BALANCING CONTRACT

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e balancing group leader (hereinafter: Leader)	-
nd	
INOVODI d.o.o., Cesta Ljubljanske brigade 11B, 1000 LJUBLJANA, registration No	
54288000, VAT identification No. SI31378285, represented by General Manager Marjan	า

Eberlinc and Deputy General Manager Matija Bitenc (hereinafter: Transmission System

Operator)

Article 1 Preliminary observations

The contracting parties initially establish:

- that based on the Network Code for the transmission system for natural gas of the Transmission System Operator Plinovodi d.o.o. (Official Gazette of the Republic of Slovenia, No. 55/15, 80/17, 152/20, 204/21 ZOP, 136/22 and 42/23; hereinafter: NC), the Leader intend to form a balancing group;
- that the Leader is has to meet the conditions of 1st and 2nd indent of the first paragraph of Article 90 of the NC and all the other conditions, which are specified for balancing group leaders by NC, Decree on the operation of the natural gas market and by the current applicable regulations,
- that the Leader will submit a suitable financial guarantee in the amount of EUR _____ as collateral for the settlement of obligations under this contract.

The Leader hereby declares, that for the purposes of carrying out the Leaders activities, he will in accordance with this contract, guarantee the supply of gas, either directly or through members of his balancing group, for the purpose of balancing the deviations in intake and offtake of gas at all intake and offtake points included in his balancing group.

For the purposes of accounting for the deviations in intake and offtake of gas, the balancing group shall be considered as a single user of the transmission system.

By entering into this contract, both parties shall be subject to rights and obligations stipulated by the applicable regulations and this contract.

Article 2 Definitions

This contract utilises terms whose meanings are specified in Article 3 of the Gas Supply Act (Official Gazette of the Republic of Slovenia, No. 204/21 and No. 121/22; hereinafter: ZOP), Article 3 of the Commission Regulation (EU) No. 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks (UL L 91/15 of 27.3.2014) and terms whose meanings are specified below:

- agency: the Energy Agency;
- offtake point: the point on the transmission system where the Transmission System Operator hands over the gas to the user of the system pursuant to the transmission contract;
- intake point: the point on the transmission system where the Transmission System Operator takes over the quantities of gas for transmission to the user of the system pursuant to the transmission contract;
- network user: a legal or natural entity supplying gas to the transmission system or being supplied from the transmission system.

Article 3 Subject of the Contract

The subject of this contract is the arrangement of rights and obligations between the Leader and the Transmission System Operator in relation to the balancing of deviations in intake and offtake of gas in the transmission system.

Among other things, the Leader shall be obliged under this contract to balance out the deviations between intake and offtake of gas, for himself and for the members of his balancing group or their corresponding intake and offtake points included in the Leader's balancing group. Should he not be able to fully balance out the deviations, the Leader shall be obliged to cover the costs arising from this in accordance with the applicable regulations. The Leader shall carry out all the procedures envisaged in relation to the balancing of deviations between intake and offtake of gas in a timely manner.

The Transmission System Operator shall be obliged under this contract and in accordance with the applicable regulations to carry out the appropriate procedures for the functioning of the system and the balancing of deviations between intake and offtake of gas.

The Transmission System Operator shall implement all necessary measures for the balancing of the system in accordance with the provisions of Article 93 and Article 101 of the NC.

Article 4 Scope of Services

For the balancing group, which is considered as a single user of the system, the Transmission System Operator shall determine the deviations in intake and offtake of gas, carry out the accounting of the deviations and issue invoices for the determined deviations, all in accordance with the current applicable regulations and in the manner and deadlines detailed in this contract.

The Transmission System Operator shall perform the following services for the balancing group:

- balancing of the daily deviations in quantity and
- determination of costs for the neutrality of balancing.

The Transmission System Operator shall charge the services to the Leader monthly, in the form of:

- the sum for the balancing of daily deviations in quantity and
- the sum for the account to achieve neutrality.

The Transmission System Operator shall calculate the sums in this article in accordance with the provisions of the NC.

Article 5 Provision of Information

The Transmission System Operator provides the leaders of the balancing groups information for the balancing of deviations in quantity in accordance with the technical capabilities of the transmission system for gas.

