

General Terms of Natural Gas Sales Agreement (natural persons)

Valid from: 22.03.2023

1. General Provisions

- 1.1. These General Terms of Natural Gas Sales Agreement of SIA Elenger (hereinafter “**General Terms**”) regulate the sale of Gas from SIA Elenger (hereinafter “**Seller**”) to a natural person specified in Special Terms (hereinafter “**Buyer**”).
- 1.2. Natural Gas Sales Agreement (hereinafter “**Agreement**”) consists of General Terms herein, Special Terms (before and hereinafter “**Special Terms**”) and the respective annexes.
- 1.3. Terms deviating from the General Terms can be agreed upon in the Special Terms. If a conflict between the documents of the Agreement should arise, the terms agreed in Special Terms shall apply first, then the Annexes to Special Terms and the General Terms.
- 1.4. Definitions not defined in the Agreement shall be interpreted on the meanings provided by legislation.

2. Gas Supply

- 2.1. The Seller sells to the Buyer the natural gas transmitted through the gas system (before and after “**Gas**”) for the consumption points specified in Special Terms.
- 2.2. The system operator ensures and is responsible for the quality and security of Gas supply in accordance with the applicable law. The Seller does not provide and is not responsible for the quality of the system service or disruptions or interruptions related to it.
- 2.3. The Gas sold by the Seller shall be transferred to the Buyer at the Buyer's connection point and the quantity of Gas sold shall be measured at the respective metering point in accordance with the procedure provided by the applicable law.
- 2.4. During the validity of the Agreement, the Buyer has the right to request the addition or removal of metering points set in the Agreement by submitting a corresponding request to the Seller no later than 14 days before the addition or removal of metering points from the Agreement. The addition or removal of metering points and the conditions thereof shall be agreed separately by the Parties.
- 2.5. The Buyer delegates its balance responsibility to the Seller and the Seller performs the Buyer's balance management.

3. Determination of the quantity of Gas

- 3.1. The quantity of Gas purchased and sold equals the quantity of Gas consumed at the metering point.
- 3.2. The quantity of Gas consumed at the Buyer's metering point is determined on the basis of data provided by the distribution system operator through the Gas Traders Support System maintained by the distribution system operator regardless of whether the Gas quantity is measured with the commercial meter of the system operator or determined by the system operator in accordance with the procedure provided by legislation.

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- 3.3. The Seller has the right to request the inspection and verification of the commercial meters of the Buyer's metering points on site. If the Seller requests so, the Buyer must request and allow the system operator to verify the accuracy of the commercial meters. If the Buyer does not submit the request in a reasonable time, the Seller has a right to submit a corresponding request to the system operator on behalf of the Buyer.
- 3.4. If the system operator corrects the Buyer's consumption data after submission of the Seller's invoice, the Seller shall reflect respective corrections on the next invoice submitted to the Buyer.

4. Price of Gas

- 4.1. The price of Gas or the basis for the formation of the price and the price plan shall be determined in Special Terms (before and hereinafter "**Price of Gas**").
- 4.2. The Price of Gas determined in the Special Terms is the final price to be paid by the Buyer for the Gas, which includes VAT and other taxes valid at the time of concluding the Agreement in accordance with the applicable legislation in the Republic of Latvia. The Seller's invoice also includes charges for system services, excise duties and other possible charges payable to the system operators.
- 4.3. If the price package includes a monthly fee and the validity of the Agreement in the given Accounting Period is shorter, the Buyer shall pay the monthly fee according to the number of days in the Accounting Period, where the daily fee is calculated by dividing the monthly fee by the number of calendar days. The monthly fee is added to the invoice for each month, regardless of whether the Buyer consumed the Gas.
- 4.4. If a price package is applied to the Buyer, according to which the Seller periodically notifies the Buyer of the valid Price of Gas in accordance with the conditions and procedure provided in the price package, such periodic change of the Gas price shall not be considered an amendment to the Agreement, incl. clause 4.6 of the General Terms does not apply.
- 4.5. In case of an indefinite term Agreement, the Buyer has the right to request a change in the price package at any time by notifying the Seller at least 15 calendar days before the change of the calendar month. The new price package agreed by the parties will take effect from the beginning of the next Accounting Period.
- 4.6. In case of an indefinite term Agreement, the Seller has the right to unilaterally and without the Buyer's consent change the price plan, pricing conditions (incl. Set monthly fee) and Price of Gas if it is necessary to take into account changed circumstances (e.g., changes in legislation or competitive conditions, changes due to the development of the gas market, significant change in the Gas consumption of the Buyer) or is necessary due to the change of the gas sales principles by the Seller, notifying the Buyer thereof at least 1 month in advance. If the Seller changes the price packages, the Seller shall, if necessary, exchange the valid price package for the price package with the most similar conditions, taking into account the Buyer's Gas consumption. If the Buyer does not agree with the change, the Buyer has the right to terminate the Agreement by submitting a notice to the Buyer no later than 15 calendar days before the changes come into effect.

