

Pursuant to Article 86 Paragraph 3 of the Law on Gas Market ("Official Gazette", no. 28/2013) and the Decision on granting approval by the Croatian Energy Regulatory Agency, Class: 310-05/13-02/137, Registration number: 371-07/13-03 from 23rd of December 2013 the Storage System Operator Podzemno skladište plina d.o.o. adopts the

STORAGE CODE

I. GENERAL PROVISIONS

Subject

Article 1.

This Storage Code regulates the description of the Gas Storage System, development, construction and maintenance of the Gas Storage System, management and supervision of the Gas Storage System, the reservation and capacity usage procedure of the Gas Storage System, nomination of usage of the Gas Storage System, trading with the Gas Storage Systems' capacities, connections with other parts of the gas system, services of Storage System Operator, rights and obligations of the Storage System Operator and the Storage System User, contractual relations and general terms and conditions for the Use of the Gas Storage System, compensation for damages, publication of data and exchange of information as well as metering rules and allocation rules regarding gas storage.

Article 2.

The Storage System Operator, Storage System Users, Transmission System Operator, Distribution System Operator, Gas Market Operator, Natural Gas Producer and the Balance Group Responsible are obliged to apply the Storage Code.

Article 3.

The Storage System Operator is obliged to ensure unbiased, equal and transparent terms of access to the Gas Storage System, keeping in mind the safety of gas supply, development of the storage system and the economically efficient usage of the Gas Storage System.

Definition of Terms

Article 4.

(1) The terms which are used within this Storage Code have a certain meaning which is determined by laws which govern the energy sector, regulation of energy activity, gas market, mining and metrology, as well as provisions and acts which were adopted pursuant to those laws.

(2) In this Storage Code certain terms are used which have the following meaning within this Storage Code:

1. *well* – a mining facility which connects the reservoir with the surface facilities and allows for the gas to be injected into the reservoir and withdrawn from the reservoir (operating well), or has the function for the monitoring of storage operations (control and/or metering well);
2. *balance account*– records on the daily transactions in the primary and secondary capacity market of the Gas Storage System with the initial and final quantity of gas in kWh for each individual User of the Gas Storage System
3. *long-term service* – a service which is provided by the Storage System Operator for the period of one or more years;
4. *information platform* –information system of the Storage System Operator which acts as a support for the implementation of processes and procedures for the provision of gas storage services;
5. *website* – website of the Storage System Operator www.psp.hr;
6. *withdrawal capacity* – quantity of gas which can be withdrawn from storage in a unit of time, expressed in kWh/day;
7. *injection capacity* – quantity of gas which can be injected into storage in a unit of time, expressed in kWh/day;
8. *Storage System User* – gas supplier, gas trader and producer of natural gas who uses the Gas Storage System pursuant to the Gas Storage Agreement;
9. *short-term service* – service which is provided by the Storage System Operator for a period which is shorter than 12 months;
10. *withdrawal curve* – a graphical or mathematical depiction of dependence of the firm capacity of withdrawal on the stored gas volume at a certain point;
11. *injection curve* – a graphical or mathematical depiction of dependence of the firm capacity of injection on the stored gas volume at a certain point;
12. *m³ gas*– quantity of natural gas which at temperature of T=288,15 K and pressure P=101. 325 Pa occupies a volume of one cubic meter;
13. *minimal binding capacity* - minimal number of standard bundled units above which the request for reservation is binding, and under which the Storage System User is not interested in contracting the storage service.
14. *not-nominated capacity* – the contracted capacity which the Storage System User has not nominated for use ;
15. *nomination* – announcement of the amount of natural gas which the Storage System User intends to inject or withdraw from the Gas Storage System;
16. *Storage System Operator* – company Podzemno skladište plina d.o.o.;
17. *withdrawal period* – period in which typically the gas is withdrawn from the Gas Storage System and which lasts from the 1st of October until 31st of March of the applicable storage year \pm 30 days;
18. *injection period* – period in which typically the gas is injected into the Gas Storage System and which lasts from the 1st of March until the 30th of September of the applicable storage year \pm 30 days;
19. *gas day* – a period of 24 hours which begins at 06:00 o'clock and lasts until 06:00 o'clock of the following day;
20. *cushion gas* – the volume of gas in a reservoir necessary for storage management and for maintaining the adequate minimal pressure in the storage;
21. *gas month* – a period which begins at 06:00 o'clock of the first day of the current month and lasts until 06:00 o'clock of the first day of the following month ;
22. *initial reservoir pressure* – initial pressure found in porous formations, at the reference depth, before the reservoir has been put in operation, e.g. before the beginning of production or injection;

23. *unbundled service* – the use of working volume, injection capacity and withdrawal capacity as separate services;
24. *withdrawal*– operating mode in which the gas is physically delivered from the Gas Storage System into the transmission system;
25. *interruptible not-nominated injection capacity on a daily level* – a service which allows the gas storage User to gain the right to nominate injection capacities above contracted, and whose usage the Storage System Operator can limit partially or completely for a certain time period;
26. *interruptible not-nominated withdrawal capacity on a daily level* – a service which allows the Gas Storage User to gain the right to nominate withdrawal capacities above contracted, and whose usage the Storage System Operator can limit partially or completely for a certain time period;
27. *transitional operating mode* – operating mode in which the nominated flow is achieved in fewer hours during the gas day;
28. *primary market* – market in which the Storage System Operator trades with Gas Storage System capacities;
29. *user programme* – informative announcement of the Gas Storage System usage plan;
30. *working volume of the Gas Storage System* – the volume of gas in the storage above the projected gas cushion volume which can be injected or withdrawn by using installed underground or surface facilities, according to legal and technical limitations, in one storage operating cycle.;
31. *available injection capacity* – part of the injection capacity which has not been encompassed by the agreements applicable at a certain moment and which is available to be contracted to other Storage System Users;
32. *available withdrawal capacity* – part of the injection capacity which has not been encompassed by the agreements applicable at a certain moment and which is available to be contracted to other Storage System Users;
33. *available working volume* – working volume which has not been contracted at a certain moment and which is available to be contracted to other Storage System Users;
34. *available storage capacities* – part of the Gas Storage System capacity which has not been contracted at a certain moment and which is available to be contracted to other Storage System Users;
35. *storage year* – a period which begins at 06:00 o'clock on the 1st of April of the current year and lasts until 06:00 o'clock on the 1st of April of the following year;
36. *standby*– operating mode in which there is no physical flow between the transmission system and the Gas Storage System;
37. *firm injection capacity* – injection capacity shown in kWh/day which the Storage System Operator ensures for the Storage System User in the full amount for the contracted time and can't terminate or restrict it, other than as provided by the applicable legislation;
38. *firm withdrawal capacity* – withdrawal capacity shown in kWh/day which the Storage System Operator ensures for the Storage System User in the full amount for the contracted time and cannot terminate or restrict it, other than as provided by the applicable legislation;
39. *standard bundled unit* – storage service in which the lease of working volume is contracted and the associated dependence curve of withdrawal and injection capacity on the gas volume stored in a certain moment;
40. *technical storage capacity*– maximum working volume, injection and withdrawal capacity which the Storage System Operator can offer to the Storage System Users, depending on the physical characteristics of the facility and on the technical conditions at the gas injection and withdrawal points;

41. *gas injection point* – entry measuring point in the Gas Storage System at which the Storage System User delivers the gas for injection, and the Storage System Operator takes possession;
42. *gas withdrawal point* – exit measuring point in the Gas Storage System at which the Storage System Operator delivers the withdrawn stored gas, and the Storage System User takes possession;
43. *gas storage agreement* – agreement concluded between the Storage System User and the Storage System Operator, with which the Storage System Operator undertakes to provide the contracted service, and the Storage System User undertakes to pay the regulated reimbursement for the use of the Gas Storage System;
44. *contracted working volume* – part of the Gas Storage System working volume which as a firm service is leased by the Storage System User from the Storage System Operator for a certain period of time;
45. *injection* – operating mode in which the gas is physically taken from the transmission system into the Gas Storage System;
46. *virtual nomination* – announcement of the quantity of natural gas which the Storage System User intends to inject into the Gas Storage System during the withdrawal period, or withdraw from the Gas Storage System during the injection period;
47. *Law* – Law on Gas Market.

II. DESCRIPTION OF THE GAS STORAGE SYSTEM

Article 5.

(1) The Gas Storage System consists of mining facilities: reservoirs where the gas is stored, operational wells, control-measuring wells, surface facility and connecting gas pipelines.

(2) The surface facility from Paragraph 1 of this Article consists of:

- a compressor station with a determined number of compressor units and corresponding equipment designed for the injection of gas during the injection cycle;
- a facility for the preparation of the withdrawn gas before it is delivered into the transmission system with the basic functions: separation of water and condensate, reduction of pressure, dehydration of gas and quantity provision;
- measuring devices with which the quantity of injected or rather withdrawn gas is measured;
- a control-management centre from which the operation of the Gas Storage System is monitored by tracking technological parameters and the operation of all facilities is managed.

(3) The basic parameters for the gas storage plant are defined by the corresponding technical documentation in accordance with the applicable legislation.

(4) Due to the operational safety of the Gas Storage System the allowed maximum depression is prescribed for each well, or the difference between reservoir pressure and the dynamic pressure at the bottom of the well respectively, on the basis of reservoir characteristics and installed well equipment. This determines the maximum quantity of gas which can be withdrawn or rather injected at each individual well.

(5) The technical storage capacity and the injection curve and the withdrawal curve are harmonised with the valid mining project.

(6) At the end of each withdrawal and injection cycle it is necessary to ensure the required reservoir resting time and to conduct hydrodynamic measurements in certain wells. The

interpretation of these measurements provides the data necessary for verification and redefinition of the parameters for the plant storage system.

(7) Gas storage is conducted at the hydrocarbon exploitation field PSP Okoli, which is envisaged for seasonal balancing of the gas system due to the physical characteristics of the reservoir and where it is possible to achieve one cycle of charging and discharging throughout the storage year.

Article 6.

(1) The Gas Storage System is connected to the transmission system which is operated by the Transmission System Operator.

(2) The injection or withdrawal of gas is conducted at injection or rather withdrawal points in the manner as has been prescribed by this Storage Code and the Gas Storage Agreement.

III. CONNECTING THE GAS STORAGE SYSTEM WITH OTHER PARTS OF THE GAS SYSTEM

Article 7.

(1) The connection of the Gas Storage System with the transmission and distribution systems is done in order to create prerequisites for safe and reliable delivery of gas to system Users.

