of LNG that was actually discharged from the LNG Carrier into the Terminal. After LNG Carrier re-mooring, the remaining LNG quantity discharged from the LNG Carrier to the Terminal is determined according to the procedures specified in clauses 3.1 . 3.2 of the Allocation Policy.

## 4. Accounting of LNG regasified at the Terminal

- 4.1. Total quantity of LNG regasified at the Terminal per Gas Day is determined at entry point to transmission system by measurement devices installed in the Gas Metering Station (GMS).
- 4.2. Terminal User shall provide the Operator with Daily nomination for the purpose of gas quantity assignment at Transmission System entry point (form of which is published at Operator's Internet page).
- 4.3. Total actual quantity of LNG regasified per Gas Day is assigned to Terminal Users in proportion to the Daily nominations and is calculated according to the formula provided below. If a Terminal User does not submit a Daily nomination, it is considered that the quantity of LNG nominated for regasification on a Gas Day is equal to the quantity specified for the respective Gas Day in the latest approved Monthly Schedule or Annual Schedule.

Total actual natural gas quantity regasified per Gas Day shall be assigned to Terminal Users according to the following formula:

$$D_i^P = D^P \times \frac{U_i^P}{\sum_{i=1}^n U_i^P}$$

Where:

$D_i^P$  – Quantity of natural gas regasified at the Terminal per Gas Day to a respective Terminal User (kWh);

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

$U_i^P$  – Regasification Capacity of the Terminal nominated by a respective Terminal User (kWh);

$n$  – Number of Terminal Users.

4.4. Calculation of natural gas quantity in different measurement units:

4.4.1. LNG quantity in units of energy (kWh) is calculated according to the following formula:

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

Where:

E – LNG quantity expressed in energy value (kWh);

$V_{SGD}$  – LNG quantity expressed in units of volume ( $m^3$ ) at measurement temperature.

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

$H_m$  – Average net heating value of LNG (kWh/kg).

4.4.2. Regasified natural gas quantity in units of energy (kWh) is calculated according to the following formula:

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

Where:

E – Natural gas quantity expressed in energy value (kWh);

$V_{GD}$  – Natural gas quantity expressed in units of volume ( $nm^3$ );

$H_m$  – Average net heating value of LNG (kWh/ $nm^3$ ).

4.4.3. LNG quantity expressed in units of mass (kg) is calculated according to the following formula:

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

Where:

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

$V_{SGD}$  – LNG quantity expressed in units of volume ( $m^3$ ) at measurement temperature;

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

4.4.4. Natural gas quantity expressed in units of mass (kg) is calculated according to the following formula:

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

Where:

M – Natural gas quantity expressed in units of mass (kg);

$V_{GD}$  – Natural gas quantity expressed in units of volume ( $nm^3$ );

d – Average density of LNG ( $kg/nm^3$ ).

4.5. During inspection of measurement equipment installed in the GMS or when GMS malfunction is identified, the quantity of LNG regasified over this period in the Terminal is determined based on the data obtained from measurement devices installed aboard the FSRU behind the regasification unit taking into account variation of natural gas quantity lying inside of the Terminal connecting pipeline.

## 5. Accounting of Terminal's Gas Loss

5.1. Every day the Operator calculates the quantity of Terminal's Gas Loss per Gas Day based on the following formula:

$$G^P = K^0 - K^1 + P^P - D^P$$

Where:

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

5.2. For the purposes of allocation of Terminal's Gas Loss and Allowable Loss Norm, every working day the Operator determines the quantity of virtually stored LNG belonging to each Terminal User at the beginning of every Gas Day based on the following formula and principles:

5.2.1. The quantity of virtually stored LNG belonging to each Terminal User at the beginning of every Gas Day is 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:

$S_i^0$  – The quantity of virtually stored LNG belonging to the respective Terminal User at the beginning of the Gas Day (kWh).

$S_i^{0-1}$  – The quantity of virtually stored LNG belonging to the respective Terminal User at the beginning of the previous Gas Day (kWh).

$D_i^{P-1}$  – LNG quantity regasified per previous Gas Day to respective Terminal User (kWh).

$G_i^{P-1}$  – Terminal User's Gas Loss per previous Gas Day (kWh).

$P_{Pi}$  – LNG quantity accepted to the Terminal due to respective Terminal User or planned to be accepted to the Terminal (kWh) provided in the Terminal User's Schedule approved by the Terminal Operator, depending on which was approved by the Terminal Operator later:

- a) If the Terminal User begins to use LNG Regasification Services not earlier than the respective Terminal User's LNG quantity is accepted to the Terminal or if the Terminal User is already using LNG Regasification Services and the respective Terminal user's remaining quantity of the virtually stored LNG is sufficient for service use (including the Terminal User's Gas Loss), then the respective Terminal User's LNG quantity accepted to the Terminal for the purpose of calculating the virtually stored LNG quantity is considered to be accepted on the final Gas Day of LNG Discharge.
- b) If the Terminal User begins to use LNG Regasification Services earlier than the respective Terminal User's LNG quantity is accepted to the Terminal or if the Terminal User is already using LNG Regasification Services and the respective Terminal User's remaining quantity of the virtually stored LNG is insufficient for service use (including the Terminal User's Gas Loss), then for the purpose of calculating the virtually stored LNG quantity, the next up LNG quantity planned to be accepted in the approved Terminal User's Schedule is relocated to the Gas Day on which the remaining virtually stored LNG quantity is insufficient for service use.

