

**NATURAL GAS SALE-PURCHASE  
AGREEMENT No. \_\_\_\_\_**

\_\_\_ August, 2018  
Vilnius

**UAB LITGAS** legal entity code 302937277, having its office at Žvejų str. 14, Vilnius (hereinafter - Seller), represented by the General Manager Tadas Adomaitis, and

\_\_\_\_\_, legal entity code, having its office at, (hereinafter – Buyer), represented by the Director, hereinafter jointly referred as the Parties, and individually as the Party, concluded this Natural gas Purchase-Sale Agreement (hereinafter – Agreement).

**1. Terms and Definitions used in the Agreement**

- 1.1. **ACER Agency** – the Agency for the Cooperation of Energy Regulators, established on the basis of the European Parliament and the Council Regulation (EC) No. 713/2009 issued on 13 July 2009.
- 1.2. **Auction** – a sales auction of the excess of the required natural gas volume delivered to LNG terminal, announced by the Seller in 2018 in which the winner is the Buyer.
- 1.3. **Implementing Regulation** – is the European Commission Implementing Regulation (EC) No. 1348/2014 of relevant edition issued on 17 December, 2014, on data reporting implementing Article 8(2) and Article 8(6) of the REMIT regulation.
- 1.4. **Natural gas** – a mixture of hydrocarbons, which is extracted from the subsurface of the earth, which under normal conditions is in a gaseous state.
- 1.5. **Natural gas delivery day** – the time period within 24 consecutive hours from 7.00 o'clock EET (EEST) in the morning of any calendar day till 7.00 o'clock EET (EEST) in the morning of the following calendar day (hereinafter – Day).
- 1.6. **Natural gas quantity**– the quantity of natural gas expressed in energy units - megawatt-hour (MWh), using the value of the natural gas upper calorific value.
- 1.7. **Natural gas Supply Act** - a document concluded under the procedure established in the Agreement and signed by both Parties, in which the specific quantity of natural gas sold by the Seller and purchased by the Buyer is recorded.
- 1.8. **REMIT Regulation** – relevant edition issued on 25 October 2011 of the European Parliament and of the Council Regulation (EU) No. 1227/2011 on wholesale energy market integrity and transparency.
- 1.9. **Upper Calorific Value** – quantity of heat (energy), obtained after complete burning at a constant pressure per cubic meter under normal conditions in natural gas, at a predetermined combustion temperature of 25<sup>0</sup>C and a density at 0<sup>0</sup>C, when all combustion products are cooled to a predetermined initial temperature of the reactants and are in a gaseous state, with the exception of water formed during combustion. Heat is also included in the heat that is released by condensing water vapor in combustion products.

**2. Object of the Agreement**

- 2.1. Sale-Purchase of Natural gas (hereinafter – supply) according to the terms and conditions established under requirements of the Auction and this Agreement.
- 2.2. Seller undertakes to sell and supply, and the Buyer undertakes to purchase and accept the quantity of Natural gas (hereinafter – Gas or Natural gas) specified in the Agreement and pay for the acquired Natural gas under the price and procedure established in the Agreement.

**3. Subject of the Agreement**

- 3.1. Buyer undertakes to buy and accept and the Seller undertakes to sell and supply to the Buyer throughout the period of supply of Natural gas, specified in paragraph 4.2 of the Agreement, the overall Natural gas quantity expressed in energy units (MWh):

<b>Month</b>	<b>Quantity (MWh)</b>
August 2018	
September 2018	
<b>In total:</b>	

- 3.2. Buyer and Seller arrange the delivery schedule of Natural gas (Annex No. 1 to the Agreement) prior to signing of the Agreement.
- 3.3. Parties agree that the Seller sells and the Buyer buys Natural gas at a fixed price, equal to \_\_\_ Eur / MWh without VAT.
- 3.4. The maximum amount of Natural gas supplied per Natural gas delivery day is equal to 15 GWh.

**4. Gas delivery place and delivery period**

- 4.1. The place of delivery of Natural gas (gas trading and transfer of ownership right) is AB “Amber Grid” virtual Natural gas trading point in the Lithuanian natural gas transmission system. without real physical place in the natural gas system of the Republic of Lithuania.
- 4.2. The period of supply of Natural gas is as of 15 August 2018, but not earlier than the day of signing of this Agreement, until 30 August 2018.