(2) The Storage System Operator will ensure the exchange of information with interconnected Operators, while respecting the rules for data exchange as prescribed by the Network Code of the Transmission System.

Connecting the Gas Storage System with the transmission system

Article 8.

(1) The connection to the transmission system or the increase of the connection capacity is conducted in accordance with the provisions as set out in this Storage Code and the Network Code of the Transmission System.

(2) The Storage System Operator and the Transmission System Operator will regulate mutual rights and obligations and the manner of data exchange, in order to ensure efficient and reliable operation, development and maintenance planning of interconnected systems, and will conclude an agreement on mutual rights and obligations.

Connecting the Gas Storage System with the distribution system

Article 9.

(1) The connection to the distribution system or the increase of the connection capacity is conducted in accordance with the provisions as set out in this Storage Code and the Network Code of the Transmission System.

(2) The Storage System Operator and the distribution system Operator will regulate mutual rights and obligations and the manner of data exchange, in order to ensure efficient and reliable operation, development and maintenance planning of interconnected systems, and will conclude an agreement on mutual rights and obligations.

IV. DEVELOPMENT, CONSTRUCTION AND MAINTENANCE OF THE GAS STORAGE SYSTEM

Article 10.

(1) The Storage System Operator manages, maintains and develops a safe, reliable and efficient Gas Storage System.

(2) The Gas Storage System development is carried out in accordance to the Gas Storage System development plan, in accordance with provisions of the Law.

Planning the development of the Gas Storage System

Article 11.

(1) The Storage System Operator creates the development plan for the Gas Storage System whereby the planned investments for construction and reconstructions have to be technically justified and economically efficient and provide the appropriate level of security of gas supply.

(2) The Gas Storage Operator has to plan the storage system development in such a manner that it is adequately dimensioned in order to carry out the contracted or expected gas storage services while wholly meeting all legal obligations.

(3) A solution should be chosen during the preparation of the development plans which completely satisfies the technical criteria while at the same time respects the principle of minimal expenditure.

(4) The Gas Storage System development plan has to be in accordance with the Strategy of Energy Development and the Implementation Programme of the Strategy of Energy Development of the Republic of Croatia taking into account the economic conditions.

Development, construction and maintenance of the Gas Storage System

Article 12.

(1) The development of the Gas Storage System encompasses the construction of a new system as well as an increase in the injection capacity, withdrawal capacity and/or the working volume of the existing system, increase in the security and operational reliability and the decrease of negative environmental impact.

(2) The construction of mining facilities and installations will be conducted in accordance with valid technical-technological solutions in full compliance with all legal obligations.

(3) The Storage System Operator is obliged to maintain and repair the entire storage system for the purpose of ensuring safe, reliable and efficient operation.

V. MANAGEMENT AND SUPERVISION OF THE GAS STORAGE SYSTEM

The control centre of the Gas Storage System

Article 13.

(1) For the purpose of efficient and reliable management and maintenance of the Gas Storage System the Storage System Operator is obliged to supervise the operation of the Gas Storage System, the measurement system of input and output flows and gas quality parameters and also reliable gas delivery from the gas storage.

(2) Supervision of operation and the Gas Storage System management is performed constantly from the control centre of the Storage System Operator, as well as by systematic operational system supervision.

(3) The Storage System Operator will manage the system in such a manner as to meet the conditions prescribed by verified project documentation while adhering to technical and operating limitations of the system.

(4) Technical and operational limitations of the Gas Storage System are based on the maximum allowed pressure of the reservoir and the surface facility and on the minimal pressure of the reservoir as well as pressure of the system to which it is connected.

(5) The control centre will cooperate and exchange information with the Transmission System Operator, Balance Group Responsibilities and Storage System Users in matters concerning nominations, balancing of the transmission system, cooperation during disruption of storage activities or transmission and also during crisis, and in accordance with applicable legislation.

(6) In order to maintain contact with the Storage System Operator the Storage System User needs to manage the following communication tools and constantly keep them in function during each gas day:

- a computer connected to the internet with the option of sending and receiving e-mails;
- a continuous telephone connection;
- a device for receiving and sending fax messages.

Article 14.

In order to manage the Gas Storage System, for the purposes of ensuring safety and reliability of its operation and supervision of Gas Storage System plant, the control centre of the Storage System Operator has to have access to the measurement, information and telecommunication system which enables him to:

- keep continuous supervision of the technological parameters and management of key facilities; of the Gas Storage System in real time;
- notice disruptions in the technological gas storage process;
- measuring, recording and centralised data gathering on the achieved gas flow at the entries into the Gas Storage System and exits from the Gas Storage System;
- communicate with the Transmission System Operators' dispatcher centre for the purpose of exchanging process data;

- exchange data and operational communication with the Balance Group Responsibles and the Gas Market Operator;
- achieve operational communication with Storage System Users;
- report on the achieved Gas Storage System usage and the balancing energy.

Article 15.

For the purpose of ensuring the safety and reliability of Gas Storage System operations, aside from what has been mentioned in Article 14 of this Storage Code, the Storage System Operator is obliged to organise permanent readiness for the emergency repair of defects or faults in the Gas Storage System, or rather to undertake measures to lessen their impact on the Gas Storage System operations.

Determining the technical storage capacity

Article 16.

(1) The procedure for determining the technical storage capacity guarantees that the nominations of the Gas Storage Users do not exceed the technical capabilities of the Gas Storage System. The technical storage capacity defines the maximum working volume of the Gas Storage System, the maximum daily injection capacity and the maximum daily withdrawal capacity which are dependent on the level of occupancy of the Gas Storage System, and is determined by the Storage System Operator.

(2) Gas Storage System is also limited by the minimal withdrawal capacity and the minimal injection capacity of gas as follows:

- minimal gas withdrawal capacity (MinQp) from 200 000 kWh/h
- minimal gas injection capacity (MinQp) from 300 000 kWh/h

Managing the capacities of the Gas Storage System

Article 17.

(1) The gas injection cycle lasts from the 1st of April until the 30th of September \pm 30 days, while the withdrawal cycle lasts from the 1st of October until the 31st of March \pm 30 days.

(2) The Storage System Operator will notify the Storage System Users on the cycle change date by posting a notification on his website at least seven days in advance.

Article 18.

(1) Gas Storage System can be in one of the following operational modes:

- withdrawal;
- injection;
- standby;
- transitional operating mode.

(2) In the event that the nomination result is less than the MinQp and MinQu, the Storage System Operator will undertake a reasonable effort in order to achieve the standardised flow through a fewer number of hours during the gas day through the transitional operating mode.

(3) The Storage System Operator determines the operation mode of the Gas Storage System based on the weekly announcements made by the Users and the received daily nominations and the impact the change of operation mode has on the reservoir characteristics.

Changing the operation mode

Article 19.

(1) The Storage System Operator will plan for a possible operation mode change based on the weekly notifications made by the Users.

(2) The decision to change the operation mode is made:

- on the date of the regular change of the operation mode caused by the switch of the injection and withdrawal cycles in accordance with the deadlines listed in Article 17 of this Storage Code;
- if it is evident from the received nominations from all the Storage System Users that the physical flow of gas will remain in the new operation mode for at least 48 hours;
- if the Storage System Operator assesses that the change of operation mode is feasible;

(3) In all other circumstances, the decision to change the operation mode is made by the Storage System Operator within the scope of his operational possibilities.

(4) The Storage System Operator will notify the Storage System Users on his decision about changing the operation mode 24 hours before the change takes place.

(5) The minimal time required in the event of transitioning from the injection operation mode to withdrawal operation mode is 8 hours, and in the event of transitioning from the withdrawal operation mode to injection operation mode it amounts to 16 hours.

Article 20.

(1) In the event that the Gas Storage System is in withdrawal operation mode, the following rules apply:

- In the event that the result of the summary gas flow per hour from all the delivered nominations is greater than the MinQp:
 - the Storage System Operator will accept all of the nominations.
- In the event that the result of the summary gas flow per hour from all the delivered nominations is less than the MinQp, and the summary gas flow per hour of the delivered nominations for withdrawal is greater than the MinQp:
 - the Storage System Operator will accept all of the nominations for withdrawal
 - the Storage System Operator will proportionally reduce the virtual nominations for injection.
- In the event that the result of the summary gas flow per hour from all the delivered nominations is less than the MinQp and the summary gas flow per hour of the delivered nominations for withdrawal is less than the MinQp:
 - the operation mode is changed to standby or to transitional operating mode.

(2) In the event that the Gas Storage System is in injection operation mode, the following rules apply:

- In the event that the result of the summary gas flow per hour from all the delivered nominations is greater than the MinQu:
 - the Storage System Operator will accept all of the nominations.
- In the event that the result of the summary gas flow per hour from all the delivered nominations is less than the MinQu, and the summary gas flow per hour of the delivered nominations for injection is greater than the MinQu:
 - the Storage System Operator will accept all of the nominations for injection
 - the Storage System Operator will proportionally reduce the virtual nominations for withdrawal.
- In the event that the result of the summary gas flow per hour from all the delivered nominations is less than the MinQu and the summary gas flow per hour of the delivered nominations for injection is less than the MinQu:
 - the operation mode is changed to standby or to transitional operating mode.

Own gas consumption and losses

Article 21.

(1) The measurement of gas consumption for the needs of the Storage System Operator will be performed with the measuring device which is owned by the Storage System Operator for which he possesses all of the required documentation in accordance with the metrological requirements (certificates, test reports).

(2) The Storage System Operator is obliged to ensure sufficient quantities of gas required to feed the compressor, technological consumption, to cover the losses and to supplement the gas cushion.

(3) The gas intended for the purposes described in Paragraph 2 of this Article is acquired by the Storage System Operator based on market principles while also defining the dynamic and location of delivery.

(4) The Storage System Operator acquires the gas at the injection point or in the storage itself.

(5) The Storage System Operator is obliged to publish the tender for the procurement of gas for the purposes described in Paragraph 2 of this Article on his web page and in at least one public newspaper.

(6) The basic criteria for choosing the most favourable tender is the lowest price of gas.

(7) On the basis of the most favourable tender, the Storage System Operator and the chosen supplier conclude a Gas Supply Agreement.

(8) In case of dissatisfaction with the conduct of the Storage System Operator in the gas procurement proceedings, the supplier has the right to lodge an appeal to the Agency.

Temporary restriction and termination of service

Article 22.

(1) The Storage System Operator has the right to temporarily restrict or terminate the injection or withdrawal of gas for regular maintenance of the facility and installations, performing necessary measurements or inspections.

