

ADDENDUM 1 GENERAL TERMS AND CONDITIONS FOR THE USE OF THE GAS STORAGE SYSTEM

Article 1

SUBJECT

(1) The subject of these General Terms and Conditions for the Use of the Gas Storage System (hereinafter: GT) is to ascertain mutual rights and obligations of the Storage System Operator (hereinafter: Operator) and the Storage System User (hereinafter: User) with regards to the Gas Storage System (hereinafter: Storage) use. In order to use the gas storage service, the User will also conclude the necessary agreements with other participants in the gas market (Transmission System Operator, Balance Group Responsible, Gas Market Operator) in accordance with legal regulations. The obligations from the agreement with other participants in the gas market are the exclusive responsibility of the User. The obligations from the agreements with other participants in the gas market cannot in way influence the rights and obligation of the Operator from the Gas Storage Agreement (hereinafter: Agreement) which Operator concluded with the User.

(2) These GTs are an integral part of the Agreement, concluded between the Operator and the User.

Article 2

DEFINITIONS

Terms which are used within these GTs have a certain meaning which is determined by the Gas Market Act, Storage Code and other laws which govern the energy sector, regulation of energy activity, gas market, mining and metrology fields, as well as provisions and acts which were adopted pursuant to those laws.

Article 3

PLANNED MAINTENANCE

(1) The Operator will, during the duration of the Agreement maintain and repair the Storage and keep it in good working condition in order to fulfil his obligations regarding the contracted services and will in doing so act in accordance with the Law, acts and regulations from Article 2 of these GTs and other relevant national and European regulations.

(2) The Operator, acting with due professional care, has the right to restrict or terminate service, during which he is not obliged to reimburse the User for any damages and/or loss which he suffered due to the restriction or termination of storage service under the condition that the maintenance, repair or replacement work is not the result of fault or negligence of the Operator, but are conducted in accordance with Articles 22 to 25 of the Storage Code

Article 4

RIGHTS ARISING FROM THE CONTRACTED SERVICE

(1) The Operator will, in accordance with the terms and conditions of the Agreement, for each contracted service during the duration as stated in the Contracted Service Confirmation in the addendum to the Agreement, store (inject or withdraw) gas quantities, which the User can request in accordance to the corresponding contracted injection and withdraw capacity and the contracted working volume.

(2) The injection of gas into the Storage and the withdrawal of gas from the Storage are carried out on the basis of accepted nominations or in accordance with the accepted re-nominations of the Storage usage respectively.

(3) After the validity of the nomination/renomination has been verified and it has been accepted, during the gas day the Operator will take over the gas quantity which the User has placed at his disposal at the storage entry, and increase the Users balance account in the amount of accepted nomination.

(4) After the validity of the nomination has been verified and it has been accepted, during the gas day the Operator deliver into the transmission system the nominated quantity of gas energy which the User has nominated at the storage exit and will decrease the User's balance account status in the amount of the accepted nomination.

Article 5

RIGHTS AND OBLIGATIONS OF THE OPERATOR

(1) The Operator has the right to:

- charge reimbursement for the Storage usage for the contracted service of gas storage which is the subject of the concluded Agreement.
- restrict and terminate the provision of gas storage service which is the subject of the concluded Agreement, in accordance with these GTs and in accordance with the Law, Storage Code and other regulations.
- refuse a nomination/ re-nomination which relates to the use of contracted Storage capacity, if the aforementioned is greater than the contracted capacity and/or is not in tune with the temporary restrictions of contracted capacity as prescribed by Law, Storage Code and other regulations from Article 2 of these GTs and/or if it is not deliver in the prescribed deadline.
- nominate on behalf of the User in the event of an extraordinary situation or crisis
- refuse approval for the transfer of capacities, for capacity trading in the secondary market, in accordance with the provisions of the Storage Code;
- dispose with the gas which remains in the storage after the cessation of the Agreement, in accordance with the provisions of the Storage Code;
- refuse to take over gas into the Storage which does not meet the quality conditions and/or other conditions prescribed in the applicable provisions of the General Conditions for Natural Gas Supply and Storage Code;
- refuse to take over gas into the Storage which does not meet the pressure conditions and/or other conditions prescribed in the Storage Code;

(2) The Operator is obliged to:

- place at the disposal of the User the contracted Storage capacity in accordance with the contracted capacity form the Contracted Service Confirmation;
- take over the quantity of gas on the basis of accepted nominations at the storage entry;
- deliver the quantity of gas on the basis of accepted nominations at the storage exit;
- keep a record on the quantity of gas taken over from the User;
- keep a record on the quantity of gas which was delivered to the User;
- notify the User on the injected quantity of gas into the storage and on the withdrawn quantity of gas from the storage, in accordance with the provisions of the Storage Code;
- ensure the necessary pressure at the storage exit for delivery into the transmission system which must not be greater than 45 bar.