$dP_p^0$  – On the Gas Day, when the adjusted LNG quantity planned to be accepted to the Terminal to the respective Terminal User is approved by the Terminal Operator, the difference between the adjusted LNG quantity planned to be accepted to the Terminal to the respective Terminal User and the respective LNG quantity previously planned to



be accepted to the Terminal to the respective Terminal User, given the situation defined in point B of the  $P_{Pi}^P$  description;

$dP_f^0$  – On the Gas Day, when the LNG quantity accepted to the Terminal to the respective Terminal user is approved by the Terminal Operator, the difference between the actual LNG quantity accepted to the Terminal to the respective Terminal User and the last planned respective LNG quantity of the respective Terminal User used for the purpose of calculating the virtually stored LNG quantity, given the situation defined in point B of the  $P_{Pi}^P$  description.

$A_i$ –The quantity of natural gas lost during the accident or failure assigned to the respective Terminal User (kWh).;

$N_i$ –LNG shortage (surplus) detected during inventory and assigned to the respective Terminal User (kWh);

$i \in [1; n]$ ;

$n$  – Number of Terminal Users.

5.3. The quantity of Terminal’s Gas Loss per Gas Day is assigned to Terminal Users according to the following procedure:

Case (Allocation Policy clause)	LNG Regasification	LNG Discharge*	Condition of LNG quantity consumed for technological needs of the Terminal to be assigned to Terminal Users	Assignment of the Actual LNG quantity consumed for technological needs of the Terminal to Terminal Users
5.3.1.	On	Off	-	$G_i^P = \frac{G^P \times S_i^0}{\sum_i^n S_i^0}$
5.3.2	On	On	$G^P \leq LS^P$	$G_i^P = \frac{G^P \times S_i^0}{\sum_i^n S_i^0}$
5.3.3			$G^P > LS^P$	$G_i^P = \frac{LS^P \times S_i^0}{\sum_i^n S_i^0} + \frac{(G^P - LS^P) \times P_i^P}{\sum_i^n P_i^P}$
5.3.4	Off	Off	-	$G_i^P = \frac{G^P \times S_i^0}{\sum_i^n S_i^0}$
5.3.5	Off	On	$G^P \leq LS^P$	$G_i^P = \frac{G^P \times S_i^0}{\sum_i^n S_i^0}$
5.3.6			$G^P > LS^P$	$G_i^P = \frac{LS^P \times S_i^0}{\sum_i^n S_i^0} + \frac{(G^P - LS^P) \times P_i^P}{\sum_i^n P_i^P}$

\*Allowable Loss Norm is not applied for LNG Discharge. When performing LNG Discharge on the respective Gas Day, the part of Terminal’s Gas Loss on the same Gas day, which exceeds Allowable Loss Norm, is assigned to gas losses of Terminal Users which perform LNG Discharge.

5.3.1. When performing the LNG Regasification without LNG Discharge, Terminal’s Gas Loss per Gas Day is assigned to Terminal Users in proportion to the virtually stored LNG quantity according to the following formula:

$$G_i^P = \frac{G^P \times S_i^0}{\sum_i^n S_i^0} \tag{8}$$

Where:

$G_i^P$  – Terminal User’s Gas Loss per Gas Day (kWh);

$G^P$  – Terminal’s Gas Loss per Gas Day (kWh), calculated in accordance to the clause 5.1 of the Allocation Policy;

$S_i^0$  – LNG quantity virtually stored at the beginning of Gas Day of the respective Terminal User (kWh);

$i \in [1; n]$ ;

$n$  – Number of Terminal Users.

5.3.2. When performing the LNG Regasification with LNG Discharge and the Terminal’s Gas Loss per Gas Day does not exceed the Allowable Loss Norm, calculated according to clause 6.3.1 of the Allocation Policy, Terminal’s Gas Loss per Gas Day is assigned to Terminal Users according to clause 5.3.1.

5.3.3. When performing the LNG Regasification with LNG Discharge and the Terminal’s Gas Loss per Gas Day exceeds the Allowable Loss Norm, calculated according to clause 6.3.1 of the Allocation Policy, Terminal’s Gas Loss per Gas Day is assigned to Terminal Users according to the following formula:

$$G_i^P = \frac{LS_i^P \times S_i^0}{\sum_{i=1}^n S_i^0} + \frac{(G^P - LS^P) \times P_i^P}{\sum_{i=1}^n P_i^P}$$

Where:

$G_i^P$  – Terminal User’s Gas Loss per Gas Day (kWh);

$G^P$  – Terminal’s Gas Loss per Gas Day (kWh), calculated in accordance to the clause 5.1 of the Allocation Policy;

$LS^P$  – Allowable Loss Norm (kWh) per respective Gas Day, calculated according to the clause 6.3.1 of the Allocation Policy;

$LS_i^P$  – Allowable Loss Norm (kWh) per respective Gas Day due to a respective Terminal User, calculated according to the clause 6.3.1 of the Allocation Policy;

$S_i^0$  – LNG quantity virtually stored at the beginning of Gas Day of the respective Terminal User (kWh);

$P_i^P$  – LNG quantity loaded into the Terminal per Gas Day due to the respective Terminal User (kWh);

$i \in [1; n]$ ;

$n$  – Number of Terminal Users.

5.3.4. When LNG Regasification and LNG Discharge are not being performed, Terminal’s Gas Loss per Gas Day is assigned to Terminal Users according to clause 5.3.1.