(2) The Storage System Operator develops and implements the annual plans for maintenance, repair and performing of hydrodynamic measurements and inspections in such a manner which is most suitable for the Storage System Users and in as short a time period as possible.

(3) The Storage System Operator will publish on his web page the planned deadlines for the termination of service at least one month before the beginning of the storage year, he will revise them monthly and will confirm it to the Storage System Users at least 48 hours before shutdown.

(4) Due to performing hydrodynamic measurements described in Paragraph 2 of this Article, the Storage System Operator has the right to terminate the injection and withdrawal service twice a year in the duration of 96 hours. The Storage System Operator will carry out the abovementioned measurements in agreement with the Storage System Users but no later than 15 days after the completion of the injection or rather the withdrawal cycle respectively.

(5) In the event of planned restriction or termination of storage service in accordance with Paragraphs 3 and 4 of this Article which has lasted in accordance with the announced deadlines, the Storage System Operator is not obliged to reimburse the Storage System Users for possible damages or expenses that may have occurred as the result of restriction or termination of the storage service.

Article 23.

After the announced operations from Article 22 of this Storage Code are completed the Storage System Operator will immediately notify the Storage System User on his readiness to continue the gas injection or withdrawal cycle.

Management and procedures during extraordinary circumstances

Article 24.

(1) An extraordinary situation with regards to managing the Gas Storage System is any event which is not avoidable or foreseeable, and whose consequences directly endanger the safety of people and property from uncontrolled gas discharge, cause restriction or termination of Gas Storage System capacity usage and endanger the reliability of gas supply.

(2) Extraordinary situations described in Paragraph 1 of this Article in terms of managing the Gas Storage System also include extraordinary circumstances on connected systems.

(3) In the event of an extraordinary situation at the Gas Storage System the Storage System Operator will undertake measures without delay which will ensure the preservation of the storage system viability and will decrease the impact the disruption has on the possibility of Gas Storage System capacity usage and the reliability of gas supply. The abovementioned measures encompass the following:

- notification of competent public authorities and bodies;
- control of the storage system operation through the control centre in accordance with internal instructions, for the purpose of surmounting the arisen circumstances;
- elimination of the cause of danger for the safety of people and property;
- termination or restriction of the Gas Storage System capacity usage.

Article 25.

(1) If the extraordinary situation in the Gas Storage System results in the termination or restriction of Gas Storage System capacity usage, the Storage System Operator will without delay notify the connected Storage System Users, connected Balance Group Responsibles and the Transmission System Manager about the disruption, its consequences and the expected duration, in order for them to conduct their own balancing measures by way of extraordinary nomination.

(2) In the event that the extraordinary nomination has not been delivered or the received nomination is not in accordance with Storage System Operator's instructions, the Operator will notify the User and correct the User's nomination in accordance with the possibilities of the Gas Storage System usage.

Management and procedures during crisis

Article 26.

(1) During a crisis the Storage System Operator manages the Gas Storage System based on the measures prescribed by the Resolution (EC) 994/2010 of the European Parliament and of the Council (hereinafter: Resolution on security of gas supply) and provisions adopted on the basis of Resolution on Gas Supply Security.

(2) Depending on the technical possibilities and available capacities of the Gas Storage System the Storage System Operator will in agreement with other subjects undertake measures to mitigate the resulting situation.

VI. SERVICES OF THE STORAGE SYSTEM OPERATOR

Article 27.

In accordance with the Law and provisions of the Regulation (EC) no. 715/2009 the Storage System Operator will place at the disposal of the Storage System Users under equal conditions the total capacities of the Gas Storage System taking into consideration the technical limitations and the security of the system.

Overview of the offered services

Article 28.

(1) The Storage System Operator provides the services defined in this Article on the basis of the Gas Storage Agreement concluded between the Storage System Operator and the Storage System User and under the conditions as determined by this Storage Code.

(2) The Storage System Operator will offer the following services to the Storage System Users:

1. standard bundled unit;
2. unbundled services: firm and interruptible;

3. non-standard services.

Standard bundled unit

Article 29.

(1) The Storage System Operator offers the standard bundled unit on an annual basis for a period of no more than five storage years.

(2) The standard bundled unit is defined by the technical parameters of the working volume and the associated injection curve and the withdrawal curve.

(3) Within the framework of the contracted standard bundled unit, and in accordance with the associated injection curve and withdrawal curve the Storage System User achieves the right to:

- nominate the contracted firm injection capacity in the injection cycle or the withdrawal capacity in the withdrawal cycle depending on the volume of gas stored at a certain moment;
- nomination up to the amount of the contracted maximum injection capacity or the withdrawal capacity wherein the right to use the capacity beyond the point on the associated curve will be realised on an interruptible basis;
- virtual nomination.

(4) The appropriate injection and withdrawal curve for each Storage System User will be contained within the Contracted Service Confirmation which is an addendum and an integral part of the Gas Storage Agreement.

(5) The contracted working volume is the maximum quantity of natural gas expressed in kWh which can be stored throughout the duration of the contracted service.

(6) The contracted injection capacity is the maximum quantity of gas expressed in kWh/day which can be injected in a gas day, and which varies depending on the applicable quantity of stored gas of each individual Storage System User, which is defined by the Contracted Service Confirmation.

(7) The contracted injection capacity is the maximum quantity of gas expressed in kWh/day which can be withdrawn in a gas day, and which varies depending on the applicable quantity of stored gas of each individual Storage System User, which is defined by the Contracted Service Confirmation.

Unbundled services

Article 30.

During the storage year for the purposes of optimising the Gas Storage System usage, the Gas Storage Operator can also offer unbundled services which can be firm or interruptible.

Article 31.

- (1) The Storage System Operator can offer the following unbundled firm services:
- working volume;

- firm injection capacity;
- firm withdrawal capacity;

(2) Additional unbundled firm service of contracted working volume doesn't change the initial value of the previously contracted maximum daily injection capacity or maximum daily withdrawal capacity.

(3) The Storage System Operator will, after contracting an unbundled service of working volume with an existing Storage System User, update the original dependency of withdrawal capacity and injection capacity curves on the gas volume stored at a certain moment and the aforementioned will be defined in the Contracted Service Confirmations.

(4) Additionally contracted unbundled service of firm injection capacity or firm withdrawal capacity does change the initial value of the previously contracted daily injection capacity or maximum daily withdrawal capacity.

(5) The Storage System Operator will, after contracting the unbundled service of firm injection or withdrawal capacity with an existing Storage System User, update the original dependency of withdrawal capacity and injection capacity curves on the gas volume stored at a certain moment and the aforementioned will be defined in the Contracted Service Confirmations.

Article 32.

(1) The Storage System Operator will offer to the existing Storage System Users the following interruptible services:

- interruptible not-nominated injection capacity on a daily basis;
- interruptible not-nominated withdrawal capacity on a daily basis;

(2) By contracting the interruptible not-nominated injection capacity or not-nominated withdrawal capacity on a daily basis the Storage System User achieves the right to nominate non-contracted injection capacities or non-contracted withdrawal capacities.

(3) The Storage System Operator has the right to terminate or restrict execution of unbundled interruptible services.

(4) The Storage System Operator will grant the right to use the interruptible not-nominated injection capacity or interruptible not-nominated withdrawal capacity on a daily basis after accepting the nominations for the use of interruptible capacities within the framework of the standard bundled unit described in Article 29 of this Storage Code.

Cost of standard services

Article 33.

(1) The fees for the use of the Gas Storage System are determined by the Methodology of determining the amount of tariff items for gas storage.

(2) Services described in Article 28, Paragraph 2, sub-Paragraph 1 and sub-Paragraph 2 of this Storage Code, are accounted by the Storage System Operator on the basis of the decision on the amount of tariff items for gas storage.

Non-standard services

Article 34.

(1) The Storage System Operator offers the following non-standard services:

- sale of gas not-withdrawn;
- control testing of the gas meter accuracy and of other measuring equipment at the request of the User in an authorised service centre accompanied by the expertise of the State Office for Metrology or at a legal entity authorised for gas meter certification;
- gas quality control at the request of the system User;
- trade recording for the seller in the secondary market;
- trade recording for the buyer in the secondary market;
- reimbursement for opening a balance account for the buyer in the secondary market;
- reimbursement for managing a balance account for the buyer in the secondary market;

Cost of non-standard services

Article 35.

(1) The price list of the non-standard services of the Storage System Operator will be in accordance with the Methodology of determining the price of non-standard services which is adopted by the Agency.

(2) The non-standard services described in Article 34 of this Storage Code will be accounted by the Storage System Operator on the basis of the non-standard service price list of the Storage System Operator.

(3) The invoice for the rendered non-standard services will be delivered by the Storage System Operator to the Storage System User no later than the 15th day of the current month for the previous month, which the Storage System User is obliged to pay no later than the 25th day of the month in which the invoice was issued.

VII. CONTRACTUAL RELATIONSHIPS AND GENERAL TERMS OF USE OF THE GAS STORAGE SYSTEM

Article 36.

(1) The Storage System Operator will conclude the Gas Storage Agreement in written form with the energy entity who has the right by Law to access the Gas Storage System and to whom the bundled unit was awarded under the conditions as set forth in this Storage Code.

(2) The Storage System Operator will conclude a Gas Storage Agreement in written form with the Storage System User whose request for contracting an unbundled service has been accepted under the conditions as set forth in this Storage Code.

(3) As an exception to the provisions set forth in Paragraph 2 of this Article the Storage System Operator will not conclude a new agreement for the purpose of contracting a new unbundled service with the Storage System User with whom he already has concluded a valid Gas Storage Agreement, however he will deliver to him a new Contracted Service Confirmation.

Article 37.

Gas Storage Agreement

- (1) With the Gas Storage Agreement, the Storage System Operator and the Storage System User will regulate the subject, duration of the agreement and all other mutual rights and obligations of the contracting parties.
- (2) Integral parts of the Gas Storage Agreement are as follows:
 - General Terms and Conditions for the Use of the Gas Storage System
 - Contracted Service Confirmation
- (3) The Storage System Operator publishes the Standard Gas Storage Agreement on his web page.
- (4) General Terms and Conditions for the Use of the Gas Storage System can be found in Addendum 1 of this Storage Code.
- (5) The Contracted Service Confirmation among other things defines the following:
 - type of service;
 - duration of service;
 - contracted Gas Storage System capacity;
 - and the required payment security instruments.

Article 38.

This Storage Code and other legal and sub-legal normative deeds which govern the Gas Market are to be applied to the Gas Storage Agreement.

VIII. RESERVATION AND USE OF THE GAS STORAGE SYSTEM CAPACITY

Article 39.