Article 6 Announcement of Quantities

The Leader shall be obliged to announce the quantities of gas at the intake and offtake points in accordance with the NC. The Leader shall be obliged to announce the quantities for all intake and offtake points.

Article 7 Register of Balancing Group Members

The Leader maintains a register of balancing group members with associated intake and offtake points and hierarchical record of all contracts on deviation balancing. The Leader promptly sends the updated list to the Transmission System Operator in electronic form in accordance with the instructions on providing data, published on Transmission System Operators website.

The Leader shall ensure that the Leaders of the balancing subgroups also keep a register of balancing subgroup members in accordance with the previous paragraph. The Leader must inform the Transmission System Operator about the conclusion of contract on deviation balancing, which forms the basis for the establishment individual balancing subgroup. Based on the notification from the previous paragraph, the Transmission System Operator classify the balancing subgroup leader into the balancing scheme and inform the Leader.

Article 8 Description of the Manner of Information Recording and Reporting

The Leader shall be obliged to immediately orally and as soon as possible in writing provide to the Transmission System Operator all information that could affect his ability to balance the deviations in intake and offtake of gas, including: changes in contracts for the supply and transport of gas concluded by the Leader himself (or by a third party for the purpose of balancing the deviations in the subject balancing group) for delivery to the territory of the Republic of Slovenia and any operational problems within the existing contracts.

The Leader expressly declares that at the time of signature of this contract, the status of the balancing group members, their corresponding intake and offtake points and the status of the leaders of the balancing subgroups is as indicated in Annex 1 to this contract. On any change in the structure of the balancing group (changes in the balancing subgroup, balancing subgroup hierarchy, members of the balancing group or balancing subgroups and the corresponding intake and offtake points), the Leader shall immediately notify the Transmission System Operator about the type and content of the change. In the event that there is a multilevel balancing subgroup structure within the balancing group, the Leader shall also be obliged to provide the balancing subgroup hierarchy. The Transmission System Operator shall publish a record of leaders and their subgroups on his website.

Article 9 Record of Supply Contracts

Within the context of his balancing group, the Leader shall ensure that only one open supply contract applies to each offtake point of the end user of the transmission system at any given time, except in cases where the law provides the option of several open contracts. In those cases, the Leader shall provide the required information to the Transmission System Operator in accordance with Article 87 of the NC.

Within the context of his balancing group, the Leader shall ensure that each open contract of supply to the end user of the transmission system is reported to the Transmission System Operator. The Transmission System Operator will establish a record of affiliation of individual suppliers with the intake and offtake points. The Leader shall be responsible for ensuring that the submitted information is accurate and updated.

Article 10 Settlement of Services

The Transmission System Operator shall charge services under this contract monthly. The Transmission System Operator shall include a specification of performed services with the invoice.

Settlement for balancing of deviations: The data required by the Leader to issue the invoice for the quantities of gas purchased by the Transmission System Operator during the process of balancing of deviations shall be submitted to the Leader by the Transmission System Operator within 10 days of the end of the month that the data applies to. The Leader shall submit the invoice for these quantities to the Transmission System Operator within 20 days of the end of the month that the data applies to.

The contracting parties agree that any party may set off claims between them against the invoices issued under this contract and referring to the same accounting period. The parties agree that in the event of such offset, they will not issue additional documents in relation to the offset.

Article 11 Monthly Settlement of Costs

At the end of each month, in the event that in relation to the balancing of the daily deviations in quantity the Transmission System Operator records income that is higher than the expenses, he shall return the sum of this surplus to the leaders subject to the balancing of deviations in that month in the manner stipulated from the Article 116 to Article 120 of the NC.

At the end of each month, in the event that in relation to the balancing of the daily deviations in quantity the Transmission System Operator records expenses that are higher than the income, he shall charge this deficit to the leaders subject to the balancing of deviations in that month in the manner stipulated in the NC in the next monthly period.

Article 12 Invoices Issued by the Transmission System Operator

Within 20 days of the end of the month that the accounting interval applies to, the Transmission System Operator shall charge the Leader the following amounts:

- the sum for the negative daily deviations and
- the sum for the deficit of neutrality costs.

