

ADDENDUM

“TRANSPORTGAS SERBIA” Ltd, Novi Sad, with the office in Novi Sad, Bulevar Oslobođenja 5, represented by the managing director ____, CRN ____, TIN ____, as an operator of transport system (hereinafter OTS) ,
and
_____, with the office in ____, street _____, represented by
_____, CRN _____, TIN _____, as a user of transport system (hereinafter USER)
(hereinafter: parties to a contract), conclude _____.

MODEL CONTRACT ON NATURAL GAS TRANSPORT

General provisions Article 1.

Parties to a contract agree that:

- 1) The user is familiar with the natural gas transport conditions which are in accordance with the applicable law on energy (hereinafter: THE LAW), and regulations of transport system work (OTS), and accepts their full application, thus obliging to proceed with the adjustments to the potential changes of transport system conditions, during the contract period.
- 2) The user is registered with OTS for the purpose of concluding the contract on natural gas transport in accordance with regulations, based on which OTS provided identification number and access code _____.
- 3) The user provided the request to access the system upon the request of OTS for the offer for the conclusion of contract on natural gas transport on _____, (day/year), under number _____ (hereinafter THE REQUEST)
- 4) OTS, acting upon the request of the user as an offer for the conclusion of a contract, has provided the capacity within the limits of the request, and notified the user by issuing the notice number ____ from _____ (date), (hereinafter THE NOTICE), by which OTS accepts the offer of the user for the conclusion of the contract on natural gas transport.
- 5) The date of receiving the NOTICE is the date of the conclusion of the contract
- 6) Upon receiving the NOTICE, parties to a contract made the written form of the contract for the purpose of providing the evidence about the conclusion
- 7) THE REQUEST of the USER, and the NOTICE by OTS, are the addendum of this contract

Subject of agreement Article 2.

By signing this contract, the parties conclude upon the rights and obligations related to the natural gas transport, in accordance with the Law and regulations.

By this contract, OTS is obliged, as a provider of services of natural gas transport, to take over a certain amount of natural gas of a contracted quality into transport system at the site of reception, and deliver it to the user at the appointed time to the place of delivery, in the same amount and contracted quality, whereas the User is obliged to pay the service of transport, calculated based on the act issued by OTS in accordance with the Law and methodology of estimating the cost of accessing the system of natural gas transport (hereinafter METHODOLOGY), determined by the

Energy Agency of the Republic of Serbia (hereinafter AGENCY) .

By this contract, the User is obliged to provide, whereas OTS is obliged to deliver natural gas from the transport system, of particular range of quality, chemical and other characteristics, determined by regulations on natural gas delivery conditions (hereinafter contracted quality of natural gas).

Article 3.

In accordance with the data from OTS Notice from the Article 1 of this contract, parties agree that the User has made an agreement on providing the service of transport in the capacity:

- 1) Discontinuous/continuous, regarding the manner of service
- 2) Which, according to the capacity of appointed location of takeover at the entrance to the transport system as the location of natural gas transfer, states:
The entrance _____ (location) in Sm³/day),
..... (hereinafter The Entrance),
1. The exit from the transport system, as the location to which natural gas is being delivered
The exit _____ (location of the exit) _____ (in Sm³/day),
..... (hereinafter the exit) and
- 3) Which is annually/monthly/daily, by means of which the service of transport is contracted for the time of one gas year/month/day starting from____, where the beginning and termination of transport are determined in accordance with regulations.

Parties of the contract agree that the User is entitled to use the capacity from paragraph 1 of this article within the amount contracted on each Entrance i.e. Exit, with the obligation to pay the contracted capacity by the price agreed during the contracted period, regardless of the transport service.

The rights and obligations of parties of contract

Article 4.

Contracting parties agree that OTS is entitled to:

- 1) Charge the user for the service of natural gas transport, calculated based on the act issued by OTS in accordance with the Law and Methodology
- 2) Activate the security interest if the User doesn't provide the payment for immediate liabilities for the service of transport;
- 3) Terminate the service of natural gas transport due to nonpayment of immediate liabilities as well as for other reasons regulated by the Law;
- 4) Limit, i.e. terminate natural gas transport, in accordance with the regulations of the contract, due to:
 - Transport system overload,
 - In case that the transport is contracted in discontinuous capacity;

