

## **NATURAL GAS TRANSMISSION AGREEMENT**

Concluded in Skopje on \_\_\_\_\_

Hereinafter: Transmission agreement, Agreement

concluded between the following contracting parties:

1. Joint Stock Company for performing energy activity NOMAGAS Skopje in state ownership, having its headquarters at Blvd. Sveti Kliment Ohridski no. 54 in Skopje, with unique tax number 4080022611460 and registered under the registration number 7649401, duly represented by the Executive Director Bajram Rexhepi (hereinafter: Operator (NGTSO))  
and

2. .... having its headquarters, with unique tax number\_\_\_\_ and registered under the registration number\_\_\_\_\_, duly represented by \_\_\_\_\_, hereinafter "User", hereinafter collectively referred to as the "Parties",

### **1. SUBJECT OF THE TRANSMISSION AGREEMENT**

#### **Subject of arrangement**

##### **Article 1**

(1) This Agreement for transmission of natural gas (hereinafter: Agreement) regulates the rights and obligations between the contracting parties regarding the manner and conditions for access and use of the natural gas transmission network as well as the fee for access and use of the natural gas transmission system.

(2) The rights and obligations of the parties, as well as other conditions contained in this agreement, have been approved by the Energy and Water Services Regulatory Commission of the Republic of North Macedonia (hereinafter: ERC) and published on the NGTSO's website.

##### **Article 2**

(1) The Law on Energy, the Natural Gas Market Rules, the Rules for Balancing the Natural Gas Transmission System, the Rules for Allocation of Transmission Capacities, the Rulebook on the Determination of the Maximum Allowed Revenue and Regulated Average Tariffs for Natural Gas Transmission, the Network Code on the transmission of natural gas (hereinafter: Network Code), as well as other applicable laws and regulations in the Republic of North Macedonia shall apply to the rights and obligations of the parties that are not regulated by this Agreement.

(2) The contracting parties agree that, with the exception of the provision of paragraph (1) of this article, the network code of ENTSO-G is considered accepted and directly applied by NGTSO in accordance with the obligations of the Republic of North Macedonia undertaken with the ratified international contracts, as well as the obligations of the natural gas transmission system operator from the membership in ENTSO-G.

##### **Article 3**

The contracting parties agree that they will realize and fulfill the rights and obligations of this Agreement by mandatory application of the provisions of the General Conditions for Natural Gas Transmission, which are contained in Annex 3 of this Agreement and are an integral part of this Agreement.

#### **Article 4**

The meaning of certain expressions contained in the The Law on Energy, the Natural Gas Market Rules, the Rules for Balancing the Natural Gas Transmission System, the Rules for Allocation of Transmission Capacities, the Rulebook on the Determination of the Maximum Allowed Revenue and Regulated Average Tariffs for Natural Gas Transmission and the Network Code also apply to this Agreement, unless otherwise determined by the definitions contained in Article 1 of the General Terms and Conditions for the agreement for transmission of natural gas.

#### **Article 5**

- (1) This Agreement as a form available on the website of NGTSO is concluded at the request of the User.
- (2) The contracting parties agree that this Agreement begins to create rights and obligations if, within seven days after its signing, after the User submits to NGTSO the financial guarantee under the conditions, manner and form determined by the provisions of Section 5. (Financial guarantees) of this Agreement, otherwise it will be considered that this Agreement was not signed.
- (3) After signing the Agreement and providing the financial guarantee, the User acquires the right to annual, quarterly, monthly and daily capacity reservation on the Capacity Reservation Platform (hereinafter: CRP).
- (4) The confirmation for the capacity reservation transaction issued through CRP (CRP confirmation) is an integral part of this Agreement and is the basis for issuing an invoice for the fee for natural gas transmission.

## **2. RIGHTS AND OBLIGATIONS**

#### **Article 6**

The User's obligations arising from the agreements concluded with other participants in the gas market are the sole responsibility of the User and in no way affect the NGTSO's rights and obligations determined by this Agreement or by another agreement concluded with the User.

### **Rights and obligations of the natural gas transmission system operator**

#### **Article 7**

- (1) NGTSO is obliged to:
- 1) provide the user with unhindered access to the natural gas transmission network for the purpose of procurement, transmission and supply of natural gas in the manner and conditions determined by this Agreement,
  - 2) provide services for permanent or interruptible access to a third party and ensure that the price for the capacity subject to disruptions reflects the probability of disruptions,
  - 3) offer system users long-term and short-term services,
  - 4) in a transparent and non-discriminatory manner, to provide the user with complete, reliable and objective information and data relating to the access and use of the natural gas transmission system,
  - 5) determine the fee for using the natural gas transmission system in accordance with the valid decision of ERC on approval of the amount of the tariff for natural gas transmission and CRP confirmations.

(2) NGTSO has the right to:

- 1) collect the fee for the natural gas transmission service which is a subject of this Agreement;
- 2) limit or stop the provision of the natural gas transmission service that is the subject of the Agreement under the conditions and in the manner prescribed by this Agreement, the Network Code and the Law on Energy;
- 3) reject the request for capacity reservation, in accordance with the network code;
- 4) reject nomination, renomination and change of accepted nomination, if:
  - is higher than the agreed capacity,
  - is not in compliance with the temporary limitations of the contracted capacity prescribed by law or the Network Code, or
  - is not delivered within the prescribed period.
- 5) refuse to give consent for the transfer of the agreed capacity or the transfer of the right to use the agreed capacity when trading with the agreed capacity on the secondary market, in accordance with the Network Code;
- 6) refuse to transport natural gas through the transmission system, if the natural gas does not meet the conditions for quality, pressure and/or other conditions prescribed by the Network Code, the Rules for Balancing the Natural Gas Transmission System, as well as the Rules for the supply of natural gas.

(3) NGTSO is obliged to:

- 1) make the agreed capacity available to the User in accordance with the Confirmation of Allocated Capacity;
- 2) take over the quantities of gas that the User delivers to the natural gas transmission system at the entry to the transmission system where the capacity of the transmission system is assigned to the User, provided that:
  - the gas meets the requirements for natural gas quality prescribed by this Agreement,
  - the quantities of natural gas are in accordance with the announcement for the use of the transmission system,
  - the pressure conditions correspond to the pressure conditions from the energy agreement;
- 3) keep records of the quantities of gas taken by the User at the entry to the transmission system and to notify the User of the taken quantities,
- 4) deliver the quantities of gas that the User delivers to the transmission system, based on confirmed nominations at the exit from the transmission system where the capacity is assigned to the User,
- 5) keep records of the quantities of natural gas delivered to the User at the exit from the transmission system and notify the User of the delivered quantities.

(4) In addition to the rights and obligations determined by this Agreement, NGTSO is obliged to fulfill the obligations prescribed by the Law on Energy and the regulations adopted on the basis of that law, the obligations that for NGTSO derive from ratified international agreements, the membership in international organizations and institutions, as well as from the interconnection agreements concluded with the operators of neighboring natural gas transmission systems.

## **Rights and obligations of the User of the natural gas transmission system**

### **Article 8**

(1) The user is entitled to:

- 1) access the natural gas transmission system in accordance with this Agreement, the Law on Energy and the Network Code;
- 2) use the agreed capacity in accordance with this Agreement and the Network Code;

3) deliver gas to the natural gas transmission system and/or take gas from the natural gas transmission system in quantities determined by the nomination;

4) trade the contracted capacity and/or the right to use the contracted capacity on the secondary market in accordance with the provisions of the Network Code and the Regulations of the European Union.

(2) The user is obliged to:

1) provide the financial guarantee and deliver it to NGTSO in accordance with this Agreement;

2) pay NGTSO a fee for using the natural gas transmission system in the manner and under the conditions determined by this Agreement.

3) by the due date, to fully settle the invoices issued by NGTSO for the fee for using the transmission system, as well as other payment obligations arising from this Agreement;

4) ensure that the gas delivered to the transmission system meets the specified quality conditions in accordance with this Agreement and the Network Code

5) deliver to the transmission system quantities of natural gas that are in accordance with the nomination;

6) inform NGTSO about any change in the circumstances that preceded the conclusion of this Agreement or are essential for the implementation of this Agreement;

7) limit or stop the delivery of gas to the transmission system if NGTSO submits a notice to limit or stop providing natural gas transmission services based on this Agreement, the Network Code or other regulations,

8) at the request of NGTSO, to provide it with information necessary for NGTSO to fulfill the obligations of this Agreement, the Network Code and the Law on Energy;

9) comply with the instructions of the NGTSO dispatch center;

10) provide technical conditions for communication and data exchange with NGTSO.