After contracting the storage service the Storage System User is obliged to reserve the capacity for the exit from the transmission system which is also the entry into the Gas Storage System and the entry capacity into the transmission system which is also the exit from the storage system in the amount equal to the contracted maximum withdrawal capacity or rather the maximum injection capacity from the concluded Gas Storage Agreement and the corresponding Contracted Service Confirmation.

Reservation of the standard bundled unit

Article 40.

- (1) The energy entity which is entitled to access the Gas Storage System pursuant to the Law, submits to the Storage System Operator the request for the reservation of the standard bundled unit.

(2) The request for the reservation of the standard bundled unit can be submitted on an annual basis, for the period of at least one storage year and no more than five storage years.

(3) The request for the reservation of the standard bundled unit on an annual basis is submitted on the 15th of January of the current storage year at the latest for the following storage year or the following storage years.

(4) The request for the reservation of the standard bundled unit is submitted through the information platform of the Storage System Operator which is accessed through the Operator's web page by using the assigned User rights, or through a form which the Storage System Operator will publish on his web page.

(5) The delivery of the request for the reservation of the standard bundled unit represents a binding offer by the Storage System User for contracting the service of standard bundled unit usage in the part which exceeds the minimum binding capacity which the Storage System User specifies in the request for the reservation of the standard bundled unit.

(6) The request for the reservation of the standard bundled unit contains the following:

- name of the applicant, including the official and operational contacts;
- the requested number of standard bundled units for each storage year for which the request is submitted
- the amount of minimal binding capacity;
- period to which the request applies.

(7) The request for the reservation of a standard bundled unit must be accompanied by the following:

- excerpt from the court registry or suitable evidence which proves that the person is authorised to act on the behalf of the applicant;
- copy of the license for carrying out energy activities which entitles him to access the Gas Storage System;
- form of solvency BON 1 and BON 2 which are not older than 30 days for companies which have their headquarters located in the Republic of Croatia,
- financial reports for the previous three years for companies which have their headquarters located outside of the Republic of Croatia, or other relevant proof of financial capability in accordance with the provisions of the country where the applicant's headquarters are located respectively.

Reservation of firm unbundled services

Article 41.

(1) The Storage System Operator will publish on his web page all of the necessary information on firm unbundled services which he plans to offer:

- description of offered service;
- beginning and the period for which the service is offered;
- the reservation procedure;
- allocation rules.

(2) If the Storage System Operator intends to offer firm unbundled services on an annual basis the necessary information will be published no later than the 28th of February of the current year for the following storage year.

(3) If the Storage System Operator intends to offer firm unbundled services on a monthly basis the necessary information will be published no later than the fifth day of the applicable month for the following month or the following months until the end of the storage year respectively.

(4) If the Storage System Operator intends to offer firm unbundled services on a daily level the necessary information will be published no later than the 09:00 o'clock of the applicable day for the following day or the following days until the end of the month respectively.

(5) The request for the reservation of firm unbundled service on an annual basis is submitted no later than the 10th of March of the current storage year for the following storage year.

(6) The request for the reservation of firm unbundled service on a monthly basis is submitted no later than the tenth day of the current month for the following month or following months, and for a maximum period until the end of the storage year.

(7) The request for the reservation of firm unbundled service on a daily basis is submitted no later than 09:30 o'clock of the current day for the following gas day.

(8) As an exception to Paragraph 7 of this Article, the request for the reservation of firm unbundled service during the holiday(s) and the first following business day after the holidays is submitted on the business day immediately preceding the holiday(s).

Article 42.

(1) The request for the reservation of the firm unbundled service described in Article 31 of this Storage Code is submitted through the information platform of the Storage System Operator which is accessed through the Operators web page by using the assigned User rights, or through a form which the Storage System Operator will publish on his web page.

(2) The request for the reservation of the firm unbundled service represents a binding offer by the Storage System User for contracting the requested contracted unbundled service.

(3) The request for the reservation of firm unbundled service contains the following:

- name of the applicant, including the official and operational contacts;
- period to which the request applies;
- requested working volume expressed in kWh;
- requested injection capacity expressed in kWh/day;
- requested withdrawal capacity expressed in kWh/day;

(4) Storage System Users who are not in a contractual relationship with the Storage System Operator at the time the application is submitted are obliged to enclose with it the documentation described in Article 40 Paragraph 7 of these Storage Code.

Reservation of interruptible not-nominated injection capacity or interruptible not-nominated withdrawal capacity on a daily basis

Article 43.

(1) The request for the reservation of the interruptible not-nominated injection capacity or interruptible withdrawal capacity on a daily basis is submitted through the information platform of the Storage System Operator which is accessed through the Operator's web page

by using the assigned User rights, or through a form which the Storage System Operator will publish on his web page.

(2) The Storage System User who wishes to use the interruptible not-nominated injection capacity or the interruptible not-nominated withdrawal capacity on a daily basis submits a request for the reservation of interruptible not-nominated injection capacity or the interruptible not-nominated withdrawal capacity on a daily level for the period specified in the request.

(3) The Storage System User who wishes to use the interruptible not-nominated injection capacity or the interruptible withdrawal capacity on a daily basis can submit the request for reservation at any time if he has already contracted the standard bundled unit with the Gas Storage Agreement.

(4) The Storage User has to submit the request for reservation of interruptible not-nominated injection capacity or the interruptible not-nominated withdrawal capacity on a daily basis at least five business days before the commencement of use of the requested service.

(5) The delivery of the request for the reservation of interruptible not-nominated injection capacity or interruptible not-nominated withdrawal capacity on a daily basis represents a binding offer by the Storage System User for contracting the interruptible not-nominated capacity service.

Allocation of the standard bundled units

Article 44.

(1) The Storage System Operator is obliged to ensure to the Transmission System Operator a sufficient number of the requested Gas Storage System capacities for the use of operational stock.

(2) After the allocation of the bundled units for the use of operational stock, the Storage System Operator is obliged to allocate the remaining bundled units to other Storage System Users.

(3) The Storage System Operator is obliged to publish all of the necessary information on his web page on the rules of allocation of standard bundled units on an annual or perennial basis no later than one month before the standard bundled unit's reservation deadline.

(4) If the performed allocation results in awarding a number of standard bundled units to an individual applicant for the reservation of standard bundled unit which is less than the minimal binding capacity stated in the request which was submitted by that applicant, it will be considered that the applicant does not wish to conclude the Gas Storage Agreement and a reallocation will be carried out for that number of bundled units to other Storage System Users.

(5) The Storage System Operator is obliged to inform the Storage System User who has submitted a request for the reservation of a standard bundled unit on an annual or perennial basis on the allocation of the Gas Storage System capacity distribution no later than 15th of February.

(6) If the number of allocated standard bundled units is equal to the demand as well as equal or greater than the Minimal binding capacity, the Storage System Operator will deliver to the Storage System User the Gas Storage Agreement with the corresponding Contracted Service Confirmation along with the notification on the allocation of the Gas Storage System capacities which the Storage System User is obliged to sign and return to the Storage System Operator within five days.

(7) If there are any unallocated standard bundled units on an annual basis the Storage System Operator will offer the aforementioned capacities on the market as a firm service or as a new product package.

Allocation of firm unbundled services

Article 45.

(1) After contracting the bundled unit and receiving the request for the reservation of firm unbundled services the Storage System Operator carries out the allocation of the requests for firm unbundled services described in Article 42 Paragraph 1 of this Storage Code.

(2) The Storage System Operator is obliged to notify the Storage System User on the allocation of firm unbundled services for the following storage year and deliver to him the Gas Storage Agreement and/or the Contracted Service Confirmations no later than the 15th of March of the following storage year.

(3) The Storage System Operator is obliged to notify the Storage System User on the allocation of firm unbundled services for the following month or following months and deliver to him the Gas Storage Agreement and/or the Contracted Service Confirmations no later than the 15th day of the current month.

(4) The Storage System Operator is obliged to notify the Storage System User on the allocation of firm unbundled services for the following day or following days and deliver to him the Gas Storage Agreement and/or the Contracted Service Confirmations no later than 10:00 o'clock of the current day.

(5) The Gas Storage Operator is obliged to notify the Agency on the allocation of firm unbundled services.

Article 46.

Allocation of interruptible not-nominated injection capacity and withdrawal capacity on a daily basis

(1) The Gas Storage Operator awards the interruptible not-nominated injection capacity or the not-nominated withdrawal capacity on a daily basis to each Storage System User who has submitted an application for contracting the service of interruptible capacity under the condition that the User has contracted a standard bundled unit.

(2) The Storage System Operator is obliged to notify the Storage System User on the awarding of interruptible not-nominated injection capacity or of not-nominated withdrawal capacity on a daily basis two days before the commencement of service and deliver to him a Contracted Service Confirmation.

(3) On the basis of the Contracted Service Confirmation the Storage System User achieves the right to nominate the interruptible not-nominated injection capacity or interruptible not-nominated withdrawal capacity on a daily basis.

Weekly notifications of Storage System Users

Article 47.

- (1) The Storage System User is obliged to deliver the weekly notification through the information platform by 12:00 o'clock Thursday which will list the expected daily quantity of gas which the Storage System User intends to accept from or deliver to the Gas Storage System for each day of the following week.
- (2) In the event of significant change of expected demand in the following week the Storage System User is obliged to update the delivered weekly notification data.
- (3) If necessary the Storage System Operator can also request the extraordinary delivery of weekly notification data.

Nomination of Gas Storage System capacity usage

Article 48.

- (1) Nominations are possible in accordance with the Gas Storage Agreement and Contracted Service Confirmations, and in accordance with the procedures as prescribed in this Article.
- (2) The Storage System Operator before approving the nomination performs the following:
 - a procedure for the verification of mode of operation for the purpose of adopting an eventual decision on the change of the mode of operation on the basis of which he accepts, restricts or rejects virtual nominations;
 - verification procedure of the sum of nominations and the technical storage capacity harmonisation;
 - capacity verification procedure during which the nominations are verified whether they are in accordance with the Gas Storage Agreement and the Contracted Service Confirmation.
 - verification procedure of the harmonisation of the Gas Storage System nomination and the Transmission System Operator nomination.
- (3) If the nomination sum exceeds the technical storage capacity, the Storage System Operator will proportionately reduce the received nominations on an interruptible basis according to the following schedule:
 1. nominations received on the basis of contracting the service of interruptible not-nominated injection capacities or interruptible not-nominated withdrawal capacities on a daily basis;
 2. nominations received on the basis of contracting a standard bundled unit.

