ETK L MAN LETMELER
DO ALGAZ THALAT VE
T CARET A. . (ETK PORT
OPERATORS NATURAL GAS
IMPORT AND EXPORT
CORPORATION)

FLOATING LNG TERMINAL
(FSRU)
BASIC PROCEDURES
AND PRINCIPLES OF USE

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# ETK FLOATING LIQUEFIED NATURAL GAS (LNG) TERMINAL BASIC PROCEDURES AND PRINCIPLES OF USE

#### 1. BASIC PRACTICES

#### 1.1. INTRODUCTION

- **1.1.1.** Floating Liquefied Natural Gas (LNG) Storage Facility ("FSRU") Basic Principles and Procedures of Use, UPP in short, is a document drawn up in order to record rights and liabilities of each party and to regulate technical and operational issues regarding Floating LNG Terminal within the framework of Natural Gas Market Law No. 4646, with regard to provision of Standard and/or Supplementary Service at Floating LNG Terminal of ETK Do algaz thalat ve Ticaret A. . ("ETK") tied to the pier at zmir province, Alia a district, Çakmaklı Village, Kızılburun Quarter.
- **1.1.2.** Every Service User shall sign a "Terminal Service Contract" (shortly TSC) with ETK, and provisions of this UPP shall be an integral part of such TSC. In TSC mutual rights and liabilities of the parties between ETK and Service User regarding the use of LNG Terminal and special conditions not violating the relevant legislation shall be stipulated, without prejudice to non-discrimination between equal parties principle.
- **1.1.3.** UPP shall include general principles providing for the mutual rights and responsibilities of the ETK and Service Users on the capacity allocation of LNG terminal, conditions of transmission, measurement and quality characteristics, daily operating and maintenance requirements as well as other issues.
- **1.1.4.** UPP shall aim at ensuring open, fair, transparent and indiscriminative treatment, in line with the relevant legislation, for those wishing to use the LNG Terminal. In this regard, ETK provides the Standard Service and Supplementary Services independently from other activities, especially its LNG import and wholesale activities, and accepts that it will also be a Service User of the Terminal, provided that it procures services from Terminal. ETK shall undertake to also comply with provisions of Terminal Service Contract as Service User.
- **1.1.5.** Entry into force and amendment of UPP shall be put into effect after EMRA approval.
- **1.1.6.** This UPP shall be an integral part of the TSC to be concluded between ETK and each Service User.
- **1.1.7.** No provisions set forth in this UPP shall grant any rights or claims to the Service User against ETK in terms of its customer or against the customer of the Service User in terms of ETK, and shall not be interpreted in this way.
- **1.1.8.** ETK shall also undertake, as a Storage Company, to comply with the provisions of Connected System Delivery Contract, Transmission Company has concluded with Storage

Companies that engage in similar activities.

**1.1.9.** Rejection of entry to the system. It is subject to the provisions of relevant regulation and this UPP.

#### 1.2. BASIC PRINCIPLES

## **Procedures and Principles of Use**

- **1.2.1.** To manage the Gasification Capacity of the Terminal in a way to assist in coordinated and safe operation of the system and to render services in line with fairness and non-discrimination between equal parties principle, if the System is available,
- **1.2.2.** Conduction economic, efficient and safe business management,
- **1.2.3.** Supplementary Services are provided in a manner which will not hinder the Standards Service or limit efficient use of Terminal.
- **1.2.4.** In order to provide services in a fair and equal manner and to ensure safe and efficient operation of the natural gas System, ETK providing the Service Users and the transmission company with sufficient and accurate information.
- **1.2.5.** It is drawn up based on the facts that LNG delivered to the Terminal by Service Users may be mixed with the LNG of other Service Users and ETK has the right of disposition of LNG in the Terminal according to the operational conditions, within the frame of issues specified in this UPP and the provisions of the related Regulations.

## 1.3. INFORMATION REGARDING ETK TERMINAL

ETK Terminal referred to in this UPP, is the FSRU unit connected to Çakmaklı/Alia a port of zmir. Procedures and principles of use of LNG Terminal units planned to be installed on land are not included in the scope of this UPP. ETK FSRU Terminal has two basic functions:

- 1. Unloading of LNG from Vessels berthed to FSRU and storage thereof,
- 2. Gasifying of stored LNG and forwarding thereof to the Transmission Network,

In case the operational conditions of Transmission Network and Terminal are appropriate, Terminal Maximum Yearly Gasifying Capacity is 5 billion 14 million 750 thousand Sm<sup>3</sup>/year.

Properties of the vessels to berth the terminal and berthing procedures are defined in the documents published in the Website by the Terminal.

Usage capacity of Floating LNG Terminal, ("Storage Capacity") is 142.862 m<sup>3</sup> liquid LNG.

LNG is gasified through 3 Submerged Vaporizers. Measured Gas is forwarded to the

Transmission Network. Delivery point pressure is maximum 75 bar(g) and minimum 35 bar.

6.000 m<sup>3</sup> LNG per hour on the average (except for activation and deactivation processes) can be unloaded and taken into tanks from each LNG vessel, which has the appropriate tank pressure level, after it securely berthed to ETK terminal.

"Minimum Gasification Amount" (or "Minimum Send-Out Amount") required to manage the Boil-Off Gas without switching to Zero Send-Out Mode shall be 40,000 Sm³/hour in case there is no discharge, and it shall vary depending on the Service User Vessel and the total cargo amounts to be discharged and currently kept in the inventory during the course of discharge. Service Users must request gasification to be at those levels as a minimum. In case gasification is requested to be below the specified Minimum Gasification Amount, if there is no Unloading, Zero Send-Out mode is activated; however, where Minimum Gasification Amount is not ensured during Unloading process, Boil-Off Gas that would form is burned and removed from the system and deemed as lost.

In Zero Send-out Mode, where LNG density is 0,47 kg/m³ and LNG steam pressure is 170 mbar, the hourly Boil-Off Gas amount is approximately 5600 Sm³. For management of Boil-Off Gas, this Boil-Off Gas can be managed through the compressor located in the terminal. However, in case Boil-Off Gas cannot be managed through compressor, such amount can be deemed lost.

## 1.4. APPLICATION CONDITIONS FOR THOSE WHO WISH TO RECEIVE SERVICE FROM ETK

## 1.4.1. Applications

## 1.4.1.1. Application Documents

In order to be able to receive service from ETK Terminal, formal application must be made. Applicants must have Export or Wholesale License.

In applications, Applicants would submit the following to ETK:

- Capacity Demand Application Form signed by persons authorized to represent and bind the legal entity and authorization letters and signature specimens of such persons in the form of the original copy or true copies attested by the notary public,
- A certified copy of their licenses,
- Their bid bond.

## 1.4.1.2. Information that should be included in Capacity Demand Application Form

The following information shall be included in Capacity Demand Application Form:

- With regard to LNG to be brought by Applicant;
  - 1. The amount demanded by Applicant to be reserved from the Annual Maximum

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## Gasification Capacity announced by ETK

- 2. With regard to the reserved capacity amount demanded by Applicant;
- i. In respect of the amounts for which application is made, the date range covering arrival dates of the relevant vessels (In periods of 7 days, each one of which is to be named "Window" and in accordance with the schedule published by ETK ),
- ii. Arrival dates of vessels with a tolerance of  $\pm 2$  days,
- iii. LNG amount to be carried by each vessel,
- **3.** General and technical information on Sea Tankers to be used for transportation of LNG to be brought by Applicant,
  - **4.** A declaration containing the following information to be obtained from the seller, start date of exportation,
  - ii. Contract period or delivery date range,
- iii. Annual total amount or number and amount of the cargoes, quarterly distribution of the annual amount,
- **5.** Quality values of LNG in Gaseous state to be brought by Applicant (it shall comply with the analysis values given in Article 9),
- **6.** For Applicants holding Wholesale License, shipment related provisions of the Contract entered with Importer Company (ETK shall acknowledge that Wholesale Companies, which signed a TSC, take delivery of the LNG that they purchased from Importer Companies, at Terminal Acceptance Point).
  - With regard to Applicant's LNG to be gasified;
    - 1. Daily minimum and maximum amounts of the LNG to be gasified and monthly distribution of the annual amount,
    - 2. Temperature and pressure values requested for the gas in gaseous state to be delivered at Delivery Point.

Capacity Demand Application Form filled in by the Applicant and submitted officially to ETK shall mean that UPP provisions hereby have been accepted.

#### 1.5. TSC TERMS OF SIGNING

After capacity assignments are finalized by ETK;

- **1.5.1.** in the event that the demand is refused by ETK; the grounds for refusal shall be notified to Applicants. Applicants whose application has been refused shall receive their bid bonds described in Article 1.4, within 5 Working Days subsequent to the notification of refusal.
- **1.5.2.** In case ETK accepts the request; Applicants whose requests have been accepted by ETK must submit their performance bonds within 7 working days and subsequently sign the

- TSC. Applicants who have submitted performance bond and signed TSC within 7 (seven) working days shall receive their bid bonds within 5 Working Days following execution of the THS.
- **1.5.3.** In addition to the Performance Bond specified in this Section hereby, the Applicants shall, in the phase of signing TSC, (according to the related Inventory Transfer provisions) issue a second Performance Bond to ETK.
- **1.5.4.** Effective period of TSCs to be entered with ETK shall be 10 (ten) Gas Year at maximum.
- **1.5.5.** Authorization letters and signature specimens of persons authorized to represent and bind the legal entity to sign the TSC must be attached to the TSC in the form of the original copy or true copies attested by the notary public.

## 1.6. CONDITIONS FOR LIQUIDATING LETTERS OF GUARANTEE

- **1.6.1.** In case that Applicants whose request have been accepted do not submit performance bond within 7 (seven) Working Days from the notification date and not sign the TSC, ETK shall have the right to liquidate bid bonds of such Applicants.
- **1.6.2.** In case ETK fails to pay the monthly bills made out in the name of Service User and/or Service User fails to fulfil the liabilities provided for Service Users by this UPP, TSC and the relevant legislation, performance bond given by Service User shall be liquidated and registered as revenue by ETK after the notice period.
- **1.6.3.** If the Service User performs a unilateral termination before the expiration date of TSC, performance bond given by Service User shall be liquidated and registered as revenue by ETK. Where letter of guarantee fails to cover the total capacity price required for Service User to pay until the end of TSC term Service User is liable to pay the remaining amount to ETK at termination date.
- **1.6.4.** According to the provisions of Inventory Transfer stated in this UPP hereby, if Transferee Service User fails to return the LNG obtained to the Transferor Service User in kind, in time and in the amount obtained for reasons other than force majeure, ETK shall be entitled the right to and be liable to encash the performance bond and pay it to the Transferor Service User. If the letter of guarantee is not sufficient to compensate for the claims by the Transferor Service User in consideration of transferred inventory, ETK shall also encash the second performance bond it has received for Inventory Transfer and cover the losses incurred by the Transferor Service User using such cash.

#### 2. DEFINITIONS AND COMMENTARY

#### 2.1 DEFINITIONS

"Agency" shall mean the legal entity which is commissioned by the Service User, acting on

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the Service User's behalf, to organize and provide the services required for the berthing and leave of its Vessels.

- "Emergency Situation" shall mean the situation described in Article 14.
- "Minimum Gasification Amount" shall mean the amount of gasification which is obligatory to be provided by the Service Users, as stated in Article 1.3.
- "Idle Capacity" shall mean the usable capacity remaining after long and short term capacity allocations of ETK.
- "Month" based on which the term monthly is interpreted shall refer to the period which starts on the first day of any calendar month at 08:00 and ends at the first day of the next calendar month at 08:00.
- "Connected System Delivery Contract" shall mean the agreement made by and between ETK and the Transmission Company (BOTA ) which operates the Transmission Network, in order to deliver the LNG Gasified in the Terminal to the Transmission Network on behalf of the Service Users.
- "Bar" shall refer to the meaning stated or defined in ISO 1000:1981(E).
- "BOTA" shall mean Boru Hatları ile Petrol Ta ıma A. . (Pipeline Petroleum Corporation).
- "Maintenance" shall refer to any maintenance, repair, control, connection or renewal, whether planned or unplanned, in any part of Terminal as well as preparatory work required therefore or all the work that is required for re-commissioning of any part of the Terminal after the above mentioned has been carried out.
- **"Days of Maintenance"** shall refer to the days on which ETK may, due to the maintenance, reduce the amount of LNG or gasified LNG to be received or delivered by the Terminal (down to zero when required).
- "Maintenance Programme" shall refer to the maintenance programme prepared by the ETK for each Gas Year.
- "Applicant" shall refer to the legal entity which holds an Wholesale License/Import License/Export License and applies to ETK for purchasing services.
- "Discharge Manager" shall mean the specialised person commissioned by ETK, who makes himself/herself available on the vessel, during the discharge period, to ensure a safe discharge of LNG vessel and performs the operation in coordination with the Terminal.
- **"Discharge Period"** shall mean the period of time passing between the point on which Service User provides "Notice of Readiness" of its Vessel and the point the vessel is towed to the same

point again after it has discharged its load.