(3) The Operator has other rights and obligations prescribed by the Law and sub-legal legislation and acts.

Article 6

RIGHTS AND OBLIGATIONS OF THE STORAGE SYSTEM USERS

(1) The User has the right to:

- use the Storage capacity in accordance with the Contracted Service Confirmation,
- deliver gas into the Storage and/or take over gas from the Storage in accordance with the accepted nomination/renomination of Storage usage;
- trade with the contracted capacities and stored gas in accordance with the provisions of the Storage Code.

(2) The User is obliged to:

- conclude an Agreement on the access to the Storage Operator's information platform with the Operator and appoint natural persons to whom the Operator will award user rights in accordance with the User's order,
- settle in full, upon maturity, invoices which are issued by the Operator for the reimbursement for the Storage use as well as in the event of necessity, other payment obligations which arise from the Agreement and deliver to the Operator the means of payment security in accordance with the Operator's demands.
- ensure that the gas which he is delivering into the Storage meets the gas quality conditions determined by the provisions of the applicable General Conditions for Natural Gas Supply and the Storage Code;
- ensure that the gas which he is delivering into the Storage meets the pressure conditions determined by the provisions of the Storage Code;
- use the Operator's information platform in accordance with the provisions of the Information Platform Access Agreement signed by the User and Operator, with which the User is solely responsible for the consequences which occur from entry of data by User's designated persons.
- ensure the delivery of nominations/renominations, in accordance with the provisions of the Storage Code as well as other legal and sub-legal normative deeds.
- deliver to the Storage the quantity of gas which is in accordance with the last accepted nomination/renomination;
- accept from the Storage the quantity of gas which is in accordance with the last accepted nomination/renomination;
- notify the Operator of any change of circumstances which preceded the conclusion of the Agreement or which are relevant for the implementation of the Agreement;
- restrict or terminate the delivery of gas into the Storage and/or accept the gas from the Storage, in the event that the Operator delivers to him the notification on restriction or termination of the provision of services on the basis of the Agreement and/or mandatory regulations;
- terminate the delivery of gas into the Storage, due to the fact that the quality of gas which is to be delivered into the Storage does not meet the gas quality conditions determined by the applicable General Conditions for Natural Gas Supply and the provisions of the Storage Code.
- act in accordance with the provisions of the Law, acts and regulations from Article 2 of these GTs.

Article 7

REIMBURSEMENT FOR THE STORAGE SERVICE

- (1) The User is obligated to pay a reimbursement to the Operator at regulated prices for the usage of the Storage and for the use of other services which are the subject of the Storage Code and the Agreement.
- (2) The User to whom the SBU has been allocated in the auction procedure is obliged to pay the Operator a fee for the use of the gas storage system in accordance with the applicable price of the SBU.
- (3) The Storage System User is obliged to pay a reimbursement to the Operator from Paragraph 1 of this Article regardless if the User actually used the contracted service in the amount which corresponds to the contracted storage capacity, a part of the contracted storage capacity or did not use the contracted storage capacity at all.
- (4) In the event of any change to the regulated tariffs, the reimbursement amount for the Storage usage will be harmonised with the changes from the day of entry into force of the tariff change.