(3) In addition to the obligations from paragraph (2) of this article, the User, based on this Agreement, is obliged to:

1) ensure that the gas supplied to the transmission system meets the specified pressure conditions defined in this Agreement and the Network Code;

2) to provide the quantities of natural gas, based on a valid natural gas trade agreement, at the entry points of the natural gas transmission system, where there is allocated capacity, for the duration of the validity of the allocated capacity products,

3) to ensure the delivery of natural gas quantities to the entry point of the system for transmission of natural gas where there is capacity allocated for the duration of the validity of the allocated capacity products based on a valid secured capacity agreement or a transmission contract, through the transmission system of the neighboring operator or a supply agreement concluded with a trader who has provided capacity through the transmission network of the neighboring operator to the entry points specified in the CRP confirmation.

(4) In addition to the rights and obligations determined by this Agreement, the User is obliged to fulfill the obligations prescribed by the Law on Energy and the regulations adopted on the basis of that law, the obligations that for the User derive from ratified international agreements, as well as from the interconnection agreements concluded between the operators of neighboring natural gas transmission systems.

### **3. FEES**

#### **Fee for using the transmission system**

#### **Article 9**

(1) The user is obliged to pay NGTSO a fee for natural gas transmission, which consists of compensation for guaranteed capacity at the entry and exit points and compensation for transported quantities at the exit points.

(2) Fee for guaranteed capacity at the entry and exit points is calculated based on the agreed capacity of the consumer at the entry and exit points and the capacity tariffs at the entry and exit points, regardless of whether the User used the transmission service on natural gas in a quantity corresponding to the contracted capacity, to a part of the contracted capacity or did not use the natural gas transmission service at all.

(3) Fee for transported quantities at the exit points is determined based on the transported quantities of natural gas at the exit point and the tariff for transported quantities at the exit points and the transported natural gas quantities at the exit points.

(4) Tariffs from paragraphs (2) and (3) of this article are determined by ERC according to the methodology established in the Tariff System for Natural Gas Transmission and Organization and Management of the Natural Gas Market approved by ERC.

### **Calculation of transported quantities of natural gas Article 10**

(1) The transported quantities of natural gas from Article (9) paragraph (3) are expressed in energy and are calculated using the following formula:

$$Q_e = Q_v * GCV \text{ [kWh]}$$

where:

$Q_e$  – energy in kWh

$Q_v$  – gas volume in reference conditions ( $p=1.01325$  bar,  $t=00C$ )

GCV - upper thermal power of combustion (25/0) of the mixture expressed in (kWh/nm<sup>3</sup>).

(2) Forecasted GCVs are published on a daily basis on the websites of the Natural Gas Transmission System Operators on both sides of the interconnection point, in order to inform network users on both sides how to convert volumes into energy as well as energy in volume in order to avoid mismatch. This value is used only for quantity nominations, while the final value for the calculation of the distributed quantities at the exit points is made with a weighted GCV value measured on the day of delivery.

(3) The contracting parties agree that the following will be applied in the performance of their obligations under this contract:

1) Gross (superior) calorific value (GCV (25/0)) at normal reference conditions is calculated for natural gas according to ISO 6976 taking into account normal reference conditions and a reference combustion temperature of 25°C.

2) The projected GCV in normal condition is expressed in kWh/Nm<sup>3</sup>.

3) Quantity of natural gas expressed in energy units (kWh) is the energy content of a given volume of natural gas calculated as a product of the volume of gas expressed in normal reference conditions without decimals (truncated, not rounded), multiplied by the gross calorific value (25/0), expressed in normal reference conditions, with 6 decimal places.

4) For energy calculation, GCV in kWh/Nm<sup>3</sup> is used rounded to 6 decimal places, rounded up if the seventh decimal place is 5 or more, and rounded down if the seventh decimal place is 4 or less.

5) The gross calorific value is expressed in kWh/Nm<sup>3</sup>.

6) Projected GCV in normal condition is average weighted GCV, calculated in MMS Zidilovo using ISO 6976, on gas day D-2, immediately before gas day D-1 on which the matching process for the corresponding gas day (D) takes place.

#### **4. INVOICING AND INVOICE COMPLAINTS**

##### **Invoices and delivery**

##### **Article 11**

(1) Based on the CRP confirmation (contractual capacity), NGTSO prepares and delivers to the User an invoice by the fifth day of the current month:

1) for contracted capacity for the current month, which includes:

- 1/12 (one twelfth) of the value of the reserved products with annual capacity calculated according to the current transmission prices valid for the month of payment;

- 1/3 (one third) of the value of the reserved products per quarterly capacity;

- the value of the reserved products for monthly capacities.

2) for the transport service for the previous month, i.e. for transported quantities in the previous month,

3) for the auction premiums for the capacity allocation procedures for the previous month conducted on the CRP platform (if any).

(2) The invoices from points 2) and 3) of paragraph (1) of this article are drawn up based on the data from the final monthly report.

(3) The due date of the invoices from paragraph (1) of this article is 10 working days from the date of their issuance.

(4) NGTSO sends the invoices electronically (e-mail), to the User's address specified in this Agreement or through the electronic platform.

##### **Payment of invoices**

##### **Article 12**

(1) The user pays the invoiced total amount in denars, to the transaction accounts of NGTSO specified in this Agreement.

(2) The obligation to pay is considered fulfilled on the day when the money is paid to one of the transaction accounts of NGTSO.

(3) If the invoice is not paid by the due date specified in Article of this Agreement, default interest is calculated for the period of delay.

(4) If the User does not pay the invoice within 7 days after the due date defined in Article of this agreement, NGTSO has the right to activate the financial guarantee, in the amount owed.

(5) NGTSO notifies the User about the activation of the financial guarantee within two days via e-mail to the address specified in this Agreement.

(6) In case of activation of the financial guarantee, the User is obliged within a period not less than five days from the day of activation of the financial guarantee to provide a new or supplement the existing financial guarantee.

(7) If the User does not provide a new, or does not supplement the financial guarantee within the period of paragraph (4) of this article, NGTSO has the right to unilaterally terminate this Agreement and shall notify the User of this electronically.

### **Objection to invoice**

#### **Article 13**

- (1) The user is entitled to object the invoice or part of it to NGTSO within five working days after the receipt of the invoice delivered by NGTSO.
- (2) In the submitted objection, the User states and explains the reasons for submitting the objection.
- (3) The submission of the objection to NGTSO does not delay the payment of the issued invoice.
- (4) If the objection from paragraph (1) of this article is accepted, NGTSO prepares a new corrected invoice and delivers it to the User within three working days from the acceptance of the objection.

### **Objection to invoices to ERC**

#### **Article 14**

- (1) If NGTSO determines that the objection to the invoice from Article 13 is not founded, within eight working days it makes a decision to reject the objection.
- (2) The user has the right to submit an objection to ERC against the decision of NGTSO from paragraph (1) of this article.
- (3) The contracting parties agree that the User has waived the right to object against the decision of NGTSO from paragraph (1) of this article if he does not submit an objection to ERC within seven days after receiving the decision.
- (4) The submission of the objection to ERC from paragraph (2) of this article, as well as the appeal against the decision of the ERC to the objection, does not delay the payment of the issued invoice.

### **Correction of invoices**

#### **Article 15**

- (1) If NGTSO corrects an invoice sent to the User, NGTSO delivers to the User a financial charge or approval which is obtained as a difference between the values in the submitted invoices from Article paragraph (1) and the values obtained after the final calculations.
- (2) The user has the right to object the financial obligation or approval within five working days after the receipt.
- (3) The provisions of Articles 13 and 14 of this Agreement shall be applied accordingly to the procedure for delivery and decision-making after the objection to the financial obligation or approval.
- (4) If, after the objection and the corrections made, it is determined that the User is in prepayment, NGTSO returns to the User the funds in the amount of the prepayment to the User's transaction account specified in this Agreement.

### **Transfer of the obligation to pay invoices**

#### **Article 16**

- (1) If the User transfers the right to transfer the monthly capacity product, which is in effect on the date of transfer, to another user, the payment obligation from Article paragraph (1) remains with the User.
- (2) If the User transfers the right to the quarterly and annual capacity products, which are in effect on the date of the transfer, to another user, as a result of a procedure for changing the trader/supplier or a commercial transaction on the secondary market, the obligation to pay the amounts due from Article paragraph (1) for the products that are subject to transfer, are transferred to the new user who acquired the capacity of the product from the beginning of the month after the date of transfer.
- (3) If the user transfers the right to any of the capacity products before the beginning of the time of the corresponding products to another user, the obligation to pay them is transferred to the new user who acquired the corresponding capacity product.
- (4) Before transferring the capacity to another person, the User is obliged to check whether that person has concluded or can conclude a contract with NGTSO.

## **5. FINANCIAL GUARANTEES**

### **Method of provision**

#### **Article 17**

(1) The contracting parties agree that in order to reduce the risk for NGTSO of non-payment of invoices issued in accordance with Section 4 of this Agreement, within seven working days after the signing of this Agreement, the User provides a financial guarantee in favor of NGTSO.

(2) The financial guarantee by the User can be in one of the following forms:

1) Irrevocable and unconditional bank guarantee according to the form in Annex 2 which is an integral part of the Agreement, which is payable upon the first request of the NGTSO Operator.