- **"Ready to Discharge Notice"** shall mean the notice required to be submitted to ETK by Service User Vessel stating that it has berthed the Terminal and connected its discharge arms, all necessary operations such as customs, health precautions, etc. have been completed and the vessel is ready to transfer LNG to Terminal tanks.
- **"Permanent Transfer"** shall mean the transfer of a part of or whole capacity of a Service User to another Service User for at least one Window, during which the Transferee Service User is responsible for all obligations.
- "Amount of Storage Use" or "ASU": Half of the total of the amount of a Service User's LNG in the storage tanks in D-1 by 08:00 and the amount of its LNG remaining in the storage tanks in D by 08:00 shall represent the daily Amount of Storage Use by the relevant Service User for D-1 day. Its unit shall be Sm<sup>3</sup>.
- "Storage" shall mean storage of LNG of a Service User in the tanks in ETK Terminal in accordance with the periods specified in this UPP hereby.
- **"Stored Volume"** shall mean the amount of LNG that is stored by ETK in the Terminal LNG tanks on behalf of the Service User at any time.
- "Transferee Service User" shall mean any Service User who is transferred a capacity from Transferor Service.
- "Transferor Service User" shall mean a Service User which transfers whole or part of its reserved capacity.
- "Natural Gas", "Gasified LNG" or "Gas" term shall mean a mixture of hydrocarbon gases and other gases, which are extracted from the ground and are normally in gas state or gases which are transformed from liquid state into gas state via the vaporisation of LNG, with methane as their main compound.
- "Natural Gas Market Law", in short "Law" shall mean the Law No: 4646 dated 18/04/2001.,
- "Supplementary services" shall mean rendering of services such as berthing to ETK Terminal and unloading of LNG vessel, storage of LNG in tanks, delivery of LNG to the national transmission network after being gasified and similar services, separately.
- **"Gas Burned in Equipments"** shall mean the gas used in natural gas combustion gasifiers in order to gasify LNG. It is paid in kind by Service User to ETK.
- **"Electronic Bulletin Board"** or **"EBB"** shall mean the communication platform that facilitates communication of Service Users with the Terminal, enables them to track LNG Unloading, Gasified LNG delivery and inventory amounts, and is operated by ETK.

- "EMRA" shall mean Energy Market Regulatory Authority.
- **"ETK"** Etki Liman letmeleri Do algaz ve Ticaret A. ., which is responsible for operation of FSRU Terminal.
- "FSRU" shall mean the abbreviation of "Floating Storage and Regasification Unit".
- "Day", "Storage Day" or "System Day", shortly D shall refer to the time period which starts at 08.00 any day and ends at 08.00 on the next day.
- "D-1" shall refer to the day before that day.
- "D+1" shall refer to the day after that day.
- "Gas Losses" shall mean the gas removed from the system in accordance with Article 7 and according to the conditions of NFPA 59-A (Natural Fire Protection Association), in accordance with Article 7.6.2.
- "Gasification Capacity" or "Capacity" shall mean the Terminal's capacity to transform Natural Gas from liquid phase to gaseous phase and send to the network.
- "Gas Year" shall mean the period which starts at 08:00 on 1st of January and ends at 08:00 on 1st of January of the next year.
- "Temporary Transfer" shall mean the transfer of a part of or whole capacity of a Service User to another Service User if ETK approves, for a period of at least 10 Gas Days, during which the Transferor Service User is responsible for all obligations.
- "GIIGNL" shall mean the International Group of LNG Importers (Groupe International des Importateurs de Gaz Naturel Liquéfié).
- **"Notice of Readiness"** shall mean the notice that has to be given to ETK regarding that Service User Vessel has arrived to the designated Pilot Station and ready to berth to the Terminal.
- "Service User" shall mean the importer/wholesale/exporter company which has signed a TSC with ETK or mean ETK itself with the capacity of importer/wholesale/exporter company.
- "Service User Vessel", "LNG Vessel", "Vessel" or "Sea Tanker" shall mean the vessels, which fulfil requests of IMO and SIGTTO and are compatible in all respects for LNG transportation, to be under control of the Service User or persons assigned by the Service User, accepted as acting on behalf of Service User and used in LNG transportation.
- "IMO" shall mean "International Maritime Organisation".

- **"Transmission Network"** shall mean the Natural Gas Pipeline Network, which is used for transmission of Natural Gas and owned and operated by BOTA, and the relevant facilities.
- "Principles for the Regulation of Transmission Network Operation" in short "ROA" shall mean the regulations, which are published by the Transmission Company in accordance with "Operational Regulations for Natural Gas Market Transmission Network" and the application principles related to the transmission network and amended from time to time.
- **"Transmission Company"** shall refer to the legal entity that undertakes transmission activities. It is currently BOTA .
- **"Related Legislation"** shall mean Laws, regulations, communiqués, circulars, Board regulations and license or licenses owned by the related legal entity with regard to the Natural Gas Market.
- "British Thermal Unit" or "BTUu" is an energy unit equal to 252 Calories. One million Btu is written as 1 MMBtu. One MMBtu is 293.071 Kwh or 0.003412 MMBTU= 1 Kwh.
- "Website" shall mean ETK 's website which can be accessed through the internet at www.etkiliman.com.tr address.
- **"Work Day"** shall mean the period of time between 8:00 am and 5:00 pm, from Monday to Friday, except for official holidays.
- "Calorie" shall mean the amount of energy required to raise the temperature of 1 gram of pure water from 14.5°C to 15.5°C under normal atmospheric pressure (1.01325 Bar).
- "Boil-off Gas" shall mean the low-pressured gas which transforms from liquid state into gas state during the providing of Standard and Supplementary Services.
- "Winter Period" shall mean the period which starts at 08:00 on 1st of October and ends at 08:00 on 1st of April.
- "Available Stock" shall mean an approximate amount of any Service User, which is present in the Terminal at any time other than Terminal Operation Gas allocated to the relevant Service User.
- "Board" shall mean the Energy Market Regulatory Board.
- "Authority" shall mean Energy Market Regulatory Authority.
- **"LNG Quality Specifications"** shall mean the LNG quality specifications that specify the properties of LNG in gasified state, which are listed in Article 9, which is to be delivered to the Terminal by the Service User.

- "Maximum Gasification Capacity (MGC)" shall mean the gasification capacity amount announced by ETK one Gas Year before, in respect of Terminal use of that Gas Year.
- "Maximum Contractual Gasification Capacity (MCGC)" shall mean the LNG amount that a Service User may receive through gasification during the term of the Contract.
- "Amount" or "Amounts" shall be expressed as m<sup>3</sup> LNG, Nm<sup>3</sup>, STDm<sup>3</sup>, MMBTU, KWh, kcal, MJoule, Sm<sup>3</sup> (revised according to 9155), kg.
- "Force Majeure" shall have the same meaning as stated in Article 15.
- "Normal cubic meter", in short, Nm<sup>3</sup> shall mean the amount of natural gas which occupies a volume of 1 cubic meter under 0°C and 1.01325 bar absolute pressure.
- "Measurement Centre" shall mean all systems and equipment which are used to determine the Amount and Quality of LNG gasified in Terminal prior to its delivery to Transmission Network.
- "Operational Flow Order (OFO)" shall mean an order given to any Service User by ETK.
- "Window" shall mean a 7 day period, to which one Service User Vessel can be programmed.
- "Pilot Station" shall mean the point specified by Alia a Port Administration, at which the vessels will wait to berth to the terminal.
- **"Program"** shall mean daily, monthly, quarterly and annual information regarding the LNG amounts to be delivered to ETK storage tanks by Service Users (**"Unloading Program"**) and LNG and/or Gasified LNG amounts to be received by Service Users (**"Delivery Program"**), which are approved by ETK.
- "SIGTTO" is the abbreviation for Society of International Gas Tanker and Terminal Operators.
- "Liquefied Natural Gas" or "LNG" shall mean Natural Gas in liquid state under atmospheric pressure at boiling point.
- "System" shall mean the facility and equipment installed to fulfil natural gas production, transmission, storage and distribution functions.
- "End User" shall mean real or legal persons who have signed an agreement with a Service User in order to purchase and/or use the Natural Gas obtained by the Service User as Gasified LNG.
- "Standard Service" shall mean rendering of the services as a whole regarding the unloading of LNG vessel, storage of LNG during the period specified in the basic usage procedures and principles, and delivery thereof to the national transmission network after being gasified within

the gasification capacity allocated to it within this scope.

- "Standard Transportation Contract", in short "STC" shall mean the transportation contract between the Transmission Company and the Service User.
- "Terminal Service Contract", in short "TSC" shall mean the contract drawn up and signed as described in this UPP hereby, by which services and/or supplementary services of unloading and storage of LNG and delivery of LNG or Gasified LNG, and which is concluded between ETK and Service User.
- "Standard cubic meter", in short "Sm<sup>3</sup>" shall mean the amount of natural gas, not containing water vapour, with 9155 Kcal higher heating value which fills 1 cubic meter of volume at 15°C under 1.01325 bar absolute pressure. 1 Sm<sup>3</sup> is 10.64 Kwh.
- **"STD cubic meter"** shall refer to the amount of gas that fills 1 cubic meter of volume at 15°C under 1.01325 bar absolute pressure.
- **"Estimated Time of Arrival (ETA)"** are notifications giving information on Estimated Time of Arrival to the Pilot Station of the vessels that come to ETK Terminal to unload or load LNG. Such notifications are given by a vessel or the Agency to which the vessel is affiliated, to ETK.
- "Tariff" shall mean the regulations comprising prices, provisions and conditions regarding storage of LNG, transmission of LNG in gas form and services related thereto, which are determined according to "Natural Gas Market Tariffs Regulation".
- "Basic Usage Principles and Procedures", shortly "UPP" shall refer to usage principles and procedures concerning ETK LNG Terminal, which has been prepared and submitted to EMRA by ETK in order to determine the rights and liabilities of the parties related to the Standard Service and supplementary service.
- **"Terminal"** or **"Storage Facility"** shall mean all lands, facilities and equipment along with the FSRU vessel moored in Alia a, in which loading, storage, gasification and delivery of LNG are performed and which is used by ETK .
- "Terminal Minimum Operation Stock", or "Foot LNG" shall mean the foot gas defined in Article 6.6.
- "Terminal Service" shall mean Standard and Supplementary Services provided to Service Users by ETK .
- "Terminal Operation Gas" means the gas used by terminal equipment as fuel for standard and supplementary services, the gas mandatorily burned in equipment, the gas used in heating, the gas required for minimum stock (Foot LNG), and the gas that may occur in the process fittings and the gas that cannot be taken into account because of the measurement difference occurring due to sensitivity limits of the measurement equipment in the vessel.

- "Terminal Acceptance Point" shall mean the surface on the Terminal side of the flange to which unloading manifold system of the LNG Vessel is connected with the unloading arm of ETK Terminal.
- "Terminal Acceptance Program" shall mean the programme regarding transportation and unloading of liquid LNG by Sea Tankers to the Terminal, which is submitted to ETK by the Service User and accepted and approved by ETK after required revisions.
- "Terminal Delivery Program" shall mean the programme regarding return of gasified LNG to Service user at the Delivery Point, which is submitted to ETK by the Service User and accepted and approved by ETK after required revisions.
- "Delivery Point" shall mean the points at which gasified LNG is given to the Natural Gas Main Transmission Network and/or loaded to the vessels in LNG state.
- "Third Party" shall mean the parties other than the parties to Terminal Service Contract.
- "Higher Heating Value" or "HHV" shall refer to the amount of heat stated in Kcal, which occurs, upon being applied to Natural Gas, when 1 m<sup>3</sup> is fully burned at 15<sup>o</sup> C fixed temperature under 1.01325 Bar absolute pressure, provided that the whole liquid that comes out during burning condensates at 15 o C.
- **"Summer Period"** shall mean the period which starts at 08:00 on 1st of April and ends at 08:00 on 1st of October.
- "Annual Maximum Contractual Gasification Capacity (AMCGC)" shall mean the LNG amount to which the Service User who signed a Terminal Service Contract has the right of unloading to storage tanks and gasification for one year.
- "Zero Send-out mode" shall mean the operating mode, when the Terminal in zero send-out state, in which some critical equipment and lines are kept cold by passing LNG through them and the gas automatically formed from this process and the LNG in the tanks is pumped to the transmission network by means of base compressor and line compressor.

#### 2.2 INTERPRETATION

Unless specified otherwise, the following shall apply in UPP,

- **2.2.1.** Any term used in any law, statutory decree, by-law, regulation, communiqué, decision or circular shall cover the amendments, modifications or additions to be made on the abovementioned regulations as well as other regulations which will be issued as a part thereof.
- **2.2.2.** Any term used in any agreement, contract or document shall cover the amendments and additions made on the agreement, contract or document.

- **2.2.3.** "Hour" expression shall be interpreted as the local time used in Turkey. Unless specified otherwise, the references made to time shall be interpreted in accordance with the Gregorian calendar used in Turkey and hours shall be used on the basis of 0-23 and minutes shall be used on the basis of 0-59 minutes.
- **2.2.4.** Unless the context requires otherwise, singular terms shall be interpreted as plural and plural terms shall be interpreted as singular.
- **2.2.5.** Where any term or word has been defined in the UPP, any word and term similar or related to such term or word shall be interpreted according to the definition provided.
- **2.2.6.** Sections, articles, paragraphs and subparagraphs specified in UPP are only given for ease of use; they shall not have any effect on the content of the aforementioned sections, articles, paragraphs and subparagraphs.
- **2.2.7.** Terms "UPP" or "Basic Usage Principles and Procedures" shall denote the sections in this UPP as well as annexes thereto and shall be used to refer to a single document.
- **2.2.8.** In case of a discrepancy between the provisions of UPP and any other provision of TSC, the provisions of UPP shall prevail.
- **2.2.9.** In this UPP, words whose first letter is written with a capital letter (excluding the proper nouns) are used with the meanings specified in the "Definitions" section.
- **2.2.10.** Amounts of gas delivered to or obtained from the Terminal shall be process in terms of energy.
- **2.2.11.** Annexes are an integral part of this UPP. Decisions on cancellation or invalidation of one or more articles in the UPP or the annexes shall not affect validity of other articles.
- **2.2.12.** In places where the expression of "until the date of" is used in the UPP; related notification, work or process shall be completed before the end of the working hours of the day before such date. If the day before such date is not a Working Day, related notification, work or process shall be completed before the end of the working hours of the first Work day following such day.

#### 3. CAPACITY

## 3.1. Periods Regarding Capacity Application and Application Schedule

ETK shall make capacity reservations regarding the Terminal service having regard to Long Term, Short Term and Idle Capacity application schedules by considering the principles that gasification capacity of the LNG Terminal will be used for the purpose of storage within the specified periods in this UPP and that the main function of the Terminal is to gasify the LNG

discharged to the storages at the end of a limited time and send it to Natural Gas Transmission Network, and also considering the Terminal gasification capacity and characteristics. Capacity applications to be made for an amount below the carrying capacity of at least 1 (one) average sized Sea Tanker shall not be taken into consideration. This amount shall be applied as 80 million Sm<sup>3</sup> for Long Term, Short Term and Idle Capacity applications.