Article 8

INVOICING AND PAYMENT

- (1) The manner of calculation and amount of the reimbursement for the Storage usage is prescribed by the provisions of the applicable Methodology for determining the amounts of tariff items for storage of natural gas, and the tariff level is prescribed by the Decision on the price of tariff items for storage of natural gas.
- (2) For the User to whom the SBU has been allocated in the auction procedure, the fee referred to in paragraph 1 of this Article shall be increased by the product of the resulting auction premium, tariff for the contracted SBU on an annual level and number of SBUs for a particular storage year.
- (3) Calculation and the invoice for storage service described in Article 7 of the GT, the Operator will deliver to the User on the 15th (fifteenth) day of the current month for the previous month at the latest, and the User is obliged to pay it on the 25th (twenty-fifth) day of the month in which the invoice was issued at the latest.
- (4) The invoice amount calculated on the basis of Paragraph 1 of this Article is increased by the value added tax in accordance with the applicable regulations of the Republic of Croatia on the day the invoice was issued.
- (5) If the last day of the payment deadline falls on a day which is non-working day, the last day of the payment deadline will be the following business day.
- (6) The payment obligation is considered executed on the day when the money is deposited into the bank account of the Operator.
- (7) For each day of reimbursement payment delay from Paragraph 1 of this Article, the User is obliged to pay, aside from the owed principal the legal interest at the rate in force at the relevant time.

Article 9

MEANS OF PAYMENT SECURITY

- (1) For the purpose of payment security for any type of monetary claim of the Operator on the basis of Agreement, the User is obliged without delay upon receipt of the Contracted Service

Confirmation to sign it and deliver the means of payment security listed in the Contracted Service Confirmation, and in accordance with provisions set out in this Article.

(2) Means of payment security are:

- bank guarantee in kunas, which has to be unconditional, irrevocable, without objection and payable at first call, and issued by a bank which is acceptable to the Operator;
- cash deposit in kunas paid to the Operator's account;
- regular debenture

(3) Depending on the creditworthiness of the User, contracted period and risk of payment, the Operator will decide on the required means of payment security and establish them with a Contracted Service Confirmation.

(4) The User can replace the bank guarantee by paying a cash deposit in the same amount.

(5) Means of payment security remain in the possession of the Operator and have to be valid for at least 45 days after the expiry of the contracted period.

(6) Means of payment security for contracted services on an annual and multi-annual level is a bank guarantee or a cash deposit in the amount up to 40% (forty percent) of the annual fee value for a particular storage year for the use of contracted capacity of the gas storage system, increased by VAT.

(7) By way of derogation from the provisions of paragraph 6 of this Article, in the event that the Operator, in accordance with the creditworthiness evaluation of the User and the payment risk assessment, requests from the User to deliver a regular debenture issued in accordance with the provisions of the Enforcement Act, it may not be issued for a value less than 50% (fifty percent) of the annual fee value for a particular storage year for the use of the contracted capacity of the gas storage system, increased by VAT, whereby the User grants their consent to confiscate all the accounts of the User they have opened with legal entities performing payment transactions and to perform payments from those accounts to the Operator, that is, to perform direct enforcement of the entire property of the User in order to settle the claims of the Operator in the amount indicated on the regular debenture.

(8) Aside from the means of payment security on the basis of paragraphs 6 and 7 of this Article, prior to concluding and during this Agreement, the Operator in accordance with the User's creditworthiness and payment risk assessment can request, and the User is obliged to deliver the requested following additional payment security instrument according the deadline set by the Operator:

- bank guarantee or cash deposit which corresponds up to 30% (thirty percent) of the annual contracted Storage fee for a particular storage year for the use of the gas storage system, increased by VAT.

(9) For short-term contracted services the User is obliged to deliver a bank guarantee or a cash deposit in the amount of 100% (one hundred percent) of the contracted fee, increased by the VAT.

(10) In the event that, at the moment of contracting the short-term storage service, the User has a valid long-term Gas Storage Agreement, the Operator, in accordance with the creditworthiness evaluation and risk of payment, can also request another type of means of payment security or bank guarantee or cash deposit of a lesser amount respectively.

(11) Means of payment security are an integral part of this Agreement with the deadline thereof specified by the Operator

(12) In the event of payment delay by the User, the Operator is authorised to terminate the Agreement and use any means of payment security, which are in the possession of the Operator on any legal basis, for the purpose of settling any of the Operator's claims incurred on the basis of the Agreement, in the amount of the matured claim, with which the User is in complete agreement. The Operator is authorised to use the received means of payment security in order

to collect any of the Operator's claims from the User, also including the claims which would have arisen after the termination of the Agreement in relation to whom they were issued, on any basis.