Article 49.

- (1) The Storage System User is obliged during the submission of the request for reservation of the Gas Storage System capacity, during the submission of the request for the contracting of any unbundled service and during any change to deliver to the Storage System Operator the data on the membership in the balance group or to the Balance Group Responsible respectively who will deliver the Users nominations for the gas injection point and gas withdrawal point.
- (2) The Balance Group Responsible is obliged to deliver to the Storage System Operator on a daily basis the nominations for the injection point and withdrawal point in summary for all members and individually for each Storage System User or energy entity who has purchased

the storage system capacity on the secondary market, and is a member of the balance group which is organised and managed by the Balance Group Responsible. The nomination has to contain the planned quantity of gas expressed in kWh, elaborated for each hour in kWh for the following gas day with the condition that the nominated hourly quantity of gas represents 1/24 of the nominated daily quantity.

(3) The nomination from Paragraph 2 of this Article is delivered separately for the injection of gas into the Gas Storage System and separately for the withdrawal of gas from the Gas Storage System, during which the nominated daily quantity of gas expressed in kWh for the following gas day cannot be greater than the sum of contracted capacity from all of the Contracted Service Confirmations for that gas day.

(4) As an exception to the provisions from Paragraph 3 of this Article, the Storage System User has the right to nominate the injection capacities or nominate withdrawal capacities above the contracted capacity, if he has contracted the service to use interruptible not-nominated injection capacities or interruptible not-nominated withdrawal capacities on a daily basis respectively.

(5) The Balance Group Responsible is obliged to deliver to the Storage System Operator the nomination for the following gas day until 10:30 o'clock of the current day.

(6) The Storage System Operator is obliged to notify the Balance Group Responsible and the Transmission System Operator until 11:30 o'clock of the current day on the acceptance or rejection of the nomination for the following gas day.

(7) If the Storage System Operator rejects a nomination, the Balance Group Responsible has the right to deliver a new nomination until 12:30 o'clock of the current day for the following gas day.

(8) The Storage System Operator is obliged to notify the Balance Group Responsible and the Transmission System Operator until 13:30 o'clock of the current day on the acceptance or rejection of the new nomination for the following gas day.

(9) The Balance Group Responsible has the right to deliver once the re-nomination to the storage system Operator, in the period from 16:00 o'clock of the current day until 22:00 o'clock of the current day for the following gas day.

(10) The Storage System Operator is obliged to notify the Balance Group Responsible and the Transmission System Operator until 23:00 o'clock of the current day on the acceptance or rejection of the new nomination for the following gas day.

(11) The Balance Group Responsible, for the purpose of balancing its group which he organises and manages, has the right twice during the gas day, to alter the accepted nomination or re-nomination and deliver it to the Storage System Operator until 10:00 o'clock or until 14:00 o'clock of the current day respectively.

(12) The Storage System Operator is obliged to notify the Balance Group Responsible on the acceptance or rejection of the re-nomination from Paragraph 11 of this Article the until 11:00 o'clock or until 15:00 respectively, in cooperation with the Transmission System Operator.

(13) With the re-nomination from Paragraph 9 of this Article it is possible to alter the data for the period which commences at 13:00 o'clock or at 17:00 o'clock respectively and lasts until the end of the gas day.

(14) The re-nominated daily quantity of natural gas expressed in kWh for the current gas day cannot be greater than the sum of contracted daily capacities from all the Contracted Service Confirmations, and the re-nominated hourly quantities of gas have to be equal for all of the hours until the end of the gas day.

(15) The exchange of all information mentioned in this Article is carried out by e-mail or through the information platform of the Storage System Operator.

(16) The nomination or the last re-nomination for a certain gas day which is accepted by the Storage System Operator becomes binding for the Balance Group Responsible.

(17) If the Storage System Operator rejects a nomination and/or a new nomination for the following gas day he is obliged to notify the Balance Group Responsible on the reasons for the refusal of the nomination and/or new nomination.

(18) The nominated daily quantity of natural gas expressed in kWh for the following gas day is equal to zero in the following situations:

- if the Balance Group Responsible doesn't deliver the nomination;
- if the Storage System Operator rejects the nomination, and the Balance Group Responsible doesn't deliver a new nomination and
- if the Storage System Operator rejects the new nomination.

Article 50.

(1) In the event of an extraordinary disruption in the operation of the Gas Storage System, the Storage System Operator will immediately inform the Transmission System Operator of the said disruption, Storage System User who is affected by the disruption and the Balance Group Responsible and will allow him to alter the accepted daily nomination.

(2) The deadline for the nomination from Paragraph 1 of this Article is determined by the Storage System Operator.

Article 51.

(1) If the Storage System User is also the balancing energy provider at the entry into the transmission system which is also the exit from the Gas Storage System or at the exit from the transmission system which is also the entry into the Gas Storage System respectively the User is obliged to announce the accepted tender of balancing energy to the Storage System Operator through the information platform, and the request for the use of balancing energy is given by the Transmission System Operator.

(2) By request of the Transmission System Operator for the use of balancing energy, during which the nominated amount of balancing energy by the Transmission System Operator is equal to the quantity of balancing energy which has been used, the Storage System Operator reduces or increases the status for that quantity in the balance account of the Storage System User.

IX. TRADING WITH THE CAPACITIES OF THE GAS STORAGE SYSTEM

Article 52.

(1) Storage System Users, with prior consent of the Storage System Operator, in the secondary market have the right to:

- trade with previously contracted services;
- trade with stored gas.

(2) The recording of trade for the seller in the secondary market and the recording of trade for the buyer in the secondary market is charged by the Storage System Operator in accordance with the price list for non-standard services of the Storage System Operator.

(3) Storage System Users govern their rights and obligations regarding trade in the secondary market by mutual agreements.

(4) The Storage System Users are responsible for the consequences resulting from the entry of data through the information platform.

Trading in the secondary market

Article 53.

(1) The Storage System User can, wholly or partially, sell purchased services in the secondary market or the capacities and stored gas respectively to another Storage System User or purchase the services or capacities and gas in storage respectively from another Storage System User, exclusively with the consent of the Storage System Operator.

(2) The Storage System Operator will enable publishing on his web page supply and demand requests which are to be traded in the secondary market.

(3) After agreement on trade in the secondary market has been made, the Storage System Users are obligated to seek approval from the Storage System Operator through the information platform or form published on the web page of the Storage System Operator.

(4) The request from Paragraph 3 of this Article will be considered as a request for non-standard service from the Storage System Operator.

(5) After the approval from Paragraph 3 of this Article is issued the transactions are deemed to be concluded.

Article 54.

(1) The Storage System Users can trade in the Gas Storage System capacities in the following manner:

- by selling and buying the Gas Storage System capacities with which the seller transfers and the buyer assumes the right to use the Gas Storage System capacities;
- by transferring the Gas Storage Agreement.

(2) When selling the Gas Storage System capacities the obligations of the Storage System Users under the Gas Storage Agreement are unchanged, or that is to say the same subject remains the contracting party and the bearer of all the rights and obligations from the concluded Gas Storage Agreement, except of the rights of use of the sold Gas Storage System capacities.

(3) By transferring the Gas Storage Agreement, the Storage System User transfers his rights and obligations from the concluded Gas Storage Agreement onto the other contracting party who becomes the Storage System User and the contracting party of the aforementioned Gas Storage Agreement.

Article 55

(1) Forms for supply, demand and trade in the secondary Gas Storage System capacities market are prescribed by the Storage System Operator, and the especially contain the following data:

- name of the seller or the buyer of the Gas Storage System capacity in the secondary market;
- type and volume of the service which is sold or bought;
- the period for which the Gas Storage System capacity is sold or bought in the secondary market.

(2) The Storage System Operator publishes the received supply and demand forms on his web page on the first business day after the receipt of the duly completed form.

(3) The publishing of supply and demand and trading in the secondary market is made possible for the Storage System Users through the information platform of the Storage System Operator.

Article 56

(1) The Storage System User can only sell the contracted service in the secondary market.

(2) The capacity buyer in the secondary market does not become a Storage System User on the basis of the purchased capacity but rather he achieves the right to use the purchased capacity.

(3) The capacity buyer in the secondary market has the right on the basis of purchased capacity to nominate in the amount of purchased capacity, and the right of nomination of the capacity seller in the secondary market is reduced by the same amount.

(4) The Storage System Operator will keep a separate balance account for the capacity buyer in the secondary market, if he is not the Storage System User. The reimbursement for the opening of the balance account and the reimbursement for managing the balance account will be charged in accordance with the non-standard Storage System Operator services' price list.

(5) In the event that the Gas Storage Agreement in the primary market is prematurely terminated for any reason, the agreement concluded in the secondary market will be automatically terminated.

Article 57

(1) The Storage System Operator has the right to refuse trading in the secondary market especially if the request is not technically feasible or causes changes in the original relations of technical parameters of service, and if it is contrary to this Storage Code and/or other legislation. The Storage System Operator is obliged to notify the Storage System Users on the denial of consent in writing within two days of receiving the request for approval and state the reasons for denial.

(2) The Storage System Operator can deny consent for the conclusion of agreement on the transfer of the Gas Storage Agreement in the following events:

- if one of the contracting parties fails to meet the legal requirements for a Storage User;
- in the event of a due and outstanding debt of one of the contracting parties to the Storage System Operator;
- in the event that the contracting party to whom the Gas Storage Agreement is transferred to does not deliver to the Storage System Operator the requested means of payment security.

Trading with stored gas

Article 58

(1) After the consent for the trade transaction in the secondary market has been issued, the Storage System Operator will exclusively record through the information platform the change in gas quantity in the balance accounts of the Storage System Users.

(2) The publishing of supply and demand for stored gas is made possible for the Storage System Users through the information platform of the Storage System Operator.

(3) The Storage System User who sells gas or transfers the ownership of gas in the Gas Storage System respectively has to have at least the quantity of gas in his balance account on the day of transaction which is equal to the quantity of gas which is being transferred. After the transaction has been completed, the quantity in the balance account of the Storage System User who is transferring the gas ownership is reduced, and the same quantity of gas is considered to be withdrawn.

(4) The Storage System User who is purchasing the gas or acquiring ownership of the gas in storage respectively has to, on the day of transaction, have at his disposal the contracted working volume for at least the quantity of gas which is the subject of the transaction. After the transfer of ownership has been completed, the quantity in the balance account of the Storage System User who is acquiring ownership of the gas is increased, and the same quantity of gas is considered to be injected.