- Maintenance of transport system in terms of regulations;
- If the user delivered at the Entrance, or took over at the Exit the amount of natural gas that exceeds the contracted capacity of the Entrance and the Exit (hereinafter breakover of the contracted capacity of the takeover site);
 - If the total amount of natural gas in Sm³/h, exceeds 1/24 of the available capacity at the Entrance, i.e 1/16 at the Exit;
 - The need of taking determined measures in case of damage, short disruption which endangers the security of the system, and any other emergency according to the regulations;
 - In case that the user provides the natural gas of non-contracted quality;
- 5) Not accept the announcement or the change of announcement not submitted in due time, which exceeds the contracted capacity or the time lapse at the site of takeover, or if the amount at the entrance exceeds the amount announced at the Exit; if the system was overloaded in terms of regulations, and the user contracted the transport in discontinuous capacity
- 6) Penalty for the User in case of irregularities with provision of contracted quality natural gas , in the amount calculated in accordance with the regulations, or in case of lower Wobbe index being out of range.
- 7) Irregularities with the quantity, daily disbalance between the quantity of natural gas at the Entrance and the one taken over at the Exit; calculating the compensation in accordance with the regulations
- 8) Charge the User the service of transport for the gas taken over at the Exit, which is noted as the daily disbalance, according to the regulations
- 9) In case of exceeding the contracted capacity at the Entrance or the Exit calculate the compensation in accordance with the Methodology
- 10) If the user didn't announce the use of previously contracted capacity in accordance with the regulations, classify it as discontinuous
- 11) use linepack and natural gas for the purpose of balancing the transport system

OTS is obliged by this contract to:

- 1) provide the access to the transport system for the purpose of delivering natural gas and taking it over from the transport within the contracted capacity of the Entrance and the Exit, every gas day within the duration of the contract, unless the User contracted transport in discontinuous capacity;
- 2) takes over for transport natural gas of the contracted capacity in the quantity matching the capacity contracted at the entrance, and deliver it to the user on the same gas day in contracted quality and within contracted capacity at the exit, in accordance with the accepted announcement;
- 3) provide the measuring data at the entrance and at the exit for each gas day within the duration of this contract and in accordance with the regulations;
- 4) provide the report on sampling the quality of natural gas to the user
- 5) notifies the daily amount of disbalance of the User for each gas day and notifies the user in due time and in accordance with the regulations;

6) in case of delivery of natural gas which is below the lower Wobbe index, pay the appropriate amount, calculated in accordance with the regulations, as a penalty for irregularities of mandatory delivery of natural gas of the contracted quality;

7) pay the compensation for the disbalance in accordance with the regulations and this contract, in case that the user took over lower quantity of natural gas than the quantity delivered at the entrance;

8) to pay the compensation from points 6 and 7 of paragraph 2 of this article within 8 days from the day of issuing the bill, and interest for every day of delay;

9) decrease the compensation for the service of transport for irregularities of natural gas transport for each gas day over 5 days in which it partially or completely terminated the service of transport on any entrance/exit in accordance with the Methodology and regulations

OTS has other rights and obligations determined by the Law and regulations.

Article 5.

Contracting parties agree that the User is entitled to:

1) access the Entrance for delivery, i.e. Exit for takeover of natural gas from transport within the contracted capacity of the location of takeover, each gas day, within the period of duration of contract;

2) take over the natural gas of the contracted quality at the Exit, and in case of natural gas delivery below the range of Wobbe index require payment from OTS, as a penalty for irregularities of the natural gas delivery calculated in accordance with the regulations;

3) suggest exceptions and changes of the contract in accordance with the regulations;

4) set the way of distribution of transported quantities on takeover locations when there are multiple users;

5) Be notified about the quantity and the quality of natural gas which he takes over and delivers and the daily flow according to the regulations;

6) Require compensation from OTS for disbalance when the quantity taken over at the entrance is lower than the one at the exit;

7) Require decrease of daily disbalance according to the regulations;

8) Require the suspense of delivery to the final buyer who has not paid for immediate liabilities to the User;

9) Require check and correction of data on transported quantities according to the regulations.

10) Require decrease of the compensation for the service of transport for irregularities of natural gas transport for each gas day over 5 days in which it partially or completely terminated the service of transport on any entrance/exit in accordance with the Methodology and regulations

By this contract, the User is obliged to:

1) Announce the use of transport system at the entrance and the exit in due time for each gas day in which the transport is used according to the regulations, and to take over natural gas in the quantity not higher than the arranged capacity of the entrance and the exit from the Article 3 of this contract;

2) Pay the OTS the compensation for the service of transport based on act issued by the OTS in accordance with the Law and Methodology;

3) Pay the OTS the compensation for breakover of the contracted capacity

4) Take over the natural gas of the contracted quality at the Exit, and in case of natural gas below the range of Wobbe index pay the compensation to the OTS, as a penalty for irregularities of the natural gas delivery calculated in accordance with the regulations;

5) Limit or terminate the delivery of natural gas at the entrance or takeover at the exit, for the reasons listed in the Article 4, paragraph 1 of this contract

6) Secure the balance between the delivery and takeover within one gas day

7) Pay the compensation to OTS for disbalance according to the regulations, in case that higher quantity was taken over at the exit from the quantities delivered at the entrance

8) Inform OTS on all changes from the User's part which occurred after the registration or conclusion of this contract

9) Secures the payment during the period of the contract

10) Notify the OTS on natural gas trade contracted in any point with the other user of the system according

to the regulations.

The User has other rights and obligations according to the Law and Regulations.