(13) The User is obliged under the condition of Agreement termination, for the activated (used) means of payment security, to deliver to the Operator new means of payment security within 5 (five) days from the day the means of payment security were activated or 10 (ten) days before the validity deadline of the means of payment security expires respectively which are identical to the used means of payment security or to the means of payment security whose validity deadline is expiring. In the event that the means of payment security whose validity deadline is expiring are not replaced with new means of payment security with the deadline, content and amount in accordance with these GTs, the Operator has the right to charge the means of payment security before their deadline expires and to deposit the money collected in such a way on an account (without the obligation of the Operator to receive interest on the reservoir amount at the financial institution which holds the reservoir, and without the obligation of the Operator to pay the User any kind of interest on the deposit, and in the event that the Operator receives interest on the deposit, those interest will not automatically be calculated as fulfilment of the User's obligation under the Agreement, but rather they will be added to the total deposit amount) and use it under the same conditions under which the Operator is authorised to use means of payment security in accordance with these GT.

(14) If the Operator considers that the means of payment security which were given to the Operator under the Agreement are not sufficient to ensure claims (for example: the User's or the bank guarantee Issuer's creditworthiness is compromised, the User has contracted additional storage services, there has been an increase of the tariffs) at the request of the Operator, the User is obliged to deliver, under the condition of Agreement termination, to the Operator additional or substitute means of payment security, in accordance with the Operator's choice, and within the deadline set by the Operator which will ensure the Operator's risk of claim collection.

(15) In the event that the User does not deliver the contracted means of payment security to the Operator within a deadline in accordance to the deadlines as set forth in this Article, or in the event that the User does not deliver to the Operator a new means of payment security in accordance with the provisions of this Article, such conduct of the User will be considered a serious breach of obligations arising from the Agreement according to which the Operator is authorised to terminate the Agreement in accordance with Article 16 Paragraph 11 of these GTs and/or restrict or terminate the provision of contracted service in accordance to Article 13 of these GTs.

(16) The User is obliged to submit the requested financial statements for the entire term of the Agreement at the request of the Operator, for the purpose of creditworthiness evaluation.

Article 10

LIEN

(1) In accordance with general regulations which govern obligatory relations of the contracting parties with regards to the storage service, the Operator has lien on the gas owned by the User for his claims arising from the Agreement and other claims arising from the provision of gas storage service.

(2) The Operator has the right to keep the User's gas in the storage system until the claims from Paragraph 1 of this Article are settled in full.

Article 11

RESPONSIBILITY

- (1) In accordance with the provisions of this Article, during the injection of gas, the risks associated with natural gas pass from the User onto the Operator at the storage entry. During gas withdraw the risks associated with natural gas pass from the Operator to the User at the storage exit.
- (2) The Operator is only responsible for the damages caused as a result of his culpability.

Article 12 FORCE MAJEURE

- (1) The contracting parties are released from their obligations for default or delayed fulfilment of their obligations, if the default, or delayed fulfilment occurred as the result of force majeure, in accordance with the provisions of the Energy Act.
- (2) If the fulfilment of the contractual obligations (aside from the payment of matured obligations), by one of the contracting parties becomes permanently and completely impossible, the obligation of the other contracting party also ceases, and in relation to the Agreement it will be considered that it has been terminated by Law.
- (3) If the fulfilment of contractual obligation (aside from the payment of matured obligations), by one contracting party has become only partially impossible, the contracting party affected by such an event is obliged to immediately notify the other contracting party orally (by telephone), and in writing no later than three 3(three) days from the day the event occurred/ceased, and if possible present to her relevant proof from which it is possible to ascertain the occurrence of such an event and its consequences, extent and estimated duration of the inability to fulfil the contractual obligation, the contracting party which does not act in accordance with the abovementioned, is responsible to the other contracting party for the damages suffered due to the omission of submitting such notification.
- (4) If the duration of force majeure exceeds 30 (thirty) calendar days from the day of force majeure manifested, and the contracting parties do not agree differently, any contracting party has the right to request the termination of the Agreement without adverse legal consequences.
- (5) In the event of termination in accordance with abovementioned provisions the contracting parties are obligated to settle all documented costs incurred up to the day of termination.