## 3.1.1. Long Term Capacity Application

ETK shall announce the following information through its website until June 15 before each Gas Year:

- Annual Maximum Gasification Capacities reserved and unreserved for storage service (in Sm<sup>3</sup>/year),
- Number and dates of Windows reserved or unreserved in the relevant Gas Year,

Long Term Capacity Application shall be made only for an amount of 2 billion 507 million 375 thousand Sm<sup>3</sup> which corresponds to at most 50% (fifty per cent) of Maximum Annual Gasification Capacity.

Applicants, who wish to receive service by reserving a part or whole of this capacity for a period longer than 1 (One) year but of maximum 10 years, as described in this Article hereby, must make a formal application to ETK Terminal with the application documents specified in Article 1.4.1.1 until July 1.

Long Term Capacity Application shall be made for 10 (Ten) full years at most.

Among Long Term Capacity Applications made in the same period, the application with a longer period and/or a higher amount shall be assessed with priority. The above mentioned assessment shall be made based on the total application amount to be found by multiplying application period with applied annual gasification amount. If applications made in the same period are equivalent in terms of period and amount and the total capacity application amount does not exceed the part of MGC allocated to Long Term Capacity Applications, the capacity to which the applicant applied is reserved. If total of such capacity reservation applications made in the same period exceeds the part of MGC allocated to Long Term Capacity Applications and the total application amounts in question are equal, the applications shall be assessed by pro-rata method.

Within the scope of vessel arrival and gasification schedules, Long Term Capacity Applications shall have more priority than Short Term or Idle Capacity Applications in the assessment.

ETK shall conclude Long Term Capacity Applications and announce conclusions thereof until August 15 at the latest.

## 3.1.2. Short Term Capacity Applications

Capacity reservation applications to be made before the Gas Year and cover 1 (one) year and shorter periods shall be considered as Short Term Capacity Applications.

ETK shall, having regard to the allocated long term capacity amount, announce short term capacities to be allocated for each Gas Year, through its website until **August 15** before each Gas Year.

Applicants, who wish to receive service from the Terminal with short term capacity reservation, must make an application with the documents specified in Article 1.4.1.1 until September 1.

In order for Short Term Capacity Applications to be met, such applications must be made in a manner not to cause a change in capacities and vessel schedules of Service Users with Long Term Capacity.

Among Short Term Capacity Applications made in the same period, the application with a higher total application amount shall be assessed with priority. If applications made in the same period are equivalent in terms of amount and the total capacity application amount does not exceed the part of MGC allocated to Short Term Capacity Applications, the capacity to which the applicant applied is reserved. If total of such capacity reservation applications made in the same period exceeds the part of MGC allocated to Short Term Capacity Applications and the total application amounts in question are equal, the applications shall be assessed by pro-rata method.

ETK shall conclude Short Term Capacity Applications until September 30 at the latest.

## 3.1.3. Idle Capacity Application

ETK shall, having regard to the allocated long term capacity amount, announce the idle capacities to be allocated for each Month in the Gas Year, if any, 45 days before the month in question at the latest. Applicants, who wish to receive service from the Terminal by using idle capacity, must make an application with the documents specified in Article 1.4.1.1, 30 days before the month in question at the latest.

Idle Capacity Applications must be made in a manner not to cause a change in capacities and vessel schedules of Service Users with Long Term and Short Term Capacity.

In Idle Capacity Applications, demand of the Applicant who made the application earlier shall be met with priority.

ETK shall conclude Idle Capacity Applications within 15 days at the latest from the deadline for application in respect of the relevant period.

## 3.2. Assessment of Capacity Applications and Capacity Allocations

#### 3.2.1. Long and Short Term Capacity Allocation

Applicants' demands shall be assessed by ETK individually for long term and short term capacities. If the total of the demanded gasification capacities is lower than the Maximum Gasification Capacity announced by ETK, the demanded capacity is allocated to each

Applicant.

Applicants who applied for Long Term Capacity may apply for an amount at most corresponding to the announced Long Term Capacity. Similarly, applicants who applied for Short Term Capacity may apply for an amount at most corresponding to the announced Short Term Capacity. Applications exceeding the specified amounts shall be assessed as made for the announced capacities. If the total Long Term Capacity amount and the total Short Term Capacity amount for which the application is made is more than the announced amounts, it is allocated by applying the pro-rata method described in Article 3.1.1 and 3.1.2.

The principle of efficient use of the Terminal shall be taken into consideration while arranging vessel schedule and gasification programs, and changes may be made by ETK , if necessary, in line with the principle of efficiency.

If there is a conflict between the vessel arrival dates or if it is not possible to unload the vessel with the delivery programmes given for the dates of arrival of Applicants' LNG vessels, vessel arrival dates and/or the amount of daily LNG to be delivered by the vessels or daily gasification amounts subject to formation shall be changed by ETK provided that it is announced on EBB and the website along with its grounds.

While making these changes, written and/or oral opinions of Applicants which cause a conflict are received. In case of taking an oral opinion, the changes are recorded by drawing up a minute. If the conflict is not solved by changing vessel arrival dates, amount delivered or the gasification programme, ETK arranges a programme which will provide for a capacity and/or inventory transfer, notifies the parties of such programme and such programme shall be binding on all parties. Service Users' failure to comply with such programmes that propose a capacity transfer and/or inventory transfer shall constitute violation of UPP provisions.

With regard to transfer of gasified LNG, in case inventories of multiple Service Users are stored in the Terminal tanks at the same time, if the total capacity demanded by such Service Users daily or for a limited period of time exceeds daily maximum transfer capacity of the Terminal; the excessive amount demanded is postponed to the following days, in which daily transfer capacity of the Terminal is not fully used, in a manner not to affect vessel arrival programmes of Applicants as a priority. If the problem is not solved in this way, the LNG amount brought by the vessels and arrival dates of the vessels shall be changed to solve it. While conducting these operations, written and/or oral opinions of problematic Applicants are received. If the problem is not solved in this way too, ETK arranges a programme which will propose a capacity and/or inventory transfer and notifies the parties of such programme; such programme shall be binding on all parties.

## 3.2.2 Idle Capacity Allocations

Idle Capacity remaining after assessment of long and short term applications and conclusion of capacity allocations is announced by ETK on the EBB and the website before and in the Gas Year in accordance with the schedule set out in Article 3.1. The Service Users which have signed a TSC for the related Gas Year and the Applicants which have not yet signed a TSC may

apply to obtain from such Idle Capacity.

In case applications of the Service Users who wish to benefit from Idle Capacity and the Applicant who have not signed a TSC are accepted, the following procedure is applied;

- **a.** The Service Users and the Applicants who have not signed a TSC shall fill in the Capacity Demand Application Form (in accordance with Article 1.4) and applied to ETK Terminal with the letters of guarantee to be prepared according to Article 1.5.
- b. Before the Gas Year for which capacity reservation will be in effect, Idle Capacity Reservation Applications to be made for the Gas Year in question shall be submitted to ETK until December 1. Idle Capacity Reservation Applications to be made in the Gas Year for which capacity reservation will be in effect shall be submitted to ETK at least 30 days before from the month in which reservation is requested. Idle Capacity Applications shall be assessed by ETK according to the relevant provisions of UPP; and with regard to meeting, partial meeting or failure in meeting of the demand, a written answer shall be given to the Applicant, for the Idle Capacity Reservation Applications to be made for the Gas Year in which the capacity reservation will apply, until December 10 before such Gas Year, and for the Idle Capacity Reservation Applications to be made in the Gas Year in which capacity reservation will apply, until the 10th of the month in which the application is made. If the amount and quality of LNG, means of transportation and period of LNG storage in the storage tanks are agreed upon, an addendum shall be added to the current TSC between ETK and the Service User or a TSC shall be signed with the applicants which have not yet signed a TSC.
- **c.** Allocation of Idle Capacity is carried out by sorting of the idle capacity reservation demands from high to low, and if the same idle capacity reservation amounts are demanded, by prioritizing the one with TSC.
- **d.** Service Users who are using the Idle Capacity may make monthly, daily and intra-day programme changes in accordance with the provisions of Articles 4.2.2, 4.2.3, 4.2.4. and 4.2.5.
- **3.2.3** Service User shall acknowledge the following.

Service User shall arrange its daily programmes in a manner that LNG amount discharged to the storage from LNG vessel is to be gasified and sent to the transmission network within 10 days at most. In case following Windows are not programmed for vessel discharge in vessel schedule, the specified period of time may be extended to an extent to be foreseen by ETK in accordance with the principle of efficient and economical operation of the Terminal without discrimination between equal parties. In case Service User fails to comply with the specified periods of time, it is deemed a violation of the provisions of this UPP hereby.

Provisions of Article 6.3.2 shall apply for the amounts remaining in the storage from the end of the foreseen periods. If a LNG Vessel waiting in the Terminal cannot be discharged within the foreseen period of time due to expiry of the 10 day period foreseen above; ETK shall, in order to allow implementation of the daily programme of the Service User whose LNG Vessel have

been waiting, be entitled to gasify the LNG amount of the Service User, who cause the delay, that is stored in the storage and send to the Transmission Network. Gasification of the LNG amount in the storage and transportation thereof to the Transmission Network shall be carried out within the framework of Article 6.3.1 and with approval of the Transmission Company.

Daily maximum LNG discharge and gasification capacities committed by ETK reflects a total for all Service Users who request such services for the same day and shall not be deemed an individual right of any Service User.

## 3.3 Capacity Transfers within a Gas Year

Service User may temporarily transfer a part or whole of the capacity reserved within a Gas Year to other Service Users for the periods given in Article 3.3.6, provided that approval of ETK is obtained.

Service User may permanently transfer a part or whole of the capacity reserved within a Gas Year to other Service Users and/or Third Parties for the periods given in Article 3.3.6. Written approval of ETK is required for permanent transfers. In the written consent to be issued by ETK, the Transferee shall also be notified whether it has a liability arising from the inventory transfer of the Transferor Service User.

For the permanent transfers; in case that the Transferor Service User has a TSC signed with the ETK for the current Gas Year, an Addendum shall be drawn up concerning the capacity transferred. Where such TSC does not exist, the provisions of Articles 1.4 and 1.5 of this UPP shall be applied for those who will sign TSC for the first time.

For the temporary and permanent transfers, ETK shall respond to the approvals and written notification demands within 5 work days.

## 3.3.1 Suitable Capacity for Delivery

- **3.3.1.1.** Capacity which can be allocated to Transferee Service User is limited to the remainder of the capacity allocated to Transferor Service User as of the date of transfer.
- **3.3.1.2.** ETK announces the necessary notification concerning the availability of the capacity in its Website and continues to sell the Idle Capacity and the capacity which is reserved but not programmed.
- **3.3.1.3.** If, other than force majeure, the reserved capacity is not used, such state persists in a continuous manner and hinders the execution of Terminal service programme and prevents efficient use of Terminal, such capacity is announced by the ETK and, if there is a demand for such unused capacity, the unused capacity is cancelled and reserved to the applicant(s). In this case, necessary changes are made in the TSC of the Service User whose capacity is cancelled.

## 3.3.2 Capacity Transfer Announcements of Service Users

**3.3.2.1.** A Service User which wishes to transfer part of the or whole capacity allocated to it

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shall inform ETK concerning the intention for the transfer of capacity and transfer conditions. (hereinafter referred to as "Service User Notice"). Service User Notice shall be announced by ETK on the website and the EBB.

Service User Information includes the following information:

- 1.TSC number of the Transferor Service User,
- 2. Amount of capacity to be transferred,
- 3. Whether the transfer demand is temporary or permanent,
- **4**. Time and period for capacity transfer.
- **3.3.2.2.** If unexpected conditions arise, Service User may revoke its Notification at any time before the expiration of offer period stated in Service User Notification.
- **3.3.2.3.** The conditions set forth by the Transferor Service User shall not be in conflict with any of the provisions in UPP. In case such conflict occurs, ETK shall revoke the Service User Notification.

## 3.3.3 Rights and Liabilities of Transferor Service User and Transferee Service User

- **3.3.3.1.** For temporary transfers, (unless otherwise decided by ETK, in writing and prior to transfer) Transferor Service User shall be responsible for all kinds of fees and financial obligations, regardless of the amount of capacity transferred within the scope of this Article 3.
- **3.3.3.2.** If a temporary transfer is performed with the written approval of ETK, Transferor Service User shall be exempted from payment obligations concerning TSC with regard to the capacity delivered.

In case of such permanent transfer, performance bond of Transferor Service User shall be returned if:

- **i.** Transferor Service User issues a new performance bond to ETK, which is to be arranged according to the new reserved capacity and which bears the qualities stated in Article 1.5.2. of this UPP.
- **ii.** Transferee Service User issues a new performance bond with the qualities which bears the qualities stated in Article 1.5.2. of this UPP,
- **3.3.3.3.** In permanent transfers; if the Transferee Service User is a Service User which has a previous TSC with ETK, the transfer shall be performed after such Service User issues an additional letter of guarantee by extending the existing performance bond in accordance with the capacity transferred (issues a new performance bond with the qualities which bears the qualities stated in Article 1.5.) and an Addendum to the existing TSC.

In permanent transfers; if the Transferee Service User does not have a previous TSC with ETK, the transfer shall be performed after it issues the documents and information set out in Article 1.4, submits the performance bonds stated in Article 1.5 and signs a TSC.