5.3.5. When performing LNG Discharge without LNG Regasification and the Terminal’s Gas Loss per Gas Day does not exceed the Allowable Loss Norm, calculated according to clause 6.3.1 of the Allocation Policy, Terminal’s Gas Loss per Gas Day is assigned to Terminal Users according to clause 5.3.1.

5.3.6. When performing LNG Discharge without LNG Regasification and the Terminal’s Gas Loss per Gas Day exceeds the Allowable Loss Norm, calculated according to clause 6.3.1 of the Allocation Policy, Terminal’s Gas Loss per Gas Day is assigned to Terminal Users according to clause 5.3.3.

5.4. In cases where the LNG regasification is not being performed at the Terminal because of Terminal Users’ fault, the Terminal’s Gas Loss per Gas Day is assigned to the Terminal Users responsible for disrupting the regasification process in proportion to LNG quantity nominated by them and is calculated according to the following formula:

$$G_i^P = \frac{G^P \times U_i^P}{\sum_{i=1}^k U_i^P}$$

Where:

$G_i^P$  – Terminal User's Gas Loss per Gas Day at fault for disrupted regasification process in the Terminal (kWh);

$G^P$  – Terminal's Gas Loss per Gas Day (kWh), calculated in accordance to the clause 5.1 of the Allocation Policy;

$U_i^P$  – LNG quantity nominated for LNG regasification by the respective Terminal User at fault for disrupted LNG regasification process in the Terminal (kWh);

$i \in [1; k]$ ;

$k$  – Number of Terminal Users at fault for disrupted LNG Regasification process in the Terminal.

- 5.5. In the cases when LNG Discharge operation continues for more than 1 (one) Gas Day, Terminal's Gas Loss is accounted as follows: LNG quantity in the Terminal is measured prior to and after LNG Discharge operations and Terminal's Gas Loss is calculated for the whole LNG Discharge period. The accounting of Terminal's Gas Loss after the end of LNG Discharge operation is being performed according to the normal procedure until the end of the running Gas Day. Terminal's Gas Loss during the LNG Discharge operations is proportionally assigned to the respective Gas Days, during which LNG Discharge operation was taking place and allocated to Terminal Users according to clause 5.3 of the Allocation Policy.
- 5.6. The Terminal's Gas Loss per Gas Day due to a respective Terminal User, calculated according to clauses 5.3 or 5.4 of the Allocation Policy, shall be subtracted from the quantity of LNG on the account. The Terminal User's Gas Loss over the reporting month is indicated in the free form natural gas accounting report for the reporting month as specified in clause 8.3 of the Allocation Policy.
- 5.7. The Terminal's Gas Loss shall be compensated by the Operator when Terminal Service provision is terminated due to Maintenance works (unless the necessity for the mentioned Maintenance works appeared due to the Terminal User's fault or in case of Force Majeure).
- 5.8. The Operator shall compensate to the Terminal Users Terminal's Gas Loss cumulated in cases specified in clause 5.7 of the Allocation Policy, calculated by *mutatis mutandis* applying clause 5.3.4 of the Allocation Policy and assigned to Terminal Users, according to the following formula:

$$C_i = G_i^R \times W$$

Where:

$C_i$  – Amount to be compensated to a respective Terminal User (EUR);

$G_i^R$  – Terminal's Gas Loss due to respective Terminal User (kWh), cumulated in cases specified in clause 5.7 of the Allocation Policy;

$W$  – CEGH gas index value on the day for which compensation is to be paid out (price determined according to CEGHIX index report of one day prior to the day for which compensation is to be paid out) (EUR/MWh\*)

\*0,901 NCV to GCV conversion factor

$i \in [1; n]$ ;

$n$  – number of Terminal Users.

## 6. Allowable Natural Gas Losses at the Terminal

### 6.1. Allowable Loss Norm

6.1.1. Allowable Loss Norm in the Terminal is calculated according to the following formula:

$$LG^L = \sum_{i=1}^L (LS^P + \Delta^P)$$

Where:

$LG^L$  – Allowable Loss Norm for a reporting period (kWh);

$LS^P$  – Allowable Loss Norm (kWh) per respective Gas Day, calculated according to the clause 6.3.1 of the Allocation Policy;

$\Delta^P$  – Allowable Measurement Uncertainty Norm (kWh) per respective Gas Day, calculated according to the clause 6.2 of the Allocation Policy;

$i \in [1; L]$ ;

$L$  – Total number of Gas Days in the reporting period.

6.1.2. Allowable Loss Norm for a specific Terminal User is calculated according to the following formula:

$$LG_i^L = \sum_{i=1}^L (LS_i^P + \Delta_i^P)$$

Where:

$LG_i^L$  – Allowable Loss Norm for a reporting period of a respective Terminal User (kWh);

$LS_i^P$  – Allowable Loss Norm for a respective Terminal User (kWh) per respective Gas Day;

$\Delta_i^P$  – Allowable Measurement Uncertainty Norm (kWh) of a respective Terminal User per respective Gas Day, calculated according to the clause 6.2.1.3 of the Allocation Policy;

$i \in [1; L]$ ;

$L$  – Total number of Gas Days in the reporting period.