2) Deposit in cash to the bank account designated by NGTSO in this agreement.

(3) The financial guarantee is valid from the date of validity of the Agreement, plus an additional 45 days after the expiration of the validity period of the Agreement.

(4) The bank guarantee is issued in accordance with the form contained in Annex 2 to this agreement, with a validity of at least 12 (twelve) months from the date of issue, it is denominated in denars or their equivalent in euros, calculated according to the average exchange rate of the NBRNM of the day of issuing the guarantee.

(5) Crediting of the deposit is carried out in denars, to the bank accounts of NGTSO specified in the Agreement and is certified by a payment order for the amount paid. The basis in the payment order is noted as "deposit credit limit".

(6) The user provides the financial guarantee in an amount that depends on the capacity products he uses, plus VAT, and:

1) for daily capacity in an amount equal to 100% of the value of the quantity of the reserved capacity according to the CRP confirmation, multiplied by the price for this product that applies from the date of the auction, which includes the premium for the auction, if any;

2) for monthly capacity, in an amount equal to 100% of the value of the quantity of the reserved monthly capacity according to the CRP confirmation, multiplied by the price for this product which is applied as of the date of the auction, and which includes the auction premium, if there is;

3) for quarterly and annual products, in the amount of the announced quantities of natural gas expressed as the sum of the two highest announced monthly quantities in the annual consumption plan by the User multiplied by the appropriate transmission tariff published by ERC for that type of product,

(7) In the case of auctions for the allocation of bundled capacity at entry/exit points to which the Rules for the allocation of transmission capacities are applied, i.e. in accordance with Article 3 paragraph (2) of this Agreement, Regulation (EU) 2017/459, to establish network rules for capacity allocation mechanisms in natural gas transmission systems, the amount of the financial guarantee is determined by applying percentage rates based on the amount of the product quantity reserved capacity multiplied by the current price of the corresponding product including half of the auction premium, increased by the amount of value added tax (if such tax is calculated).

(8) NGTSO starts performing the obligations arising from the Agreement, only after confirming the authenticity of the guarantee by receiving an encrypted SWIFT message from the guarantor bank (if it is a foreign bank), or with a written Confirmation of the authenticity of the guarantee, issued by the parent bank.

(9) All costs resulting from the issuance of the bank guarantee, bank commissions, notification costs (forwarding the guarantee to the beneficiary of the guarantee) and similar fees are fully borne by the User.

(10) The contracting parties agree that the Uniform Rules for Demand Guarantees, according to Publication no. 758 of the International Chamber of Commerce in Paris (ICC Uniform Rules for Demand Guarantees -URDG 758), whereby:



- The legislation of the Republic of North Macedonia is applied to the bank guarantee, regardless of the headquarters of the guarantor bank,
  - The bank guarantee issued by a guarantor bank from the Republic of North Macedonia is issued in the Macedonian language and its Cyrillic script, and the bank guarantee issued by a guarantor bank outside the Republic of North Macedonia is issued in English,
  - When activating the guarantees, in addition to the Request for Payment and the Statement, copies of unpaid due invoices should be submitted to the Guarantor (Guarantor Bank).
- The same will be the case when activating guarantees issued by other countries, whereby the guarantees will be received as a swift message from a commercial bank.
- Attached guarantees in the country can be issued in paper form and delivered directly to NGTSO or can be sent by encrypted swift message.
- When the guarantee is issued in paper form, the guarantor bank sends a swift message to our parent bank confirming the issuance of the guarantee and its operation.
- The costs for issuing the guarantees are borne by the party – The orderer of the guarantee.
  - In case of activating the guarantees, the commercial bank should be consulted for the preparation of the text of the Payment Request and the Statement.
  - The invoices that are subject to payment should be issued in the Macedonian language for users in the country and contain a reference to the number of the Agreement specified in the text of the guarantee.

### **Renewal or supplement of the financial guarantee**

#### **Article 18**

(1) The contracting parties agree that:

- 1) NGTSO has the right to request an update of the plan, in the event that the quantities in it differ by more than 10% of the amount, when the products with reserved capacity are fully utilized on a daily basis.
- 2) The user updates the bank guarantee within 10 working days of receiving notification from NGTSO.
- 3) NGTSO does not confirm the transaction to the User, if he has not provided a financial guarantee in the amount determined by NGTSO.
- 4) If the financial guarantee is in the form of a bank guarantee, the User is obliged to renew the given bank guarantee 45 days before the validity period.
- 5) In case of non-renewal of the bank guarantee within the period of point 4) of this paragraph, NGTSO has the right to terminate this Agreement unilaterally, and shall notify the User of this electronically.
- 6) NGTSO does not owe the User interest for the time during which the amount of the guarantee deposit remained with him, nor any additional payments of fees and similar costs related to the deposited guarantee deposit.

### **Release of the financial guarantee**

#### **Article 19**

(1) The operator releases the financial guarantee, provided that there are no outstanding payment obligations under the Agreement as of the date of publication, which is determined as follows:

- 1) Amounts reserved for assigned monthly capacity products for the day before or during the day - up to 2 (two) days from the date of payment of the corresponding product,
- 2) Amounts reserved for products with assigned annual and quarterly capacity, up to 2 (two) days from the date of the last payment of the monthly installments of the respective product.
- 3) The reserved amounts guaranteeing the due premiums for the auction will be released within 2 days of the payment of the due premiums;
- 4) In the event of a capacity transfer between two users as a result of a procedure for changing the trader/supplier and/or a trade transaction on the secondary market, NGTSO will release the reserved

credit limit of the transferring user in relation to the transferred products, within 2 (two) days from the date of transfer.

(2) The Operator releases the financial guarantee within 5 days from the day of receipt of the electronic application by the User, in cases where:

- the user replaces the form of financial guarantee,
- this agreement has been terminated and the User has settled the financial obligations arising from the agreement.

(3) If the User replaces the form of the financial guarantee, NGTSO returns the previous financial guarantee or releases the bank guarantee within 5 days after the date of receipt by the User of the new financial guarantee that meets all terms of the contract.

(4) Upon termination of the Agreement, each party is fully responsible for all outstanding financial obligations to the other party, which occurred up to the date of termination of this Agreement.

## **6. SECONDARY MARKET CAPACITY TRANSACTIONS**

### **Capacity Offer**

#### **Article 20**

(1) The user has the right to partially or fully transfer his capacities specified in the CRP confirmations, as well as to take over the capacities from another user through a transaction on the secondary market with capacities, in accordance with the provisions of this Agreement.

(2) Transfer of the capacity to the secondary market is carried out through the CRP where the transfer and the recipient have duly nominated their intentions for the transfer and acquisition of capacity.

(3) NGTSO approves the bilateral offer within 3 hours of its submission, following a verification procedure that establishes that the receiving party has a signed transmission agreement and provided financial guarantee and availability of the necessary reserved capacity to the transferring party.

(4) The transaction is considered completed with the issuance of a confirmation by the party receiving the capacity.

(5) The sale of the capacity between the users as a transaction, including the sale with a fee, is governed by an agreement between the two users, and this does not create obligations for NGTSO that exceed the fulfillment of the conditions determined by the CRP confirmation.

### **Conditions for entering into a transaction with capacity on the secondary market**

#### **Article 21**

(1) The transfer of capacity to the secondary market can be carried out during the period of use of the capacity product in accordance with the CRP confirmations.

(2) The receiving party must have a signed transmission agreement with NGTSO with a provided financial guarantee.

(3) In the event that the product with a capacity in accordance with the CRP confirmation is a bundled product, the User agrees that in the case of a transmission of a product with a bundled capacity, it can only be changed in relation to its quantity, and not in terms of product type.

(4) Any violation of the obligation from paragraph (3) of this article is considered a violation of this Agreement and in this case NGTSO has the right to refuse to confirm the transaction for the transfer of capacity on the secondary market.

### **Capacity usage rules per transaction for secondary capacity transmission**

#### **Article 22**

- (1) If the party transferring the capacity has already nominated a transfer for the capacity subject to transfer, for the corresponding gas day, the receiving party will nominate again after the completion of the transfer.
- (2) Each user, who initially reserved capacity, pays NGTSO the fees for capacity (transmission) within the term determined in the invoice issued on the basis of the corresponding CRP confirmations covering the period of the transfer transaction in accordance with this Contract.
- (3) The parties agree that the transferred capacities according to their transmission are agreed with NGTSO and with the receiving party.
- (4) Based on the Capacity Transmission Agreement, the receiving party will pay NGTSO the fees, which are charged in the process of using the capacity after its transfer in accordance with this Agreement.