- **3.3.3.4.** After the capacity is transferred to Transferee Service User, Transferor Service User shall either revise or reconfirm its programmes to reflect the transferred capacity. ETK shall not carry the transfer into effect unless such programmes are revised or reconfirmed.
- **3.3.3.5.** In both temporary and permanent transfers; if only a part of the MCGC is transferred, it shall also mean that the capacity within the scope of TSC is transferred at the same rate. In permanent transfers, an Addendum shall be added to the TSC of the Transferor Service User according to the transfer and Transferor Service User shall not use the transferred capacity within the transfer period.
- **3.3.3.6.** In both temporary and permanent transfers; if the Transferor Service User has LNG in the storage as of the date of the capacity transfer, Transferor Service User, where necessary shall be liable to lower such LNG down to its MCGC remaining after the transfer. Transferor Service User may fulfil the obligation for lowering the LNG volume in the storage either by ensuring delivery of the Gasified LNG or transferring the Stored Volumes to another Service User in accordance with Article 6.4.1.

## 3.3.4 Other Rights and Obligations of Transferee Service User

- **3.3.4.1.** In case of a permanent transfer, Transferee Service User shall be responsible for all remuneration and financial liabilities that correspond to the amounts transferred to it.
- **3.3.4.2.** In case of a temporary transfer, Transferee Service User shall have all rights and liabilities which are stated in the TSC of the Transferor Service User and regulated within the scope of this UPP hereby, including the right to transfer the capacity transferred to it in accordance with this Section.

## 3.3.5 Rights and Liabilities of ETK

ETK shall be entitled the right to partly or wholly reject the conditions of Service User Notification of capacity transfer demand which are in conflict with the provisions of TSC or UPP.

ETK notifies the Service User of its justifications for rejecting the capacity transfer demand, along with the notification concerning the rejection of transfer demand. ETK shall not be responsible to any Service User, Transferor Service User, Transferee Service User or any other party concerning the fulfilment of obligations within the scope of capacity transfer programme.

## 3.3.6 Capacity Transfer Periods

The period of capacity transfers which will be realized within the scope of this Article 3 hereby shall be limited to the shortest of the periods specified below;

- **1.** When the transfer includes the whole contract period, expiration date for the TSC of Transferor Service User.
- **2.** Expiration date specified by the Transferor Service User in Service User Notification.

## 3.4. Re-Allocation of Idle Capacity

Only if it is determined that any Window reserved only by Service Users with Long Term Capacity within the scope of Long Term Capacity will not be usable towards monthly notifications, the Window in question, if requested, may be allocated to other Service Users within the framework of the vessel schedule published by ETK on the EBB and the website.

In such case, remuneration to be calculated basing on the delivered amount of LNG and the current tariff shall be paid to ETK by the Service User who use the Window for that Window used.

#### 4. PROGRAMMES, REVISED PROGRAMMES

## 4.1. Programme Contents

## 4.1.1. Programmes for Delivery of LNG to ETK within the Scope of the Terminal Services:

In theory, number of the vessels/cargoes to discharge to ETK Terminal, when it is calculated having regard to the cargo capacity of 140 thousand m³ and the discharge duration of 40 hours, is at most 50 per year. However, this figure may increase or decrease according to cargo size after the vessel schedule is determined. Arrival dates of the vessels shall be arranged in a manner that 1 cargo at most will be assigned to each Window of 7 days. In order to ensure economical, efficient and safe operation of the Terminal and also in case it is required in accordance with the maintenance program, this figure may be increased or decreased by ETK .

Service Users shall submit the programmes that they prepared to ETK 's approval and such programmes come into effect after approved by ETK . Each programme shows TSC number of Service User and the following information in respect of the LNG amount to be received into the storage.

- 1. Day/days on which LNG will be delivered to ETK Terminal,
- 2. LNG amounts to be delivered,
- 3. Estimated composition and calorific value of LNG,
- 4. Source of LNG.
- **5.** Estimated saturated pressure and temperature of LNG as it arrives in the Terminal.
- **6.** Management programme for Boil-Off Gas formed during discharge of the vessel including at the Delivery Point,
- 7. Information on the LNG vessel (its conformity must be approved by ETK )

## 4.1.2 Programmes for the Gasified LNG to be Received from ETK:

The following shall be applied with regard to the programmes for the Gasified LNG to be Received from ETK;

- 1. On the days of vessel discharge, the Service User whose vessel is discharged must submit a programme which includes management of the Boil-Off Gas formed as well as the gas amount to be delivered to the Natural Gas Transmission Network,
- 2. On the days with no vessel discharge, the gas amount to be delivered to the Natural Gas

Transmission Network shall be specified in the Discharge Programme,

- **3.** Service User may request programme change by using "Periodic Programme Change Cycle" set out in Article 4.2.4 for the next and following days in the month.
- **4.1.3.** In case a Service User intends to deliver LNG with a vessel not specified in the TSC, it must submit the required information along with the Service User programmes. Such programmes shall be approved after confirmation of conformity of the vessel.
- **4.1.4.** Through submission of a programme, Service User shall undertake and guarantee that it has obtained all regulatory approvals for delivery of LNG to the Terminal, all contractual arrangements required for transfer of LNG to the Terminal are in place, and the LNG or Gasified LNG will be transferred from the Terminal. ETK, with regard to confirmation of the programmes and basing the service on a programme shall finally take into consideration of the information submitted as a part of the programme.

## 4.1.5. Submission Methods for Programmes

Programmes may be submitted in writing to the following address:

ETK LNG Terminal letme Müdürlü ü Kızılburun Mevkii, Çakmaklı Köyü, Alia a, zmir

## **4.2 Submission Periods for Programmes**

## **4.2.1.** First Year LNG Discharge Programme

It covers the period from the execution date of the TSC to December 31. Right after execution of the TSC, Service User shall arrange an arrival programme for its LNG Vessel(s) on a monthly basis and submit to ETK. ETK shall review the vessel programme and notify to the Service User within 5 Work Days after approval or revision thereof according to the operating conditions of the Terminal. A programme so approved shall become final. With regard to monthly programmes, provisions of the Gas Year LNG Discharge Programme. Daily Gas Delivery Programmes of Service Users must be compatible with the prepared LNG Discharged Programme.

## **4.2.2.** Gas Year LNG Discharge Programme

It covers the period from January 1 to December 31. Each Applicant who applies for Long and Short Term Capacities shall notify its annual LNG vessel arrival programmes to ETK in the course of application. ETK shall determine arrival date of each LNG vessel and notify it to Service Users after approved until September 30 at the latest (this date is also the date of conclusion for Short Term Applications in accordance with Article 3.1.2). Thus annual vessel LNG loading programme shall be prepared and become effective for 1 year from January 1. Daily Gas Delivery Programmes of Service Users must be compatible with the prepared LNG Discharged Programme.

**4.2.3.** Programmes targeted for the Terminal service to be received during a month shall be

notified to ETK on the first day of the previous month. ETK shall assess the targeted programmes within 10 days at the latest and a programme shall become final after approval. In case Service User fails to submit its targeted programme and if Service User fails to submit a default programme priorly to ETK for the month in question, ETK may consider the Service User's programme as zero. In a monthly programme, overlapping of Discharge Programmes of Service Users shall not be allowed.

## **4.2.4.** Next Day Service

If a Service User wish to change its Delivery Programme of any Gas Day, it must submit a new programme change for the day in question.

Service Users shall notify programme change request for D day, if any, to ETK, until 10:00 am on D-1 day through the EBB. Such change in a new or revised programme shall comply with the provisions of Article 4.1.

In case one or more programme change request are made for the Gas Days in question, the last change approved by ETK shall apply.

Programme schedule is as below on the day before the gas flow:

Day Ahead Timed Programme Change Cycle

10:00 Programme change shall be notified by Service User to ETK

10:30 In order to make the data issues valid, ETK issues a reply.

**12:30** Delivery Programme of Service Users shall be approved or rejected by ETK and it is announced to the relevant Service Users through the EBB.

Intra Day Programme Change may be done in accordance with the following times:

**09:00** Programme change shall be notified by Service User to ETK

**09:30** In order to make the data issues valid, ETK issues a reply.

**12:00** Delivery Programme of Service Users shall be approved or rejected by ETK and it is announced to the relevant Service Users through the EBB.

- **4.2.5.** ETK shall have the right to reject to take delivery of LNG, discharge of which is not timely or appropriately programmed; or deliver the Gasified LNG, Delivery of which is not programmed.
- **4.2.6.** If total of the LNG amount in the Terminal tanks and the cargo amount to be discharged of a Service User Vessel coming to the Terminal for discharge exceeds the Storage Capacity, ETK shall have the right to reject a part or whole of Discharge from the Service User Vessel.

#### 4.3. Additional Information Requirements

**4.3.1.** Service User shall act in line with the demands of ETK concerning the additional information required by ETK for provision of the services within the scope of this UPP.

**4.3.2.** Service User shall promptly notify changes that may occur in Discharge Programmes to ETK

## 5. ALLOCATIONS

#### 5.1 Overview

ETK shall allocate the daily Gasified LNG amounts calculated according to the measurement data obtained within the framework of Article 10 to Service Users in a transparent and fair manner, in accordance with the provisions of this Article 5.

#### **5.2 Allocations**

## **5.2.1** Allocation Management

Until 10:00 am on D+1, ETK shall allocate the Gasified LNG amount obtained during the day, in proportion to Service Users' programmes, and notified to the relevant Service Users through the EBB.

#### $TM = M \times (OM / OTM)$

#### Where:

TM: Amount allocated to a Service User

M: Total amount delivered to all Service Users for that allocation day

**OM**: Amount of the Service User's programme for that allocation day

**OTM**: Total amount of all Service Users' programmes for that allocation day.

## **5.2.2** Objection to Allocations

If none of the Service Users objects to the initial allocations between 10:00 of D+1 and 13:00 of D+1, initial allocation will be finalised as of 13:00 of D+1. If an objection is made to the initial allocation amounts, ETK shall re-evaluate the situation and announce the new allocations after revision on the EBB at 15:00 of D+1 at the latest.

## **5.2.3** Vessel Discharge Allocations

In case LNG of multiple Service Users are discharged from the same cargo, the discharged LNG shall be allocated among the relevant Service Users in line with notices to be made by such Service Users to ETK .

#### 6. OPERATING CONDITIONS

#### 6.1 General

**6.1.1.** ETK /Service User shall make all necessary arrangements under its responsibility with

other parties at Terminal Acceptance Point and Delivery Point or have these arrangements made, and ensure that such arrangements are compatible with facility operations of ETK.

**6.1.2.** ETK shall have the right to mix the LNG obtained and stored within the scope of this UPP hereby and LNG obtained from other sources for the Foot LNG that it requires. As long as it meets the quality values given in Article 9, Service User acknowledges and accepts that LNG or Gasified LNG that it will receive might not have the same gas composition with the LNG it delivered.

## 6.2 Operating Conditions for Receipt of LNG from Service User Vessel:

- **6.2.1.** The required characteristics for Service User Vessel(s) shall be as stated in procedures and instructions on the Terminal use that are issued by ETK. Even if it possess the specified characteristics, before Service User Vessel arrives at the Terminal for the first time, ETK, after carrying out required assessment within the framework of this UPP hereby, may accept, conditionally accept or reject the vessel, provided that it notifies its grounds to the Service User.
- **6.2.2.** ETK provides berthing, loading and discharge services in the Terminal or have these services provided, including the following:
- 1. Equipment for berthing to the Port and the Terminal,
- **2.** To the extent it is allowed by the port officials, sufficient lighting to ensure safe manoeuvres for berthing to the dock in day and at night,
- **3.**Except for the process of activation and deactivation of the pumps; discharge arms, piping systems and other facilities to enable LNG to be discharged from the Vessels with an average speed of 6000 m<sup>3</sup> LNG/hour,
- **4.** A Gas return line, which has a diameter sufficient to maintain the appropriate operating pressure in the tanks of Service User Vessel and reaches from the LNG Vessel to the Terminal.
- **6.2.3.** Discharge of LNG shall be performed in accordance with the safety rules stated in the procedures on berthing, discharge, security and terminal use to be issued by ETK and other regulations.
- **6.2.4.** Service User shall provide information to ETK , such as characteristics of the LNG Vessel, its arrival date and time to the Terminal, composition, temperature, density, estimated saturation pressure, etc. In addition, Service User shall send the ETAs written below or have them sent, to ETK:
  - 1. After Service User Vessel has departed from the port of departure, the first ETA is sent and estimated time of arrival according to the Pilot Station shall be notified. Furthermore, this notice shall specify characteristics of the vessel that discharge LNG to ETK, whether the vessel will receive substances like fuel, liquid nitrogen, food and beverage, and information on LNG to be discharged.
  - 2. Service User, after its Vessel has departed from the port of loading shall notify final bill

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of landing information containing LNG amount in metric ton to ETK, upon receiving such information.

- 3. A new ETA shall be sent to the Pilot Station 96 hours before the estimated time of arrival.
- **4. 4.** A new ETA shall be sent to the Pilot Station 72 hours before the estimated time of arrival.
- 5. A new ETA shall be sent to the Pilot Station 48 hours before the estimated time of arrival.
- **6.** A new ETA shall be sent to the Pilot Station 24 hours before the estimated time of arrival.
- **7.** The final ETA shall be given as Notice of Readiness when the vessel arrives at the Pilot Station.

At the moment when estimated time of arrival of a Service User Vessel deviates at most 1 hour from the time of arrival stated in the last ETA notice, a new ETA notice shall be required.

- **6.2.5.** After Service User Vessel has berthed to the Port/Terminal and been prepared for discharge, captain of the Service User Vessel give a written notice to ETK stating that its vessel is ready to discharge LNG (Ready to Discharge Notice). Afterwards, ETK shall take all appropriate measures for discharge of the Service User Vessel.
- **6.2.6.** In case Service User Vessel cannot arrive at the Terminal as programmed, ETK shall carry out discharge process in a manner not to disturb other planned services in an appropriate time.
- **6.2.7.** Discharge Period shall mean the period of time passing between the point on which Service User provides "Notice of Readiness" of its Vessel and the point the vessel is towed to the same point again after it has discharged its load, which is 40 hours.
- **6.2.8.** Vessels to deliver LNG to ETK shall have P&I Club's insurance policies.
- **6.2.9.** All customs, agency and other required procedures regarding import and sale of LNG shall be performed within their legal periods in accordance with the legislation.