**5. Invoices and Payment Conditions**

- 5.1. The Seller shall, in accordance with the data recorded in the Natural gas Supply Act, submit the invoice for the Natural gas supplied to the Buyer during the calendar week each Tuesday of the calendar week.
- 5.2. The Seller, on the invoice submitted to the Buyer, indicates the actual amount of gas delivered during a calendar week, approved in the Natural gas Supply Act, expressed in energy units, the price and the total payable amount.
- 5.3. Invoice shall be sent to the Buyer via e-mail.
- 5.4. The buyer pays for the supplied Natural gas within 3 (three) calendar days from the date the invoice has been issued to the Buyer.
- 5.5. Within the terms specified in the Agreement, if the Buyer fails to pay for the supplied Natural gas for 7 (seven) and more calendar days, the supply of Natural gas to the Buyer shall be suspended and the Interest of default for late payment, specified in the Agreement, shall be calculated for the Buyer.
- 5.6. All payments under the Agreement are made in euros to the bank accounts indicated by the Parties. The Parties are not entitled to transfer monetary obligations arising from this Agreement to third parties without the prior written consent of the other Party. The Parties agree that they do not have (or waive) the right to make unilateral offsetting on monetary claims arising from this Agreement.
- 5.7. If the last day of a payment is a non-working day or bank holiday, then the deadline for payment shall be the following working (business) day.
- 5.8. Any payment under the Agreement shall be deemed to have been made on the day the funds are credited to the beneficiary's bank account. All payments received by the Buyer for the supplied Natural gas are included in the order specified in the Civil Code of the Republic of Lithuania, regardless of what is specified in the Buyer's payment documents.
- 5.9. Upon expiry of the Agreement within 30 (thirty) calendar days, the Seller and the Buyer can arrange the settlements and formalize it by the act, which the Buyer must sign and return to the Seller.
- 5.10. In the event that the Buyer has paid a deposit in order to ensure the fulfillment of his contractual obligations to the Seller, the deposit or the remaining part thereof shall be returned to the Buyer upon the expiration of the Agreement only when the Buyer fully fulfills its contractual obligations to the Seller or when the Buyer submits to the Seller, upon agreement with the Seller, during the period of Agreement validity another assurance instrument of enforcement of obligations acceptable for the Seller. The Seller has the right to set off the amount of the deposit or part thereof overdue for the Buyer's settlements, but in the case of such set-off, the Seller has the right to restrict the gas supply to the Buyer or to terminate it until the Buyer pays a new amount agreed with the Seller, fully fulfills his contractual obligations and / another assurance instrument of enforcement of obligations acceptable for the Seller.

## **6. Obligations of the Parties**

### **6.1. Seller undertakes:**

- 6.1.1. to supply Natural Gas under the conditions determined in this Agreement;
- 6.1.2. to ensure that the gas would comply with the quality requirements determined in paragraph 8.1;
- 6.1.3. to inform the Buyer about the extreme situation and take reasonable measures in order to avoid Natural gas supply limitations;

### **6.2. Buyer undertakes:**

- 6.2.1. to pay for the supply of Natural Gas on time, in accordance with the procedure and terms provided by this Agreement;
- 6.2.2. to submit to the Seller the assurance of enforcement of the Agreement not later than upon the day of signing this Agreement. Enforcement of the Agreement is ensured by the deposit to the Seller's bank account, by the an irrevocable bank guarantee issued by a bank acceptable to the Seller, in accordance with the first demand, or the irrevocable warranty issued by the insurance company acceptable to the Seller, as per the first request. The amount of assurance of enforcement of the Agreement must be equal to the amount not less than 10 (ten) percent of Contract value. The assurance of enforcement of the Agreement must be valid for 30 (thirty) calendar days from the last calendar day specified in the Natural Gas supply schedule.
- 6.2.3. to inform the Seller immediately about an extreme situation or emergency, which causes the Buyer to reduce or stop the purchase of gas.

## **7. Provisions of Implementation of REMIT Regulation**

- 7.1. 25 October 2011 European Parliament and the Council Regulation (EC) No. 1227/2011 on wholesale energy market integrity and transparency (hereinafter – REMIT Regulation) obliges the Natural gas market participants (the contracting party) to inform the Agency for the Cooperation of Energy Regulators established in accordance with 13 July 2009 European Parliament and the Council Regulation (EC) No. 713/2009 (hereinafter – ACER Agency), the procedure provided for in Article 8 of the REMIT Regulation concerning the supply of Natural Gas to the European Union when Natural Gas is delivered to the European Union, with the trade data of such contracting parties, i.e. including, but not limited to, data on bilateral agreements for the supply of energy products to the European Union, their conditions, amendments, termination and enforcement.
- 7.2. Taking into account the actual relations between the Parties, the Parties understand and undertake to comply with the REMIT Regulation and the European Commission Implementing Regulation (EU) No 1348/2014 issued on 17 December 2014 on data reporting implementing Article 8 of the REMIT Regulation (hereinafter – Implementing Regulation) and the obligations arising therefrom, insofar as the relations between the Parties under this Agreement and the implementation of the Agreement fall within the scope of the REMIT Regulation and the Implementing Regulation.
- 7.3. The Seller and the Buyer are individually responsible for fulfilling their obligations under the REMIT Regulation and the Implementing Regulation and neither party will provide any trade data on behalf of each other to the ACER Agency, unless the Parties agree otherwise.
- 7.4. Upon the request of additional information by ACER Agency or the national regulatory authority regarding the provision of data on the Agreement, in accordance with the REMIT Regulation, the Parties undertake to cooperate and provide the Requesting Party with all and any reasonable assistance, including, without limitation, any information that the Requesting Party does not have but with the other Party. In all cases, if the Party provides information to the ACER Agency or the National Regulatory Authority

related to the other Party (including, but not limited to, and from the Seller's purchased gas resale transactions as provided for in the REMIT Regulation), the Parties undertake to inform each other in writing;