**7. FORCE MAJEURE  
Requirements  
Article 23**

- (1) Force majeure is considered to be all unforeseeable natural phenomena, as well as events and circumstances that are beyond the influence of the contracting parties and that they could not foresee and prevent by applying a reasonably acceptable effort.
- (2) The contracting party that has not fulfilled its obligation may request to be released from responsibility, if the non-fulfillment was caused by force majeure, and in particular due to:
  - 1) natural disasters of greater scale and intensity, such as earthquakes, floods, landslides, droughts, volcanic eruptions, hurricane winds, snow drifts, torrential rains, lightning strikes, epidemics and similar natural events,
  - 2) damage, destruction or blocking of other energy, telecommunication or traffic infrastructure that are not owned by the supplier,
  - 3) war or martial law, state of emergency declared in accordance with law, comprehensive military mobilization, invasion, armed conflict, blockade or serious threat of such situations,
  - 4) civil war, rebellion, uprising, revolution, military or coup d'état, terrorist acts, sabotage, civil disturbances, mass violence,
  - 5) actions of state authorities taken in accordance with the law or due to extreme necessity,
  - 6) work stoppages, strikes, boycotts or occupation of plants by employees,
  - 7) outage of production, transmission or distribution capacity, and
  - 8) declaration of an energy crisis in accordance with the Law on Energy.
- (3) When the non-fulfillment of the contractual obligations is caused by a third party who was hired by the contracting party to perform certain obligations from the agreement in its name and at its expense, it is considered that the contracting party is not responsible only if the conditions of paragraphs ( 1) and (2) or if the liability claims also apply to the third party.
- (4) The contracting party that proved that it was unable to fulfill its contractual obligations due to the occurrence of one or more of the reasons specified in paragraph (2) of this article:
  - 1) is obliged to take all reasonable measures to limit or reduce the consequences of the events or situations whose existence it invoked in order to be released from responsibility due to non-fulfillment of contractual obligations and to notify the other contracting party without delay of the termination of the events or conditions that caused its inability to fulfill contractual obligations,
  - 2) will be released from responsibility for non-fulfillment of its obligations for the entire duration of the events or situations if it has notified the other contracting party without a delay, and if it has delivered the notification late, it will be considered that it is not responsible for the non-fulfillment of obligations from the moment when the other contracting party received the notice.

## **Force majeure invoking**

### **Article 24**

(1) The contracting party that invokes Force Majeure immediately informs the other party in writing and undertakes to take the following actions:

- 1) within 10 days to submit documents that prove the existence of Force Majeure and thereby justify the non-fulfillment of his obligations.
  - 2) within 30 days to provide written information about the circumstances, the main reasons and possible consequences for the implementation of the Agreement and the expected time when he could continue with the full performance of his obligations under the Agreement
  - 3) providing access to the other party to check the location of the object, the failure of which resulted in the Force Majeure invoking.
  - 4) in the shortest possible time to take all the necessary measures for the repair of the facilities and to continue with the full performance of its obligations under this contract.
- (2) If the contracting party, due to Force Majeure, cannot continue to perform its obligations arising from the Agreement for a period of 90 consecutive days, it has the right to terminate the transmission agreement by providing a written notice of 30 days, except in the case when the transmission of natural gas is continued during the period of the disruption notice.

## **Agreement language and applicable law**

### **Article 25**

- (1) The agreement is drawn up in the Macedonian language.
- (2) If the Agreement is concluded in Macedonian and English, and there are inconsistencies between the Macedonian and English versions, the Macedonian version shall prevail.

## **8. CANCELLATION**

### **Article 26**

- (1) Unless otherwise stipulated by this Agreement, if one contracting party fails to exercise any right, claim, authority or opportunity established in this Agreement or to request the other party to fulfill them and comply with its obligations under this Agreement, it does not constitute a waiver by that party of that right, claim, authority or opportunity, or a waiver of the terms and conditions of this Agreement.
- (2) With the exception of paragraph (1), the cancellation is valid if it is given in writing and signed by the authorized person of the contracting party, and it clearly, precisely and completely states the rights, claims, powers and opportunities from which the party is canceled, as well as the moment from which the cancellation begins to produce a legal effect.
- (3) The contracting parties agree that if one of the parties accepted non-fulfillment of any of the obligations from this Agreement without legal consequences for the party that did not fulfill the obligation, it will not be considered or assumed that in a similar or different situation, that party will again accept the default without consequences for the defaulting party.

## **9. RESOLUTION OF DISPUTES**

### **Article 27**

- (1) The contracting parties agree that they will try to settle amicably all disputes that may arise from the implementation of this Agreement, and if the contracting parties do not reach an agreement within 30 days, each of the parties will inform the other contracting party for the subject of the dispute, and it will be submitted to the competent authority state authority, i.e. court.

(2) The contracting parties agree that the agreement reached in accordance with paragraph (1) of this article is legally binding for both parties

(3) If the dispute started at the User's request cannot be resolved amicably, the User has the right to submit an objection to ERC.

### **Article 28**

The contracting parties agree that neither party shall have the right to exercise any claim against the other party if that claim has previously been collected by applying another provision of this Agreement.

## **10. CONFIDENTIALITY, PROTECTION OF PERSONAL DATA AND PROHIBITION OF CORRUPTIVE ACTIVITIES**

### **Article 29**

(1) The contracting parties agree that each contracting party that possesses a document (report, calculation, program, etc.) which, in order to fulfill its obligations under this Agreement, is obliged to make it available to the other contracting party, and that document contains technical, economic or business data and information, the disclosure of which could worsen its position in relation to its traders/suppliers or buyers, or in the natural gas market in general, it may mark that document as confidential and request from the other contracting party not to disclose the information and data contained in that document to third parties.

(2) The contracting parties agree that a publicly available document cannot be marked as confidential.

(3) The contracting party to whom the document from paragraph (1) has been made available may disclose the information and data contained in that document to third parties only if:

1) received an unequivocal written consent for this from the other contracting party, or if

2) it is necessary in the procedure for closing the financial structure and concluding the Direct Agreement, or if

3) it is requested by a competent state authority for the purpose of implementing the legally established competences of that authority or in court proceedings.

(4) If during the fulfillment of the obligations and the realization of the rights from this Agreement there is a need for the processing of personal data, the contracting party that processes the personal data is obliged to perform the processing in accordance with the regulations for the protection of personal data.

(5) If the processing of personal data requires the consent of the person whose data is being processed, then the contracting party is obliged to obtain written consent in order to be able to deliver the personal data to the other contracting party.

(6) The contracting parties agree that they will not undertake corrupt actions and that, in accordance with the law, they will report to the competent state authority and to the other contracting party the undertaking or intention to undertake corrupt actions by their personnel, whereby as corrupt actions in the meaning of this Agreement is especially considered:

1) Giving or promising to give money, allowances or other monetary or non-monetary benefits to managers and employees of NGTSO or in subsidiaries of NGTSO, as well as to members of their immediate family in order to disregard the provisions of this agreement for the purpose of realizing an illegal property or other benefit for the user or for another person and

2) Giving or promising to give money, allowances or other monetary or non-monetary benefits to managers and employees of the beneficiary or in subsidiaries of the beneficiary, as well as to members

of their immediate family in order to disregard the provisions of this agreement for the purpose of realizing an illegal property or other benefit for NGTSO or for another person.

(1) Acting contrary to the obligations of this article is considered a violation of this Agreement.

## **11. METHOD OF COMMUNICATION AND CORRESPONDENCE**

### **Article 30**

(1) Within three working days from the date of conclusion of this Agreement, each contracting party shall appoint a responsible person for the mutual exchange of information and data necessary for the performance of contractual obligations and shall immediately notify the other contracting party of the name and surname of that person, his job title or capacity in the contracting party's company and contact data (address, telephone number and e-mail address).

(2) If during the duration of this Agreement the contracting party changes the person from paragraph (1) or the contact address of the person from paragraph (1) changes, within one working day it will notify the other contracting party about the change and will submit the data for the newly appointed person.

(3) All notifications, exchange of information and data or other communications between the contracting parties shall be made between the persons appointed in accordance with paragraphs (1) and (2) and shall be in writing.

(4) If, due to urgency, a notification is made orally, the party that delivered the notification is obliged to deliver the same notification, with identical content, to the other contracting party in writing within 24 hours after the oral notification was delivered.

(5) The notification is considered duly delivered if it is submitted:

- in the registry office of the other contracting party, or - by registered or courier mail with clear identification of the date of receipt of the notification, or - in electronic form at the e-mail address of the person from paragraph (1).

## **12. TERM AND TERMINATION OF AGREEMENT**

### **Article 31**

(1) Each contracting party has the right to unilaterally terminate this Agreement by written notice of termination sent to the other contracting party by registered mail with return receipt, in case the other contracting party fails to fulfill any of its obligations of this Agreement.

(2) If this Agreement does not provide otherwise, the contracting party that terminates the agreement is obliged in the notification from paragraph (1) of this article to specify to the other contracting party an additional deadline for fulfilling contractual obligations due and/or for correction on the omissions due to which the termination is requested, which cannot be shorter than 15 days from the day of receipt of the notice of termination.

(3) If the other contracting party does not correct the omissions within the additional deadline from paragraph (2) of this article, the Agreement is considered terminated from the first day after the expiration of the additional deadline for fulfillment.