(5) The Storage System Operator is not obliged to record the transfer of ownership of the stored gas in the balance accounts of the gas storage User unless the User who is giving the order for the transfer of ownership has due and outstanding debts towards the Storage System Operator. If the Storage System Operator refuses to record the transfer of ownership of the gas in storage, he is obliged to notify in writing the Storage System Users who have submitted the request for the transfer of ownership of the gas and state the reasons why the request was refused.

**X. RIGHTS AND OBLIGATIONS OF THE STORAGE SYSTEM OPERATOR
AND THE STORAGE SYSTEM USER**

Rights of the Storage System Operator

Article 59

In accordance with the terms and conditions of this Storage Code, the Storage System Operator has the right, without limitation to:

- a) deny access to the Gas Storage System to a third party as prescribed by Law;
- b) refuse the request for the reservation of Gas Storage System capacity in the event:
 - that it is contrary to the Law and this Storage Code;
 - that the Storage System Operator does not offer the requested service at that time;
- c) restrict or temporarily terminate the contracted service:

- in the event of immediate threat to life and health of people or property and for the purpose of eliminating such dangers;
 - due to planned maintenance or reconstruction of the Gas Storage System;
 - due to planned hydrodynamic measurements;
 - due to removing faults in the Gas Storage System
 - in the events when the User does not adhere to his contractual obligations;
 - and in other events as prescribed by the Law and these Storage Code;
- d) dispose with the not-withdrawn gas which remains in the User's account in the storage after the expiration of the Gas Storage Agreement, in accordance with this Storage Code;
- e) refuse or restrict the nominations or re-nominations of the Storage System User in accordance with the technical conditions of the Gas Storage System;
- f) refuse nominations for non-compliance with the provisions of the contracted Gas Storage Agreement.

Obligations of the Storage System Operator

Article 60

In accordance with the terms and conditions of this Storage Code, the Storage System Operator is obliged to:

- ensure objective, equal and transparent conditions for access to the Gas Storage System, in accordance with the Law, this Storage Code and the Gas Storage Agreement.
- store gas on the basis of concluded Gas Storage Agreements and the Contracted Service Confirmation;
- ensure access to firm and interruptible Gas Storage System capacities in accordance with the provisions of this Storage Code;
- manage the Gas Storage System in a technically justifiable and economically efficient manner, ensure a suitable level of Gas Supply Security;
- ensure the protection of data confidentiality which he obtained in the performance of activities;
- ensure the exchange of information with mutually connected system Operators;
- ensure the information necessary for accessing the Gas Storage System to the participants in the gas market;
- distribute the capacities in accordance with this Storage Code;
- provide a non-standard service upon the request of the Storage System User.

Rights of the Storage System User

Article 61

In accordance with the terms and conditions of this Storage Code, the Storage System User has the right to:

- a) access the Gas Storage System in accordance with the Law and this Storage Code;
- b) use, under regulated conditions, the Storage System Operator services on the basis of contracted Gas Storage Agreements and the Contracted Service Confirmation;
- c) information on the status of his own balance account;

- d) use non-standard services of the Storage System Operator in accordance with the conditions as set out in this Storage Code.

Obligations of the Storage System User

Article 62

In accordance with the terms and conditions of this Storage Code, the Storage System User is obliged to:

- deliver the quantity of gas nominated for injection into the Gas Storage System and take possession of the quantity of gas nominated for withdrawal from the storage, in accordance with the Gas Storage Agreement, Contracted Service Confirmation and accepted nominations;
- adhere to instructions given by the Storage System Operator's control centre during an extraordinary event;
- pay the regulated price for the services provided by the Storage System Operator on the basis of the Gas Storage Agreement;
- upon the request of the Storage System Operator, provide information which is required by the Operator to fulfil his legal obligations;
- ensure the technical conditions necessary for communication with the Storage System Operator in accordance with this Storage Code;
- pay for the non-standard services to the Storage System Operator in accordance to the non-standard Storage System Operator services price list.

XI. MESURING RULES AND ALLOCATION RIGHTS

Article 63

The measuring of the quantity and quality of gas is carried out for the purpose of ensuring the technical prerequisites for the safe storage of gas (injection of gas into the Gas Storage System and withdrawing of gas from the Gas Storage System), safe management of the Gas Storage System, use of the contracted injection capacity and withdrawal capacity, determining the quantity of gas injected into the system and the quantity of gas withdrawn from the Gas Storage System, determining the quality of gas, determining the loss of gas in the Gas Storage System, and the calculation of fees and expenses with regards to the usage of the Gas Storage System.

Measuring the quantity of gas

Article 64

(1) The Storage System Operator measures the gas quantity at his own measuring audit point at the entry to the Gas Storage System and at the exit from the Gas Storage System simultaneously for all Users.

(2) Basic units of measurement are:

- volume of natural gas which flows through the measuring audit point in operational conditions, expressed in m³;
- natural gas pressure at the measuring audit point, expressed in Pa;
- natural gas temperature at the measuring audit point, expressed in °C;

(3) Basic calculated units are the:

- natural gas energy which flows through the measuring audit point, expressed in kWh;
- net calorific value of gas for a specific point, expressed in kWh/m³, under standard conditions.

(4) The measuring of the gas flow is performed constantly, in accordance with the metrology provisions, and at the measuring audit point and gauges whose technical and operational characteristics are in accordance with the requirements of the Law on Metrology and provisions which have been adopted on the same basis and the requirements of the corresponding standards which have been accepted by the Croatian Standards Institute.

(5) The Storage System Operator is responsible for performing regular control and maintenance of the gas meter and other measuring equipment, in accordance with applicable metrology provisions.

Determining the quality of gas

Article 65

(1) The quality of gas refers to the chemical composition of the gas and the heating value of the gas, and to the standard gas quality parameters respectively.

(2) The standard gas quality is prescribed by the General Conditions for Natural Gas Supply.

(3) At the entry point into the Gas Storage System which is also the exit from the transmission system or at the exit from the Gas Storage System which is also the entry point into the transmission system respectively the quality of gas is ascertained in accordance with the provisions of the Network Code of the Transmission System:

- constantly using the equipment for ascertaining the composition of gas which is built-in at the measuring audit point, or
- at least twice a month, once during the period from the 3rd until the 10th day of the month and the second time during the period from the 16th until the 23rd day of the month by taking gas samples and analysing them in a laboratory which has been accredited for testing the gas quality characteristics.

(4) At the entry point into the Gas Storage System which is also the exit from the transmission system or at the exit from the Gas Storage System which is also the entry point into the distribution system respectively the quality of gas is ascertained in accordance with the provisions of the Network Code of the Transmission System:

(5) The Storage System Operator will publish on his web page the information on the achieved heating values and the planned heating values of gas which will be used in the nomination process.

Article 66

- (1) The Storage System User or the Operator of the connected system can request for justifiable reasons the control testing of the accuracy of the gas meter and other measuring equipment.
- (2) The Storage System Operator is obliged within 15 business days from the day when he received the request from Paragraph 1 of this Article to organise control testing of the accuracy of the gas metre and other measuring equipment in an authorised service along with the expert evaluation of the Croatian Standards Institute or at a legal entity authorised for the certification of gas meters and other measuring equipment.
- (3) If the control testing shows that the gas meter or other measuring equipment is inaccurate, the cost of the control testing and replacement of the equipment is borne by the Storage System Operator, and if the gas meter and other measuring equipment is accurate the cost of the control testing is borne by the applicant who requested control testing, which is to be considered a non-standard service.

Article 67

- (1) The Storage System User or the Operator of the connected system has the right to submit a complaint on the gas quality at the gas withdrawal point to the Storage System Operator.
- (2) The Storage System Operator is obliged to organise the sampling of the gas within five business days from the day the complaint was received from Paragraph 1 of this Article.
- (3) The sampling from Paragraph 2 of this Article has to be carried out in accordance with the corresponding standards for gas sampling, and the applicant has the right to attend the sampling.
- (4) The Storage System Operator is obliged to organise the gas sampling from Paragraph 2 of this Article in a laboratory which is accredited for testing the quality of gas, and to deliver the results of the analysis to the applicant within five business days after receiving the analysis.
- (5) If the request of the applicant is founded, the sampling and gas quality testing costs are borne by the Storage System Operator, and if they are not founded, the costs are born by the applicant which is to be considered a non-standard service.

Determining the energy of the injected and withdrawn gas

Article 68

- (1) The injected or withdrawn quantity of gas respectively, based on the measurements at the entry point into the Gas Storage System which is also the exit point from the transmission system or at the exit point from the Gas Storage System which is also the entry point into the transmission system respectively represents the volume of natural gas and is expressed in m³.
- (2) The injected or withdrawn quantity of gas energy respectively is expressed as an integer in kWh, and is ascertained as the multiplication of the volume of gas expressed in m³ and the net calorific value of gas expressed in kWh/m³.
- (3) The Storage System Operator and the Transmission System Operator keep an account of operational balance at the injection point or at the withdrawal point.
- (4) The difference in the quantity of nominated and actually injected or withdrawn gas in a gas day will be recorded in kWh in the operational balance account.

Balance account

Article 69

(1) The Storage System Operator keeps and maintains a separate balance account for each Storage System User with whom any service from Article 28 of this Storage Code has been contracted and for each energy entity which has purchased Gas Storage System capacity in the secondary market and received approval for that transaction from the Storage System Operator, which contains the following:

- data on the quantity of stored gas on a daily basis;
- data on achieved injection/withdrawal capacities on a daily basis.

(2) The balance account is kept in kWh, and the data shown in m³ (15 °C, 101 325Pa) is for informational purposes.

(3) The balance account contains the daily data on the primary and secondary market with the initial and final state in the balance account of the Storage System User as well as the heating value data.

(4) The User will have access to the balance account through the Storage System Operator's information platform.

(5) For each gas day the quantity of gas which the Storage System Operator accepts and injects from the Storage System Users at the entry point into the storage system will be added to the balance account of the Storage System User in kWh in accordance to the accepted nominations and re-nominations, and the informative quantities of gas expressed in m³ will be calculated on the basis of the nominated energy in kWh at the injection point and net calorific value expressed in kWh/m³.

(6) For each gas day the quantity of gas which the Storage System Operator withdraws and delivers to the Storage System User at the exit point from the storage system will be removed from the balance account of the Storage System User in kWh in accordance to the accepted nominations and re-nominations, and the informative quantities of gas expressed in m³ will be calculated on the basis of the nominated energy in kWh at the injection point and lower gas value expressed in kWh/m³.

(7) By the end of the month the data from the balance account is updated and represents the monthly protocol on the executed storage service.