At the end of each month, in the event that in relation to the settlement of system difference costs the Transmission System Operator records higher income than the expenses, he shall return the surplus of income to the leaders of the balancing groups by recognising the surplus, calculated in proportion to the transmitted quantities, as a credit note.

The Leader shall be obliged to settle taxes, fees, duties and other charges in accordance with the regulations on taxes, fees, duties and other charges.

Complaints regarding the validity of issued invoices can be submitted by the Leader in writing until the due date of the corresponding invoice. A complaint does not suspend the payment of the undisputed part of the invoice by its due date.

The Transmission System Operator shall issue invoices with due date of 30 days from the accrual of the claim or the last day of the month in February. The last day of the accounting period to which the performed services refer to shall be considered as the date of accrual of the claim.

In the event that the Leader does not settle his obligations until the due date of the invoice, the Transmission System Operator shall charge him legal default interest for late payment from the next following after the accrual of the claim until payment. In case the rate of statutory interest for late payment is not prescribed by a special law, the Transmission System Operator shall in the event of late payment charge the Leader the late payment interest rate from Article 378 of the Code of Obligations (Official Gazette of the Republic of Slovenia, No. 97/07 - official consolidated text), increased by 50%.

In the event of late payment, the Transmission System Operator shall take all of Leader's payments into account in the order of due date of the claims and in accordance with Article 288 of the Code of Obligations.

In case the network user fails to settle its obligations pursuant hereto and for their repayment, it is insufficient to execute the given collateral, the Transmission System Operator shall be entitled to immediately request other instruments insuring payments deemed acceptable by the Transmission System Operator or other payment arrangements. When the network user fulfils the Transmission System Operator's request for instruments insuring payments or any other payment arrangements, they shall conclude an agreement on the repayment of matured liabilities, which does not imply their novation.

In the event that the network user fails to settle its obligations in accordance with the previous paragraph or does not conclude an agreement on the repayment of matured liabilities from the previous paragraph within 15 days of receipt from the Transmission System Operator, the Transmission System Operator may after 72 hours from the prior written notification, refuse the announcements of quantities for the intake and offtake of gas from this network user.

Article 13 Invoices Issued by the Leader

The Leader shall submit the invoice to the Transmission System Operator within 20 days of the end of the month that the data applies to, in accordance with Article 10 of this contract.

The Transmission System Operator shall be obliged to settle taxes, fees, duties and other charges in accordance with the regulations on taxes, fees, duties and other charges.

Complaints regarding the validity of issued invoices can be submitted by the Transmission System Operator in writing until the due date of the corresponding invoice. A complaint does not suspend the payment of the undisputed part of the invoice by its due date.

The Leader shall issue invoices with due date of 30 days from the accrual of the claim or the last day of the month in February. The last day of the accounting period to which the performed services refer to shall be considered as the date of accrual of the claim.

Article 14 Collateral

In accordance with Article 90 of the NC, the Leader shall submit to the Transmission System Operator the financial guarantee in form of a bank guarantee or cash to a special account of the Transmission System Operator as collateral to settle liabilities arising from this contract. The amount of the financial guarantee that is always required and the manner of submission thereof shall be calculated and executed in accordance with and in the manner specified in Article 90 of the NC.

If the Leader submits a bank guarantee to the Transmission System Operator as financial guarantee, it shall be issued by the acceptable bank of the Transmission System Operator in form of an unconditional, irrevocable and payable upon the first written call and with at least one-year period of validity. The Leader shall renew the bank guarantee no later than 30 days prior to the expiration of the deadline for bank guarantee validity or the Transmission System Operator may withdraw from this balancing contract.

If the Leader passes a decision to pay for the financial guarantee to the Transmission System Operator in cash, the Transmission System Operator calculate the amount and inform the Leader of the required payment in accordance with the Article 90 of the NC. The cash paid to the account of the Transmission System Operator shall be deemed a cash deposit as collateral against the payment of liabilities of the Leader to the Transmission System Operator, which will be incurred on the basis of this contract.

The Leader will pay cash to the account of the Transmission System Operator, bank account No.: SI56 2900 0015 5383 866, SWIFT (BIC): BACXSI22, opened at: UniCredit Bank Slovenija d.d., Šmartinska 140, 1000 Ljubljana, Slovenija. Upon receipt of cash on the account of the Transmission System Operator, the latter shall hereby send a declaration for signing to the Leader, with which they shall confirm the purpose of payment of cash to the bank account referred to in this paragraph. The Leader is obliged to send to the Transmission System Operator the signed declaration within three working days of receipt.