Article 13 RESTRICTION OR TERMINATION OF STORAGE SERVICES RESPECTIVELY DUE TO DEFAULT OF CONTRACTUAL OBLIGATIONS

- (1) If the User does not fulfil or is late in fulfilling any of the obligations under these GTs and the Agreement, especially but not exclusively: obligations regarding the payment of reimbursement for the usage of the Storage, the obligation of delivering means of payment security and the obligation of delivering requested financial reports, the Operator has the right, with previous notification of the User which the User has to receive at least 24 (twenty four) hours before the restriction or termination of the provision of gas storage service:
 - restrict or terminate the provision of gas storage service in the event that the total matured debt of the User is equal to the amount of at least 1 (monthly) reimbursement for the usage of Storage or the Operator records unsettled claims by the User who is late with the payment of monetary obligations for more than 30 (thirty) days, and after the fulfilment of any of the listed conditions; or

- restrict or completely terminate the provision of contracted services in the event of breach of obligations from Article 9 of these GT, commencing at least 5 (five) days after the expiry of the delivery deadlines or the means of payment security renewal deadline from Article 9 of these GT respectively.

(2) The termination or the restriction of the provision of Storage services in accordance with Paragraph 1 of this Article can last until the User fulfils the obligations from the Agreement in full whose infringement is the reason that the provision of storage service was restricted or terminated.

(3) In the event that the Operator on the basis of the provisions of this Article terminates or restricts the provision of storage service due to misconduct of the User or a related third party, the User in each individual event of restriction or termination of the provision of storage service by the gas Operator is obliged to pay to the Operator the entire reimbursement amount for the Storage usage for the months in which the Operator terminated the provision of storage service, and which he should pay if the storage service was provided as was contracted, without it restricting other rights of the Operator which the Operator has on the basis of these GTs and the Agreement or applicable legislation.

(4) By concluding the Agreement the User confirms that he is in agreement that the reasons stated in Paragraph 1 of this Article represent justifiable cause for the restriction or termination of the provision of storage services. In the event of restriction or termination of the provision of storage service in accordance with the provisions of this Article, the Operator will not be held responsible for any kind of damages which could be suffered by the User or third parties, with which the User is in agreement and is obliged to defend and compensate the Operator in the event of any third party claims.

Article 14

RESTRICTION OR TERMINATION OF THE PROVISION OF SERVICES UNDER THE LAW AND SUB-LEGAL NORMATIVE DEEDS RESPECTIVELY

(1) The Operator is authorised to restrict and/or terminate the provision of services which are the subject of these GTs and the Agreement, including also the temporary restriction and/or termination of gas injection or withdraw, in order to ensure the regular operation of the Storage while respecting safety requirements and balance and taking into consideration the fulfilment of public service obligation; and for other reasons because of which he is obligated or authorised to restrict and/or terminate the provision of gas storage service in accordance with the applicable legal and sub-legal normative deeds.

(2) Restriction and/or termination of the provision of services which are the subject of these GTs and the Agreement, which also includes the right to restrict and/or terminate the service of storage, is performed as prescribed by the relevant regulations.

Article 15

EXTRAORDINARY SITUATIONS AND EMERGENCIES

(1) In the event of an extraordinary situation which threatens the safe and efficient operation of the Storage and/or the integrity of the system, the Operator will undertake emergency measures which can encompass, among other things the termination and/or restriction of the provision of storage services. The Users impacted by the termination and/or restriction of service as well as the Agency will be notified about the incident as soon as possible and on the duration of the termination and/or restriction of the provision of storage services.

(2) During a crisis the Operator manages the Storage on the basis of special regulations which govern the safety of gas supply.

Article 16

DURATION AND TERMINATION OF STORAGE AGREEMENT

(1) The Agreement enters into force on the day it is signed by both contracting parties and lasts until the end of service date stated in the Contracted Service Confirmation. If the User has contracted more than one service, the Agreement will remain in force until the latest end of service date as stated in one of the valid Contracted Service Confirmations.

(2) The gas storage services can be contracted on a short-term and long-term basis.

(3) Unbundled service can only be contracted on a short-term basis. Unbundled services cease on the date stated in the Contracted Service Confirmation.