### 6.2. Allowable Measurement Uncertainty Norm

6.2.1. Measurement uncertainties occur while measuring the quantity of natural gas loaded into the Terminal, regasified, consumed for Terminal technological needs, and available in the Terminal. The Allowable Measurement Uncertainty Norm for the reporting period is calculated as follows:

6.2.1.1. Allowable Measurement Uncertainty Norm for the Gas Day, expressed in units of energy (kWh), is calculated in accordance with the following formula:

$$\Delta^P = \varphi \times (D^P + G^P)$$

Where:

$\Delta^P$  – Allowable Measurement Uncertainty Norm for the Gas Day (kWh);

$\varphi$  – Maximum measurement uncertainty for LNG quantity at the Terminal (1.65% expressed in energy units (kWh));

$D^P$  – Quantity of natural gas regasified at the Terminal during the Gas Day (kWh);

$G^P$  – Terminal's Gas Loss per Gas Day (kWh), calculated according to the clause 5.1 of Allocation Policy;

6.2.1.2. When calculating Allowable Measurement Uncertainty Norm in other units, the formula indicated in clause 6.2.1 of the Allocation Policy shall be applied where maximum measurement uncertainty for LNG quantity at the Terminal in units of volume ( $m^3$ ) shall be 0.9461%, in units of mass (kg) – 1.54%. Quantity of natural gas regasified at the Terminal during the reporting period as well as Terminal's Gas Loss in units of volume ( $m^3$ ) and in units of mass (kg) are calculated according to the formulas indicated in clause 4.4 of the Allocation Policy.

6.2.1.3. Allowable Measurement Uncertainty Norm is assigned to Terminal Users in accordance with the following formula:

$$\Delta_i^P = \phi \times (D_i^P + G_i^P)$$

Where:

$\Delta_i^P$  – Allowable Measurement Uncertainty Norm (kWh) of a respective Terminal User per respective Gas Day, calculated according to the clause 6.2.1.3 of the Allocation Policy;

$\Phi$  – Maximum measurement uncertainty for LNG quantity at the Terminal (1.65% expressed in energy units (kWh));

$D_i^P$  – Quantity of natural gas regasified due to a respective Terminal User at the Terminal during the reporting period (kWh);

$G_i^P$  – Terminal User's Gas Loss per Gas Day (kWh);

$i \in [1; n]$ ;

$n$  – Number of Terminal Users;

6.3. Allowable Loss Norm

6.3.1. Allowable Loss Norms for technological needs are provided in the table below\*:

Average regasification mode of Gas Day	Allowable Loss Norm	
	quantity, kWh of LNG/day	quantity, m <sup>3</sup> of LNG/day
Open loop system		
No LNG regasification	1,486,024	204.1
107,100 nm <sup>3</sup> /hour	235,900	32.4
214,199 nm <sup>3</sup> /hour	362,587	49.8
428,398 nm <sup>3</sup> /hour	472,528	64.9
Closed loop system		
No LNG regasification	1,486,024	204.1
107,100 nm <sup>3</sup> /hour	713,524	98.0
214,199 nm <sup>3</sup> /hour	1,428,505	196.2
428,398 nm <sup>3</sup> /hour	2,610,917	358.6

\*Allowable Loss Norms are subject to change with regard to the functional and operational specification of the FSRU to be purchased by the Operator under the procurement contract

6.3.2. Allowable Loss Norm expressed in energy units (clause 6.3.1 of the Allocation Policy) shall be converted to other measuring units in accordance with the following conditions:

- Net heating value 49,81 kJ/kg (1 kWh/kg = 3600 kJ/kg);
- LNG density 474.77 kg/m<sup>3</sup>;
- Net heating value combustion/measurement temperature is 15°C/15°C.

6.3.3. LNG Regasification at the Terminal can be performed in two following ways:

- Closed loop system – the mode of Terminal operation during cold season. Closed loop system shall be chosen by FSRU Operator, who is responsible for operating of FSRU, on the basis of regasification mode set by the Operator, air and water temperatures, natural gas temperature at the GMS as well as subject to boil-off gas (BOG) quantity and technological process of FSRU itself.
- Open loop system - the mode of Terminal operation during warm season. Open loop system shall be chosen by FSRU Operator, who is responsible for operating of FSRU, on the basis of regasification mode set by the Operator, air and water temperatures, natural gas temperature at the GMS as well as subject to boil-off gas (BOG) quantity and technological process of FSRU itself.

6.3.4. If LNG Regasification mode differs from the one specified in the table in clause 6.3.1 of the Allocation Policy, the Allowable Loss Norm of the Terminal is determined by directly interpolating between two closest values provided in the table in clause 6.3.1 of the Allocation Policy:

$$LS = LS_0 + (LS_1 - LS_0) \times \frac{DR - DR_0}{DR_1 - DR_0} \quad (16)$$

Where:

LS – Allowable Loss Norm, under actual Gas Day LNG Regasification mode DR (kWh/day);

DR – Actual Gas Day gasification mode between DR<sub>0</sub> and DR<sub>1</sub> LNG Regasification modes (nm<sup>3</sup>/h);

LS<sub>0</sub> – Allowable Loss Norm under DR<sub>0</sub> gasification mode (kWh/day);

LS<sub>1</sub> – Allowable Loss Norm under DR<sub>1</sub> gasification mode (kWh/day).