(4) The user has the right to unilaterally terminate the Agreement, without giving reasons, by written notice of termination delivered to NGTSO by registered mail with return receipt or in another way that allows to unambiguously determine the date of receipt of the notification, with a notice period of 60 days from the day NGTSO received the notification.

(5) In the case referred to in paragraph (4) of this article, the User is obliged to compensate NGTSO for the damage in an amount corresponding to the value of the total compensation for using the transport system for the contracted capacity, which refers to the period from the termination of the agreement until the end of the agreement period.

(6) The obligation to compensate for damages is due within 15 days from the moment when the User received a written notice from NGTSO about the amount of compensation for damages.

(7) As an exception to paragraph (6) of this article, if at the time of termination the User does not have contractual capacity for the period from the termination of the Agreement to the expiration of the contractual period, he is not obliged to compensate NGTSO for damages.

(8) If the User terminates the Agreement in accordance with paragraph (4) of this article, NGTSO has the right to sell on the primary market the capacity from the terminated Agreement that refers to the period from the termination of the Agreement to the end of the contractual period.

(9) NGTSO has the right to unilaterally terminate the Agreement if the User:

1) has not paid the due monthly fees for the use of the transport system or any other amount due under this Agreement in the amount of two monthly fees, and this failure has not been corrected within the following period of 15 days from the receipt of the warning for non-payment in writing and the intention to terminate the agreement for this reason or

2) did not provide, renew or supplement the financial guarantee in the manner and according to the terms of this Agreement, and did not correct this omission within the following period of five working days from the receipt of the written notice of termination;

(10) As an exception to paragraph (2) of this article, NGTSO has the right to unilaterally terminate this Agreement without specifying an additional one for fulfillment, if:

1) The user made incorrect or untrue statements or guarantees for the purposes of this Agreement;

2) a procedure for liquidation or bankruptcy of the User has been initiated;

3) The user stops paying all or a group of his obligations or announces his intention to do so; or

4) The user ceases to work and this circumstance lasts for five consecutive days or a total of 20 days in any calendar year.

(11) In case of termination of the Agreement and without violation of other rights arising for NGTSO from law, other regulations or this Agreement, the User is obliged to pay NGTSO compensation for the use of the transmission system for the purpose of providing the services for transmission of natural gas until the termination of this Agreement, including compensation for the provided capacity above the agreed.

## **CHANGE OF CONTRACTING PARTY**

### **Article 32**

(1) The contracting parties agree that no party of this Agreement can be replaced by a third party to whom the rights and obligations arising from this Agreement are transferred to the replaced party without a prior written consent from the other contracting party.

(2) When the User, as a party of this Agreement, requests to be replaced by a third party who will assume the rights and obligations of the User, he is obliged to provide NGTSO with reliable data on all necessary business and technical information about the third party and unambiguous and unreserved a statement from the third party addressed to NGTSO stating that the third party will assume all rights (transfer of claims) and obligations (assuming debt) of the User arising from this Agreement and that it will provide financial guarantees in accordance with Section 4 of this Agreement.

(3) Within fifteen (15) days from the receipt of the data and the statement from paragraph (2) of this article, NGTSO notifies the User in writing about the acceptance or rejection of the proposed replacement. As long as the third party does not provide the required guarantees according to this Agreement, the substitution will have no legal effect.

(4) If due to a change in the law by which the rights and obligations of NGTSO arising from this Agreement are taken over by another person determined by law, the contracting parties agree that

within 15 (fifteen) days from the entry into force, i.e. from the start of the application of that law, will conclude an annex with which this Agreement will comply with the changes that have occurred.

## **CHANGE OF TRADER/SUPPLIER**

### **Article 33**

(1) The contracting parties agree that if the User changes his natural gas trader/ supplier, the following procedure applies:

1) Within a period of no longer than three weeks before the date from which a change of trader/supplier is requested, the user submits to NGTSO a written request for a change of trader/supplier, which should contain:

- name and identification data of the buyer, the new and the old trader/supplier;
- an extract from a supply agreement with the new supplier, which contains: the date of the first supply, the term of validity of the supply agreement, place and program of supply, information on the quantities of natural gas agreed to be supplied, including broken down into quarters, months and days (in the case of procurement contracts with a term shorter than one calendar month) and maximum and minimum daily amount; and
- valid transmission agreement with NGTSO, with provided financial guarantees.

2) In the case of a partial change of the trader/supplier where there is more than one trader/supplier, the User, within the period specified in point 1), submits to NGTSO the required information broken down by traders/suppliers (network users), whereby the transmission of the capacity, partial or complete, is carried out by agreement between traders/suppliers using CRP and in accordance with the procedure established in the Agreement or by NGTSO.

3) For the transmitted capacity, the User signs an annex to this Agreement with the changes in the transmission capacity products.

4) NGTSO allows the change only if the new trader/supplier meets the conditions and if the new trader/supplier has no outstanding financial obligation due to NGTSO.

5) In the event of a partial change of the trader/supplier, the capacity is transferred to the new trader/supplier, according to the period requested by the User, and the closest time product of capacity that fully covers the requested period is transferred as a priority, and if necessary, the rest is supplemented with the next by duration capacity product, fully covering the requested period.

6) The transfer of the capacity, i.e. the partial or complete change of trader/ supplier, it starts to apply on the first day of the gas month, following the month in which the request is submitted.

## **AMENDMENTS TO THE AGREEMENT**

### **Article 34**

(1) Each contracting party has the right to request from the other contracting party this Agreement to be amended and supplemented, if those amendments and additions are in accordance with this Agreement, the Law on Energy, the by-laws specified in Article 3 of this Agreement as well as with the other valid laws and other regulations in the Republic of North Macedonia.

(2) Amendments and additions from paragraph (1) of this article are made in the form of an Annex to this Agreement, which is signed by both contracting parties.

(3) Each contracting party that has assessed that a condition has arisen or ceased which, according to this Agreement, constitutes a basis for its amendment or addition, submits in writing to the other contracting party a draft Annex to this Agreement with a detailed explanation.

(4) The other contracting party is obliged, within seven working days from the day of receipt of the draft Annex from paragraph (3), to make a statement in writing regarding the allegations contained in the draft Annex and the rationale and may:



- 1) to accept the draft Annex,
  - 2) to request additional reasonable information and/or documentation, or
  - 3) to reject the draft Annex by stating reasons for the rejection.
- (5) In the case referred to in paragraph (4) item 3), the contracting party that submitted the draft Annex has the right to request the initiation of a consultation procedure in order to determine a mutually acceptable solution, and if a mutually acceptable solution is not determined after the consultation procedure, has the right to initiate a dispute resolution procedure in accordance with this Agreement.
- (6) If the contracting parties agree that there is a need for this Agreement to be amended and supplemented, within 15 days from the day of delivery of the notice of acceptance of the draft Annex or from the day of completion of the consultation procedure at which the mutually acceptable solution is determined, they will conclude the Annex to this Agreement.
- (7) The contracting parties agree that if during the duration of this Agreement there are changes in the Network Code as well as in the laws and other regulations that apply to this Agreement and which cause a mandatory amendment that cannot be achieved by concluding an Annex to this Agreement, they will sign a new agreement that will be in accordance with the changed laws and other regulations.

## **NULLITY**

### **Article 35**

- (1) The contracting parties agree that if, during the duration of this Agreement, one or more provisions of this Agreement are determined to be null or unenforceable, this will not affect the validity or applicability of the other provisions of this Agreement, which will continue to be valid.
- (2) The contracting parties agree that they will endeavor to replace the provision, i.e. the provisions of this Agreement which have been determined to be null or unenforceable, with valid i.e. applicable provisions whose economic effect will be equal or close to the economic effect produced by the provision, i.e. the provisions which have been determined to be null and void, i.e. inapplicable.

## **INDEMNIFICATION**

### **Article 36**

- (1) If the User causes damage to NGTSO, he is obliged to compensate NGTSO for the damage that NGTSO suffered due to action or omission by the User, unless the damage occurred due to:
- 1) Deliberate inappropriate behavior or negligence on the part of the NGTSO Operator;
  - 2) Violation of this Agreement or an obligation prescribed by law or other regulation by the NGTSO Operator;
  - 3) Claim from a third party to the NGTSO Operator that occurred before the conclusion of this Agreement;
  - 4) User's action taken at the instruction of NGTSO Operator, and the User informed NGTSO that taking that action would cause damage.
- (2) NGTSO will collect the damage by activating the financial guarantee, and if the amount of the guarantee is not sufficient, from other funds of the user.
- (3) The obligation to pay the damage from paragraph (2) begins on the following day from the day when the deadline for fulfilling the obligation specified in this Agreement has expired, or when the given additional deadline for fulfilling the obligation has expired.
- (4) The payment of the damage will not release the User from the obligation to fulfill the unfulfilled contractual obligations.