(4) The User has the right to terminate the Agreement in its entirety or in relation to a contracted unbundled service, without the misconduct of the Operator, by way of a written notification about the termination addressed to the other contracting party by way of registered mail with a return receipt, or by some other method of delivery which has a way of determining with certainty the date the notification was delivered, under the conditions from Paragraph 6 of this Article.

(5) The Storage System User is obliged to state in his written notice if the termination relates to all services encompassed by the Agreement or just unbundled services. In the event of termination he is obliged to accurately state the Contracted Service Confirmation number for which the Agreement is terminated. Only in the event that the User explicitly states in his written notice of termination of the Agreement that the termination relates only to an unbundled service, or a Contracted Service Confirmation respectively, it will be considered that the Agreement stays in force with regards to other contracted services.

(6) The User has the right to terminate the Agreement in relation to certain services under the following conditions:

For contracted short-term service at any time on the basis of previous written notice of termination, with a notice period of 30 days from the day the Operator received the termination notice, and with the obligation to pay the reimbursement for the Operator's damages in the amount which is equal to 100% (one hundred percent) of the Storage reimbursement amount for the contracted storage service which the User would be obliged to pay to the Operator for the period from the day the Agreement was terminated in accordance with the previous Paragraph until the expiry of the Agreement validity period specified in the Contracted Service Confirmation.

For contracted annual and perennial services: on the basis of previous written notice of termination, delivered at least 6 (six) months before the beginning of the following storage year, the agreement termination starts to have legal effect at 6:00 o'clock of the final day of the storage year in which the notice of termination was delivered to the Operator. In that event the User is obliged to pay damages to the Operator corresponding to 90% (ninety percent) of the reimbursement value for the usage of the Storage for contracted storage services from the date of the Agreement termination until the expiration of the Agreement validity period specified in the Contracted Service Confirmations.

(7) Maturity of the payment for damages which the User is obligated to pay to the Operator in accordance with this Article is 15 days from the day on which the User received the notice from the Operator on the amount of damages he is obligated to pay.

(8) If the User terminates the Agreement which encompasses multiple different services or if the termination relates to multiple unbundled services he is obligated to pay damages to the Operator in accordance to the abovementioned regulations separately for each service.

(9) If the Operator manages to partially or wholly sell the Storage capacity which was the subject of the validly terminated perennial storage service in accordance with Paragraph 6 of this Article, for the period from the date of the Agreement termination until the expiration of the contract period specified in the Contracted Service Confirmation, in the primary market to another User, the corresponding amount of damages (depending on the fact if the Operator managed to sell the entire Storage capacity or just a part of the capacity which related to the remaining contract period from the termination of the Agreement until the expiry of the contract period as stated in the Contracted Service Confirmation) which the Storage System User previously paid to the Operator will be reimbursed by the Operator after the deduction of expenses to the User who has terminated the Agreement, within 15 (fifteen) days from the conclusion of the Agreement with another User and the receipt of corresponding means of payment security from such a User (depending on whichever event occurs later).

(10) Each contracting party has the right to terminate the Agreement by written termination notice addressed to the other contracting party by registered mail with return receipt, in the event that the other contracting party does not fulfil any of his contractual obligations in any regard under the Agreement and these GT, which are its integral part. The contracting party which is terminating the Agreement is obligated to leave an additional deadline for fulfilment to the other contracting party in the termination notice, which cannot be shorter than 15 (fifteen) days from the day of receipt of the written termination notice, except in the following cases. If the other contracting party does not remedy such default in the additionally given deadline for fulfilment, it is considered that the Agreement is terminated by Law with the first following day after the expiration of the additional fulfilment deadline. For the termination of the Agreement in accordance with this Paragraph the provisions of Paragraph 6 of this Article are applied in a corresponding manner.