- 6.3.5. Allowable Loss Norm under an LNG Regasification mode below 115,000 nm<sup>3</sup>/hour or when LNG Regasification is not being performed, is equivalent to Allowable Loss Norm when LNG Regasification is not being performed, except for the case, when Allowable Loss Norm is exceeded during LNG Discharge, and exceeding quantity is attributed to the natural gas losses of Terminal Users, who carried out LNG Discharge.
- 6.3.6. Allowable Loss Norm for Gas Day is assigned to Terminal Users based on the following formula:

Case (Allocation Policy clause)	Regasification	LNG Discharge	The condition of Allowable Loss Norm assigned to Terminal Users	Assignment of Allowable Loss Norm to Terminal Users
6.3.6.1	On	Off	-	$LS_i^P = \frac{LS^P \times S_i^0}{\sum_i^n S_i^0}$
6.3.6.2	On	On	$G^P \leq LS^P$	
6.3.6.3			$G^P > LS^P$	Not exceeding part is being assigned in accordance with clause 6.3.6.1 of Allocation Policy. Allowable Loss Norm for the exceeding part is not being applied, i.e. exceeding quantity is being accounted as natural gas loss of Terminal User which performed LNG Discharge in accordance with clause 5.3.3 of the Allocation Policy.
6.3.6.4	Off	Off	-	$LS_i^P = \frac{LS^P \times S_i^0}{\sum_i^n S_i^0}$
6.3.6.5	Off	On	$G^P \leq LS^P$	
6.3.6.6			$G^P > LS^P$	Not exceeding part is being assigned in accordance with clause 7.3.6.4 of Allocation Policy. Allowable Loss Norm for the exceeding part is not being applied, i.e. exceeding quantity is being accounted as natural gas loss of Terminal User which performed LNG Discharge in accordance with clause 5.3.6 of the Allocation Policy.

- 6.3.6.1. When performing LNG Regasification without LNG Discharge, Allowable Loss Norm for Gas Day is assigned to Terminal Users in proportion to the quantity of virtually stored LNG of the respective Terminal Users at the beginning of Gas Day according to the following formula:

$$LS_i^P = \frac{LS^P \times S_i^0}{\sum_i^n S_i^0}$$

Where:

$LS_i^P$  – Allowable Loss Norm per Gas Day due to respective Terminal User (kWh).

$LS^P$  – Allowable Loss Norm per Gas Day (kWh).

$S_i^0$  – The quantity of virtually stored LNG belonging to the respective Terminal User at the beginning of the Gas Day (kWh).

$i \in [1; n]$ .

$n$  – Number of Terminal Users.

- 6.3.6.2. When performing LNG Regasification together with LNG Discharge, if Terminal's Gas Loss per Gas Day does not exceed Allowable Loss Norm, calculated according to clause 6.3.1 of the Allocation Policy, Allowable Loss Norm per Gas Day is assigned to Terminal Users according to the procedure of clause 6.3.6.1 of Allocation Policy.
- 6.3.6.3. When performing LNG Regasification together with LNG Discharge, if Terminal's Gas Loss per Gas Day exceeds Allowable Loss Norm, calculated according to clause 6.3.1 of the Allocation Policy, not exceeding part is assigned to Terminal Users according to clause 6.3.6.1 of the Allocation Policy and exceeding part is accounted as natural gas loss of Terminal User which performed LNG Discharge during the same Gas Day according to the procedure of clause 5.3.3 of Allocation Policy.
- 6.3.6.4. When LNG Regasification and LNG Discharge are not being performed at the Terminal, Allowable Loss Norm per Gas Day is assigned to Terminal Users according to clause 6.3.6.1 of the Allocation Policy.
- 6.3.6.5. When performing LNG Discharge without LNG Regasification, and Terminal's Gas Loss does not exceed Allowable Loss Norm per Gas Day, Allowable Loss Norm per Gas Day is assigned to Terminal Users according to clause 6.3.6.1 of the Allocation Policy.
- 6.3.6.6. When performing LNG Discharge without LNG Regasification, and Terminal's Gas Loss exceeds Allowable Loss Norm per Gas Day, not exceeding part is assigned to Terminal Users according to clause 6.3.6.1 of the Allocation Policy and exceeding part is accounted as natural gas loss of Terminal User which performed LNG Discharge during the same Gas Day according to clause 5.3.6 of Allocation Policy.

## 7. Accounting of Loanable Amount of LNG

- 7.1. Procedures of transfer of Loanable Amount of LNG, returning of Returnable Amount of LNG and their accounting are regulated by Joint Terminal Use Agreement. The scope of such transactions is based on the physical cargo storage, i.e. actual quantity of LNG available at the Terminal as calculated for each Terminal User according to the clause 8.1 of the Allocation Policy.
- 7.2. Cargo borrowing and/ or Cargo returning acts for the previous Gas Day shall be prepared no later than until 11 a.m. of next working day.
- 7.3. Terminal's Gas Loss attributable to regasified LNG quantity, LNG shortage (surplus), determined during the inventory attributable to Loanable Amount of LNG and not exceeding Allowable Loss Norm, Terminal's Gas Loss due to the fault of the Terminal User and Allowable Loss Norm are



assigned to the Terminal User, which borrowed LNG, in accordance with the same terms and conditions set forth in the Allocation policy.

- 7.4. Loanable (Returnable) Amount of LNG shall include regasified LNG quantity attributable to LNG Borrower, Terminal's Gas Loss attributable to regasified LNG quantity, LNG shortage (surplus) determined during the inventory attributable to Loanable Amount of LNG which does not exceed Allowable Loss Norm and Terminal's Gas Loss due assigned to the Terminal User.