The Leader is entitled to interest on assets paid into the aforesaid account in the amount recognized by the bank as day-to-day money and covers the associated costs of the specified bank account if the interest or costs for the bank account total at least EUR 10.00 on a monthly basis. The Leader expressly agrees that an order for the disposal of the assets on this account can be issued solely by the Transmission System Operator which in the case of redeemability (usage) of this financial guarantee freely disposes with cash paid in this manner.

In case the Transmission System Operator repays the receivables to the Leader and will thereby use this collateral, the Transmission System Operator shall offset its receivables to the Leader by debiting the paid assets on the bank account from the above paragraph. The Transmission System Operator shall notify the Leader about the offsetting, which expressly and unconditionally agrees with such offsetting by signing of this contract.

The Transmission System Operator accounts for the costs of the bank account debiting the accrued interest on the assets paid, and if that is not enough also debiting the paid principal on a monthly basis, notifying the Leader with the adjusted balancing. If in accordance with the regulations it is required to account for VAT, the Transmission System Operator shall levy it and disclose it in the account.

If the Leader fails to pay the due liabilities even by the extended deadline of 5 working days of the receipt of the reprimand and the notice stating that in case it fails to settle its debt

the collateral shall be used, the Leader expressly and unconditionally allows that the Transmission System Operator may execute collateral by redeeming the bank guarantee or by paying it from cash of the financial guarantee of the Leader on the Transmission System Operator's account together with the associated interest from the account.

Receivables due under this contract shall be repaid out of collateral together with the associated legal default interest and costs due to the enforcement of collateral. At repayment, the Transmission System Operator shall adhere to the order of repayment determined by Article 288 of the Code of Obligations (expenses first, followed by interest, followed by principal).

The Leader and Transmission System Operator agree that the financial guarantee is submitted to the Transmission System Operator when the latter receives the original of the bank guarantee which was issued by the acceptable bank of the Transmission System Operator and is in conformity with Article 90 of the NC, or when the Transmission System Operator receives payment of cash to the bank account referred to in this article of the contract.

Article 15 Adjustment of the Financial Guarantee Amount

Throughout the duration of the contract, the Leader shall be obliged to ensure that the financial guarantee amount does not drop below the sum determined by the Transmission System Operator while taking into account the criteria for calculation from the second paragraph of Article 90 of the NC.

When the Transmission System Operator performs the regular examination of the financial guarantee amount and establishes that the current calculated amount exceeds the currently submitted financial guarantee, he shall prompt the Leader to increase the financial guarantee within 30 days of receiving the written request or the Transmission System Operator may withdraw from this balancing contract.

Article 16 Repayment of Financial Guarantee

The Transmission System Operator shall return the financial guarantee to the Leader insofar the Leader shall request it thereof, i.e. if the Leader shall notify the operator that:

- it replaces a form of financial guarantee in accordance with Article 90 of the NC, or
- it withdraws from this contract because it will cease to perform the duties of the Leader and has settled all due and outstanding liabilities to the Transmission System Operator.

If the Leader replaces the form of financial guarantee, the Transmission System Operator shall return the previous financial guarantee within 8 working days following the date when it received a new financial guarantee from the Leader, which shall comply with all the conditions from this contract. In case of the return of cash as financial guarantee, the Transmission System Operator shall return to the Leader the principal with accrued interest and account for costs of opening and maintaining the account.

If the Transmission System Operator withdraws from the contract, it shall return the financial guarantee to the Leader within 8 working days after the repayment of all due and outstanding liabilities.

Article 17 Transmission System Maintenance

In the case of anticipated, unforeseen and extraordinary works, damage, disturbances and faults on the transmission network, the Transmission System Operator shall act in accordance with the applicable regulations.