(11) The Operator has the right to terminate the Agreement under the following conditions:

- if the User has not paid one matured monthly reimbursement for the usage of the Storage or any other matured debt amount under the Agreement, and that omission is not corrected within the additional 15 (fifteen) day deadline after the User has received the written reprimand due to non-payment and on the intent for the termination of the Agreement due to this fact.
- if the User does not deliver any means of payment security from the Agreement defined in a manner and under the terms from Article 9 of these GTs, and that omission is not corrected within the additional 5(five) day deadline after the User has received the written termination notice.
- if the User does not renew any of the contracted means of payment security from the Agreement in a manner and under the terms from Article 9 of this GT, and that omission is not corrected within the additional 5(five) day deadline after the User has received the written termination notice.
- if the statements or guarantees which were given by the User in the Agreement prove to be incorrect; or
- if: (i) the proposal for the opening of bankruptcy proceedings has been submitted against the User; or the competent court issued a valid decision on the opening of bankruptcy or previous bankruptcy proceedings against the User, or the proposal for the opening of pre-bankruptcy proceedings has been submitted, or the pre-bankruptcy proceedings have been opened against the User, or (ii) the User discontinues the payment of all or some of his debt groups or announces his intention to do it ; (iii) the User or his members/shareholders adopt a decision on the submission of the request to open the pre-bankruptcy settlement procedure or the bankruptcy procedure or liquidation of the User; or (iv) the User ceases with business activities and this circumstance lasts

for 5 (five) consecutive days or a total of 20 (twenty) days in any calendar day. If any event from this subparagraph occurs, the Operator is authorised to terminate the Agreement without leaving an additional deadline for fulfilment.

(12) If the Operator terminates this Agreement in accordance with the abovementioned provisions the provisions of Paragraph 5 of this Article will be applied in a corresponding manner.

Article 17

(1) The User is obliged to withdraw the entire quantity of gas from storage before the contracted service expires.

(2) If the User does not withdraw the entire quantity of gas from the Storage, the Operator will, on the basis of Rules for selling stored gas by way of open procedure from Addendum 3 of this GT, sell to the highest bidder the quantity of gas which has not been withdrawn.

Article 18

NOTIFICATIONS

(1) Unless expressly stated otherwise, each notification and request has to be in writing and will be considered to be validly delivered if it is delivered to the other contracting party by way of email, fax, e-mail or hand-delivered in accordance with the provisions of the Agreement.

(2) Unless contracted differently in these GTs, the delivery of the notification or other notice will be considered duly executed;

- if the delivery is carried out by mail or courier service: with the expiry of 2 (two) business days from the day the notification or other notice was delivered to the post office by way of registered mail with a return receipt or to the courier service;
- if the delivery is carried out by way of fax; on the day the fax confirms the successful transmission of the letter to the fax number specified in the Agreement, or in the Contracted Service Confirmation respectively, whereby if such a confirmation of receipt occurs after 16:00 of any day, the notification will be considered received at 8:00 o'clock the following business day after the day the conformation was received.
- if the delivery is carried out by way of email; on the day the confirmation of successful transmission arrives on the email address of the recipient specified in the Agreement, or in the Contracted Service Confirmation respectively, whereby if such a confirmation of receipt occurs after 16:00 of any day, the notification will be considered received at 8:00 o'clock the following business day after the day the conformation was received.
- if the notification is hand-delivered at the address specified in the Agreement: on the day which is specified on the notification or other notice along with the stamp and signature with which the receipt (handover) of the package is confirmed.

Article 19

CONFIDENTIALITY

(1) The contracting parties are in agreement that the information from the Agreement is to be considered a Trade Secret and as such will not be revealed or made available to third parties without prior written consent by the other contracting party nor used for the purposes which exceed the scope of the Agreement execution.

(2) The contracting party which made the information available without authorisation, which is considered under the Agreement to be confidential, is responsible for the damages caused to the other contracting party.

(3) However, prior written consent of the other contracting party will not be necessary in the event when the contracting party reveals confidential information

- to an associated company, under the condition that he ensures that the information is kept in secrecy, or
- to any state body or any state or regulatory agency which have jurisdiction over the Operator, or
- in the measure required in accordance with the applicable laws, rules and regulations or on court summons or other administrative procedure, or
- to an associated Transmission System Operator, under the condition that he will use reasonable effort in order to ensure that the Transmission System Operator will also keep the information secret

(4) The contracting party which made the information, which is considered under the Agreement to be confidential, available without authorisation, is responsible for the damages caused to the other contracting party.

(5) The obligation to maintain confidentiality, stays in force for 2 (two) years after expiry, or the termination of the Agreement respectively.

Article 20 INFORMATION

(1) The contracting parties will exchange mutually all information at any time, which is necessary or useful to each contracting party in order to achieve their rights and execute their obligations under this Agreement.