## 8. Natural Gas Accounting Balancing

- 8.1. Every working day the Operator determines the actual quantity of LNG available at the Terminal at the end of every Gas Day due to each Terminal User according to the following formula:

$$K_i^1 = K_i^0 + P_i^P - D_i^P - G_i^P - R_i^P + L_i^P$$

Where:

- $K_i^1$  – LNG quantity due to a respective Terminal User at the end of a Gas Day (kWh);  
 $K_i^0$  – LNG quantity due to the respective Terminal User at the beginning of the Gas Day (kWh), which shall correspond to LNG quantity due to the respective Terminal User at the end of the previous Gas Day;  
 $P_i^P$  – LNG quantity loaded into the Terminal per Gas Day due to the respective Terminal User (kWh);  
 $D_i^P$  – LNG quantity regasified per Gas Day due to the respective Terminal User (kWh);  
 $G_i^P$  – Terminal's Gas Loss per Gas Day due to the respective Terminal User (kWh);  
 $R_i^P$  – Lent (Received) Amount of LNG of the respective Terminal User per Gas Day (kWh);  
 $L_i^P$  – Borrowed (Returned) Amount of LNG of the respective Terminal User per Gas Day (kWh);  
 $i \in [1; n]$ ;  
 $n$  – Number of Terminal Users.

- 8.2. For operational management purposes, each working day the Operator sends by e-mail the free form report of natural gas accounting indicating LNG quantity owned by respective Terminal User at the beginning and at the end of Gas Day, LNG quantity which was accepted to the Terminal, regasified, Loanable and Returnable Amount of LNG as well as Terminal User's Gas Loss.
- 8.3. Upon expiry of reporting month, during the first 10 (ten) working days of the next month the Operator sends by e-mail to the Terminal Users the free form report of natural gas accounting for the reporting month indicating LNG quantity owned by appropriate Terminal User over the reporting month, LNG quantity which was accepted to the Terminal, regasified, Terminal User's Gas Loss as well as inventory results attributed to the respective Terminal User, which must be signed by the Terminal User in 3 (three) working days after the report date.

## 9. Natural Gas Inventory

- 9.1. The Operator carries out the inventory of natural gas stored in the Terminal at least once per year following the procedure established by legal acts. If necessary, the Operator shall carry out extraordinary "cargo to cargo" inventories and inventories after expiry of the Joint Terminal Use

Agreement. For accounting purposes the Operator shall carry out monthly inventories of natural gas.

- 9.2. The Operator shall inform the Terminal Users about the planned inventory not later than in 10 (ten) calendar days before the beginning of the inventory.
- 9.3. Representatives of the Terminal Users have a right to participate in the inventory. The Terminal Users shall inform the Operator about their intention to participate in the inventory not later than in 5 (five) calendar days before the beginning of the inventory.
- 9.4. An extraordinary inventory in the Terminal can be carried out after receipt of a reasonable request of a Terminal User following the procedure provided below:
  - 9.4.1. The Terminal Users understand that in order to ensure smooth and efficient operation of the Terminal the Operator`s possibilities to carry out the inventory are limited.
  - 9.4.2. The Terminal User, wishing to carry out an extraordinary inventory at the Terminal, shall provide the Operator with a request for carrying out an extraordinary inventory (Annex No. 1 of the Allocation Policy). In the request for carrying out an extraordinary inventory the Terminal User shall specify objective reasons of such a request, desired date and time of the inventory. The Terminal User shall provide the Operator with a request not later than in 20 (twenty) calendar days before the desired date of the inventory, specified in the request.
  - 9.4.3. After receipt of the request for carrying out an extraordinary inventory the Operator shall make a decision on its satisfaction or declining within 5 (five) calendar days after the date of receipt of the request.
  - 9.4.4. After making a decision to satisfy the request the Operator shall inform the Terminal Users about the planned extraordinary inventory, its date and time not later than on the following working day after the date of adoption of the decision.
  - 9.4.5. After making a decision to decline the request the Operator shall inform the Terminal User, specifying the reasons of declining of the request to carry out an extraordinary inventory, not later than on the following working day after the date of adoption of the decision.
- 9.5. For the inventory purposes the inventory period is considered as the period from the date of completion of the latest inventory carried out in the Terminal to the date of current, annual or extraordinary inventory beginning.
- 9.6. The General Manager of the Operator appoints the date and time of the inventory by his order, establishes the inventory commission and appoints a chairman of the inventory commission.
- 9.7. During the inventory the actual quantity of natural gas stored in the FSRU and Terminal connecting pipeline shall be determined.
- 9.8. Detected LNG shortage (surplus) during the inventory is assigned to the Terminal Users in proportion to the regasified LNG quantity due to them during the inventory period according to the following formula:

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

Where:

$N_i$  – LNG shortage (surplus) due to respective Terminal User (kWh).

$N$  – Total LNG shortage (surplus), detected during inventory (kWh).

$D_i^P$  – Quantity of natural gas regasified due to a respective Terminal User at the Terminal during the reporting period (kWh);

$i \in [1; n]$ .

$n$  – Number of Terminal Users.

- 9.9. When LNG regasification is not being performed at the Terminal, Detected LNG shortage (surplus) during the inventory is assigned to the Terminal Users in proportion to the LNG quantity due to them at the beginning of Gas Day according to the following formula:

$$N_i = N \times \frac{K_i^0}{\sum_{i=1}^n K_i^0} \quad (20)$$

Where:

$N_i$  – LNG shortage (surplus) due to respective Terminal User (kWh);

$N$  – Total LNG shortage (surplus), detected during inventory (kWh);

$K_i^0$  – LNG quantity due to the respective Terminal User at the beginning of Gas Day (kWh);

$i \in [1; n]$ ;

$n$  – Number of Terminal Users.