## 6.3 Operating Conditions for Storage of LNG

## **6.3.1. Transfer of the Stored Inventory**

## 6.3.1.1. Inventory Transfer between the Service Users

Service User may, in the following situations, transfer a part or all of the Stored Volume to another Service User which benefits from Terminal Service within the scope of TSC, via sale or by another means, with the approval of ETK: Accordingly;

(a) Parties issue a written confirmation to ETK, specifying that Stored Volume is transferred.

- (b) If the transfer causes the Stored Volume to be higher than the Transferee Service User's MCGC stated in TSC, a Supplementary Policy shall be added to TSC. The Transfer shall not release Transferor Service User of its payment obligations within the scope of Article 12.
- (c) After the confirmation required within the scope of Article 6.3.4.1.1.(a) is taken, ETK shall accept the transfer, within one Work Day, to make calculations for the current Stored Volume with respect to future.
- (d) If required, capacity transfer is also taken into consideration in inventory transfers.

## **6.3.1.2.** Inventory Transfer Foreseen by ETK

In order to ensure more users to simultaneously benefit from ETK Terminal, which has a limited LNG storage and delivery capacity, ETK will carry out inventory transfers between Service Users at the start of the Gas Year, for which the capacity allocations are performed, and when it is deemed necessary by ETK during the year. These transfers are made in accordance with the following rules.

- (a) Transferred LNG amount shall be specified in MMBTU unit. For the conversion of MMBTU- Sm<sup>3</sup>, conversion factors specified in Article 2 shall be used. With respect to the provision of 6.4.1.1., same method shall be used for the transfer by both Service Users.
- (b) Transfer shall also include the condition concerning the return of transferred LNG at the same amount in terms of energy, with a tolerance of  $\pm 2$  days as of the date specified for the return, by taking into consideration the uninterrupted performance of proposed programmes.
- (c) If the LNG transferee returns the transferred LNG to the transferor, within time and in the same amount, transferee shall not make any payments
- (d) ETK shall not make any demands for transfer which may interrupt the LNG loading programme throughout the transfer period of the Transferor Service User.
- (e) As of the time in which Transferee Service User's Vessel starts to unload LNG to ETK Terminal, if the Service User has an expired transfer return and the amount of LNG unloaded from the Vessel reaches the amount of LNG to be transferred, transfer conditions required for the transfer return shall be deemed to arise.
- (f) In addition to the performance bond required by Article 1.5.2 at the execution stage of TSC, a performance bond described in Article 1.5.3 shall also be obtained from the Service User, who wishes to procure services from ETK Terminal at the start of Gas Year.

This security shall be an irrevocable, unconditional and full security, which is payable upon first demand and within limits, and shall be encashed by ETK and paid to the Transferor Service User if the Transferee Service User fails to return the LNG to Transferor Service User, in time and in the amount transferred, except force majeure. In case such letter of guarantee described in Article 1.5.3 is not sufficient to compensate for the claims by the Transferor

Service User with regard to the transferred inventory, the letter of guarantee described in Article 1.5.2. shall also be encashed and the losses to be suffered by the Transferor Service User shall be compensated using such security.

- (g) While performing capacity reservations between the Service Users, transfer for max. 3.200.000 MMBTU shall be made to a Transferee Service User. Programmes concerning vessel arrival dates, LNG amount to be delivered by each Vessel and amounts of delivery in gas state shall be determined in accordance with this.
- (h) If the Transferee Service User fails to transfer the LNG transferred to it, partially or wholly (except for force majeure), within the transfer date (with a tolerance of  $\pm 2$  days) and by taking into consideration the uninterrupted performance of proposed programmes and if Transferee Service User has an inventory for the storage tanks, these inventories shall be transferred to Transferor Service User by ETK . Transferee Service User, whose inventory is transferred by reason of such obligatory transfer shall not be entitled to make any claims against ETK .
- (i) In case Transferee Service User fails to deliver a part or whole of the LNG transferred to it in due time with a tolerance of  $\pm 2$  days, provided not to disrupt implementation of the foreseen programmes, except for Force Majeure; it shall pay the amount corresponding to the undelivered amount of LNG in MMBTU to the Transferor Service User.

In case the Transferee Service User fails to pay Transferor Service User the price of undelivered LNG, performance bond issued by the Transferee Service User for the Inventory Transfer shall be encashed by ETK and paid to the Transferor Service User.

In addition, TSC of the Transferee Service User, which fails to return the transferred LNG on the due transfer date in kind shall be unilaterally terminated by ETK .

#### 6.3.2. Sanctions

In case a Service User cannot withdraw the programmed amounts in an appropriate manner due to operating conditions in ETK 's Terminal or Force Majeure, ETK shall extend the period, which is given for removal of LNG from the storage by the Service User, for one day for each day LNG cannot be withdrawn.

In case LNG is not withdrawn in an appropriate manner, except for operating conditions in the Terminal and force majeure; ETK shall have the following rights:

- (1) ETK shall acquire the right of disposal on the relevant amount, free from all types of exception and objection. ETK shall have the right to sell the LNG in such amount.
- (2) Financial liabilities incurring due to storage of LNG until the day when ETK is entitled to disposal and no withdrawal thereof within its due period shall be collected from such sale price.
- (3) In the event that the total amount obtained through sale fails to cover the financial liabilities referred to in paragraph 2; the amount which cannot be covered shall be collected through

liquidating the performance bond submitted by the Service User during the signing of TSC.

- (4) If there is any balance left from the sales revenue after the abovementioned deductions, the remaining balance shall be delivered to the Service User.
- (5) In addition to operations included in paragraphs (1), (2) and (3) above, other losses to be incurred by ETK shall be compensated by the Service User.

## 6.4 Operational Conditions for Delivery of Gasified LNG

- **6.4.1.** ETK delivers to the transmission network in line with the sound operation range of the measurement system at Delivery Point. Hourly amounts to be sent to transmission network are determined in coordination with the Transmission Company.
- **6.4.2.** If the total Gasified LNG Delivery Programme determined for any day is less than Minimum Gasification Amount (**40.000 Sm³/hour**) ETK may not send Gasified LNG.

## 6.5 Terminal Minimum Operation Stock (Foot LNG)

- **6.5.1.** Foot LNG Amount, is a total of 7.600 m<sup>3</sup> liquid LNG consisting of 5% of each tank when the terminal is stable and balanced.
- **6.5.2.** Distribution of Foot LNG to Service Users: When a new Service User brings LNG with the first LNG vessel, the Foot LNG amount corresponding to its share in accordance with the following formula and such LNG amount is kept in tanks on the behalf of new Service User as Foot LNG. It is distributed to the Service Users, who has LNG in storage tanks as Foot LNG due to previously bringing LNG to ETK Terminal, in proportion with their shares in Foot LNG and is deducted from their Foot LNG amounts.

**X:** MCGC Received by New Service User from ETK

(**A+B+C+...**): MSGK Amounts of Service Users who have previously acquired capacity from *ETK* 

## Foot LNG Amount of New Service User = $(7600 \text{ m}^3 \text{ LNG * X}) / (A+B+C+...+X)$

- **6.5.5.1.** In case a Service User transfers some or all of MCGC received from ETK to another Service User, while Foot LNG Amount of Transferor Service User is decreased in proportion with the amount transferred Foot LNG Amount of Transferee Service User is increased in proportion with the amount transferred.
- **6.5.5.2.** If any Service User who has signed a TSC with ETK does not renew the contract with ETK at the expiry date of the contract or if the contract is terminated for any reason and in case there are still Service Users receiving from the Terminal, while Foot LNG share of such Service User is set to zero Foot LNG amounts of other Service Users are increased in proportion with their MGCG.

**6.5.5.3.** In the event that the Terminal is subjected to a maintenance that requires heating of all tanks and/or operation of the facility is required to be suspended due to force majeure, until such date, Foot LNG is attempted to be delivered to all current Service Users in proportion with their shares as Gasified LNG and/or LNG by pushing operation limits of equipment used in the System. The portion that could not be received in LNG and Gasified LNG form is considered as a loss for current Service Users.

#### 7. GAS LOSSES AND BALANCING

Service User knows and unconditionally and unreservedly accepts that the total gas amount it has delivered to ETK and acquired through inventory transfer from other Service Users shall be equal to the sum of gas amount transmitted to the Transmission Network on its behalf using gasification, gas amount transferred to other Service Users through inventory transfer and Gas Losses including Minimum Business Stock and Boil-off Gas.

#### 7.1 Boil-off Gas

## 7.1.1. Boil-off Gas on Days when There is no Vessel Discharge

The Boil-off gas generated by the Terminal on hourly basis is expected to be managed without loss when gasification amount is sufficient, however in case there is unmanaged Boil-off gas, the amount of burnt gas is determined and distributed among Service Users in storage tanks in accordance with Service Users' LNG amount and deducted from the current stock amounts.

**7.1.2** Boil-off Gas on the Days of Vessel Discharge and the Following Day Boil-off gas generated during discharge of any Service User Vessel is attempted to be received from the environment using current compressor systems (if there is sufficient delivery).

If sufficient delivery to be able to manage the Boil-off Gas generated during Vessel discharge cannot be done and if the agreement signed between Service User and LNG Vessel operator allows discharge of the Vessel at low speed to decrease Boil-off Gas generation and correspondingly allows for a delay in Vessel discharge duration, such provisions shall be applied. If sufficient delivery cannot be made or Vessel discharge speed cannot be lowered the Boil-off Gas generated in excess shall be compulsorily burnt. Such burnt gas shall be deducted from the LNG amount received to the tank on the behalf of Service User whose gas vessel is discharged.

Even though Vessel discharge is completed in 40 hours, in some cases, high Boil-off Gas generation continues the next day due to the temperature and chemical composition of discharged LNG and mixture thereof with LNG already contained in the tanks. If boil-off gas is burnt accordingly, such gas burnt within 24 hours following the completion hour of Vessel discharge shall be deducted from the LNG amount in the tank of the Service User, whose vessel is discharged. If a second vessel is accepted for discharge within 24 hours following the first discharge, with the beginning of discharge, the Boil-off Gas to come from the first Vessel shall not be taken into account. In addition, ETK shall carry out required assessments regarding fair

determination, of Boil-off Gas amount for each Service User.

The Service User whose vessel is discharged shall be asked for a programme on the management of Boil-Off Gas for the management of the Boil-off Gas formed during the vessel discharging and on the following day. If the Boil-off Gas generated with Boil-off Gas management offered by Service User as well as Boil-off Gas management offered for Vessel discharge and second day cannot be taken from the environment, it is removed from the system through burning. The gas burnt shall be deducted from the LNG amount in LNG tanks of the Service User whose vessel is unloaded.

#### 7.2 Gas Delivered to Service User's Vessel

Vessel tanks should be kept at a positive pressure in order to maintain continuous high speed discharge of the LNG in the Service User's Vessel into the storage tanks of the Terminal in a secure way. For this purpose, some of the Boil-off Gas formed in Terminal storage tanks during discharge shall be delivered to Vessel tanks. The amount of gas delivered to the vessel shall be calculated based on energy and deducted from the amount delivered by the Service User. Quantification of the gas delivered to the vessel in terms of energy is explained in Article 10.1.8.

## **7.3 Gas Burned in Equipments**

Gasifiers used in ETK Terminal to gasify LNG are those which get their heat source by burning natural gas. Where the delivery gas is used in gasification, the volumetric amount of the gas used shall be shared among Service Users using the delivery service in proportion to their ratios in the delivery by considering the value read or calculated from meters and measurement station values based on energy. This balancing shall be made at 08.00 every morning.

## 7.4 Gas Used for Heating

The Gas Used for Heating shall mean the gas used to heat the control room in the facility, laboratory, maintenance buildings, warehouse building, control room and social building, administrative and social facility building. ETK shall keep the records regarding this gas amount. At the end of each month, the Gas used to heat the places specified shall be shared among Service Users retrospectively based on the rate according to the Storage Usage Amounts of LNG stored for Service Users in storage tanks during the relevant month.

## 7.5 Daily Balancing

ETK shall record the following information based on energy for each Service User as of 08.00 and notify this information to each Service User as of 10:00 every day.

- 1. Total LNG amount in tanks in the previous day and the share of each Service User in tanks,
- **2.** Total Gasified LNG amount delivered to the Transmission Network and the share of each Service User in Gasified LNG,

- **3.** Total LNG amount Discharged from vessels and the share of each Service User in the LNG amount Discharged,
- **4.** The amount of gas burned in equipments and the share of each Service User in the amount of gas burned in equipments,
- 5. The gas used in heating and the share of each Service User in the gas used in heating,
- **6.** Total LNG amount in tanks as of 08.00 and the share of each Service User in the total LNG amount in tanks as of 08.00,
- **7.** Daily Amount of Storage Use of Service Users.

#### 7.6 Measurement Difference

## 7.6.1. Calculation of Measurement Difference Where There is no Vessel Discharge

The amount of Gasified LNG delivered all day and Terminal internal consumption amounts shall be deducted from the total LNG amount in tanks as of 08.00 on any day. If the value thus obtained is lower than the LNG amount found in tanks as of 08.00 on the following day; there is a gain, and if it is higher, there is a loss. The said gain or loss shall be shared among Service Users according to Service User ratios in the Gasified LNG delivered during the relevant day.

## **7.6.2.** Calculation of Measurement Difference Where There is Vessel Discharge

The amount of LNG discharged from the Vessel all day in terms of energy shall be added to the total LNG amount in tanks as of 08.00 on any day. If the LNG amount found by deducting the gasified LNG amount, Terminal internal consumption amounts and the amount of gas delivered to the Vessel from this value is lower than the LNG amount found in tanks as of 08.00 on the following day; there is a gain, and if it is higher, there is a loss. The said gain or loss shall be shared among Service Users according to Service User ratios in the sum of Gasified LNG amount delivered during the relevant day and the LNG amount accepted to Terminal from the Service User's Vessel during this time.