## **LANGUAGE OF THE AGREEMENT**

### **Article 37**

- (1) This agreement, the appendices and annexes that are an integral part of this agreement are drawn up in the Macedonian language and its Cyrillic script.
- (2) All correspondence and documents exchanged between the Contracting Parties shall be prepared in the Macedonian language and its Cyrillic script.
- (3) With the exception of paragraphs (1) and (2), the contracting parties agree that this Agreement, the appendices and annexes that are included in this agreement, as well as all correspondence between the contracting parties may, in addition to Macedonian, be also drawn up in English.
- (4) In case of discrepancy between the text prepared in the Macedonian language and the text prepared in the English language, the text prepared in the Macedonian language shall prevail.

## **ENTIRE AGREEMENT**

### **Article 38**

This Agreement, the Attachments to this Agreement and the annexes to this Agreement constitute the entire Agreement.

## **TRANSITIONAL REGIME OF APPLICATION OF SEPARATE PROVISIONS OF THE AGREEMENT**

### **Article 39**

- (1) In the period until the establishment of its own commercial dispatching platform (CDP) for nominations, renominations, distribution of quantities and balancing, NGTSO will use the opportunity to announce and confirm quantities on the commercial dispatching platform (CDP) of the operator of the adjacent natural gas transmission system at the interconnection point IP Kyustendil/Zidilovo. Nominations and renominations, from and to Users and confirmations from CDP will be sent via email by NGTSO.
- (2) Bearing in mind that in the period until the establishment of a capacity reservation platform (CRP) i.e. the period until the establishment of electronic auctions for capacity, it is not possible to fully apply the provisions of this Agreement, which refer to the fulfillment of the obligations of the contracting parties in connection with the operation through the platform CRP, since according to the Tariff System for the formation of natural gas transmission prices, the first year of application, it is planned to be without the part of the regulated maximum revenue that is allocated to the tariff elements for capacity at the entry and exit points of the natural gas transmission system. All notifications that are indicated to be made by and to CRP, until the establishment of a capacity reservation platform (CRP) will be sent by and to NGTSO via electronic mail.
- (3) In the period until October 1, 2023, the following conditions will be applied in addition to the corresponding conditions already defined in the Transmission Agreement:
  - 1) The reference temperature should be 20°C where 0°C is defined;
  - 2) Gas day is the period from 06:00 CET time to 06:00 CET time the following day;
- (4) The transitional period for some points may end earlier if the appropriate conditions are met earlier by TSO, for which the Users will be promptly notified.

## **FINAL PROVISION**

### **Article 40**

(1) This Agreement enters into force on the day of signing by the authorized representatives of the contracting parties, and begins to produce legal effect for the contracting parties after the submission of an adequate financial guarantee by the User.

(2) The Transmission Agreement and its Attachments replace all previous Technical Agreements or agreements related to them.

(3) If the contracting parties do not agree otherwise through the exchange of written notices, this agreement will begin to be implemented at the beginning of the gas month M+1, from the hour of day--- --, month----- year --.

(4) This Agreement is signed by the representatives of the contracting parties in four equal copies of which two for each contracting party.

Date:-

**FOR THE USER:**

Name and surname

-----

Signature:

-----

**FOR THE OPERATOR:**

Name and surname

-----

Signature:

-----

**APPENDICES**

**Annex 1: Bank accounts of the contracting parties**

**Annex 2: Bank guarantee form**

**Annex 3: General conditions of the transmission agreement**

**Annex 4: Annual plan for forecasted quantities of natural gas**

**APPENDIX 1 Bank accounts of the contracting parties**

**CONTACT DETAILS AND BANK ACCOUNTS OF THE PARTIES**

Contact details of the parties:

Transmission operator: NOMAGAS JSC Fax: (02)3117110, Blvd. St. Kliment Ohridski no. 54 Skopje

User:

Bank accounts of the parties:

About the operator:

Phone: 02 3118555 Fax: 02 3117110

**APPENDIX 2 Bank guarantee form**

**To:**

**Joint Stock Company NOMAGAS Skopje**

**Blvd. St. Kliment Ohridski no. 54**

**Skopje**

**Republic of North Macedonia**

**(Place of issue), --...20--**

**Type of guarantee: Guarantee for securing payment obligations**

**Guarantee number:**

**Guarantor:** (Name of guarantor)

(Address of Guarantor, Swift address if applicable)

**Orderer:** (Name of the Service User), with registered office (address, city), registration number ----, unique tax number ----- and transaction account at (Service Beneficiary's Bank) number -----

**Beneficiary of the guarantee:** Joint Stock Company GA-MA Skopje, blvd. Sveti Kliment Ohridski no. 54 Skopje, Republic of North Macedonia (hereinafter: Operator/User of the guarantee)

**Basic arrangement:** Obligations of the Orderer arising from the Natural Gas Transmission Agreement (hereinafter: Transmission Agreement), concluded between the Operator and the Service User, filed by the Operator under no. ---- from ---- and at the User of the service under the number ---- of ----, for the payment of fees for the transmission of natural gas.

**Currency and amount of the guarantee:**

**MKD/EUR ----- (in words -----denars/euro)**

**Each document to be submitted with the Request for Payment other than the statement expressly stated in the text below:**

Copy(s) or photocopies of unpaid overdue invoice(s)

**Language of each of the requested documents:** The documents issued by the Operator or the User of the service must be issued in the language of the guarantee.

**Method of presentation:** In paper form, by courier or any other type of mail.

The request for payment and the documents should be delivered to the Guarantor at the place of presentation indicated below through the bank of the Beneficiary of the Guarantee, which will certify on its covering letter that the signature(s) on the Request for Payment resemble the specimens of the signatures of the person/ persons authorized to represent the Beneficiary of the guarantee. In case the guarantee is issued by swift message, the bank of the Beneficiary of the guarantee will confirm the same with a separate swift message sent to the Guarantor at his swift address.

**Place for the presentation of the documents for collection of the guarantee:** In the office of the Guarantor, located at atr. No. City State (address)

**Validity period of the guarantee:** 20 years and includes the period of 45 days after the expiration date of the Agreement.

**The party responsible for the payment of fees:** all bank fees of the Guarantor and the Bank of the Guarantor User shall be borne by the Orderer (Service User).

We, as the Guarantor, irrevocably and unconditionally undertake to pay the User of the guarantee any amount up to the amount of the guarantee, upon receipt of the first agreed written demand from the User of the guarantee, in the manner of presentation specified above in the guarantee, within three working days days from the receipt of the Request for Payment, accompanied by other documents listed above (copy/copies or photocopies of unpaid overdue invoice/invoices issued by the User of the Guarantee), and in any case with a Statement of the User of the Guarantee, either in the Request for Payment itself or in a separate signed document that accompanies or identifies the Request, stating that the Orderer has not performed its payment obligations within the payment term in accordance with the provisions of the Transmission Agreement.

Any Request for payment under this guarantee must be received by us on or before the expiration of the warranty period at the place of presentation indicated above.

This guarantee can be prematurely closed exclusively by presentation to the Guarantor of the original copy of the guarantee and all its annexes, if any, and with a duly signed and printed statement from the User of the guarantee stating that the Guarantor is released from its obligations. (applicable for a guarantee issued in paper form)

This guarantee cannot be transferred to another user, nor can the existing user of the guarantee ask the Guarantor to pay the amount upon presentation of the collection documents to another entity.

The guarantee may be charged in part or in full, up to the amount specified in the guarantee.

All disputes related to this guarantee will be settled before the Basic Civil Court, Skopje in the Republic of North Macedonia applying the laws of the Republic of North Macedonia.

The guarantee is subject to the Uniform Rules for Demand Guarantees of the International Chamber of Commerce of Paris, Publication no. 758 /Uniform Rules for Demand Guarantees (URDG) 2010 Revision, ICC Paris Publication 25 No.758/, where:

+ Paragraph b, from Article 25 of Publication no. 758 for the extinguishment of obligations under the guarantee is supplemented by the possibility specified in the text of the guarantee.

+ Article 32 of Publication no. 758 which refers to the liability for the payment of compensations after the guarantee is exempted.

+ Article 33 of Publication no. 758 which refers to the transfer of the guarantee and assignment of assets is exempted.