**Payment of the service of
transport
Article 6.**

The user can pay the OTS the service of natural gas transport in advance or upon rendering an account.

In case that the User is paying the service of natural gas transport in advance, the payment must be done in the period determined by the regulations, paragraph 15.2.

In case that the User is paying the service of natural gas transport upon rendering an account, the payment must be done within 8 days from the day of issuing.

The User is obliged to pay to the OTS the interest on arrears, unless the service of natural gas transport is paid in deadline according to the paragraph 3 of this article.

**Security interest
Article 7.**

The user is obliged to provide a security instrument as a means of securing the payment of the service of natural gas transport, according to the way and within the deadline set by the regulations, on the day of signing the contract, the latest.

Security interest are in the addendum of this contract.

**Balance responsibility
Article 8.**

By this contract, the User is obliged to make a balance between the delivery and takeover of the natural gas quantities within the same gas day during which the service of transport is used.

In case of imbalanced takeover of the natural gas in reference to paragraph 1 of this article, contracting parties agree, that beside the service of transport, calculated by the act issued by the OTS in accordance with the Law and Methodology, the compensation would be claimed for the disbalance in reference to the irregularities in the amount determined in accordance with the regulations.

In case of imbalanced delivery and takeover of the natural gas quantity at the entrance and the exit within the same gas day, OTS is obliged to buy or sell natural gas, for the purpose of balancing in an efficient way which doesn't impose unnecessary cost to the User.

**Termination of
contract
Article 9.**

In case that the User doesn't provide a security instrument or pay the advance in the deadline determined by the regulations, it is considered that it has given up the contract.

The contract stops by the expiration date.

The contract can be broken by the agreement of the contracting parties.

Each contracting party is entitled to break the contract on its behalf in case of irregularities from the part of the other contracting party within 30 days of termination notice, starting with the day of written notice delivery.

OTS is entitled to break the contract without termination notice in case that the User:

- 1) Doesn't fulfill financial liabilities in due time
- 2) Doesn't provide new security instrument, after activating the old
- 3) Loses the licence for the performance of energetic activities
- 4) Doesn't perform the adjustment of this contract in case of changes called for by the OTS, within 8 days from the reception of the notice by the OTS

Contracting party is entitled to claim the compensation for the damage inflicted by the other contracting party, which led to the termination of the contract

Contracted service of transport stops at the location of the exit which is the location of natural gas delivery to the final buyer on the day of the change of the supplier, under conditions determined by the Law.

**Vis major
Article 10.**

Contracting parties take no responsibility for complete or partial nonfulfillment of the liabilities of the contract, if it is a consequence of unpredicted or inevitable circumstances which occur after the beginning of the contracting period, and they are not caused by any contracting party nor subject to prevention (vis major). Vis major include natural disasters, fire, serious damage of the transport system, civil war, international sanctions, and other circumstances which postpone or prevent the fulfilment of the contract.

In case that the circumstances of vis major directly influence the fulfilment of the contract, the deadline is extended for the period of mentioned circumstances.

Contracting party, which fails to fulfil its obligations due to these circumstances, is obliged to notify without delay the other contracting party, in written form, about the beginning, expected duration and the consequences, within 5 working days since the beginning and the termination of the circumstances, at the latest.

If the contracting party doesn't provide the notice in due time, it loses the right of taking no responsibility for nonfulfillment of the contracted liabilities due to vis major.

If the circumstance of vis major is not a common fact, the contracting party is obliged to provide the proof of its activity to the other contracting party within the period of 20 days, starting with the day of its occurrence

Noticing

Article 11.

Contracting parties will name a licenced representative, in accordance with the regulations, for the purpose of completing this contract.

Only the notices and correspondence provided by the representative will be considered valid.

Confidentiality of data

Article 12.

OTS and the User are obliged to provide the secrecy of confidential data they have obtained during the contracted period, if they were classified as confidential by the OTS or the user, in the way and under conditions determined by the regulations.

Settlement of disputes

Article 13.

If a dispute occurs during the contracted period, the contracting parties will tend to settle it by agreement.

In case that contracting parties don't settle the dispute by agreement, the jurisdiction of the competent court in Novi Sad is called upon.

Final provisions

Article 14.

In case that any provision of this contract becomes invalid due to the changes of regulations, other provisions are applied in case that they are not opposed to the changes of regulations.

All the questions which are not covered by this contract are answered directly by the provisions of the Law of Contract and Torts, the Law and regulations which determine the rights and liabilities of natural gas transport service.

Article 15.

Contracting parties agree that the contract is concluded on the day of Notice reception, and its application starts on the day of security interest delivery or on the day of advance payment.

This contract is made in 6 identical copies ,3 of which belong to each contracting party.

Managing director____
„TRANSPORTGAS SERBIA“Ltd, Novi Sad,

User

ADDENDUMS

- The request for the access to the system
- Notice on distributed capacity
- Security interest