## 7.7 Final Balancing in case of Removal from the System

## **7.7.1** Expiration of the Contract within its Normal Term

Service User may withdraw all the Stored Volume as of the date on which TSC is expired or may dispose of it in another way. Provisions of Article 6.5 shall apply for the Foot LNG amount of the Service User.

Service User shall take all the measures to withdraw all the Stored Volume or dispose of it in another way before the expiry of TSC. On the contrary, provisions of Article 6.3.2. shall apply independent of any claims.

Service User may request ETK for a notification regarding the volume amount stored in the

storage on its own account, provided to make this request not later than 20 days before the expiry date of TSC. Upon such a request, ETK shall send a notification regarding the amount of Stored Volume on the account of the relevant Service User within 5 days after the date of request at the latest.

Where the Service User does not accept the amount of Stored Volume as included in the notification referred above, the Service User shall raise an objection to ETK in writing and make a demand to reconcile; provided to do so after the notification and within the term of TSC.

If there is no final reconciliation as of the expiry date of TSC with the Service User with regard to the amount of Stored Volume as included in the notification of ETK, records kept by ETK shall be taken as the basis and the following procedures shall be carried out within the frame of these records.

The Parties shall go to reconciliation within 15 days as of the expiry date of TSC; if the parties fail to reach an agreement within such period, provisions of Article 18 shall apply.

The duration shall be extended one day for each day on which the Service User is not able to withdraw the programmed gas due to operating conditions in ETK Terminal or force majeure events.

## 7.7.2 Termination of Contract by ETK or Service User

**7.7.2.1.** As of the date of termination; if the Service User whose TSC is terminated has an existing inventory and Foot LNG in the ETK tanks and an inventory to be transferred by reason of inventory transfer proposed by ETK, ETK and Service User whose TSC is terminated shall arrange a withdraw programme to perform withdrawal from the Terminal within 15 days, including the amount which is to be transferred within 15 days as of the date of termination.

Within such programme, ETK delivers the remaining inventory to the Service User whose TSC is terminated in Gasified LNG and/or LNG state, as proposed by such programme. If the ETK and the Service User whose TSC is terminated fail to reach an agreement on the programme to withdraw the remaining inventory, ETK shall arrange a programme to deliver the remaining inventory to the Service User whose TSC is terminated within 15 days as of the date or termination, in Gasified LNG and/or LNG state.

If the Service User whose TSC is terminated fails to act in accordance with the withdrawal programme arranged by ETK and to withdraw the remaining inventory in time, ETK shall apply the provision of 6.3.2. for the remaining inventory. ETK shall pay the sum acquired after the expenses are deducted to the Service User whose TSC is terminated. At the end of 15-day period, the letter of guarantee received from the Service User, which accounts for the value of 3.200.000 MMBTU LNG shall be returned to the Service User.

If the Service User whose TSC is terminated has an inventory to receive transfer of, by reason of inventory transfer proposed by ETK after a date following the 15-day period as of termination date, proprietary rights for the inventory of Service User shall be transferred to

ETK as of the date of return for inventory and ETK shall execute the provision of Article 6.3.2 for such inventory. ETK shall pay the sum acquired after the expenses are deducted to the Service User whose TSC is terminated.

7.7.2.2. If the Service User whose TSC is terminated has an inventory to transfer, by reason of inventory transfer proposed by ETK, the inventory and Foot LNG which exist in the ETK tanks as of termination date shall be used to compensate the inventory to be transferred in kind. If the Foot LNG and inventory amounts, which exist in the tanks as of the date of termination, of Service User whose TSC is terminated are higher than the amount of LNG to be transferred, ETK and Service User shall arrange a programme to withdraw such remaining inventory within 15 days as of the date of termination. If ETK and Service User fail to reach an agreement on a withdrawal programme, ETK shall arrange a programme to deliver the inventory, which remains as of the date of termination, to the Service User whose TSC is terminated, within 15 days and in Gasified LNG state. If the Service User whose TSC is terminated fails to act in accordance with the withdrawal programme arranged by ETK and to withdraw the remaining inventory in time, ETK shall apply the provision of 6.3.2. for the remaining inventory. ETK shall pay the sum acquired after the expenses are deducted to the Service User whose TSC is terminated.

If the inventory and Foot LNG of Service User (whose TSC is terminated), which remain in the tanks as of the date of termination, fails to compensate the inventory transfer to be performed in kind, the sum of the uncompensated LNG shall be paid to the Service User, to whom the LNG is to be transferred by ETK, by encashing the letter of guarantee which is obtained from the Service User whose TSC is terminated and which has a value accounting for the value of 3.200.000 MMBTU LNG. The remaining sum shall be returned to the Service User whose TSC is terminated.

**7.7.2.3.** The 15-day withdrawal period as of the date of termination shall be extended for one day per each day of the period during which the Service User whose TSC is terminated fails to withdraw its remaining LNG inventory and Foot LNG by reason of Terminal operational conditions and force majeure.

If there is a difference between the tank inventory kept by the Service User whose TSC is terminated and the inventory kept by the ETK, ETK is records shall be taken as the basis and the following procedures shall be carried out within the frame of these records. The Parties shall go to reconciliation within 15 days as of the date of TSC termination; if the parties fail to reach an agreement within such period, provisions of Article 18 shall apply.

If ETK does not have any rights or claims according to the provisions of this UPP hereby, TSC and the regulations; letter of guarantee issued by Service User whose TSC is terminated shall be returned to such Service User.

## 8. OPERATIONAL FLOW ORDERS (OFO)

## 8.1 Conditions for Issuing Operational Flow Orders

**8.1.1** If ETK needs to ease the conditions threatening the integrity, safety or services of the Terminal or with a view to ensure compliance with the provisions of this UPP, ETK shall have the right to issue binding Operational Flow Orders to each Service User, in the form of instructions, to regulate reception or delivery.

Some situations that may require issuing OFOs are given below and such orders may be issued where necessary to ease the conditions threatening the integrity, safety or services of the Terminal or with a view to ensure compliance with the provisions of this UPP.

- 1. Service User's vessel(s)'s failure to arrive in the Terminal on the planned date,
- **2.** Conditions requiring unplanned facility or transmission network repair and maintenance which will affect the capacity,
- **3.** Failure to comply with limitation orders and presence of a threat to the safe operation of ETK Terminal due to this situation.
- **4.** Failure to deliver gasified LNG in line with the delivery programme and adverse effect of this situation on the ability of ETK to provide to programmed services.

If the Service User cannot receive the said gas amounts from ETK Terminal as it is ordered, ETK shall have the right of disposal for the said amounts independent of any counter claim, provided to have the right to choose. In such a case, provisions of Article 6.3.2 shall apply if the Service User cannot receive the said amounts from the ETK Terminal.

- **8.1.2** An OFO may be issued to be valid for a certain period of time or until the next OFO is issued. Before an OFO is issued, ETK shall be liable for taking all reasonable measures to minimize the negative impacts which may occur as a result of issuing an OFO.
- **8.1.3** ETK 's right to take actions which may be required to arrange actual gas acceptances and deliveries, to ease the conditions which threaten safe operation of its Terminal shall in no way be limited. In such cases, all Service Users shall be obliged to act in cooperation with the ETK.

#### 8.2 Status Reports, Notifications and Damages

**8.2.1.** ETK shall send the OFO notification to Service USERS within the shortest possible time, via EBB, Website, telephone, fax or e-mail. The notification shall include the date and time when the OFO will be initiated, term of effect for OFO, operations to be undertaken by the Service Users, reason for issuing an OFO and operational variables which laid the grounds for the OFO and all other information required depending on the occasion. Under normal conditions notification shall be prepared at 10:00, one day before the Gas Day on which the OFO enters into force, and sent to Service Users. Under normal conditions, OFO shall be valid as of 08.00 on the Gas Day following the notification Day.

If required by operating conditions, three-hour or shorter notices may be issued. This notice shall be delivered to the person appointed by the Service User to submit or confirm the programs and/or any authorized person working for the Service User.

ETK shall publish on EBB the OFO and grounds for issuing an OFO and provide up-to-date information, beginning from the start of the Gas Day until the Service Users are notified that OFO is expired.

Within 30 days after the expiry of OFO, ETK shall publish on EBB a report which explains the issue and expiry of OFO.

**8.2.2.** ETK shall have no responsibility to inform Service Users' customers of any OFO.

# 9. QUALITY

- **9.1.** The LNG to be received for the Terminal Service within the scope of this UPP shall have a commercial value and shall contain the following in the gas state:
- 1. Gross Calorific Value at 15oC and 1.01325 bar shall be at least eight thousand eight hundred seventy six (8460) Kcal/STDm<sup>3</sup> and at most ten thousand four hundred twenty seven (10151) Kcal/STDm<sup>3</sup>
- 2. Component elements varying between the following percentages (in molar percentage):

| Nitrogen     | Maximum 1.5% |
|--------------|--------------|
| Methane      | Minimum 87%  |
| Ethane       | Maximum 10%  |
| Propane      | Maximum 2.5% |
| Butane       | Maximum 2%   |
| Pentane Plus | Maximum 0.2% |

- 3. Maximum 5.1 mg/m³ hydrogen sulphide content,
- **4.** Maximum 30.9 mg/m<sup>3</sup> total sulphide content;
- **5.** Dew point of hydrocarbons should not be higher than -5°C at a pressure of 1-70 bar(a).
- 10. It should not contain water, carbon dioxide or mercury.
- 11. It should not contain any active bacteria or bacterial agent including but not limited to sulphate reducing bacteria or acid producing bacteria.
- 12. It should not contain any dangerous or toxic substance.
- **9.2.** ETK shall have the right to refuse the LNG which does not comply with the standards specified in Article 9.1.
- **9.3.** Gasified LNG delivered to or on behalf of the Service User by ETK shall comply with quality specifications included in the ROA.
- **9.4.** ETK shall deliver gasified LNG to the Transmission Network on the account of the Service User.

#### 10. MEASUREMENT

Details regarding the measurement of LNG taken at the Terminal Acceptance Point and Gasified LNG delivered at the Delivery Point are as described in the procedures regarding the designation of amount and quality specifications published by ETK .

#### 11. ELECTRONIC BULLETIN BOARD AND WEBSITE

ETK shall build a Website for the use of any party including Service Users and potential Service Users and also an EBB only for serving Service Users and update its content continuously. Information to be published via EBB and actions to be taken are as follows.

- UPP
- Gasification capacities for the next Gas Year
- Daily Programmes
- Allocations for the Day G-1
- Idle Capacity notifications, capacity transfer demands
- Gasified LNG amounts delivered hourly to the transmission network within a day
- The amount stored currently and the amount gasified and sent to the transmission network for each Service User at the end of each Gas Day
- Terminal Standard Contract
- Capacity Demand Application Form
- OFOs
- Terminal maintenance and repair information
- Boil-off Gas Information
- Form for recommendations for changes in UPP
- Service User Notifications
- Maritime Service Agreement
- ETK Terminal Navigation Procedure
- Other information required to be published according to UPP

ETK shall also publish the information required to be accessed by third parties other than Service Users, via its Website to be built and updated continuously.

## 12. PRICING AND PAYMENTS

The amounts to be paid to ETK shall be invoiced and paid in accordance with this Article 12.

# 12.1 Pricing Items regarding the Services under UPP

#### 12.1.1. Capacity and Service Fee

The Capacity and Service Fee to be imposed on Service Users by ETK Terminal shall be included in the tariff to be identified by the relevant Board decision.

Each Service User shall pay the Capacity and Service Fee to ETK for the gasification capacity

reserved for that Service User according to the MCGC written on its TSC every month without considering whether the Service User has used this capacity.

# 12.1.2. Capacity Exceeding Fee

Capacity Exceeding Fee is calculated by using the capacity unit price specified in the tariff for each day on which the Service User's reserved capacity is exceeded, by taking into consideration the number of capacity exceeds within a Gas year, in accordance with the following equation and is realized for the amount of capacity exceed.

Capacity Exceeding Fee = Capacity exceeding amount \* unit capacity and service fee \* n

**n**= is the capacity exceeding coefficient and shall be identified in the tariff.

# 12.1.3 Irregularity Fee

Irregularity Fee is calculated in case that the Discharging and Gasification cannot be carried out within the time period in the programme specified within the frame of conditions set forth in UPP by reason Service User's fault, by taking into consideration the difference between the amounts and periods specified in the programme and the realized amounts and periods. Service User which exceeds the periods specified in the programme shall pay, at the start of each day beginning from the end of time specified in the programme, a recurring fee for the LNG amount planned but not discharged or the amount of Gasified LNG not delivered.

**12.1.4** Service User shall be liable for compensating all direct and indirect damages arising from the operation of Terminal before ETK by reason of the vessel's failure to arrive at the Terminal as planned.

Service User shall cover all costs incurred by ETK within this scope. Additionally, if the Service User fails to issue a written notification to ETK and state that the Service User's Vessel will be delayed, at least thirty six (36) hours prior to the planned time of arrival, Service User shall pay ETK a fee specified in the tariff for each similar case.

# 12.2 Service Interruption Fees

ETK shall compensate the service interruptions exposed by Service Users due to the mistakes and faults of ETK as follows:

- (A) In case where the Service User's Vessel cannot be berthed to the Terminal and/or is kept waiting at the Terminal without unloading by reason of faults of ETK , the related direct costs incurred on Service User shall be paid by ETK .
- **(B)** In case where the services, which are to be provided by the storage company according to UPP, are interrupted or could not be provided, the storage company shall pay a Service Interruption fee to Service User for the amount of interrupted services or amount of services which could not be provided and such Fee shall be specified in the tariff.

ETK shall pay no compensation for service interruptions due to force majeure or if it is specified, due to Emergencies and reasons other than ETK 's operational faults.

#### 12.3 Letters of Guarantee

For the bid bond to be provided with the Capacity Demand Application Form during capacity application, demanded Maximum Contractual Gasification Capacity shall be taken into consideration and for the performance bond to be provided during the conclusion of TSC, finalized Maximum Contractual Gasification Capacity shall be taken into consideration. Letters of guarantee shall be unconditional, full and irrevocable bank bid security, which is payable upon first demand and within limits, and the amount is 20% (twenty per cent) of total capacity fee, which is to be calculated by taking the capacity fee for the current Gas Year as the basis.

