

Natural Gas Storage Service Contract No.

Riga

_____ 2021

Joint Stock Company “Conexus Baltic Grid” (unified registration No. 40203041605), represented under the Articles of Association by Chairman of the Board Uldis Bariss and Member of the Board Gints Freibergs (hereinafter – **the System operator**), on the one part, and _____ (registration No. _____), represented under the _____ by _____ (hereinafter – **the System user**), on the other part, hereinafter both jointly referred to as the Parties, and each separately – the Party, based on the System user's application for the Acquisition of Rights to Use the Inčukalns Underground Gas Storage Facility, submitted to the System Operator on _____, 2021 enter into the following contract (hereinafter - the Contract):

1. Terms Used in the Contract

The terms in the Contract are used within the meaning of the Energy Law, the Regulations of Use of the Natural Gas Transmission System (hereinafter – the Regulations of Use of the Transmission System) and the Regulations of Use of the Inčukalns Underground Gas Storage Facility (hereinafter - the Regulations of Use of the Storage Facility).

2. Subject of the Contract

2.1. By entering into this Contract, the System user shall obtain the right to use the Inčukalns Underground Gas Storage Facility (hereinafter - the Storage) and to receive the storage service provided by the System operator in accordance with the Regulations of Use of the Storage Facility.

2.2. The System operator, pursuant to the notified natural gas quantity within the scope of the storage service (capacity product) booked by the System user, shall place for storage and withdraw the natural gas from the Storage, as well as pursuant to the booked storage service shall store the natural gas of the System user in the Storage.

3. Procedure of Payment and Settlements

3.1. The System user shall perform the payment for the storage service in accordance with the storage service tariffs determined under the procedure laid down by the Energy Law.

3.2. Taxes shall apply in accordance with the laws and regulations of the Republic of Latvia.

3.3. The System operator shall issue the invoice on the service booked by the System user each month by the 10th (tenth) date, to be issued for the part of the total storage service fee in proportion to the months remaining until the 31st (thirty first) of March of the relevant year. Invoice shall be valid without signature and it shall be replaced by authorisation or signed with a secure electronic signature. The System user shall perform the payment for the storage service each month, by the 15th (fifteenth) date.

3.4. Upon the receipt of a written application from the System user, the System operator, by taking into account the term of the determination of applicable bundled unit tariff in the respective storage cycle after the end of injection season, shall issue the invoice for the booked storage service by the System user for the remaining total storage service fee until the end of the storage cycle. The System user shall perform the payment for the storage service for the remaining total storage service fee

until the end of storage cycle, within 15 (fifteen) days from the date of issue of the invoice by the System operator.

3.5. If the System user has not submitted any objections within a period of 10 (ten) days after the receipt of the invoice from the System operator, the invoiced amount shall be considered as accepted and shall exclude any disagreements between the Parties.

3.6. The date of payment shall be the day when funds are transferred into the current account of the System operator.

3.7. The bank transfer fees shall be performed at the expense of the payer.

3.8. In cases specified in the Regulations of Use of the Storage Facility, it shall be the duty of the System user, within the term set by the System operator, to submit a collateral to the System operator as a guarantee of performance of the Contract. Upon termination of the Contract, it shall be the duty of the System operator, within a period of 5 (five) business days, to repay the System user the sum of the collateral, which has not been used for discharge of the obligations of the System user, or to return the original of the submitted financial service provider's guarantee.

3.9. Until full settlement of the payments specified in the Contract, the natural gas of the System user placed for storage into the Storage shall be considered collateral of payment obligations, if there has been no collateral referred to in Clause 3.8 of the Contract submitted. In the event of a failure to fulfil or duly fulfil the payment obligations of the System user, the System operator shall be entitled to dispose of the natural gas of the System operator placed for storage into the Storage under the procedure laid down in Clause 5.7 and 5.8 of the Contract and in the Civil Law.

3.10. The System user, at its own expense, shall ensure the fuel gas quantity required for operation of the natural gas compressor plants, taking into account the fuel gas consumption ratio determined by the System operator, the methodology for the determination whereof the System Operator shall publish on its website, and shall deliver it to the System operator.

3.11. No later than on the last day of the storage cycle, the Parties shall perform a comparison of the natural gas stock and shall perform the final settlement for the storage service under the Contract.

4. Procedure for Provision of the Storage Service

4.1. The storage service shall be provided under the procedure and within the term laid down in the Regulations of Use of the Storage Facility.

4.2. The System user shall undertake to:

4.2.1. adhere to the Regulations of Use of the Storage Facility and perform the provisions of the Contract in good faith;

4.2.2. provide the information requested by the System operator regarding the performance of the Contract;

4.2.3. perform all statutory procedures related to the natural gas circulation (including, customs procedures) and, within a period of 3 (three) business days after the completion of customs procedures, submit the copies of the documents confirming the completion of customs procedures to the System operator;

4.2.4. observe and fulfil the instructions of the System operator regarding the use of the Storage;

4.2.5. ensure that during the performance of the Contract the System user is accessible at any time in 24-hour mode in accordance with the contact details provided by the System user.

