

OMV Petrom observations and comments on the final draft of the Spot Cargo Agreement – Alexandroupolis – LNG Terminal proposed by the Operator of the Alexandroupolis Independent Natural Gas System, Gastrade S.A. and subject to public consultation by RAE – The Regulatory Authority for Energy in Greece

From Legal perspective:

- Regarding **art.14.2 Liability**, OMV Petrom observes that Terminal Operator's liability is limited to 20% (total value of taxes corresponding to the spot capacity); the liability of a spot cargo user is limited to direct loss, thus OMV Petrom recommends to have a mirroring liability clause;
- Regarding **art. 15.2 letter d)** OMV Petrom considers that such a situation cannot represent an event of Force Majeure;
- Regarding **art. 15.2 letter k)** OMV Petrom considers that this should also be included under Force Majeure events; OMV Petrom also considers that „**proximity of the Terminal**” should be further defined);
- Regarding **art. 15.2 letter l)** OMV Petrom considers that the activities listed should be explained in a more specific manner;
- OMV Petrom considers **art. 16** as being rather discretionary;
- OMV Petrom recommends that a neutral law be applicable across all the documents involved in this business.

From Tax perspective, OMV Petrom kindly requests the following:

- Clarifications regarding the Greek tax implications (i.e. tax treatment from e.g. VAT, excise duty, special duty perspective and related tax registration requirements) of the transactions between the Terminal Operator and the Terminal Users consisting in the **LNG Retainage** and in the **LNG Operational Heel**;
- Clarifications regarding the tax implications of the transactions between the Terminal Users consisting in the **borrowing and lending on LNG**, as well as in relation to the corresponding allocation of natural gas further to the regasification process;
- Clarifications regarding the **invoicing process** (including invoicing frequency) for the above mentioned transactions;

- Clarifications on whether any transactions occurring in the Terminal may qualify as a release for consumption for excise duty purposes - and, if the case, in what specific cases may this occur and who will qualify as the taxpayer of excise duty from a Greek tax perspective (Terminal Operator or Terminal User);
- Clarification regarding the applicable customs treatment / clearance procedures and the applicable reporting requirements from a customs duty perspective (e.g. will a simplified customs declaration procedure apply for the unloading of LNG in the Alexandroupolis terminal?);
- Clarifications regarding the applicability of any specific tax exemptions / special tax regimes in relation to the LNG unloaded by the Terminal Users (including the applicability of any VAT exemption or the import of LNG by the Terminal Users);
- Clarifications on whether the tracking and information to be provided by the Terminal Operator to Terminal Users (as currently envisaged in the TUA, TAC, IUA, etc.) will enable the accurate tax reporting at the level of the Terminal Users.

From Credit Support perspective:

- Regarding **Schedule II Credit Support**, paragraph 1., OMV Petrom considers that “**(except a court order)**” should be inserted after “any denial of liability by the Terminal User or any other order” (row7). The insertion would make clear that the Bank cannot violate a court decision contrary to the execution payment;
- Regarding **Schedule II Credit Support**, OMV Petrom considers that, in paragraph 9., the following: “**except that the supporting document requirement of article 15(a) is hereby excluded**” should be deleted, as this clause requires the Beneficiary of the guarantee to declare that the demand for payment is the result of the non-fulfillment of the contractual obligations by the Applicant (OMV Petrom) and to indicate the non-compliance of the obligations by the Applicant within the contract.