Article 18 Suspension or Restriction of the Transmission of Gas for the Balancing Group

In the event the Leader fails to ensure adequate balancing of deviations by intake and offtake of gas for its balancing group, which deviates to the extent that the Transmission System Operator is unable to undertake adequate balancing measures without endangering the balanced operation of the transmission system, the Transmission System Operator in accordance with Article 100 of the NC immediately notifies the Leader of the current situation and prompts for a balancing of deviations, whereby it ensures the adjustments of intake and offtake of gas and specifies a time limit within which this must be performed.

If the Leader, irrespective of the request, fails to balance the deviations, however, one or more of the members of its balancing group nevertheless carry out gas offtake from the transmission system, whereby they endanger the assets, lives or health of people by operating their energy plants, the Transmission System Operator acts in accordance with Article 60 of the NC.

Article 19 Sensitivity of the Data

The contracting parties undertake that they shall use any data, directly or indirectly acquired through accounting for deviations, only for the purposes related to the accounting for deviations and they shall not disclose them to third parties, with the exception in order to meet the obligations arising from the law and implementing regulations issued on its basis. Furthermore, the contracting parties shall not disclose the conditions of this contract or transactions, which are subject to it, to any other third party or issue a public notice, press release, statement or message relating thereto without a prior written consent of the other contracting party, with the exception whenever it is required by law or judicial or arbitration decision or any government body and with the exception to be disclosed to the court in the event of a dispute between the parties arising out of this contract or in relation thereof.

Each contracting party agrees to maintain as confidential any information given to it by the other contracting party in relation with the contract or the implementation thereof and is marked as confidential in writing or so that it may reasonably be considered confidential by its nature.

Article 20 Duration and Withdrawal from the Contract

The contract is concluded for an indefinite period.

The Leader may withdraw from the Balancing Contract upon written notice of withdrawal to the Transmission System Operator of gas with a 60-day notice period. On the requested day of termination, there should be no other members of the balancing group with the corresponding offtake points, except the Leader.

The Transmission System Operator may withdraw from the Balancing Contract upon written notice of withdrawal to the Leader with a 30-day notice period:

- in all cases, as prescribed by law or implementation regulations, when it may withdraw from the Transmission Contract;
- if the Leader fails to renew the validity of the bank guarantee in due time (fifth paragraph of Article 90 of the NC);
- if the Leader does not increase the bank guarantee upon call of the Transmission System Operator (fourth paragraph of Article 90 of the NC);
- if the Leader does not supplement the financial guarantee to an appropriate level in the event the required guarantee amount was reduced due to the realization of the financial guarantee (fourth paragraph of Article 90 of NC);
- if the Leader does not settle its liabilities from the settlement of deviations of intake and offtake of gas upon prior letter of formal notice even after the Transmission System Operator exhausted the foreseen manners of collateral for payment of contractual obligations;
- if the Leader is in breach of the provisions of the Gas Supply Act (ZOP) or implementing regulations adopted on their basis, provisions of directly applicable EU regulations and provisions of the NC relating to the settlement of quantity deviations.
- if the Leader fails to timely inform the Transmission System Operator on the changes in the membership of the balancing group.

The period of notice referred to in the second and third paragraph shall begin on the first gas day of the next settlement month following the date when the addressee receives the notice on the termination of the Balancing Contract.

Article 21 Rights and Obligations of the Parties upon Withdrawal

If the Balancing Contract is terminated, the Leader is fully responsible for all outstanding liabilities of the balancing group to the Transmission System Operator, incurred up to the date when the contract expires.

The operator shall immediately notify the members of the balancing group in writing about the start of the termination procedure of the Balancing Contract.

Article 22 Legal Basis

This balancing contract is concluded for the implementation of rights and obligations as regulated in accordance with the valid regulations, applicable in the Republic of Slovenia.

The parties to the contract shall exercise their rights and obligations from this contract strictly in accordance with the provisions of the NC and in accordance with other regulations, applicable in the Republic of Slovenia.

Furthermore, the parties also state that if any issue is not regulated with the contract or is regulated differently than stipulated by the current regulations in the field of gas, the provisions of the applicable regulations are used directly thereof.

The parties expressly agree that the Transmission System Operator shall account for the services provided under this contract in accordance with the valid regulations in the Republic of Slovenia irrespective of the individual provisions of this contract. The Leader undertakes

to immediately supply any changes of data or additional data to the Transmission System Operator, which would be required for correct billing of services according to this contract.

