

HEP - Operator prijenosnog sustava d.o.o.

Kupska 4, 10000 Zagreb

Registration no.: 1924427

represented by director _____,

(hereinafter referred to as "Transmission System Operator") and

_____,
Name and address of balance responsible party

Registration no.:

EIC CODE:

represented by director _____

which, as an energy entity, possesses a valid License to perform the following energy activities:

(hereinafter referred to as "BRP" – Balance Responsible Party) concluded

CONTRACT ON BALANCING ENERGY

(hereinafter referred to as "Contract")

SUBJECT OF CONTRACT

Article 1

With this Contract shall be determined rights and obligations between BRP and Transmission System Operator for payment of balancing energy for guarantee of imbalance of the quantities established by the contractual schedule.

METHOD OF SETTLEMENT AND PAYMENT

Article 2

- (1) Balancing settlement period is time within which the settlement of balancing energy is performed and issuing one hour.
- (2) The imbalance settlement period of the BRP shall be one month. The imbalance settlement shall be performed in the month that follows the settlement period.

Article 3

Balancing energy settlement shall not be performed during the influence of Force Majeur, disturbed functioning of transmission and/or distribution grid and other extraordinary circumstances.

Article 4

(1) Croatian Energy Market Operator (hereinafter referred to as "Market Operator") shall calculate the balancing energy.

(2) Unit price of balancing energy shall be calculated in accordance with the methodology for balancing energy service in the Electric Power System and shall be published on the web site of the Transmission System Operator.

(3) Pursuant to the settlement from paragraph 1 of this Article, the Transmission System Operator shall issue a bill to the BRP for balancing energy within ten days of the month following the settlement period and it shall be delivered on the address referred to in the heading of this Contract.

(4) BRP shall need to perform the obligation of payment of the balancing energy on the account number of the Transmission System Operator.

(5) The maturity date of the bill for settlement period of imbalance shall be 15 days within bill issuing.

(6) If the BRP shall not agree with the amount of the issued bill, it must make a payment for the undisputed part within the maturity date, and for disputed part must submit a complaint in written within 8 days of bill issuing.

Article 5

The Transmission System Operator shall contemplate the complaint on the bill for balancing energy in cooperation with Market Operator. In case of accepting the complaint, the Market Operator shall correct the energy balancing settlement, which then becomes final.

The Transmission System Operator must deliver to the BRP a new bill with maturity date of 15 days since the bill issuing.

Article 6

If the BRP does not pay the bill in accordance with the Article 4 of this Contract, it shall pay legal interest.

CONDITIONS AND VALUE OF FINANCIAL GUARANTEE

Article 7

From the moment of signing this Contract the BRP is binding to submit to the Transmission System Operator insurance instrument of payment in the form of 5 blank debentures with value of 1,000,000.00 HRK (1 million Croatian Kuna), and of total value of 5,000,000.00 HRK (five million Croatian Kuna), authenticated by a notary public.

Article 8

In case the BRP shall not settle its obligations in contracted period, the Transmission System Operator has the right of charge by insurance instrument of payment of which the BRP shall be informed in written.

Article 9

With the activation of entire amount of insurance instrument of payment, the BRP must submit to the Transmission System Operator identical new insurance instrument of payment no later than 8 days from the activation.

DATA USE

Article 10

Contracting Parties need to use data obtained directly or indirectly from the balancing energy settlement procedure only for the purpose of balancing energy settlement and shall not be consigned to any third parties.

DURATION AND TERMINATION OF THE CONTRACT, TERMINATION PERIOD

Article 11

(1) This Contract shall be concluded for indeterminate time.

(2) Contracting parties shall agree that if one party shall not perform obligations accepted with this Contract, the other party can submit written request for termination of the Contract with the termination period of 30 days. The termination period shall start on the day of the receipt of the request.

(3) The contracting parties agree that the Contract shall be no longer valid by the expiry of validity of License for performing energy activity or taking away of the License for performing energy activity.

DISPUTE SETTLEMENT PERIOD

Article 12

All eventual disputes derived from this Contract, the contracting parties shall endeavour to settle by agreement, and if the agreement shall not be reached, it shall be settled finally in accordance with the Rulebook on Arbitrage by the Permanent Arbitration Court of the Croatian Chamber of Commerce in Zagreb (Rules of Zagreb).

FINAL PROVISIONS

Article 13

The BRP must inform the Transmission System Operator of the change of the company name and headquarters within 8 days of the change made, and must conclude Annex of this Contract with the Transmission System Operator.

Article 14

For the relations that are not defined with this Contract shall be implemented provisions of the Rules on Balancing Electric Power System (Official Gazette no.133/06) and Methodology.

Article 15

This Contract shall enter into force following its signature by the authorised representatives of the contracting parties. The Contract shall be written in 6 (six) identical copies of which each signatory party shall retain 3 (three) copies.

In Zagreb, _____ 200__.

In _____ 200__.

Operator prijenosnog sustava

Entity

Director

Director

(Signature)

(Signature)