The sum for the performance bond, which will be obtained from the Service Users for the inventory transfer proposed by ETK shall be the sum which is acquired by multiplying the possible maximum inventory transfer amount for the Service User within the year by the sum that is acquired by adding 5,00 (Five) US dollars (In order to protect the rights of Transferor Service User, ETK shall reserve the right to increase such sum to be added to the NBP price during the phase of signing TSC, within the scope of international market conditions) to the arithmetic average of the DES delivery value, in units of \$/MMBTU, of National Balancing Point (NBP) price for a period of 10 days prior to the date of signing TSC. This letter of guarantee shall be an unconditional, full and irrevocable bond, which is payable upon first demand and within limits. In case where such a bond of the Service User fails to cover the proposed transfer, ETK may demand an additional bond. Provided that Service Users notify ETK in writing that Service Users have reached a mutual agreement concerning the inventory transfer to be concluded by and between the Service Users, no letter of guarantee shall be requested for amounts subject to transfer.

## **12.4 Invoice Content**

Each invoice shall specify the following.

- 12.4.1 Identity of the Service User,
- 12.4.2 Period covered by the invoice,
- 12.4.3 Each pricing item specified in Article 12.1 regarding the service provided under TSC,
- **12.4.4** Reference number for invoice identification,
- **12.4.5** Information to be stated as per Turkish Code of Commerce (TCC) and Tax Procedure Law (TPL).

## 12.5. Payments

- **12.5.1** Service User shall pay ETK the total amount stated in the invoice drawn up by ETK, within 15 days following the date of invoice (if the deadline for payment is an official holiday, it is the first working day after the official holiday). However, ETK should ensure the delivery of invoice to the relevant Service User within 10 days as from the date of invoice.
- **12.5.2** Payments to be made according to this UPP hereby shall be made in Turkish Liras, to the bank branch and account notified to the Service Users by ETK . In case of a change in such information, Service Users will be notified in writing.
- **12.5.3** Amounts to be paid under this UPP:
- 1. Independent of and free from any restriction, record or condition,
- **2.** The Service User shall not make any deductions from the payable amount under the name of compensation, set off and whatsoever. Organizations carrying out the payment operations of the Service User shall not make deductions from the payable amount.

## **12.6 Taxes**

- **12.6.1** The invoice shall include all taxes in force which must be stated on a relevant invoice concerning all items of goods and services comprising the invoice.
- **12.6.2** Unless otherwise required by the relevant legislation, amounts pertaining to invoices payable as per this UPP shall be paid to ETK without any tax cuts or withholding.

### 12.7 Interest

- **12.7.1** If the Service User fails to pay its debt in due time, an interest shall be applied on the overdue liability. The interest amount shall be calculated with the interest rate to be calculated as 5% (five per cent) more than the applicable interest rate identified in Article 1530 of Turkish Code of Commerce in force in the relevant period and published in the Official Gazette and put into force for the period between the due date and the date on which the payment is received.
- 12.7.2 If the Service User fails to make payment within thirty (30) days as from the due date of invoice, ETK, during the twenty one (21) days of notice which shall be provided to the Service User subsequent to the completion of this thirty (30)-day period, may suspend all liabilities of ETK to the Service User as per the relevant TSC. If the amount on the invoice is not paid together with the interest calculated in accordance with Article 12.7.1 at the end of the this 21-day notification period, provisions of Article 6.4.2 and other provisions regarding conditions of operation by ETK shall apply. Additionally, the Service User failing to make the payment shall be responsible for the direct and indirect damages that may occur on the side of ETK and other Service Users due to the suspension of services during this 21-day notification period and the following period.

**12.7.3** If the Service User does not pay the principal and interest demanded in the notification identified in Article 12.7.2, ETK shall have the right to terminate the TSC of the relevant Service User. Service User may not make any claims to ETK due to such termination.

### 12.8. Disputes

- **12.8.1** In the event of any problem or dispute about the calculation of any invoice amount payable by the Service User or about the payment of such amount (whether to pay or not), the Service User shall notify ETK about this problem or dispute and within eight (8) days following the reception of the problem or disputed invoice by the Service User, grounds for disputed invoice amount shall be notified to ETK in detail with accompanying objections; however, in any case, the Service User shall fully and completely pay the amount in the disputed invoice as per the provisions stated in Article 14 hereby.
- **12.8.2** After the dispute is settled, if the Service User or ETK incurs any debt, this amount shall be sent to the other party on a separate invoice. This invoice shall be paid within 7 working days subsequent to the reception of the invoice by the parties.

## 13. RESPONSIBILITIES, LIABILITIES

# 13.1. Responsibilities of Service User

Service User is informed of the Terminal Capacity and the technical specifications identified in UPP and shall bear all responsibilities required by TSC, UPP and related legislation, including but not limited to the following responsibilities, by considering the Terminal capacity and conditions.

- **13.1.1.** Without prejudice to Emergency Situations, Force Majeure and the situations in which ETK is unable to fulfil its liabilities arising from UPP or TSC, Service User shall deliver an amount of LNG complying with LNG Quality Specifications and TSC, to the Terminal Acceptance Point according to the Discharge Programme approved by ETK.
- **13.1.2.** Service User shall ensure that LNG is transported and discharged to the Terminal by vessels which comply with the conditions specified by ETK and upon which a collective agreement is reached concerning the compatibility with the Terminal.
- **13.1.3.** In order to comply with the operational rules, requirements and limitations of Terminal, Service User shall obtain the Gasified LNG on the Delivery Point and in accordance with the Terminal Delivery programme.
- **13.1.4.** Service User shall pay ETK any sums required to be paid according to the related Regulations and TSC.
- **13.1.5.** Service User shall arrange monthly, three-month and monthly Discharge Programme and Delivery Programme, to issue these for ETK 's approval, make changes in the programmes

as proposed by ETK and comply with the programmes approved by ETK.

- **13.1.6.** Service User shall make plans and programs for the activities, discharge and gasified LNG deliveries of the vessel and coordinate these with ETK in accordance with the Discharge Programme and Delivery Programme, which are approved by ETK.
- **13.1.7.** Service User shall ensure that the LNG is transported using vessels with an officer trained and experienced in the operation of LNG vessels, who is certified in accordance with the standards that are accepted internationally and who may be contacted, in English, in cases of emergency, and that the LNG is delivered to ETK on the Terminal Acceptance Point.
- **13.1.8.** Service User shall provide/ensure the provision of all maritime services and Agency services (guidance, towing, mooring and other services required) related to its vessels' safe berthing to and leave of Terminal.
- 13.1.9. Service User shall supervise LNG delivery on Terminal Acceptance Point.
- **13.1.10.** Service User shall make/cause to be made all customs and Agency processes required for the import of LNG and its sale in gasified state, pay the related taxes, duties and fees and issue the required documents to ETK in a manner which will not cause any delays and hinder Terminal operation.
- **13.1.11.** In accordance with UPP and in line with the capacity included in TSC, the Service User shall provide ETK with notifications regarding Programs of LNG delivery in gasified state in due time and comply with the programs approved by ETK.
- **13.1.13.** Service User shall conclude required agreements with the Transmission Company for obtaining gasified LNG, in accordance with the provisions of ROA.
- **13.1.13.** Service User shall make any third party acting on its behalf comply with the provisions of UPP and TSC.
- **13.1.15.** Service User shall cover Gas Losses from its own inventory if the loss is not caused by a fault by ETK .
- **13.1.16.** Service User shall participate in the Terminal Operation Gas amounts in proportion to its share.
- **13.1.17.** Service User shall make the insurance for the vessels duly and present insurance policies to ETK .
- **13.1.18.** Service User shall make the Vessels accepted to the Terminal comply with the operation procedures and safety rules notified by ETK.
- 13.1.19. Service User shall perform and carry out all required processes, including but not

limited to, arrangements, applications, declarations, payments and agreements with other persons or public departments, institutions or organisations, which may be finalised on or prior to the Terminal Acceptance Point, on or after the Delivery Points, by taking into consideration that all these comply with the Terminal Capacity and the operational conditions of equipment and in accordance with the provisions of UPP and Terminal Service Contract.

- **13.1.20.** Where any information provided to ETK changes or is expected to change, Service User shall immediately notify ETK, in writing, of such changes.
- **13.1.21.** Service User shall provide ETK with the contact information of a person who can be contacted and who can represent the Service User.
- **13.1.22.** Service User shall have all the rights of disposal on LNG to be provided at the Terminal Acceptance Point and deliver the said LNG to ETK free from any liens, pledges and claims, and on the contrary shall compensate any harm, damage and loss.

# 13.2. Responsibilities of ETK

Property and risk of the LNG in the Terminal, which is recorded to the inventories of the Service Users shall belong to the relevant Service User, responsibility and control thereof shall be transferred by the Service User to ETK at the Terminal Acceptance Point and be returned to the Service User on Delivery Point. ETK shall not have any responsibilities prior to the acceptance or after the delivery of such LNG.

In accordance with the TSC, UPP and the related Regulations, ETK shall bear the necessary responsibilities including the following, by taking the Terminal capacity and conditions into consideration.

- **13.2.1.** To make the capacity specified in the related TSC ready for the use of Service Users.
- **13.2.2.** Without prejudice to Emergency Situations, Force Majeure and the situations in which the Service User is unable fulfil its liabilities arising from UPP or TSC, to take delivery of LNG, which is delivered in accordance with the Discharge Programme and LNG Quality Specifications, at the Terminal Acceptance Point.
- **13.2.3.** Without prejudice to the provisions of TSC and UPP, to maintain the LNG, whose delivery is taken at the Terminal Acceptance Point, in the tanks and, by transforming it into gasified LNG state and deliver it to the Transmission Network on the Delivery Point on behalf of the Service User.
- **13.2.4.** To carry out and provide services related to the operation and maintenance of the Terminal.
- **13.2.5.** Plan, program and approve the Discharge Programme and Delivery Programmes in coordination with all Service Users.

- **13.2.6.** To provide measurement, calibration, laboratory and engineering services required to calculate and determine the quality and amount of LNG accepted and delivered or gasified LNG delivered.
- **13.2.7.** To provide the maintenance and repair works, to the extent possible, without causing any limitations or suspension of the Terminal Service.
- **13.2.8.** In case where the maintenance and repair requires a limitation or suspension of the Terminal Service, to reflect such limitation or suspension equally and transparently to all directly affected Service Users.
- **13.2.9.** To provide and keep all risk insurances for LNG in its possession.
- **13.2.10.** To provide Service User with the contact information of a person who can be contacted and who can represent ETK .
- **13.2.11.** To provide Service User the required information to make the best arrangement for Terminal Acceptance Programme and Terminal Delivery Programme.
- **13.2.12.** If any of the information provided to Service User changes or is expected to change, to immediately notify the Service User of such changes in writing,
- **13.2.13.** To make any Third Party acting on its behalf comply with the provisions of UPP and TSC.

## 13.3. Other Responsibilities

Responsibilities and liabilities not provided under this UPP shall be regulated in TSC.

## 14. EMERGENCY SITUATION

# 14.1. Emergency Situation

Emergency Situations are the cases to which the Service Users and the Transmission Company or ETK shall be responsible to comply and, if Transmission Company is involved, the cases which are specified in ROA, in which ETK makes an Emergency Situation notification where the Terminal operation or the Terminal safety is in danger or the Transmission Company issues an Emergency Situation to ETK with regard to System security.

Emergency Situations define the following cases:

- 1. In case of a Natural Gas or LNG leak in Terminal,
- 2. Fires, explosions,
- **3.** Power failure in Terminal, disabling of operational automatic control systems or such systems' being enabled automatically and disabling the facility,
- 4. In case of a Natural Gas, LNG or Odorising Gas leak in a Vessel at the terminal jetty or a

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manoeuvring Vessel, fires and explosions in the Vessel, Vessel crashing with FSRU or another vessel or vessel's running ashore,

- **5.** Disabling of Terminal with the request of Transmission Company, by reason of an emergency situation determined in the System by the Transmission Company,
- **6.** Existence of cases which jeopardise the Terminal Security,
- 7. Terminal or Terminal Security's being at risk by reason of a case other than those specified above.
- **8.** In case of a Force Majeure notification by Transmission Company to ETK , by reason of a Force Majeure specified in UPP or ROA,
- 9. Cases which may cause major damages at the Terminal or put safe operation at risk,
- **10.** Cases where the LNG delivered in gasified state or the LNG accepted to Terminal creates a danger in terms of life and property security, caused by the pressure or quality of gas.
- **14.2.** In the case of an Emergency Situation, ETK shall inform the Service Users and/or Transmission Company, within the shortest period of time possible, stating the reason, scope, result and estimated period of the Emergency Situation. ETK shall regularly inform the Service Users and/or Transmission Company of the developments concerning the Emergency Situation. If the Emergency Situation is determined to be subsided according to Article 14.4, Service Users and/or Transmission Company shall be notified of the circumstances within the shortest period of time possible.
- **14.3.** ETK shall use its initiative concerning the actions or precautions to be taken to get the Emergency Situation under control or to eliminate it and to make Terminal Service and Terminal operate as regular; however, it shall pay the utmost attention to hold Service User and Transmission Company harmless.
- **14.4.** Emergency Situation continues until ETK determines that Emergency Situation has subsided, there are not further actions required, the Terminal may continue its regular operation, UPP may be continued to be executed as usual and notifies the Service Users and/or Transmission Company of such situation, according to the case, or, Transmission Company determines that Emergency Situation has subsided, there are no further actions required, the Terminal may continue its regular operation, ROA and UPP may be continued to be executed as usual and notifies ETK of such situation.
- **14.5.** Notifications concerning the Emergency Situation are issued to:
- -Commissioned representative of Service User,
- -Representative of Transmission company, who is commissioned in accordance with the Connected System Delivery Contract or UPP.