7.5. The Buyer and Seller undertake to cooperate to the extent necessary for the fulfillment of the obligations of the contracting Parties under the REMIT Regulation and the Implementing Regulation and for the proper notification of the Agreement data to the ACER Agency.

## **8. Composition and Quality of Gas**

8.1. The composition and quality of gas must comply with the Gas Quality Requirements set out in the legal acts of the Republic of Lithuania.

8.2. If the gas supplied does not meet the Gas Quality Requirements, the Buyer has the right to refuse to accept such Natural gas.

8.3. Disputes over gas quality are resolved by mutual agreement.

## **9. Responsibilities of the Parties**

9.1. The Parties are responsible for the proper fulfillment of the obligations in the scope, procedure and conditions stipulated in the legislation and the Agreement.

9.2. The Party, which has not made the payments within the time limit specified in paragraph 5.4 of the Agreement, shall pay interest of default for late payment at a rate of 0.04 (four hundredth) percent of the amount not paid in timely manner for each day of delay. The payment of interest shall not exempt from the obligation to fully pay to the Seller, to purchase Natural gas (or) to make other obligatory payments.

9.3. If the Buyer fails to comply with the obligation to purchase the total Natural gas quantity specified in paragraph 3.1 of this Agreement during the Natural gas supply period or the supply of Natural gas to the Buyer is suspended on the basis of paragraph 5.5 of the Agreement, then the Buyer pays the Seller a penalty for the gas quantity not acquired, which calculates as the difference between the quantity of Natural gas specified in paragraph 3.1 of this Agreement and the Buyer's actual quantity of gas purchased, expressed in MWh, multiplied by the Agreement price per MWh, referred to in paragraph 3.3 of the Agreement.

9.4. If the Seller fails to comply with the obligation to sell the total quantity of Natural gas specified in paragraph 3.1 of this Agreement during the Natural gas supply period, the Seller pays to the Buyer a penalty fee for the unsold gas quantity, which calculates as the difference between the amount of Natural gas referred to in paragraph 3.1 of this Agreement and the Seller's actual quantity of Natural gas sold to the Buyer, expressed in MWh, multiplied by the Agreement price per MWh, referred to in paragraph 3.3 of the Agreement.

## **10. Limitation and Termination of Gas Supply**

10.1. The Seller has the right to restrict or terminate the gas supply and is exonerated from liability of this Agreement for the non-execution or suspension:

10.1.1. In case of emergency situations, extreme situation;

10.1.2. In case the Buyer fails to provide a proper assurance of Agreement enforcement;

10.1.3. in other cases provided for in the Treaty or legislation.

10.2. The Seller does not provide the Buyer with uninterrupted gas supply.

10.3. The Buyer, having received the Seller's notice of an emergency or extreme situation, must immediately carry out the Seller's instructions.

## **11. Force Majeure**

11.1. The Party shall be exonerated from liability for non-performance of contractual obligations if it is prevented in such performance by circumstances the Party could not control or reasonably anticipate at the time of conclusion of Agreement and could not have prevented these circumstances or consequences thereof (force majeure). *Force majeure* is not deemed to be due to the fact that the Party of this Agreement does not have the necessary financial resources or the contractual partners of the debtor are in breach of their obligations.

11.2. The occurrence of *Force Majeure* circumstances shall be promptly communicated by the Party to the other Party without delay by electronic means, and then in writing. A Party who has not notified the other Party of *Force Majeure* circumstances shall have no right to claim *Force Majeure* as grounds for exonerate from liability in case of contractual default. It is also necessary to report when the grounds for exoneration from contractual obligations cease to exist.

11.3. In the event of circumstances of *Force Majeure*, the Party is released of its contractual obligations for the whole period of the above mentioned circumstances, but not longer than 30 days.

11.4. If the reason for not enforcing obligations for *Force Majeure* remains longer than 30 (thirty) days, then either Party, having notified the other Party 3 (three) days prior, has the right to terminate this Agreement or to suspend its execution.

11.5. Termination of the Agreement shall not affect the right to demand reimbursement of losses incurred prior to the start of *Force Majeure* as a result of default on this Agreement and payment of penalties.