(8) The Storage System Operator will deliver to the Storage System User the monthly protocol for the previous month which contains the daily data on the quantity of gas in storage, injected or withdrawn quantities of gas and summary data no later than the fifth business day of each month.

*Determining the energy of the injected and withdrawn gas for
the Storage System User*

Article 70

(1) The injected or withdrawn quantity of gas for each individual Storage System User for each gas day is ascertained in the amount of the last accepted nomination or re-nomination of the Storage System User.

(2) The used balancing energy from the accepted Storage System User's balancing energy tender list used upon the order of the Storage System Operator for the use of balancing energy

will be considered as injected or withdrawn quantity of gas for that Storage System User respectively, on the basis of data received from the Transmission System Operator.

(3) The injected or withdrawn quantity of gas for the use of operational stock for each gas day is ascertained in the amount of the last accepted nomination or re-nomination of operational stock usage.

XII. DATA PUBLISHING AND EXCHANGE OF INFORMATION

Article 71

(1) The Storage System Operator is obliged to execute the requests for transparency within the energy activity of gas storage as determined by the Law and Regulation (EC) no. 715/2009.

(2) The Storage System Operator will publish and regularly update the following information in English and Croatian on his web page:

- overview of services and a detailed description of the standard bundled unit;
- maintenance plan;
- deadlines for the delivery of reservations for the contracting of storage services (annually, monthly and daily);
- clear description of capacity allocation and congestion management;
- calculation of tariffs;
- contact information;
- overview of non-standard services
- non-standard services price list; overview of relevant regulations
- detailed information for Users in the event of unscheduled delays (rules of restriction and gas flow termination, communication, effect on compensation, duration of the interruption etc.)
- information on the planned changes to the technical characteristics of the storage.

XIII. NOT-WITHDRAWN GAS

Article 72

(1) The gas storage User is obliged to notify the Storage System Operator on the manner of disposal of the stored not-withdrawn natural gas at least one month before the expiry of the contracted service.

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

(3) If the Storage System User does not withdraw the entire quantity of gas from the Gas Storage System, the Storage System Operator will sell to the highest bidder, on the basis of open sale procedure, the quantity of gas which has not been withdrawn or a partial amount of gas on behalf of the Storage System User or on his own behalf.

(4) The sale of not-withdrawn gas is considered a non-standard service, and is charged in accordance to the non-standard services price list of the Storage System Operator.

XIV. DAMAGES

Article 73

- (1) The Storage System Operator is only responsible for damages caused with intent or negligence of the Operator.
- (2) The Storage System User who has delivered a gas of non-standard quality into the Gas Storage System is obliged to reimburse all of the expenses and damages caused to the Storage System Operator and the Storage System Users, as the result of delivery of non-standard quality gas.
- (3) The Storage System Operator will, on the request of the Storage System User who has suffered damages due to the non-standard quality gas, notify the aforementioned User on the Transmission System User or the producer of the natural gas connected to the transmission system who has delivered the gas of non-standard quality into the Transmission System.
- (4) If it is necessary the Storage System Operator will demand information on the Transmission System User or producer of natural gas connected to the transmission system who has delivered the gas of non-standard quality into the transmission system from the Transmission System Operator and place it at the disposal of the applicant from Paragraph 3 of this Article.

XV. TRANSITIONAL AND FINAL PROVISIONS

Article 74

Gas Storage Agreements contracted before entry into force of this Storage Code will be executed until their expiry in accordance with applicable conditions before entry into force of this Storage Code.

Article 75

- (1) As an exception from the provisions of Article 40 Paragraph 3 the request for the reservation of the standard bundled unit on an annual level, in 2014 is submitted on the 1st of March 2014 at the latest.
- (2) As an exception from the provisions of Article 41 Paragraph 3 for the 2014/2015 storage year the Storage System Operator if he intends to offer firm unbundled services on an annual level will publish the necessary information on the 20th of March at the latest.
- (3) As an exception from the provisions of Article 41 Paragraph 5 for the 2014/2015 the request for the reservation of firm unbundled service on an annual level is submitted on the 25th of March at the latest.
- (4) As an exception from the provisions of Article 41 Paragraph 6 the request for the reservation of the standard unbundled service on a monthly level for the month of March 2014 is submitted on the 25st of March 2014 at the latest.
- (5) As an exception from the provisions of Article 44 Paragraph 5 the Storage System Operator will deliver the notification on the allocation of standard bundled units on the annual and perennial level to the User on the 10th of March 2014 at the latest.

(6) As an exception from the provisions of Article 45 Paragraph 2 the Storage System Operator will deliver the notification on the allocation of firm unbundled services on an annual level to the User on the 28th of March 2014 at the latest.

(7) As an exception from the provisions of Article 45 Paragraph 3 the Storage System Operator will deliver the notification on the allocation of firm unbundled services on a monthly level to the User on the 28th of March 2014 at the latest.

Article 76

Amendments to this Storage Code are implemented on the proposal of the Storage System Operator or at the request of the Agency, and in accordance with the procedure which is equal to the adoption procedure of the Storage Code.

Article 77

(1) The Storage System Operator will publish the Storage Code on his web page in English and Croatian language.

(2) The Storage System Operator can also publish the Storage Code in other languages whereby the Croatian version will be official, while other versions are only informative.

Article 78

On the day of entry into force of this Storage Code the Storage Code (Official Gazette, no. 50/09) ceases to have effect.

Article 79

This Storage Code will be published on the web pages of the Storage System Operator and the Agency, and enter into force on the 1st of January 2014.

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 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 any way influence the rights and obligations of the Operator from the Gas Storage Agreement which the Operator concluded with the User.

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

Article 2

DEFINITIONS

(1) Terms which are used within these GTs have a certain meaning which is determined by the Law on Gas Market, 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 Gas Storage Agreement maintain and repair the Gas Storage System 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 Article 10 of the Storage Code

(3) Restriction or termination of the contracted service on the basis of Paragraph 2 of this Article will be carried out to the extent reasonably possible only after the User has been previously informed in writing at least two (2) business days beforehand and stating their possible duration.

(4) In the event of delay and/or reprogramming of notified maintenance and repair work or emergency maintenance, repair or replacements, the Operator is obliged to notify the User as soon as possible and in those events the deadline can be shorter than two (2) business days.

(5) The Operator will, in the event of restriction or termination of contracted service, notify the Client and Balance Group Responsible of that fact, who are obliged to adjust nominations after receiving the notification.

(6) The contracting party will cooperate in the planning and adopting of the maintenance programme and hydrodynamic measurements, in order to try and avoid terminations or restrictions of storage services caused by the maintenance work.

Article 4

RIGHTS ARISING FROM THE CONTRACTED SERVICE

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

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

(3) After the validity of the nomination has been verified, during each hour of the day the Operator will accept and store the quantity of gas which the User has placed at his disposal at the injection point, inject the accepted quantity of gas into the underground gas storage and store the same quantity of gas in the storage.

(4) After the validity of the nomination has been verified, during each hour of the day the Operator will withdraw and deliver into the transmission system the nominated quantity of gas which the User has nominated at the withdrawal point.

(5) The Operator has the right in cooperation with the Transmission System Operator to realise the nominated daily quantities of gas for injection into the Gas Storage System or the nominated daily quantities of gas for withdrawal from the Gas Storage System and during lesser number of hours within the gas day.

Article 5

RIGHTS AND OBLIGATIONS OF THE OPERATOR

(1) The Storage System Operator has the right to:

- charge reimbursement for the Gas Storage System usage for the contracted service of gas storage which is the subject of the concluded Gas Storage Agreement.
- restrict and terminate the provision of gas storage service which is the subject of the concluded Gas Storage Agreement, in accordance with these GTs and in accordance with the Law, Storage Code and other regulations.
- refuse a nomination, re-nomination and change of an accepted nomination which relates to the use of contracted Gas Storage System 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 incident 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 expiration of the Gas Storage Agreement, in accordance with the provisions of the Storage Code;
- refuse to accept gas into the Gas Storage System 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 accept gas into the Gas Storage System which does not meet the pressure conditions and/or other conditions prescribed in the Storage Code;

(2) The Storage System Operator is obliged to:

- place at the disposal of the User the contracted Gas Storage System capacity in accordance with the contracted capacity form the Contracted Service Confirmation;
- accept the quantity of gas on the basis of accepted nominations at the gas injection point;
- deliver the quantity of gas on the basis of accepted nominations at the gas withdrawal point;
- keep a record on the accepted quantity of gas 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 gas withdrawal point 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 Storage System User has the right to:

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

(2) The Storage System User is obliged to:

- settle in full, upon maturity, invoices which are issued by the Operator for the reimbursement for the Gas Storage System use as well as in the event of necessity, other payment obligations which arise from the Gas Storage 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 Gas Storage System 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 Gas Storage System meets the pressure conditions determined by the provisions of the Storage Code;

- ensure the delivery of nominations, changes to the nominations and re-nominations by the Balance Group Responsible, in accordance with the provisions of the Storage Code and other legal and sub-legal normative deeds.
- deliver to the Gas Storage System the quantity of gas which is in accordance with the accepted nomination of Gas Storage System usage;
- accept from the Gas Storage System the quantity of gas which is in accordance with the accepted nomination of Gas Storage System usage;
- notify the Operator of any change of circumstances which preceded the conclusion of the Gas Storage Agreement or which are relevant for the implementation of the Gas Storage Agreement;
- restrict or terminate the delivery of gas into the Gas Storage System and/or accept the gas from the Gas Storage System, 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 Gas Storage Agreement and/or mandatory regulations;
- terminate the delivery of gas into the Gas Storage System, due to the fact that the quality of gas which is to be delivered into the Gas Storage System does not meet the gas quality conditions determined by the applicable General Conditions for Natural Gas Supply and the provisions of the Storage Code.

(3) The Storage System User has other rights and obligations prescribed by the Law and sub-legal normative deeds.

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 Gas Storage System and for the use of other services which are the subject of the Storage Code and the Gas Storage Agreement.

(2) 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 storage capacity 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.

(3) In the event of any change to the regulated tariffs, the reimbursement amount for the Gas Storage System 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 payment of the reimbursement for the Gas Storage System 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) Calculation and the invoice for 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.

(3) 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.

(4) If the last day of the payment deadline falls on a day which is by Law a non-working day in the Republic of Croatia, the last day of the payment deadline will be the following business day.

(5) The payment obligation is considered executed on the day when the money is deposited into the bank account of the Operator.