5. Billing

- 5.1. The Seller shall invoice the Buyer for each calendar month (before and hereinafter "**Accounting Period**").

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- 5.2. The Buyer shall settle payments for the consumed Gas according to the volume of the Gas recorded by commercial meters as cubic meters (m³), which has been re-calculated as kilowatt hours (kWh).
- 5.3. The Seller shall issue an invoice to the Buyer no later than on the 12th calendar day following the Accounting Period or on the first business day thereafter, provided that the system operator has made the Buyer's consumption data available to the Seller in the Gas Traders Support System maintained by the distribution system operator.
- 5.4. The Seller issues the invoice in an electronic form and sends it to the Buyer's e-mail address specified in the Special Terms of the Agreement. The Parties agree that the electronic invoice is valid without a signature. For issuing a repeated invoice, the Seller has the right to demand from the Buyer a fee for issuing a repeated invoice in accordance with the price list of additional services established by the Seller.
- 5.5. The Buyer must notify the Seller if the invoice is not received by the 15th calendar day following the Accounting Period.
- 5.6. If the Buyer does not agree with the submitted invoice or only partially agrees with it, the Buyer shall notify the Seller in writing before the due date, stating the reasons for disagreement. In case of partial acceptance, the Buyer shall pay the accepted part in accordance with the Agreement. The Seller shall examine the Buyer's claim and notify the Buyer in writing of the results of the inspection within 10 business days of receipt of the claim. Based on the results of the inspection, the Seller may set a later payment date. If the Seller concludes that the Buyer's claim was not substantiated, the Buyer is not freed from obligation to pay the unpaid amount together with the accrued default interest.
- 5.7. The Buyer shall pay the invoice by the due date indicated on the invoice.
- 5.8. The Invoice is considered paid on the day when the entire Invoice Amount has been credited to the account indicated on the invoice.
- 5.9. If a payment made by the Buyer does not cover all arrears, the payment will be directed in accordance with applicable law (e.g., Article 1844 of the Civil Law).
- 5.10. If the Buyer makes an advance payment, the Seller shall retain it to cover future obligations. No interest is charged or paid on the advance payment. If the Buyer has no outstanding arrears, the Seller shall return the advance payment to the Buyer within 5 business days from the receiving the relevant request by the Buyer. Upon termination of the Agreement if the Buyer has no outstanding arrears, the Seller shall return the advance payment to the Buyer within 5 business days after the submission of the invoice for the last Accounting Period.
- 5.11. If the Buyer fails to settle the invoice on time, the Seller has the right to demand from the Buyer a late payment interest of 0.15% per day on the due amount of the unpaid Invoice. Late payment interest on arrears will be calculated from the day following the due date and the calculation of late payment interest on arrears will be terminated on the day of receipt of the Invoice Amount in full.
- 5.12. The Seller settles payments with the distribution system operator and the transmission system operator for the system services provided to the Buyer other services and taxes.

6. Liability

- 6.1. The Parties shall immediately notify each other of all circumstances that hinder or may affect the performance of the Agreement. A Party is obliged to inform the other Party if

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a Party or any company or undertaking belonging to a group or a member of their management or supervisory body will become subject to international sanctions (hereinafter "**Sanctions**") by a state or an international organization.