This guarantee is issued in 3 (three) copies, of which the original is for the Beneficiary of the guarantee, and one copy each for the Orderer and the Bank. (applicable for a guarantee issued in paper form)

Signature/s of an authorized person/s

### **APPENDIX 3 - GENERAL CONDITIONS OF THE AGREEMENT FOR TRANSMISSION OF NATURAL GAS**

#### **Definitions**

##### **Article 1**

(1) The terms below have the following meaning according to these General Terms and Conditions (GTC):

- 1) **Natural gas consumer** is any person who has concluded a agreement for the supply of natural gas, and the place of delivery is the receiving place of the gas transmission system for which NGTSO is responsible;
- 2) **User** is a person who, in accordance with the Network code for natural gas transmission, is registered by NGTSO as a network user who intends to use natural gas transmission services based on a concluded Natural Gas Transmission Agreement;
- 3) **A balanced user** is a user to whom the difference between the sum of the nominated quantity and the actual delivered quantity is allocated for a certain gas delivery point, provided that other users at the point receive an equal amount of the nominee. Each user for a given point of acceptance of natural gas can submit a written notice to NGTSO stating the balance status of the user for this point, and in this case NGTSO immediately notifies other users that the distribution/allocation at that point will be carried out according to the method of user balancing.
- 4) **CRP Confirmation** is a confirmation of a specific transaction of the capacity reserved in the gas transmission system, which is electronically generated by the Capacity Reservation Platform (CRP) and which is binding for the Parties of this Agreement;
- 5) **A cubic meter** or m<sup>3</sup> in terms of natural gas is the amount of natural gas at 0 ° C, absolute pressure 1.01325 bar.
- 6) **Capacity product** is the natural gas transmission capacity for a given period of time at a given delivery point or reception point of the system; depending on the period of their duration, there are annual, quarterly, monthly, daily and daily capacity products;
- 7) **Annual capacity product** - capacity for the transmission of natural gas per day with a duration of one gas year;
- 8) **Quarterly capacity product** - daily natural gas transmission capacity with a duration of one quarter of gas;
- 9) **Monthly capacity product** - daily natural gas transmission capacity for one gas month;
- 10) **Daily capacity product** - natural gas transmission capacity per day with a duration of one day of gas evenly distributed in hours;
- 11) **Capacity within the day** - natural gas transmission capacity per day from a certain hour of the gas day to the end of the gas day, evenly distributed throughout the hours;
- 12) **Permanent capacity** - natural gas transmission capacity (product with permanent capacity) guaranteed by NGTSO as uninterrupted according to this Agreement;
- 13) **Interruptible capacity** - natural gas transmission capacity (product with interruptible capacity) which the transmission operator can interrupt at any time according to the GTC.

- 14) **Input capacity** - sum of transmission capacity of the User of products with capacity in accordance with the CRP certificates (portfolio) up to the amount of which the User has the right to enter natural gas into the system at a given delivery point;
- 15) **Output capacity** - sum of the User's transmission capacity of products with capacity according to the CRP certificates (portfolio) up to which amount the User has the right to withdraw natural gas from the system at a given point of acceptance;
- 16) **Contracted capacity** - the maximum transmission capacity on a daily basis that NGTSO has reserved for the User at the respective entry/exit point/points in accordance with the CRP confirmations;
- 17) **Access to natural gas and transmission services** - includes the supply of capacity at the entry and exit points of the gas transmission system and transmission of natural gas through the gas transmission system;
- 18) **Daily balance period** - a period equal to the gas day in which the User is obliged to maintain a balance between the quantities of natural gas delivered for transfer at the manual points and the quantities of natural gas withdrawn at the acceptance points of the balance zone;
- 19) **Imbalance/deviation** - means the difference between the announced quantities of natural gas by the user at the entry points of the transmission network and the realized quantities of natural gas by the user at the exit points of the network for the corresponding gas day, taking into account the natural gas for operational needs and transactions concluded at the virtual point of sale. Imbalance can be positive or negative. The daily amounts of imbalance are expressed in kWh;
- 20) **Gas day** is a period of 24 hours that starts at 6:00 a.m. on the current day and lasts until 6:00 a.m. on the following day in CET time, while on the day of transition from winter to summer time, the gas day is a period of 23 hours, and on the day of transition from summer to winter, the gas day is a period of 25 hours;
- 21) **Gas Month** is a period of twenty-eight (28) to thirty-one (31) gas days, beginning and ending on the first day of a given calendar month at 6:00 a.m. CET time. The current gas month is denoted as M. The next gas month is denoted as M+1.
- 22) **Gas Quarter** is a period of time beginning at 6:00 a.m. CET on the first day of October, January, April, and July and ending at 6:00 a.m. CET on the first day of January, April, July, and October respectively;
- 23) **Gas year** is a period that begins at 6:00 a.m. CET on October 1 of each calendar year and ends at 6:00 a.m. CET on October 1 of the following calendar year;
- 24) **Delivery** is the delivery of natural gas for transmission by the User of NGTSO for transmission at the place of delivery;
- 25) **Acceptance** is acceptance of the natural gas by the User, transferred by NGTSO for transfer to the place of acceptance;
- 26) **Point of delivery** are entry points of the gas transmission network where the User delivers natural gas to NGTSO for transmission;
- 27) **Point of acceptance** are exit points (measuring lines) from the gas transmission system where gas is measured during its handover from NGTSO for transmission to the user;
- 28) **Virtual trading point (VTP)** is a non-physical trading point within the natural gas transmission system, through which registered VTP users can buy/sell natural gas among themselves;
- 29) **Natural gas** or gas is any kind of hydrocarbons or a mixture of hydrocarbons, or associated gas or other gases, consisting mainly of methane, which at 0°C and atmospheric pressure are mostly in a gaseous state;
- 30) **Gross calorific value** is the amount of heat released during complete combustion at a constant temperature of 298.15 K (25°C) of one cubic meter of natural gas under normal conditions of 293.15 K (20°C), while all the water formed by combustion at a reference temperature is condensed. It is expressed in kWh;

- 31) **Gas with deteriorated quality** characteristics is a natural gas which quality characteristics do not comply with the technical specification;
- 32) **Dew point of water** is the temperature at which the water vapor in the natural gas begins to condense;
- 33) **Linepack (gas accumulation in the pipe)** is the amount of natural gas, expressed in cubic meters, located in the gas transmission network at a given moment;
- 34) CRP/Capacity reservation platform - Electronic platform for capacity reservations through which capacity reservations and other services, at the entry and exit points of the gas transmission system, are made together with the neighboring transmission operators of the interconnecting points.

## **NATURAL GAS QUALITY CHARACTERISTICS**

### **Article 2**

- (1) The natural gas delivered to the entry/exit points should meet the following characteristics defined in normal reference conditions:
  - 1) The normal reference conditions for temperature, pressure and humidity to be used for natural gas measurements and calculations are 273.15 K (= 0°C) and 101.325 kPa (= 1.01325 bar (absolute)) for true dry gas.
  - 2) Chemical composition (in mole percent)
    - Methane (C1) minimum 75
    - Nitrogen (N2) maximum 6
    - Carbon dioxide (CO2) maximum 3
  - 3) Gross (upper) caloric value:
    - Maximum 13.67 kWh/m<sup>3</sup>,
    - Minimum 10.17 kWh/m<sup>3</sup>,
  - 4) Wobe index
    - Maximum 16.33 kWh/m<sup>3</sup>,
    - Minimum 13.07 kWh/m<sup>3</sup>,
  - 5) Dew point of water
    - Not higher than minus 8 degrees Celsius (-8 °C) at a pressure of 39.2 barg
  - 6) Temperature of natural gas: from +0°C to +50°C
- (2) If the User finds out that the natural gas intended for transmission does not meet the quality requirements from paragraph (1) of this article, he immediately informs NGTSO about the reasons and the duration of the period of non-fulfillment of the conditions.
- (3) The user takes all necessary measures to stop the further delivery of natural gas that does not meet the quality requirements from paragraph (1) of this article.
- (4) Whenever the gas quality specification limit is approached or exceeded in accordance with paragraph (1) of this article, the Contracting Parties shall notify each other thereof and the receiving party shall use reasonable reasonable efforts to accept natural gas that does not conform to the gas quality specification, if acceptance of such non-conforming natural gas does not endanger the safety and/or integrity of the natural gas transmission system.
- (5) Depending on the receiving party's position regarding the security and/or integrity of the transmission system, the transmission of natural gas will or will not be interrupted, while the supplying party will take immediate action to restore the properties of the gas or contact their original neighboring Operator and issue a corrective action request to restore the gas properties to specification as soon as possible.



(6) Both parties undertake to ensure the rapid exchange of all relevant information (exchange within 1 hour after the occurrence of such a situation), which may affect the amount of gas to be transported in the future and the parameters of gas quality.

(7) Communication is carried out through a telephone call for information, followed by an electronic confirmation via e-mail;

(8) In the event of an emergency on the network of the Interconnection Supply/Entry point, NGTSO which is in the position of recipient of natural gas with characteristics deviating from the characteristics defined in paragraph (1) of this article, immediately informs the neighboring natural gas transmission system operator, regarding the possible impact on the quantities of gas that can be transmitted.

(9) If the contracting parties consider that there is an obvious danger to the security and/or stability of the system and this situation may have an impact on the confirmed quantities, each party is obliged to notify its users who are active and who are directly affected by the disturbance of the stability of the system;

(10) After the end of the state of emergency, the relevant affected party is obliged to immediately notify the other party and each party is obliged to immediately notify its affected users.

