

## LNG SUPPLY CONTRACT

No. \_\_\_/\_\_\_/

The CONTRACT was concluded on \_\_\_\_\_ in Warsaw by and between

### Buyer/ Party

company name

registered office and address

correspondence address (if different from the registered office)

registration court in which the entity is registered – registration number (KRS)/ register keeping body and entry details

Share capital, paid up

NIP (Tax Identification Number)

REGON (Statistical Number)

represented by duly authorised:

1. \_\_\_\_\_,

and

### Seller/ Party

CRYOGAS M&T Poland S.A., with its registered office in Warsaw (01-044) at Spokojna 5 st., entered to the Register of Entrepreneurs of Krajowy Rejestr Sądowy (KRS, National Court Register) kept by the District Court for the Capital City of Warsaw, 12<sup>th</sup> Economic Division of KRS under the number 0000532961, NIP (Tax Identification Number) 525-25-20-546, REGON (Statistical Number) 145864662, VAT payer's No LT100012244215, with the share capital of PLN 27,104,125.00, fully paid up, represented by duly authorised:

\_\_\_\_\_;

The Contract was concluded with the following contents:

## I. – General Provisions

### § 1

The subject of the Contract is the sales of liquefied natural gas (LNG) for the purposes of the Buyer and the determination of:

- a. rights and obligations of the Parties,
- b. liability for non-performance of the conditions of the Contract,
- c. technical conditions of delivery – collection of liquefied natural gas (LNG).

### § 2

Apart from the Contract, the relations between the Seller and the Buyer shall be governed by legal regulations, particularly:

1. Law on Natural Gas Republic of Lithuania, together with the implementing rules and subsequent amendments
2. The quality of LNG complies with the requirements for the component of gas and other requirements for quality parameters approved by the Order of the Minister of Energy of the Republic of Lithuania and other legal acts.

## II. – Obligations of the Parties

### § 3

1. The Seller shall:
  - a) deliver LNG to the Point of Delivery in the quantities ordered by the Buyer.
2. The Buyer shall:
  - a) buy LNG during the term of the Contract from the Seller in line with the principles set forth in § 5 section 1 of the Contract (that is regarding its collection and payment of the due price) for its own use;
  - b) ensure, at its own cost, the maintenance and repairs of the LNG Station throughout the term of the Contract.

### § 4

1. The Parties agree on the following quantities of LNG deliveries during the term of the Contract:
  - a) Annual LNG Quantity for every Year in the term of the Contract shall be at a fixed and invariable value of \_\_\_\_\_ kg (in words: \_\_\_\_\_) kg/year, divided between individual Months:

January	_____ kg,
February	_____ kg,
March	_____ kg,
April	_____ kg,
May	_____ kg,
June	_____ kg,
July	_____ kg,
August	_____ kg,
September	_____ kg,
October	_____ kg,
November	_____ kg,
December	_____ kg.

If the first or last Year is incomplete in terms of deliveries, the quantity of LNG in this period shall be determined proportionally on the basis of data from this point. The Annual LNG Quantity for every Year (and also the penalty for not reaching Minimum Yearly LNG Quantity) entry into force from \_\_\_\_\_.

- b) The total quantity of LNG that the Buyer shall be obliged to collect during the term of the Contract and for which the Buyer shall be obliged to pay the Seller the due price in line with the provisions of the Contract shall be \_\_\_\_\_ (in words: \_\_\_\_\_) \_\_\_\_.
- In reference to monthly quantities provided in § 4.1. a) every Month until the 15 day of the Month, Buyer is obliged to update the monthly quantities for next Month, broken down into weekly quantities.
  - The Buyer represents that it shall be ready to start the collection of LNG in its devices not earlier than \_\_\_\_\_, 20\_\_ upon sign the Contract and upon notify the Seller in two weeks advance.
  - If the Buyer collects the total LNG Quantity before the lapse of the period for which the Contract is concluded, the Parties may enter into negotiations on the conditions for shortening the term of the Contract.
  - The Parties allow for the possibility of renegotiation of conditions of the Contract, that is both the quantity of purchased LNG and the adopted settlement formulas, in a situation when the market conditions affecting the execution of the Contract change considerably.