- 6.2. The Parties shall be liable for improper performance or non-performance of the obligations provided for in the Agreement.
- 6.3. If the Buyer has breached the Agreement, the Seller has the right to apply the following measures together or separately at its own choice:
 - 6.3.1. to unilaterally shorten the payment term up until 5 business days, reflecting the new payment term on the invoice;
 - 6.3.2. to demand a performance security, i.e., demand a deposit, surety etc.;
 - 6.3.3. to submit an application to the system operator for the interruption of Gas supply in accordance with the provisions of legislation, whereas the costs related to the interruption and restoration of gas supply shall be borne by the Buyer;
 - 6.3.4. to implement other legal remedies.
- 6.4. The Seller has the right to apply the measures specified in clauses 6.3.1, 6.3.2 and 6.3.4 of General Terms if insolvency proceedings of a natural person are proclaimed for the Buyer or bankruptcy procedure is initiated.
- 6.5. The Seller has the right to apply the measures specified in clauses 6.3.2. and 6.3.3. only in cases prescribed by the applicable law.
- 6.6. The security given by the Buyer covers all existing and future claims arising from the Agreement. The Seller has the right to satisfy the claims arising from the Agreement at the expense of the security. The use of security and the amount, type and form of the security shall be decided by the Seller, however, the amount of the security may not exceed the expected Invoice Amount of three Accounting Periods.
- 6.7. The Seller has the right to keep the deposit until the end of the Agreement. Upon termination of the Agreement, in the absence of arrears, the Seller shall return the deposit to the Buyer within 5 business days after full payment of the invoice submitted for the last Accounting Period. If the Buyer has duly fulfilled its obligations under the Agreement throughout the last 24 months, the Seller shall refund the deposit to the Buyer. No interest is charged or paid on the deposit.
- 6.8. The Parties are obliged to act in such a way as to prevent damage to the other Party during the performance of the Agreement. However, if one of the Parties causes damages to the other Party by its actions or omissions, the Party who caused the damage shall only compensate the direct material damages caused to the other Party, the loss of profit shall not be compensated. The Seller's liability is limited to the cost equal to the cost of Gas for 3 months, where the cost of one month is the arithmetic average of the cost of Gas sold during the last 12 calendar months or, in the absence of such data, the arithmetic average of the cost of Gas sold during the term of the Agreement per month. The limitations and exclusions of liability set out in this clause shall not apply if, according to applicable legislation, such liability cannot be limited or excluded, e.g., in case of harm caused by malicious intent or gross negligence or in case of death, personal injury or loss of property caused by deficient services.
- 6.9. A Party shall not be held liable for improper performance or non-performance of the obligations set in this Agreement as long as it is due to the direct effect of force majeure.

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Failure to meet financial obligations is generally not excusable on grounds of force majeure, regardless of the nature of the event giving rise to the financial failure.

- 6.10. The Party whose performance of the obligations arising from the Agreement is hindered due to force majeure shall notify the other Party as soon as possible of the occurrence of force majeure, also of the extent and expected duration of its effects. The Parties shall take all reasonable measures to mitigate and overcome the consequences of force majeure and shall promptly provide the other Party with information known to them on the extent and duration of the circumstances of force majeure.