- 4.3. The System operator shall undertake to:
- 4.3.1. adhere to the Regulations of Use of the Storage Facility and perform the provisions of the Contract in good faith;
 - 4.3.2. submit information to the System user regarding the performance of the Contract;
 - 4.3.3. under the procedure laid down in the Regulations of Use of the Storage Facility, notify the System user of interruptions in the provision of the storage service and the possible time of resumption of the provision of the service;
 - 4.3.4. under the procedure laid down in the Regulations of Use of the Storage Facility, notify the System user of maintenance and other activities for ensuring the operation of the Storage planned in the relevant natural gas injection season and withdrawal season, which reduce the injection, withdrawal or storage capacity;
 - 4.3.5. ensure that during the performance of the Contract the System operator is accessible at any time in 24-hour mode in accordance with the contact details specified by the System operator.
- 4.4. The System operator shall be entitled to collect and process data on the System user, as well as, for the purposes of ensuring the performance of the Contract, cooperate with the natural gas transmission system operator.
- 4.5. The Parties shall immediately notify each other in writing of all circumstances that hinder or may hinder the performance of the Contract.

5. Obligations of the Parties

- 5.1. Other rights and obligations of the Parties are laid down in the Regulations of Use of the Storage Facility.
- 5.2. The Parties shall compensate losses incurred by the other Party, if the Party at fault fails to fulfil or duly fulfil the provisions of the Contract.
- 5.3. The Party that has duly fulfilled its obligations under the Contract shall be entitled to request that the other Party fulfils its obligations to the full extent.
- 5.4. The Parties shall be released from the liability for a failure to perform the Contract or to perform it in due quality, if such failure has occurred as a result of the force majeure circumstances specified in the Contract.
- 5.5. The System user shall pay the System operator the late interest per each day of delayed payment in the amount of 0.15% per day of the timely unpaid sum per each day of delay. The System operator shall calculate the late interest once per month and shall specify it together with other information in the invoice for the storage service provided during the previous month.
- 5.6. If the System operator, contrary to that which is stated in the Regulations of Use of the Storage Facility, fails to ensure the availability of the capacity products booked by the System user, the System operator shall pay the System user a contractual penalty in the amount of 0.15% per day of the fee for the capacity product, the access whereunto has not been ensured. The System operator shall not be obliged to pay the contractual penalty, if the storage service has not been provided to the System user in cases provided for in the Regulations of Use of the Storage Facility. In any case, the contractual penalty shall be calculated not more than till the last day of the term of the storage service selected by the System user.

5.7. If the System user fails to fulfil or duly fulfil the payment obligations arising out of the Contract, the System operator shall be entitled to use the collateral submitted by the System user, but, if there aren't any - to exercise the natural gas stored by the System user in the Storage as a pledge for covering the payment obligations arising out of the Contract. The System operator shall inform the System user to this effect, by sending a respective notice in electronic form, and shall set a term of at least 10 (ten) days, during which the System user shall be obliged to fulfil the payment obligations.

5.8. If the System user has failed to fulfil the payment obligations within the term specified in Clause 3.3 or 3.4 of the Contract, the System operator shall be entitled to sell the natural gas of the System user for the price set at an auction. From the amount obtained as a result of selling the natural gas the System operator shall deduct the sum covering all payments of the System user arising out of the Contract. The System operator shall transfer the sum remaining after the deduction of the referred to payments to the current account of the System user specified in the Contract.

6. Governing Legal Provisions and Dispute Resolution

6.1. Legal relationship arising out of the Contract shall be governed, enforced and construed according to the laws and regulations in force in the Republic of Latvia.

6.2. All disputes and disagreements (hereinafter - the Dispute) between the Parties shall be resolved by way of negotiations. In the event of a Dispute, the Party referring to the existence of the Dispute must submit a written notice to the other Party, containing a description of the Dispute, the offered solution to the Dispute and a person or persons authorised to solve the issued related to the Dispute on behalf of the Party.

6.3. If the Dispute cannot be resolved within a period of 30 (thirty) days (unless the Parties have agreed upon a different deadline), it shall be settled pursuant to the procedure laid down in the applicable laws and regulations of the Republic of Latvia.

7. Force Majeure

7.1. The Parties shall not be held liable for full or partial failure to fulfil the obligations under the Contract, if such failure has occurred due to force majeure circumstances. For the purposes of this Clause, a force majeure circumstance shall mean a circumstance that has arisen out of the control of the affected Party and prevents it from fulfilling its obligations stated under the Contract and which cannot be eliminated by the Party. Such circumstances shall be considered to be catastrophes, fire, earthquake and other natural disasters, warfare, as well as economic sanctions, embargo or other circumstances which the Parties could not objectively foresee at the time of entering into the Contract.