#### § 5

- The Seller shall enable the commencement of safe delivery of LNG by the Buyer in the \_\_\_\_<sup>th</sup> quarter of \_\_\_\_\_, where the maximum deadline shall not be longer than \_\_\_\_ months upon sign the Contract.
- The Seller shall procure that each delivery of LNG is accompanied by a quality certificate issued by a laboratory accredited by a competent authority in accordance with applicable requirements listed in §2 section 2. The quality certificate will also show the Net Calorific Value and the Gross Calorific Value of the LNG shipment.
- In any case the Seller shall notify the Buyer about the impossibility of LNG deliveries by phone and by electronic mail immediately upon the occurrence of circumstances causing the impossibility of LNG deliveries, but not later than within 1 day from the occurrence of such circumstances. In the notification the Seller shall ensure the LNG deliveries in the shortest possible time.

### III. OTHER CHARGES

#### § 6

- If the Buyer does not collect the Minimum Annual LNG Quantity in a given Year, starting from Year \_\_\_\_\_, it shall pay the penalty for every non-collected 1 kg of LNG with regard to the quantity being the difference between the Minimum Annual LNG Quantity and the quantity actually collected in this Year in the amount of 100% of the LNG price calculated on the basis of the average rate (price) for sale of 1 kg of LNG effective for the Buyer in the Year in which the Minimum Annual LNG Volume was not collected. If the last Year is incomplete, the arithmetic mean of the price is calculated from these months/ days of the Year in which the LNG sales took place.
- If the Contract is terminated (or withdrawn from) by the Seller through the fault of the Buyer with immediate effect, or terminated by the Buyer prior to the set term of the Contract indicated in § 11 section 1 (this shall not apply to the termination of the Contract by the Buyer in the mode of § 11 section 3 of the Contract), the Buyer shall pay the penalty of EUR \_\_\_\_\_ (in words: \_\_\_\_\_ Euro) to the Seller. The above contractual penalty exhausts in entirety all claims of the Seller against the Buyer under the Contract, with exclusion of the cases directly stated in other provisions of the Contract, subject to the fact that the above contractual penalty shall not apply in the situation of occurrence of Force majeure.

3. If the Contract is terminated (or withdrawn from) by the Buyer through the fault of the Seller with immediate effect, or terminated by the Seller prior to the set term of the Contract indicated in § 11 section 1 (this shall not apply to the termination of the Contract by the Seller in the mode of § 11 section 3 of the Contract), the Seller shall pay the penalty of EUR \_\_\_\_ (in words: \_\_\_\_ Euro) to the Buyer. The above contractual penalty exhausts in entirety all claims of the Buyer against the Seller under the Contract, with exclusion of the cases directly stated in other provisions of the Contract, subject to the fact that the above contractual penalty shall not apply in the situation of occurrence of Force majeure.

#### **IV. – POINT OF DELIVERY – COLLECTION OF LIQUEFIED NATURAL GAS (LNG)**

##### **§ 7**

1. LNG shall be delivered by the Seller to the LNG storage tanks being a part of the LNG station located in/at:
2. The ownership title to LNG and the risk shall be transferred from the Seller to the Buyer at the place of connection of the LNG Station storage tank with the filling device from the cryogenic tank car, that is during filling the above-mentioned tank with LNG by the Seller (delivery – collection point), which is confirmed with the Delivery certificate.

#### **V. – Price**

##### **§ 8**

1. The Total Price at Gross Heating Value for LNG sold and actually delivered to the LNG Station under this Contract shall be calculated in accordance with the following formula:

The quantity of LNG delivered (expressed in kg) shall be converted into MWh as follows: (quantity (kg) x GHV (kWh/nm<sup>3</sup>) / density (kg/nm<sup>3</sup>)) / 1000 = quantity in MWh.

The price of LNG delivered (expressed in EUR net per kg) shall be converted into EUR net per 1 MWh as follows: (P (price EUR net per kg LNG) / (GHV (kWh/nm<sup>3</sup>) / density (kg/nm<sup>3</sup>))) x 1000 = price in EUR net per MWh.