- 9.10. After inventory has been performed, Terminal User's Gas Loss (except LNG consumption for technological needs exceeding the Allowable Loss Norm at the time of LNG Discharge, which was assigned to the Terminal User's performing LNG Discharge LNG loss for a respective Reporting Period) and during inventory detected LNG shortage (surplus) due to the same Terminal User shall be compared to Allowable Loss Norm due to this Terminal User for the reporting period. In case Allowable Loss Norm due to Terminal User is exceeded, the Operator reimburses the exceeding amount to the respective Terminal User in accordance to the following formulas:

- 9.10.1. When performing LNG regasification:

$$C_i = \left( (N_i + \sum_j^L \frac{LS^P \times D_i^P}{\sum_i^n D_i^P}) - LG_i^L \right) \times W, \quad \text{when} \quad (N_i + \sum_j^L \frac{LS^P \times D_i^P}{\sum_i^n D_i^P}) > LG_i^L$$

Where:

$C_i$  – The amount to be reimbursed to a respective Terminal User (EUR);

$N_i$  – LNG shortage detected during inventory and assigned to the respective Terminal User (kWh);

$N_i=0$ , when the surplus detected.

$LS^P$  – Allowable Loss Norm for the respective Gas Day, calculated in accordance with clause 6.3.1 of the Allocation Policy.

$D_i^P$  – Quantity of natural gas regasified due to a respective Terminal User at the Terminal during the reporting period (kWh);

$LG_i^L$  – Allowable Uncertainty Norm due to the respective Terminal User for a reporting period (kWh);

$W$  – CEGH gas index value on the day for which compensation is to be paid out (price determined according to CEGHIX index report of one day prior to the day for which compensation is to be paid out) (EUR/MWh\*).

$i \in [1; n]$ ;

$j \in [1; L]$ ;

$n$  – Number of Terminal Users;

$L$  – Total number of Gas Days in the reporting period.

- 9.10.2. When not performing LNG regasification:

$$C_i = \left( \left( N_i + \sum_j^L \frac{LS^P \times K_i^0}{\sum_i^n K_i^0} \right) - LG_i^L \right) \times W, \quad \text{when} \quad (N_i + \sum_j^L \frac{LS^P \times K_i^0}{\sum_i^n K_i^0}) > LG_i^L$$

Where:

$C_i$  – The amount to be reimbursed to a respective Terminal User (EUR);

$N_i$  – LNG shortage detected during inventory and assigned to the respective Terminal User (kWh).  $N_i=0$ , when the surplus detected;

$LS^P$  – Allowable Loss Norm for the respective Gas Day, calculated in accordance with clause 6.3.1 of the Allocation Policy;

$K_i^0$  – LNG quantity due to the respective Terminal User at the beginning of Gas Day (kWh);

$LG_i^L$  – Allowable Uncertainty Norm due to the respective Terminal User for a reporting period (kWh);

$W$  – CEGH gas index value on the day for which compensation is to be paid out (price determined according to CEGHIX index report of one day prior to the day for which compensation is to be paid out) (EUR/MWh\*);

$i \in [1; n]$ ;

$j \in [1; L]$ ;

$n$  – Number of Terminal Users;

$L$  – Total number of Gas Days in the reporting period.

- 9.11. After determination of a shortage, exceeding the Allowable Measurement Uncertainty Norm, the inventory commission can initiate an investigation in order to provide an official explanation of the difference.
- 9.12. After carrying out the LNG inventory, the inventory commission shall prepare a free form inventory summary and documents related to LNG quantity measurements, shortage (surplus) detection and assignment to the Terminal Users. The inventory summary shall be signed by all members of the inventory commission who participated in the inventory.
- 9.13. The corrections provided below shall be made in the natural gas accounting documents of the Operator on the basis of the documents prepared and approved by the inventory commission:
  - 9.13.1. LNG quantity in the accounting documents shall be reduced adequately to LNG shortage assigned to the respective Terminal User (clauses 9.8, 0 and 010 of the Allocation Policy). For this quantity the Operator shall prepare a free form natural gas write-off act, which shall be signed by the Operator and representatives of the Terminal User.
  - 9.13.2. LNG quantity in the accounting documents shall be increased adequately to LNG surplus assigned to the respective Terminal User (clauses 9.8, 0 and 9.10 of the Allocation Policy). For this quantity the Operator shall prepare a free form natural gas acceptance act, which shall be signed by the Operator and representatives of the Terminal User.
  - 9.13.3. Virtually stored LNG quantity belonging to the respective Terminal user shall be increased or reduced due to the surplus or shortage identified during inventory.

## 10. Accounting of Natural Gas in Case of Accidents or Failures at the Terminal

- 10.1. Investigation of accidents or failures occurred at the Terminal shall be performed according to the procedure established by the legal acts of the Republic of Croatia.
- 10.2. The Operator shall immediately, but not later than within 4 (four) hours after the accident or failure detection, inform the relevant Croatian authority and Terminal Users about the accident or failure occurrence at the Terminal and publish a notice on the Operator's website.