In order to facilitate quick communication in an Emergency Case, Service Users and Transmission Company shall issue ETK the contact information of their Representatives, including the telephone and fax numbers, through which the Representative may be contacted at any time of the day. In case of a change in the contact information of the representative, information concerning date of such change, new name, telephone, fax number and contact information shall immediately be issued to ETK . ETK shall also provide the same information to the Service Users and Transmission Company.

ETK shall make the necessary interventions, even if the Transmission Company and/or the Service User cannot be contacted with.

- **14.6.** Emergency Situation Precautions may, upon the request by ETK or Transmission Company, include the Service Users and/or Service User's Vessel, along with ETK. Service Users shall be obliged to comply with the demands related to the Emergency Situation demands and accept that its own benefits are of secondary importance. In case of an Emergency Situation, Service Users shall be liable for making their Vessels comply with the instructions given by ETK.
- **14.7.** Emergency Situation Precautions may, upon the request by ETK, include the precautions required to be taken by the Transmission Company, along with ETK. In such a case, ETK, and Transmission Company shall accept that their own benefits are of secondary importance. In such case, the Parties shall be obliged to comply with the demands of each other, with regard to the Emergency Situation Precautions, in order to get the Emergency Situation under control in a short time.
- **14.8.** Implementation of an Emergency Situation Precaution taken by ETK or Transmission Company by ETK or Service Users shall not be a breach of any provisions of Terminal Service Contract, Connected System Contract, UPP or ROA, depending on the case. Within this scope, ETK shall not be deemed to fail to fulfil its obligations arising from the Standard or Supplementary Service.

#### 15. FORCE MAJEURE

## 15.1 Conditions to be considered as Force Majeure

**15.1.1** Force majeure shall refer to an incident or situation which occurs without the fault of the party affected by such incident, which cannot be prevented by the affected party although that party has shown due diligence, and which renders impossible, partially or completely, the fulfilment of the liabilities of the affected party arising out of this UPP and TSC.

Force majeure events shall not remove the Service User's obligation to make required payments (except for the cases where the failure to pay arises from a Force Majeure event or condition affecting all reasonable payment facilities; and upon the removal of such a Force Majeure event, the Affected Party shall additionally pay the interest that may be imposed during the time between the due date and payment date for the payable amount).

- **15.1.2** Force majeure shall include but not be limited to the following pursuant to the conditions provided for in the subparagraph 15.1.1,
- 1. Earthquake, flood, lightning, landslide, and natural disasters and epidemic diseases,
- 2. war and terrorist acts, piracy,
- 3. Acts or precautions a civil or military authority,
- **4.** Any judicial decision, administrative decision, legal regulations and restrictions,

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- **5.** Fire, explosion, sabotage, gas or liquid leaks in the Terminal,
- 6. Strike and lock-outs at the Terminal or other employer-employee disagreements,
- 7. Power failure at the Terminal,
- 8. Archaeological finding,
- **9.** Structural changes or developments that may have an effect on any part(s) of the transmission network or any area(s) on the pipe line's route, and in general, on the operation conditions of the Terminal,
- **10.** Malfunction of or damage on berthing dolphins of jetty, connection dolphins, loading arms, discharging lines and Boil-off Gas processing compressors in a way to obstruct the safe berthing and discharging of LNG vessels to the Terminal,
- **11.** Malfunction on any equipment or system in the Terminal (including the measurement station and pipe line) where ETK ceases Gasified LNG transmission partially or completely according to the extent of the malfunction and its influence on the gas transmission.
- **15.2.** Provided that the parties affected by the force majeure cannot fulfil their liabilities set forth in this UPP and TSC completely or partially due to the force majeure, the liabilities of parties other than payment shall be suspended. Service User's liabilities for paying Capacity and Service Fees for the service to be received in ETK Terminal shall survive even under Force Majeure conditions.
- **15.3.** The Force Majeure shall not remove the responsibility or liability of the parties for making notification pursuant to UPP.
- **15.4.** The party affected by the force majeure shall notify the other party (unaffected party) in writing in 2 Working Days at the latest and inform other Service Users that may be affected. The affected party shall inform the other party about all the details of the force majeure, its estimated impacts, its possible scope and duration of the suspension, which measures can be taken in order to overcome the force majeure and how to return to the regular operations.
- **15.5.** The parties shall determine the possible date to return to the regular operations by taking account of such notifications and this date shall be updated during the force majeure.
- **15.6.** The parties shall take all the reasonable measures in order to return to normal performance conditions following the occurrence of a force majeure, and where they cannot prove that they have used all reasonable efforts to overcome the impacts of force majeure, their liabilities shall not be suspended.

## 15.7. Conflicts of Force Majeure

If the party unaffected by the force majeure claims that the situation reported by the other party is not a force majeure, such party shall notify the affected party, within 7 days as of receiving the notification, of such objection in writing and, if it fails to do so, he shall be deemed to waive its right of objection. If the unaffected party makes the duly notification, as specified above, the parties shall find a resolution for the conflict within 30 days. In case where the parties fail to reach an agreement, the conflict shall be solved in accordance with the procedures for resolution of disputes as specified in Article 18.2 of TSC.

## 16. LIMITATION, INTERRUPTION AND SUSPENSION

## 16.1. Conditions for Limitation, Interruption and Suspension

In case one or more of the following situations occur, including but not limited to the following, ETK shall be entitled the right to limit the Terminal Service, partly or wholly, interrupt it or to suspend it at any time. In the cases where such situations occur, ETK shall provide the utmost effort to inform Service Users in advance. ETK;

- 1. where a situation specified in Article 15 of this UPP and deemed as a Force Majeure occurs;
- **2.** where any of the situations specified in Article 14 above and deemed as an Emergency Situation occur,
- **3.** if a Service User fails to comply with an OFO issued by ETK and if such case threatens the safe and secure operation of Terminal,
- **4.** with the decision of ETK, if required by the Terminal Capacity, delivery or operational conditions or to subside the conditions threatening Terminal safety,
- **5.** in the cases where Terminal integrity is threatened due to the Service User's failure to comply with the rules specified in this UPP and with an order of limitation, interruption or suspension,
- **6.** by reason of an Emergency Situation in Transmission Company, upon demands by the Transmission Company to decrease and/or limit Gasified LNG amounts delivered at the Delivery Point,

shall have the right to make immediate limitations, interruptions and/or increases at Terminal Acceptance and Delivery Points.

## 16.2. Notifications for Limitation, Interruption and Suspension

- **16.2.1.** In case where one or more of the aforementioned situations occur, ETK shall issue a limitation, interruption or suspension notification to the Service User, other Service Users affected by such situation and Transmission Company, using reasonable means with regards to the prevailing conditions and at all cases, by confirmation via EBB or fax.
- **16.2.2.** Such a notification shall be issued to Service User's address and commissioned Representatives specified in TSC.
- **16.2.3.** With regards to notifications of Force Majeure, Emergency Situation, Limitation, Interruption or Suspension, ETK shall not have any obligations related to notifying (excluding the Transmission Company) other persons, who are directly or indirectly affected by the process or its consequences, such as Service Users' supplier, End Users and distribution company. However, ETK shall use all efforts required by the situation in order to provide the said persons with necessary information.

## 16.3 Compliance to Limitation, Interruption or Suspension

Service User undertakes to carry out and apply the required process specified in the notification after a Limitation, Interruption or Suspension notification is issued. In case where Service User fails to comply with a Limitation, Interruption or Suspension notification, such processes of Limitation, Interruption or Suspension shall be carried out by ETK ex officio.

#### 17. PLANNED MAINTENANCE

# 17.1 Maintenance Planning

Service Users shall provide ETK with the information requested by ETK for preparation, programming and execution of planned maintenance works to be carried out in LNG Terminal by ETK, within the shortest period of time possible.

ETK shall provide Service Users with the maintenance programme prepared for each Gas Year before the relevant Gas Year. The maintenance schedule shall indicate the services to be influenced by the planned maintenance as well as the duration of maintenance, if possible.

ETK shall plan the Maintenance Programme in a way to carry out maintenance works simultaneously with the planned maintenance in transmission network to the extent possible.

#### 17.2 Calendar

Maintenance programme preparation calendar shall be as follows for each Gas Year:

- **1.** ETK shall discuss maintenance plans for the current Gas Year with Service Users in the meeting to be held in April and May of the previous Gas Year.
- **2.** ETK shall announce the maintenance programme of each Gas Year on its Website or EBB until July 1 of the previous Gas Year.

In the event that unanticipated circumstances occur, ETK may modify the content, periods, dates, duration of maintenance identified in the maintenance schedule provided to discuss the situation with Service Users and notify the affected Service Users minimum 30 days in advance.

# 17.3 Liabilities of ETK

If the service capacity of the Terminal decreases due to a planned maintenance work or a maintenance work arising from a force majeure event, ETK shall be relieved of its liabilities for taking the delivery of, store and deliver LNG in accordance with UPP and TSC. ETK shall reduce the Terminal services due to the maintenance fairly, explicitly (subject to the relevant confidentiality liabilities) and without any discrimination for the Service User directly affected by the maintenance.

## 17.4 Maintenance Period

ETK shall restrict the planned maintenance in one Gas Year with 20 (twenty) maintenance days in total. In the event that unanticipated circumstances occur, ETK shall have the right to perform an unplanned maintenance deemed to be necessary for the operation of the LNG Terminal in addition to the planned maintenance, provided to inform Service Users as soon as possible, and shall inform Service Users of such maintenance. Service Users affected from maintenance works carried out in this way may not make any claims from ETK for their losses that may occur.

#### 17.5 Liabilities of Service User

The payment liabilities of the Service User regarding the capacity reservation shall continue during the maintenance.

#### 18. RESOLUTION OF DISPUTES

- **18.1** Disputes between ETK and Service User on the following issues that may arise from the implementation of UPP;
- Capacity reservations, cancellations,
- Allocations,
- Limitations and Interruptions,
- OFO

shall be resolved by EMRA in the first place. Decisions to be taken by the Board within at most 30 (thirty) days shall be binding on the parties. Parties may take Board decisions to judicial remedy.

**18.2** Procedure for the resolution of disputes other than those described in Article 18.1 shall be regulated in TSC.

### 19. CONFIDENTIALITY

## 19.1 Confidential Information

The term "confidential information" shall refer to the commercial information and documents of the Service USER obtained by ETK and to the commercial information and documents of ETK or of another Service User obtained by the Service User during the term of the UPP and TSC. The information owned by the public, already known by the public and published by ETK in its website pursuant to the UPP shall not constitute confidential information.

#### 19.2 Disclosure

# 19.2.1 Except the following;

- 1. EMRA and Competition Authority due to the inspections and investigations they will conduct,
- 2. ETK or Service User's consultant,

- **3.** bank or financial institution that ETK or Service User applies for their financial assistance or receive their financial assistance,
- **4.** A state institution or organisation, as required by law,
- **5.** Any judicial authority confidential information may not be disclosed to any person without the written approval of the other party.
- **19.2.2** If ETK or Service User discloses the confidential information to a third party other than the ones specified in sub-paragraph 19.2.1, the prerequisite of this disclosure shall be to guarantee that such third party will not disclose such information to other persons without the consent of ETK or Service User.

## 19.3 Continuity

Provisions of this Article 19 shall continue to be binding on ETK and Service User during the term of TSC and for the following 5 (five) years, reserving the provisions of relevant legislation.

# 19.4 Data Property

- **19.4.1** Any data processed, recorded or kept in various systems in ETK Terminal subject to provisions of this Article 19 shall belong to ETK and ETK shall use such data to provide storage service.
- 19.4.2 When a Service User presents data to ETK, it shall agree that it has permitted the utilization, copying and any kind of processing of that data for the execution of TSC and UPP and for other purposes specified in UPP without claiming any copyrights and without any restrictions.
- **19.4.3** If ETK communicates or makes available certain data to the Service User, the Service User shall have the right to use such data free of charge for the execution of UPP and for other purposes set forth in UPP.

#### 19.5 Sanctions

If any party fails to comply with confidentiality provisions, the party spotting the breach shall notify it to EMRA. Additionally, parties shall reserve their right to refer to judicial remedy against the other party.

#### 20. AMENDMENT TO UPP

ETK , Service Users and other parties related to UPP may propose a recommendation for an amendment to UPP. UPP amendment recommendations shall be issued to EMRA. ETK 's opinions shall be received regarding amendment recommendations received by EMRA. EMRA may not make any amendments to UPP without the Board's Decision.

#### 21. MISCELLANEOUS

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- **21.1.** TSCs shall be executed and interpreted in compliance with the relevant legislation.
- **21.2.** TSCs shall not create any right for the third parties.
- **21.3.** Unless otherwise specified in any TSC, any notice, demand, request, notification or invoice and any other notification that may be sent by ETK or Service User to the other party shall be in written and shall be considered as duly served when it is sent via registered mail to the mail address of the other party provided in TSC or to any other address notified through official written notice or via e-mail to the registered electronic mail address (REM). Routine correspondences and notifications related to the programs may be sent via EBB, fax or electronic mail.

#### 22. PROVISIONAL ARTICLES

- **22.1.** The dates regarding the Capacity reservation process included in this UPP shall not apply to the applications to be received for 2016 and 2017. The relevant dates for this period shall be designated by ETK and published in its website.
- **22.2.** Terminal shall start its operations following the acceptance tests and commissioning operations. ETK shall not be responsible for the loss and damage that may occur if the Service User's Vessels cannot discharge their cargo to the Terminal due to the works to be carried out to recover the troubles that may occur during acceptance tests.
- **22.3.** The quantification for Gasified LNG delivery in 2016 and 2017 shall be made with meters existing on FSRU and after then, data of measurement stations to be established on land shall constitute the basis for relevant amounts.
- **22.4.** The duration of 5 (Five) Working Days included in Article 4.2.1 for the examination of vessel discharge programs, approval of such programs according to operation conditions of Terminal and notification of them to the Service User after rearrangement by ETK shall be 10 (Ten) Working Days for 2016 and 2017.

### **ANNEXES**

Annex-1: Capacity Demand Application Form