11.6. Once *Force Majeure* ceases to exist, the Party must immediately fulfill the obligations not fulfilled before the occurrence of *Force Majeure* circumstances, unless otherwise agreed by the Parties.

## **12. Dispute settlement procedure**

12.1. Disputes arising from the implementation of this Agreement shall be settled by negotiation between the Parties. If the Parties fail to reach an agreement within 20 calendar days from the sending of a written request to one of the other Parties, the dispute shall be submitted to the courts of the Republic of Lithuania according to the Seller's registered office address. The Law of the Republic of Lithuania is applied to the Agreement.

## **13. Conditions for Termination of the Agreement**

13.1. This Agreement may be terminated upon the agreement of the Parties.

13.2. The Party may unilaterally terminate this Agreement 30 days prior giving the notice to the other Party about the termination of the Agreement if the other Party does not fulfill the Agreement or performs the obligations arising from the Agreement improperly and it is a material breach of the Agreement, on the grounds provided for in Article 6.217 of the Civil Code of the Republic of Lithuania, and during the period of notice the Party violating the Agreement has not removed its violation.

#### 14. Amendment, Addition and Validity of the Agreement

14.1. The amendments, additions and annexes to this Agreement are valid if they are concluded in writing and confirmed by the signatures of both Parties.

14.2. In the event of termination of the Agreement, the Contracting Parties are obliged to pay debts arising from Agreement termination. This provision applies in the event of termination of the Agreement and in the case provided for in paragraph 11.4 of the Agreement.

14.3. The Agreement enters into force upon its signing and is valid until 7 o'clock of 30 September 2018 and in respect of financial obligations - until their full completion.

#### 15. Final Provisions

15.1. Matters not regulated by this Agreement are resolved in accordance with the legal acts of the Republic of Lithuania.

15.2. Upon the changes in value added tax, the prices specified in this Agreement may be converted into the same ratio as the VAT. After the change in the VAT tax, the price shall be converted from the date of entry into force of the amendment to the VAT tax. In these cases, the price conversion is not authorized by written agreement of the Parties, all changes are indicated on the VAT invoice presented. If Seller places a VAT rate of 0% on VAT invoices to the Buyer and then informs the Tax Authorities of the Republic of Lithuania that the transaction is subject to VAT, the Seller undertakes to provide the credit(s) and corrective VAT invoice(s), and the Buyer undertakes to pay the arrears not later than within 5 working days from the day the corrective VAT invoice(s) was issued.

15.3. The parties inform each other in writing about changes in the legal status, title, address or other details not later than within 10 calendar days of the date of the change.

15.4. The Parties undertake to notify each other without delay in writing about circumstances threatening to the proper fulfillment of their obligations under this Agreement.

15.5. The parties guarantee that all information relating to this Agreement is confidential, except for the provision of such information in cases stipulated by the laws of the Republic of Lithuania and / or persons related to the Party who carry out the Seller's customer service functions. The Parties agree that the Parties have the right to provide information about the gas quantities provided for in the Agreement and other data for companies conducting gas transmission, storage or distribution activities to the extent necessary for the proper enforcement of this Agreement and for the institutions and persons carrying out the Auction and its control. The Parties confirm that the actions by which one Party transfers information and other legal personal data to the persons specified in this paragraph shall not be considered as disclosure of the Seller's and the Buyer's secrecy, breach of the laws of the Republic of Lithuania or violations of the obligations of confidentiality of the Agreement.

15.6. All notices of the Parties specified in the Agreement shall be sent in writing, at the last address given by the Parties, in one of the following ways: by registered mail, courier, electronic mail or other means agreed by the Parties.

15.7. The parties declare that they have read this Agreement, understood its content, consequences and signed it as a document in accordance with their will and objectives.

15.8. This Agreement is concluded in two copies having the same legal validity - one for transfer to the Seller and the Buyer.

15.9. The Scanned Agreement and the Agreement signed by both Parties shall have the same effect as the original Agreement.

15.10. Addresses and Requisites of Legal Entities:

Buyer		Seller	
Company Code:		Company Code:	
VAT Payer's Code:		VAT Payer's Code:	
Address:		Address:	
Phone:		Phone:	
Fax:		Fax:	
E-mail:		E-mail:	
Account Number		Account Number	
Bank's Name		Bank's Name	
ACER Registration Code		ACER Registration Code	

15.11. Representatives of the Seller and the Buyer to ensure gas supply conditions:

Representatives	Name, Surname	Phone, E-mails
Buyer		
Seller		

15.12. The following annexes are attached to the Agreement:  
Annex 1 - Natural gas Supply Schedule

15.13. Signatories:

	<b>Buyer</b>	<b>Seller</b>
Position	General Director	General Director
Name, Surname		
Signature		

Place of Stamp

Place of Stamp