### **Monthly report**

#### **Article 3**

(1) Based on the daily allocated quantities at the entry and exit points, NGTSO prepares and delivers to the User through the Platform a monthly report that becomes final at 4:00 p.m. CET, on the 4th day of the following month after the report. Until this deadline NGTSO can correct the daily allocated quantities only if a technical fault of the measuring devices is established.

(2) The monthly report must contain the following information on the monthly quantities of natural gas:

1) quantities of natural gas accepted by NGTSO at the point of entry expressed in MWh for each gas day;

2) quantities of natural gas delivered by NGTSO at the exit point, expressed in MWh for each gas day;

3) reserved capacity for each of the delivering days and entry points expressed in MWh/d.

4) daily excess capacity at entry/exit points in MWh/d.

5) quantities that have not been delivered/not accepted.

(3) Information on the final monthly report is used in the preparation of invoices by the Operator.

### **PRESSURE**

#### **Article 4**

(1) The user delivers natural gas to the entry point, with a pressure that is within the limits of the minimum and maximum approved by NGTSO.

(2) The User receives the natural gas at the exit point with a pressure that is within the limits of the minimum and maximum approved by NGTSO, and which depends on the User's exit point defined in the Decision for connection to the transmission network issued by NGTSO based on the Network Code.

(3) NGTSO has the right to fully or partially refuse to accept the quantity of natural gas nominated by the User at the delivery points, if it does not meet the pressure requirements.

(4) As an exception to the provisions of this article, the contracting parties agree that the natural gas accepted by the User at the acceptance points will be at a pressure within the limits, i.e. the pressure of the physically delivered gas at the interconnection point Zidilovo not less than 36 bar and not higher than 54 bar, provided that the User delivers the natural gas to the off-take delivery points under pressure in accordance with the provisions of this Agreement.

### **PLANNED MAINTENANCE WORKS ON THE TRANSMISSION NETWORK**

#### **Article 5**

(1) By November 15 of the current year, NGTSO publishes on its website a schedule for planned repairs related to the capacity limitation of each of the interconnection points for the following year.

(2) The operator, in the current year, can modify the schedule from paragraph (1) published in the previous year, within 30 days before the start of the repair and publishes this information on its website.

(3) The operator, within 30 days before the start of the repair period, publishes a notice on the maintenance of the transmission system, which contributes to the limitation or reduction of the capacity and determines the technical regimes for the transmission of natural gas in these periods.

(4) During any period or periods for planned maintenance works, the contracting parties shall comply with the procedures for nominating quantities in accordance with the Balancing Rules.

(5) The provision of paragraph (4) of this article does not exclude the right of NGTSO to reduce the nominated amount of natural gas depending on the technical ability according to paragraph (3) of this article.

## **MEASUREMENT**

### **Article 6**

(1) The quantities of natural gas at the entry and exit points are measured using measuring devices.

(2) The transmitted quantities of natural gas, reported by the commercial measuring devices at the places of delivery and acceptance are considered the only reliable and binding for the parties to the agreement for the purposes of distributing the quantities in accordance with the applicable method of the place of delivery/acceptance.

(3) In the case of defective or otherwise non-functioning commercial measuring devices at the reception points, the transferred quantities of natural gas are determined by the NGTSO in the following order:

1) according to the control devices owned by NGTSO that are in accordance with the Law on measurement and have been verified by an accredited laboratory;

2) according to control measuring devices - property of the User or the User's customers, provided that they meet the requirements of the Law on metrology and the Rulebook on measuring instruments and are verified by an accredited laboratory;

3) based on the previous reporting period for which measurement data is available;

(4) In the cases referred to in paragraph (3) of this article, an authorized person of NGTSO issues a Correction Protocol containing: reason for correction, period covered by the correction, method of recalculation of transferred quantities, transferred corrected quantities, date of preparation of the Protocol, as well as the name and surname, workplace and signature of an authorized person of NGTSO.

## **GAS SUPPLY DISRUPTION AT THE EXIT POINT OF THE GAS TRANSMISSION NETWORK AT THE USER'S REQUEST**

### **Article 7**

(1) If the validity of this Agreement is terminated at a specific gas reception point on the transmission network or the supply is disrupted at the given gas reception point on the transmission network in accordance with the provisions of this Agreement, the User may:

1) notify NGTSO about a long-term disruption of natural gas transmission by specifying the specific gas reception point where disruption of gas transmission is requested, as well as the exact date from which disruption of gas transmission is requested at that moment.

2) notify NGTSO about temporary disruption of natural gas transmission by designating the specific gas reception point where disruption of gas transmission is required, as well as the exact date from which the disruption of gas transmission is requested.

3) ask NGTSO to stop the supply of natural gas at the natural gas acceptance points / measuring lines / of the gas transmission system, when at that moment, at a facility directly connected to the transmission network, gas is received only by those who have concluded agreement only with this user

and when there is no other Client/ User with a valid Transmission Agreement and reserved capacity in these points.

(2) The user submits to NGTSO the notification from points 1) and 2), at least 48 hours before the date for which the disruption of the transmission of natural gas is requested.

(3) Upon receiving a notice, NGTSO orders the user of any facility directly connected to the natural gas transmission network to stop accepting natural gas from the appropriate date specified in the notice.

(4) If the user does not act according to the order from paragraph (3), NGTSO, after consultation with the User, takes actions to stop the transmission to the directly connected facility at the indicated place for receiving gas and for this purpose takes actions in accordance with the Network Code.

(5) The actions referred to in paragraph (4) of this article shall be undertaken by NGTSO only during defined working hours and only at natural gas acceptance points, i.e. measuring lines of the natural gas transmission network, where it comes to a directly connected facility of the transmission system, and accepted only by gas buyer(s) for whom transmission is suspended and/or interrupted, and if there is no other user with a valid natural gas transmission agreement at these points.

(6) All risks, damages and claims of the affected persons that may arise during the implementation of the actions from paragraph (5) of this article shall be borne by the user who requested the disruption of natural gas transmission at the appropriate gas acceptance point.

(7) Return of the transmission to the given place for receiving gas, with the exception of disruptions from paragraph (1) of this article, is made only during the defined working hours and after the notification of the User received by NGTSO, which is delivered at least 48 hours before the date for which the renewal is requested of the transmission service.

(8) The user should have an existing agreement and reserved capacity at the corresponding exit point.

(9) The costs for service of stopping and starting up the network shall be borne by the user.

## **LIMITATION OF NATURAL GAS TRANSMISSION BY THE OPERATOR OF THE NATURAL GAS TRANSMISSION SYSTEM**

### **Article 8**

(1) NGTSO has the right to stop or limit the transmission of natural gas in case of:

1) immediate threat to the life, health or property of people and in order to avoid such circumstances;

2) Force majeure;

3) announced reconstructions and repairs of the facilities of the gas transmission system;

4) urgency or other technological reasons beyond NGTSO's control;

5) the need for urgent repair of the facilities of the gas transmission system;

6) introduction of natural gas transmission limitation regime;

7) jeopardizing the integrity of the gas transmission network;

8) when the User does not meet the requirements for the quality and/or pressure of the natural gas at the gas delivery points;

(2) NGTSO has no responsibility towards the User for any damages suffered and/or lost profits as a result of disruption or restriction of natural gas transmission in the cases specified in paragraph (1) of this article.

(3) In case of introduction of a regime of limitation or temporary limitation of natural gas supply, the transmission of natural gas to the exit points will be limited.

(4) In order to ensure the implementation of the agreed existing capacity, NGTSO has the right to partially or completely terminate the agreed interruptible capacity.

(5) NGTSO has the right to terminate the interruptible capacity when the total number of nominations confirmed to users of the natural gas transmission network at the point in the flow direction is less than the total number of nominations confirmed to users in the reverse/trade direction of flow.

(6) NGTSO has the right to interrupt fixed and/or interruptible transmission capacity in case of planned and unplanned repairs along the gas transmission network that will lead to a reduction of the capacity of a certain entry-exit point below the total number of confirmed nominations.

(7) Interruptible capacity is interrupted based on time (interruptible capacity purchased last will be interrupted with priority). In case of purchased interruptible capacity at the same time, a proportional reduction will be applied.

(8) When carrying out overhaul and unplanned works on the gas transmission network, after the complete disruption of the interruptible capacity and when reporting the quantities nominated for transmission for the corresponding gas day, NGTSO reduces the existing capacity in proportion to the capacity reserved by the users for the corresponding affected points with limited capacity, until the complete disruption of their transmission capacity, if necessary.

(9) NGTSO immediately informs the User about the probability of a disruption caused by the conditions specified in paragraphs (4), (5), (6), (7) and (8), as well as about the disruptions of the capacity, the reasons and their duration.

**Annex 4**

**Annual plan for forecasted quantities of natural gas**

EIC	Total for the entire period	January	February	March	April	May	June	July	August	September	October	November	December
kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh
<b>Total quantities for transmission</b>													

Signatories of the contracting parties

Consumer

Authorized person

\_\_\_\_\_

System operator

NOMAGAS JSC Skopje

Executive director

\_\_\_\_\_