7.2. Individual obstacles to the fulfilment of the obligations under the Contract that have occurred at the time when the defaulting Party delayed the fulfilment of its contractual obligations, shall not be considered to constitute force majeure circumstances.

7.3. If force majeure circumstances endure for more than 30 (thirty) days, the Parties shall enter into negotiations on an acceptable solution for the fulfilment of the contractual obligations. In such case the termination of the Contract shall only be possible by mutual agreement of the Parties.

7.4. The Parties shall immediately notify each other of the force majeure circumstances. If the Parties fail to provide notification of force majeure circumstances, the Parties cannot refer thereto as the grounds for failure to fulfil this Contract.

7.5. Upon termination of the force majeure circumstances, it shall be the duty of the Parties to immediately fulfil the obligations that have been performed prior to the moment of occurrence of the force majeure circumstances, unless agreed otherwise by the Parties.

8. Exchange of Information

8.1. Exchange of information between the Parties shall generally take place electronically, by sending the information to the electronic mail addresses of the Parties specified in the Contract.

8.2. When exchanging information, the Parties shall comply with the terms and procedure prescribed by the Regulations of Use of the Storage Facility.

8.3. All commercial information (trade secret) that has become known to the Parties with respect to the conclusion of the Contract and the fulfilment of the obligations stated under the Contract shall be protected and may not be disclosed to third parties without obtaining prior written consent of the Parties, except for information, the disclosure whereof is required by the Regulations of Use of the Storage Facility or other laws and regulations.

8.4. The duty of the Parties regarding non-disclosure of commercial information (trade secret) shall survive the termination of the Contract.

9. Validity Period, Amendment and Termination of the Contract

9.1. The Contract shall enter into force on the day when it is signed by both Parties, and shall remain in force for an indefinite period of time.

9.2. Upon agreement between the Parties, the amendments and supplements may be introduced to the Contract. All amendments and supplements to the Contract shall be executed in writing and they shall enter into force, when signed by both Parties.

9.3. The Contract may be terminated by a written agreement between the Parties or unilaterally in the case mentioned in Clause 9.4 of the Contract.

9.4. Either Party may unilaterally terminate the Contract, if the other Party fails to fulfil or duly fulfil the obligations stated hereunder for more than 30 (thirty) days. In such case the Party willing to terminate the Contract on such grounds shall notify the other Party thereof in writing at least 30 (thirty) days before the termination of the Contract, specifying the reason for termination of the Contract. The Contract shall be deemed terminated as of the day specified in the notice. Suspension or restriction of fulfilment of the obligations in cases specified in the Regulations of Use of the Storage Facility shall not be regarded as a failure to fulfil or duly fulfil the obligations of the Contract.

9.5. If, in the case specified in Clause 9.4 herein above, the Contract is terminated due to the fault of the System user, the System user, within the term set in Clause 3.3 therein above, shall pay the System operator for the capacity products booked by the System user and approved by the System operator to a full extent, as well as shall cover the direct losses incurred by the System operator due to the System user's failure to perform its obligations and the termination of the Contract.

9.6. If, in the case specified in Clause 9.4 herein above, the Contract is terminated due to the fault of the System operator, the System operator shall pay the System user the contractual penalty specified in Clause 5.6 of the Contract, as well as shall cover the direct losses incurred by the System user due to the System Operator's failure to perform its obligations and the termination of the Contract.

9.7. Termination of the Contract shall not release the Parties from the fulfilment of the financial obligations incurred during the term of validity of the Contract.

10. Other Provisions

10.1. In order to the fulfilment of the obligations provided in the Contract, the Parties shall be entitled to take additional measures, including insurance and other activities.

10.2. The Parties shall not be entitled to transfer or delegate any of their obligations under the Contract to a third party without the prior written consent of the other Party.

10.3. If any provisions of the Contract become invalid, it shall not form the basis for the invalidity or cancellation of other Clauses of the Contract.

10.4. The Contract shall be in effect in its current wording, insofar as it does not contradict the Regulations of Use of the Storage Facility in force.

10.5. The Parties shall inform each other about the changes in contact information for the fulfilment of the obligations under the Contract within a period of 3 (three) business days.

10.6. This Contract is made and signed in Latvian language on six pages. If English language translation is attached to this Contract, the Contract version in Latvian language shall prevail.

10.7. This Contract is signed in two original copies, one of which shall be kept by either Party. Both original copies shall have equal binding force

11. Details of the Parties

The System operator:

Joint Stock Company "Conexus Baltic Grid"

Registration No. 40203041605

VAT registration No. LV40203041605

Legal address: Stigu str. 14, Riga,

LV-1021, Latvia

Phone: +371-67087900

E-mail: info@conexus.lv

Bank: "Swedbank" JSC, HABALV22,

LV08 HABA 0551 0429 7882 7

The System user:

Uldis Bariss, Chairman of the Board

Gints Freibergs, Member of the Board