Referencing the Gas Supply Act (ZOP), the NC or any other regulation under this contract also means referencing any changes of this regulation or act, replacing the aforementioned regulation or act or governing this field.

In the event that any future changes of the aforementioned regulations are such as to require a change in the rights and obligations of contracting parties as set out in this contract, the parties undertake to supplement or change the contract accordingly.

If individual provisions of this contract are in contravention of applicable regulations, this shall not affect the validity of the contract itself if the contract can remain in force without the void provision, whereby the law or other applicable regulation is used instead of the invalid provision.

Article 23 Force Majeure

The contracting parties shall deal with and solve any cases of force majeure in accordance with the provisions of the Code of Obligations and special provisions in the NC.

Inability of the Leader to pay the liabilities arising from this contract shall not be deemed as force majeure.

Article 24 Liability

In the case of a partial or full termination of the provision of services under this contract, as well as in the case of all types of damages which arise from this contract and would be suffered by the Leader, the leaders or members of balancing subgroups, the Transmission System Operator shall be liable only if the direct damage results from its intentional conduct or serious negligence, unless its conducts were in accordance with the legislation.

The Transmission System Operator shall not be held responsible for any damage that the customer or system user might suffer due to the temporary limitation or interruption of the gas transmission, if he acts in accordance with the forth paragraph of the Article 27 of the NC, and shall not be liable for damages connected with the cause for maintenance works in accordance with the general rules of the law of obligations.

Article 25 Amendments to the Contract

The parties shall agree upon all amendments to the contract in writing in form of an annex to the contract.

The parties shall waive the right to a unilateral request for termination or amendment of this contract resulting from the changed circumstances, insofar it handles of circumstances which are the result of the transactions of commercial operators on the market.

Article 26 Settlement of Disputes

In case of disputes arising from the following:

- system access,
- accounted for amount for the system usage,
- breach of the NC,
- established deviations and amounts to cover the costs of balancing deviations and breach of the general acts regulating deviations and their balancing,
- as determined by the Gas Supply Act (ZOP),

in accordance with the Gas Supply Act (ZOP), the agency is competent for taking decisions in administrative proceedings at first instance.

Any other disputes shall be resolved by the competent jurisdiction in Ljubljana.

Article 27 Annex

An integral part of this contract forms a List of direct members of the balancing group with the corresponding offtake points, leaders of balancing groups and their members as well as the corresponding offtake points and hierarchy of the balancing subgroups.

Article 28 Miscellaneous

The contract is concluded when signed by both parties, and shall enter into force after the fulfilment of the following conditions:

- Leader shall meet all the requirements as the balancing group leader, in accordance with NC, Decree on the operation of the natural gas market and by the current applicable regulations,
- Leader shall provide to Transmission System Operator the financial guarantee from Articles 1 and 14 of this contract and is in terms of context and amount consistent with the provisions of Article 90 of the NC,
- Leader shall provide dully completed Annex 1 from Article 27 of this contract, in accordance with the applicable legislation.

The contract shall apply from the first day of the next accounting month if all the conditions from preceding paragraph are met.

Irrespective of the preceding paragraph, the Leader shall prior to the date of application of this contract carry out all processes and procedures required for the start of performance of system services set out in this contract, namely in the manner and within the time limits in accordance with the applicable legislation in the field of gas.

The contracting parties consent that as of the date of application of this Balancing Contract shall result in agreed rescission and cessation of the Balancing Contract which was valid until the date of conclusion of this contract, whereby the Leader is obliged to settle all due and outstanding liabilities arising from the heretofore valid Balancing Contract within time limits of the currently valid Balancing Contract.

The contract is drawn up in 2 (two) copies. Each contracting party shall receive 1 (one) copy.

In the event that the contract is also concluded in English, it shall be concluded in two copies in the Slovenian language and two copies in the English language. Each contracting party shall receive one copy in Slovenian and one copy in English. If differences arise in the understanding of contractual provisions between the English and Slovenian versions, the Slovenian version of the contract shall prevail.

Ljubljana,	
Leader	Transmission System Operator
Legal representative	PLINOVODI d.o.o. General Manager Marjan Eberlinc Deputy General Manager Matija Bitenc