(6) 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 Gas Storage 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;
- regular debenture
- promissory note

(3) For annual or perennial contracted services, and depending on the creditworthiness of the User, the Operator will decide on the required means of payment security which cannot be less than a regular debenture issued in accordance with the Execution Act, in the amount of 50 (fifty) % of the annual reimbursement for the use of contracted Gas Storage System capacity, increased by the VAT, and with which the User gives his consent to have all the Users accounts seized which the User has with legal entities which perform payment transactions and that the money from these accounts is to be paid to the Operator, or that immediate execution is implemented on the entire assets of the User for the purpose of settling the claim of the Operator in the amount specified in the regular debenture.

(4) Aside from the regular debenture 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:

- bank guarantee, unconditional, irrevocable, without objection and on first request, issued by a bank which is acceptable to the Operator, in the amount which is equal to 10 (ten) % or 30 (thirty) % (depending on the creditworthiness of the User) of the total contracted Gas Storage System reimbursement value for the contracted period, increased by the VAT. The bank guarantee has to be valid for the entire duration of the Gas Storage Agreement, and at least for 45 days after the expiry of the contract period of the Contracted Service Confirmation;
- 2 (two) own blank promissory notes, with the "no protest" clause and the promissory statement certified by a notary public, issued in accordance with applicable regulations;

(5) For short-term and individual contracted services the User is obliged to deliver a regular debenture issued in accordance with the Execution Act, in the amount of 100 (hundred) % of

the reimbursement for the use of contracted Gas Storage System capacity for the contracted period from the Contracted Service Confirmation, increased by the VAT, and with which the User gives his consent to have all the Users accounts seized which the User has with legal entities which perform payment transactions and that the money from these accounts is to be paid to the Operator, or that immediate execution is implemented on the entire assets of the User for the purpose of settling the claim of the Operator in the amount specified in the regular debenture.

(6) Means of payment security described in this Article constitutes an integral part of the Gas Storage Agreement.

(7) In the event of payment delay by the User, the Operator is authorised to 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 Gas Storage 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 Gas Storage Agreement in relation to whom they were issued, on any basis.

(8) The User is obliged, 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 3 (three) 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 reservoir the money collected in such a way on a separate 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 Gas Storage 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.

(9) If the Operator considers that the means of payment security which were given to the Operator under the Gas Storage Agreement are not sufficient to ensure claims due to the fact that the creditworthiness of the User is compromised or that the User has contracted additional storage services, on the request of the Operator, the User is obliged to deliver to the Operator additional means of payment security, by choice of the Operator, and which will ensure the Operator's risk of claim collection.

(10) If the User, or any authorised third party (for example: guarantor from one of the contracted means of payment security) disputes the validity of the contracted means of payment security, the User is obliged to replace the disputed means of payment security at the request of the Operator with an identical valid means of payment security which is stipulated by these GTs and the Gas Storage Agreement and which will be acceptable to the Operator, within 5 (five) days from the day the Operator's written notification was received. In the event that the means of payment security whose validity was disputed are not replaced with new means of payment security with the deadline, content and amount in accordance with these GT, the Operator has the right to charge the means of payment security before their deadline expires and to reservoir the money collected in such a way on a separate account (without the

obligation of the Operator to receive interest on the reservoir amount at the financial institution which holds the deposit, 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 in the fulfilment of the User's obligation under the Gas Storage 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 GTs.

(11) 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 Paragraph 8 of this Article such conduct of the User will be considered a serious breach of obligations arising from the Gas Storage Agreement and the Operator will be authorised to terminate the Gas Storage Agreement in accordance with the Article 16 Paragraph 6 of these GT and/or restrict or terminate the provision of contracted service in accordance to Article 13 of these GT.

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 Gas Storage 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 gas injection point. During gas withdrawal the risks associated with natural gas pass from the Operator to the User at the gas withdrawal point.

(2) The Operator is only responsible for the damages caused as a result of his culpability.

(3) The User is responsible without limitation for all damages which are suffered by the Operator if he has delivered into the Gas Storage System gas which does not meet the quality standards as prescribed by the General Conditions for Natural Gas Supply and is obliged to defend and compensate the Operator in the event of any third party claims.

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 Gas Storage 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) 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 Gas Storage 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 Gas Storage Agreement, especially but not exclusively: obligations regarding the payment of reimbursement for the usage of the Gas Storage System and the obligation of the delivery of means of payment security, 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 Gas Storage System 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 Gas Storage System services in accordance with Paragraph 1 of this Article can last until the User fulfils the obligations from the Gas Storage 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 Gas Storage System 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 Gas Storage Agreement or applicable legislation.

(4) By concluding the Gas Storage 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 Gas Storage Agreement, including also the temporary restriction and/or termination of gas injection or withdrawal, in order to ensure the regular operation of the Gas Storage System 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 Gas Storage Agreement, which also includes the right to restrict and/or terminate the service of storage, is performed in a manner as prescribed by the relevant regulations.

Article 15

INCIDENTS AND EMERGENCIES

(1) In the event of an incident which threatens the safe and efficient operation of the Gas Storage System 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 Gas Storage System on the basis of special regulations which govern the safety of gas supply.

Article 16

DURATION AND TERMINATION OF STORAGE AGREEMENT

(1) The Gas Storage 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 Gas Storage 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 service can be contracted on an annual or perennial level. The gas storage service lasts until the date stated in the Contracted Service Confirmation.

(3) Unbundled service can 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 Gas Storage 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 Gas Storage Agreement or just unbundled services in which case he is obliged to accurately state including the Contracted Service Confirmation number with which the service was contracted in relation to which the Gas Storage Agreement is terminated. If the User explicitly states in his written notice of termination of the Gas Storage Agreement that the termination relates only to an unbundled service, or a Contracted Service Confirmation respectively, it will be considered that the Gas Storage Agreement stays in force with regards to other contracted services.

(6) The User has the right to terminate the Gas Storage 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 Gas Storage System 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 Gas Storage Agreement was terminated in accordance with the previous Paragraph until the expiry of the Gas Storage 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 24:00 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 Gas Storage System for contracted storage services from the date of the Gas Storage Agreement termination until the expiration of the Gas Storage 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 Paragraph 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 Gas Storage 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 Gas Storage System 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 Gas Storage 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 Gas Storage System capacity or just a part of the capacity which related to the remaining contract period from the termination of the Gas Storage 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 Gas Storage Agreement, within 15 (fifteen) days from the conclusion of the Gas Storage 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 Gas Storage 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 Gas Storage Agreement and these GT, which are its integral part. The contracting party which is terminating the Gas Storage 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 Gas Storage Agreement is terminated by Law with the first following day after the expiration of the additional fulfilment deadline. For the termination of the Gas Storage 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 Gas Storage Agreement under the following conditions:

if the User has not paid one matured monthly reimbursement for the usage of the Gas Storage System or any other matured amount under the Gas Storage 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 Gas Storage Agreement due to this fact.

if the User does not deliver any means of payment security from the Gas Storage Agreement defined in a manner and under the terms from Article 9 Paragraph 2 to Paragraph 5 of these 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 User does not renew any of the contracted means of payment security from the Gas Storage Agreement in a manner and under the terms from Article 9 Paragraph 8 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 substitute the disputed means of payment security from the Gas Storage Agreement defined in a manner and under the terms from Article 9 Paragraph 9 to Paragraph 5 of these 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 Gas Storage 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 indented Paragraph occurs, the Operator is authorised to terminate the Gas Storage Agreement without leaving an additional deadline for fulfilment.

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

(13) In the event of termination of the Gas Storage Agreement, and without limitation to any other rights which are the Operator's by Law, the User is obligated to pay to the Operator the reimbursement for the usage of the Gas Storage System with regards to the provided storage service until the Storage Agreement is terminated.

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 Gas Storage System, the Operator will sell to the highest bidder, on the basis of open sale procedure, the quantity of gas which has not been withdrawn or a partial amount of gas on behalf of the Storage System User or on his own behalf.

(3) The Storage System Operator will deduct the following items from the income of the sale of gas which the User hasn't withdrawn from the storage until the expiry of the Gas Storage Agreement, and he will deliver the remaining funds to the Storage System User without delay:

- the service price of the non-standard sale of not-withdrawn gas;
- possible debts for the provided storage service during the duration of the Gas Storage Agreement;
- cost of gas storage which is equal to the reimbursement amount for gas storage for the period from the expiry of the contracted service until the gas sale date;
- any damages which the Storage System Operator suffered due to the gas not being withdrawn;
- any other claims which the Storage System Operator has with regards to any provided service.

Article 18

NOTIFICATIONS

(1) Unless expressly stated otherwise, each notification and request has to be in writing and will be considered to be delivered in due time 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 Gas Storage 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 Gas Storage 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 Gas Storage 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 Gas Storage 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 Gas Storage 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 Gas Storage Agreement execution.

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

(2) 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

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

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

(2) The User will, during the duration of this Gas Storage Agreement, regularly inform the Operator on any significant change of his ability to execute the obligations from the Gas Storage 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 Gas Storage Agreement.

(3) During the duration of this Gas Storage 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 withdrawal 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 partially nor wholly transfer the Gas Storage Agreement, nor assign the rights from the Gas Storage Agreement without prior written consent by the other contracting party. The transfer and assignment procedure of certain rights from the Gas Storage 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 Gas Storage System 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 withdrawal capacities;
- the Operator offers and develops services which are harmonized with the needs of the market;

- the Operator allocates the Gas Storage System capacities in a non-discriminatory and transparent manner in the manner described in the Storage Code.
- the Operator encourages Users to optimise the usage of the Gas Storage System 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 withdrawal capacity which is not used by other Users on an interruptible basis.

(2) Pursuant to the provisions of the Law and the Storage Code, and with the goal of ensuring the efficient usage of the Gas Storage System capacity, the User is obliged to conduct proactive measures of congestion management:

- the User will not contract more firm gas storage capacity than he justifiably needs in order to fulfil his contractual obligations;
- the User will offer in the secondary market the leased Gas Storage System capacities which he temporarily or permanently is not using;
- the User will not use the assigned Gas Storage System capacities in order to threaten, restrict or interrupt the functioning of the Gas Market.

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 Gas Storage 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 Storage 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 64 of the Storage Code

Article 25

GOVERNING LAW AND DISPUTE RESOLUTION

(1) The Gas Storage 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 Gas Storage 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 82 of the Law.

(6) The Gas Storage Agreement and these GTs are made in a Croatian and 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 Gas Storage Agreements which are concluded after the day of its entry into force.

(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 GT will be adopted under the same procedure as for the adoption of the Storage Code, and will be published on the web pages of the Storage System Operator and the Agency.