- 10.3. The Investigation Commission shall be established for the purpose of carrying out the investigation of accident or failure occurrence at the Terminal, as provided in relative legal acts of the Republic of Croatia.
- 10.4. The quantity of natural gas lost during the accident or failure and the quantity of LNG non-regasified as the result of the accident or failure shall be calculated during the investigation of the accident or failure.
- 10.5. After the accident or failure occurrence in the Terminal has been investigated, the certificate of the form established by legal acts shall be drawn up and signed by all members of the commission who participated in the investigation.
- 10.6. The corrections provided below shall be made in the natural gas accounting documents of the Operator on the basis of the accident or failure investigation certificate prepared and approved by the investigation commission:

- 10.6.1. The whole quantity of natural gas lost as the result of accident or failure shall be assigned to the 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:

$A_i$  – The quantity of natural gas lost during the accident or failure assigned to the respective Terminal User (kWh).

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

$K_i^0$  – LNG quantity due to the respective Terminal User at the beginning of Gas Day when the accident or failure occurred (kWh);

$i \in [1; n]$ .

$n$  – Number of Terminal Users.

- 10.6.2. Natural gas quantity in the accounting documents shall be reduced adequately to the quantity of natural gas lost during the accident or failure assigned to a respective Terminal User (clause 10.6.1. of the Allocation Policy). For this quantity the Operator shall prepare a free form natural gas write-off act, which shall be signed by the Operator and representatives of the Terminal User.
- 10.6.3. If the investigation commission determines that the accident or failure occurred at the Terminal due to the fault of the Operator, the Operator shall reimburse the quantity of natural gas owned by the respective Terminal User and lost during the accident or failure according to the formula provided below:

$$C_i = A_i \times W \tag{24}$$

Where:

$C_i$  – The amount to be reimbursed to the respective Terminal User (EUR).

$A_i$  – The quantity of LNG lost during the accident or failure to be assigned to the respective Terminal User (kWh) calculated according to clause 10.6.1 of the Allocation Policy.

$W$  – CEGH gas index value on the day for which compensation is to be paid out (price determined according to CEGHIX index report of one day prior to the day for which compensation is to be paid out) (EUR/MWh\*).

$i \in [1; n]$ .

$n$  – Number of Terminal Users.

- 10.7. LNG quantity non-regasified as the result of accident or failure shall be calculated as a difference between actually regasified LNG quantity and LNG quantity requested to be regasified in accordance with the Monthly Schedule within the period from the accident or failure to complete recovery of the Terminal operation:

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

Where:

S – LNG quantity non-regasified as the result of the accident or failure (kWh).

$U_i^A$  – LNG quantity requested to be regasified within the period from the accident or failure to complete recovery of the Terminal operation, considering the quantity of LNG to be regasified according to the Monthly Schedule (kWh).

$D^A$  – LNG quantity regasified within the period from the accident or failure to complete recovery of the Terminal operation (kWh).

$i \in [1; n]$ .

n – Number of Terminal Users.

- 10.8. Damage sustained due to non-regasification of LNG quantity during the accident or failure shall be reimbursed according to the procedures established by the ROO, GTC and TUA.

## 11. Tax Liabilities Related to the Terminal Operation

- 11.1. The Terminal Users are liable for proper fulfilment of tax liabilities applicable to their Cargoes, including but not limited to customs, VAT, import VAT and/ or excises, as well as for fulfilment of customs and/ or excise procedures according to the conditions and procedures established by legal acts.
- 11.2. In case of establishment of a customs warehouse and/ or a warehouse for excise taxable goods the Operator shall be responsible for proper fulfilment of liabilities, applicable to the owners of customs warehouses and/ or owners of warehouses for excise taxable goods, according to the conditions and procedures established by legal acts.

## 12. Final Provisions

- 12.1. The Operator shall prepare, approve and publish the Allocation Policy. The provisions of the Allocation Policy are not the subject to negotiations between the Operator and the Terminal Users.
- 12.2. Amendments and supplements to the Allocation Policy shall be initiated after change of requirements of legal acts regulating natural gas accounting, provisions of other related legal acts and/ or processes in-progress in the Terminal, having influence to natural gas accounting.

## Annex No. 1

to the Natural Gas  
Allocation Policy of

&lt; TERMINAL USER LETTERHEAD &gt;

**Request for carrying out an extraordinary inventory**

<b>To:</b>	LNG Hrvatska d.o.o. established and operating according to the laws of the Republic of Croatia, legal entity identification number 53902625891, registered office Prikešte 29, 51513 Omišalj, Republic of Croatia (hereinafter referred to as <b>the Operator</b> )
<b>From:</b>	<b>[name of the Company]</b> , established and operating according to [ <i>jurisdiction</i> ] [ <i>legal form of the Company</i> ], legal entity identification number [ <i>ID</i> ], registered office [ <i>legal address</i> ], data about the Company are collected and stored in [ <i>name of the register</i> ] (hereinafter referred to as <b>the Terminal User</b> ), represented by [ <i>position</i> ] [ <i>name, surname</i> ], [acting] in accordance with [ <i>legal representation basis</i> ]

<b>Date/time:</b>	
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Following the provisions of the Natural Gas Allocation Policy of the Krk Liquefied Natural Gas Terminal, approved by order No. [*number*] of [*date*] of the General Manager of LNG Croatia the undersigned Terminal User applies to the Operator with a request to carry out an extraordinary inventory of liquefied natural gas stored in the Terminal due to the reasons provided below:

<b>Reasons for carrying out an extraordinary inventory</b>	
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The Terminal User asks to carry out the extraordinary inventory in the Liquefied Natural Gas Terminal:

<b>Date/time:</b>	
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**Terminal User:**

(position, name and surname, signature)

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