2. The Seller shall increase the price for the sales of LNG with the VAT at the rate currently applicable at the date of issuing the VAT invoice and other statutory encumbrances (f.e. excise duty) if applicable.
3. The VAT invoice for the delivered LNG shall be issued by the Seller monthly in the first working week following the settlement month, sent by the Seller to the Buyers e-mail address (which are decisive in terms of payment date) and by registered mail, and the invoice shall be payable within \_\_ days from the date of receipt via e-mail, provided that the delivered LNG for which the invoice is issued was accompanied by a appropriate quality certificates.

#### **VI – Final Provisions**

##### **§ 9**

1. Any disputes arising from the execution of the Contract shall be settled by the Parties by way of negotiations (which also includes the sending of the call by any of the Parties in the mode of § 11 section 3 of the Contract).

2. If the Parties fail to reach understanding in the course of negotiations (which also includes the ineffective lapse of period set forth in the call sent by either of the Parties in the mode of § 11 section 3 of the Contract), then the disputes shall be heard and settled by the court of the Republic of Lithuania.

#### § 10

1. The transfer of rights and obligations under the Contract to a third party shall require the consent of the other Party.
2. The Party transferring the rights shall be relieved from the obligations arising from this Contract only when its successor assumes all obligations towards the other Party arising from the Contract by way of signing a relevant contract.

#### § 11

1. The Contract is concluded upon signing for a definite period of time, that is: \_\_\_\_\_ years, starting from the date of issuing the first invoice for LNG delivery, subject to section 3 below or the time of collection of total LNG quantity set forth in § 4 section 1 point b).
2. The Contract may be terminated at any time upon written Understanding of the Parties.
3. Either Party (hereinafter referred to as the “Entitled Party”) may terminate the Contract with immediate effect through the fault of the other Party (hereinafter referred to as the “Default Party”) if the Default Party violates the provisions of this Contract or if there occur other circumstances directly provided for in this Contract.
4. The Contract may be extended for another term, but the conditions for such extension shall be included by the Parties in a bilateral Annex.

#### § 12

1. Any objections regarding the gas quality or the VAT invoice shall be promptly reported by the Buyer, within 14 days from its reception at the latest.
2. Submitting objections to the gas quality or invoice shall not give the Buyer the right to delay the payment, reduce the amount of payment or to refuse to make the payment, unless they refer to calculation errors.
3. The Seller shall respond to the submitted claim within 7 working days from the date of submitting. If the Buyer's objections are deemed justified, the Buyer shall have the right to receive surcharge reimbursement.
4. If the Buyer and the Seller disagree as to the amount included in the invoice due to differences in interpretation of the provisions of the Contract or inconsistent bases for the calculation of invoice, the Parties shall make every effort to quickly clarify the arisen dispute. The parties agree that disputes regarding the issued invoice may be the subject of litigation only after the alternative way of resolving the dispute, provided in legal acts.
5. The occurrence of dispute shall not relieve the Buyer from the obligation to pay the disputed amount. The final settlement shall be made after reaching an understanding with regard to the disputed issues or after receiving the final court decision.

#### § 13

1. The Parties shall keep the terms and conditions of this Contract and any and all information regarding the other Party's economic activities and financial situation received under the Contract or during negotiation of this Contract confidential (“Confidential Information”). Any and all information

that would not have become known to a Party without entering into this Contract shall be deemed to be Confidential Information.

2. Confidential Information shall not be disclosed to third parties without the other Party's consent, except in case such disclosure is required under legal acts which impose mandatory obligations on a Party or in case disclosure is to the Party's professional consultants or advisers who are bound by the duty of confidentiality under law.

§ 14

This Contract is prepared pursuant to the laws of the Republic of Lithuania. All issues which are not stipulated in this Contract shall be solved pursuant to the laws of the Republic of Lithuania.

§ 15

The Contract has been drawn up in two counterparts, each with the powers of the original, one for the Buyer and one for the Seller.

§ 16

The Contract shall enter into force upon the date of signing.

**Seller**

**Buyer**