(2) The User will, during the duration of this Agreement, regularly inform the Operator on any significant change of his ability to execute the obligations from the Agreement, and any failure to provide such information to the Operator in a reasonable time period, will represent a material breach of the User's obligations under the Agreement.

(3) During the duration of this Agreement the User will deliver in a timely manner or ensure the delivery respectively of the following accurate data to the Operator:

- data required for invoicing;
- all available data on events which affect the User and possibly affect the possibility of gas injection into the storage or the possibility of gas withdraw from storage;
- nominations which are in accordance with the gas quantities which are nominated to the Transmission System Operator;

(4) The data exchange will also be conducted through the Operator's information platform on which the User and the Operator will sign a separate agreement.

Article 21 THE INVALIDITY OF INDIVIDUAL PROVISIONS

If any of the provisions in these GTs are or will become invalid, unenforceable or illegal, partially or wholly, such a provision will be replaced, after the approval of the Agency, with a valid and enforceable provision and will have no effect on the validity of other provisions contained in these GTs.

Article 22 TRANSFER OF THE AGREEMENT AND ASSIGNMENT OF RIGHTS

Neither the User nor the Operator can transfer the Agreement, nor assign the rights from the Agreement without prior written consent by the other contracting party. The transfer and assignment procedure of certain rights from the Agreement in the event when the User is selling the capacity in the secondary market is regulated in more detail with the Storage Code.

Article 23

CONGESTION MANAGEMENT

(1) Pursuant to the provisions of the Law and the Storage Code, and with the goal of ensuring the efficient usage of the Storage capacity, the Operator conducts proactive measures of congestion management:

- taking into consideration the integrity of the system, the Operator offers the User maximum working volume, maximum injection capacities and maximum withdraw capacities;
- the Operator offers and develops services which are harmonized with the needs of the market;
- the Operator allocates the Storage capacities in a non-discriminatory and transparent manner in the manner described in the Storage Code and the Procedure for the Allocation of Standard Bundled Units, published on the Operator's website.
- the Operator encourages Users to optimise the usage of the Storage capacity in accordance with the "use or sell" principle;
- the Operator offers the use of interruptible not-nominated capacity on a daily level service which allows the Users to use the injection capacity or the withdraw capacity which is not used by other Users on an interruptible basis.

Article 24

CHANGE OF REGULATIONS

(1) Keeping in mind that the regulations regarding the energy activity of gas storage are constantly evolving, the User accepts that, if during the duration of the Agreement there are changes to the applicable legal and sub-legal regulations due to any type of change in the applicable regulatory framework, such a change will automatically be applied to the Agreement which is in force at the time such legal or sub-legal regulations come into force. Such changes will have precedence in application ahead of these GTs.

(2) If certain provisions of these GTs demand amendments the Operator will on his own suggestion or at the request of the Agency make amendments, and act in accordance with Article 73 of the Storage Code

Article 25

GOVERNING LAW AND DISPUTE RESOLUTION

(1) The Agreement will be governed by Croatian Law.

(2) The contracting parties are in agreement that they will try to resolve all possible disputes arising from the Agreement primarily in an amicable manner.

(3) The contracting parties are in agreement that, depending on the nature and significance of the problem, they will approach its deliberation immediately or within a reasonable period respectively.

- (4) If the contracting parties fail to resolve the dispute or problem by mutual agreement, the competent Court in Zagreb has jurisdiction to resolve the dispute.
- (5) Without questioning the jurisdiction of the Court, the User can submit a complaint to the Agency in accordance with Article 88 of the Law.
- (6) The Agreement and these GTs aside from the Croatian version can also be made as an English version; in the event of discrepancy between the Croatian and English version the Croatian version is to be considered authentic.

Article 26

FINAL PROVISIONS

- (1) These GTs are an integral part of the Storage Code and enter into force on the day the Storage Code enters into force, and are applicable to all valid Agreements which are concluded after before the entry into force of these GTs.
- (2) The Operator has the right to suggest amendments to the GT especially if such amendments reflect the practical operational experience, common business practice, or in the event of change of type and scope of the services which he provides.
- (3) All future amendments of these GTs will be adopted under the same procedure as for the adoption of the Storage Code, and will be published on the websites of the Operator and the Agency.