7. Validity and amendment of the Agreement

- 7.1. The Agreement is valid from the date of signing the Agreement by both Parties.
- 7.2. The Agreement is valid indefinitely or until the end of the Agreement period determined in Special Terms. The Agreement period shall coincide with the Gas trading period.
- 7.3. The Agreement may be amended by mutual agreement of the Parties or on other grounds prescribed by the Agreement or applicable legislation.
- 7.4. The Buyer may withdraw from the Agreement concluded by distance or off-premises within 14 calendar days from concluding the Agreement. In order to exercise the right of withdrawal, the Buyer must submit a withdrawal application to the Seller in writing before the expiry of the withdrawal period.
- 7.5. If the Buyer exercises the right of withdrawal described by clause 7.4. after having requested the Seller to provide services during the withdrawal period, the Buyer shall pay a proportional amount to the Seller (i.e., amount which is in proportion to what has been provided until the time the Buyer has informed the Seller of the exercise of the right of withdrawal, in comparison with the full coverage of the Agreement) of the received system services and other fixed amounts and in addition for the Gas consumed.
- 7.6. In the case of a definite term Agreement, the Seller may, no later than 6 weeks before the end of the term of the Agreement, submit to the Buyer an offer for extension of the Agreement term, specifying the Price of Gas and terms of sale for the duration of the extension. If the Buyer does not notify the Seller of its disagreement with the offer within 14 calendar days of receiving the offer, the Agreement shall extend for a period equivalent to the original Agreement period.
- 7.7. The Seller has the right to unilaterally amend the Agreement, including the Price of Gas and payment terms to the extent and in the manner necessary to take into the changes, if:
- 7.7.1. additional payments, taxes or fees related to the sale of Gas, which impose additional financial obligations on the Seller, are established, implemented or amended by public authorities (including system operators);
 - 7.7.2. it is necessary to take into account changes to legislation (including rules of system operators);
- 7.8. Upon amending of the General Terms, the Seller shall publish new General Terms on its website and notify the Buyer thereof at least 1 month before the amendments to the General Terms enter into force. The notification shall specify the proposed change, the basis for making the change and the date on which the change will take effect. If the Buyer does not agree with the change, the Buyer has the right to terminate the

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Agreement by giving notice to the Seller at least 15 calendar days before the amendments come into effect.

8. Termination of the Agreement

- 8.1. The Agreement shall terminate:
 - 8.1.1. upon expiry;
 - 8.1.2. by written agreement of the parties;
 - 8.1.3. upon termination of the Agreement on the bases and pursuant to the procedure provided for in the Agreement or in applicable legislation;
 - 8.1.4. on any other grounds provided by the applicable legislation.
- 8.2. In the event of the death of the Buyer, the Agreement shall not terminate, but shall pass to the person who inherited the consumer gas consumption point.
- 8.3. The Buyer has the right to terminate the Agreement at any time by submitting a notice of termination to the Seller at least 7 business days ahead, indicating the time when the Agreement shall be terminated.
- 8.4. If the Buyer opts for termination of a definite term Agreement, the Seller shall have a right to charge a fee from the Buyer for the early termination, if such is established in the Special Terms of the Agreement. The Seller shall have the right to charge the fee from the Buyer for the early termination if such is established in the Special Terms of the Agreement, also if the definite term Agreement is terminated earlier by the Seller based on clauses 8.6.1, 8.6.2, 8.6.3, 8.6.4., or 8.6.5. The early termination fee cannot be applied in case the provisions of the Agreement are changed during the first 2 years of the Gas trading period or if the Buyer terminates the Agreement by exercising his or her right as a consumer, such as the right of withdrawal.
- 8.5. The Buyer undertakes to pay the invoices due at the time of submitting the notice of termination within 14 calendar days from the submission of such notice. If the Buyer fails to settle the arrears within such term, the obligation to settle the arrears shall remain in force after the termination of the Agreement.
- 8.6. The Seller has the right to unilaterally terminate the Agreement if:
 - 8.6.1. the Buyer has materially breached the Agreement. If the Seller has given a reasonable additional term to rectify the said breach, the Seller has right to terminate the Agreement after the expiry of additional term, whereas the Seller has no obligation to grant an additional term unless required by the applicable legislation;
 - 8.6.2. the Buyer has lost the ownership, usage or possessory rights to the consumption points;
 - 8.6.3. the Gas supply at the Buyer's metering point has been interrupted more than 12 months;
 - 8.6.4. if Sanctions have been imposed on the Buyer;
 - 8.6.5. insolvency proceedings of a natural person are proclaimed for the Buyer or bankruptcy procedure is initiated;
 - 8.6.6. there is some other ground specified in the applicable legislation, or in the Agreement.

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- 8.7. The following events, among others, are considered material breaches of the Agreement by the Buyer:
- 8.7.1. the Buyer has been late in settling the invoice for more than 3 times during the last 12 calendar months for more than 7 calendar days each time or once for more than 30 calendar days in a row or if at any time the amount of the arrears exceeds the average 2-months cost of the quantity of Gas for previous 12 calendar months;
 - 8.7.2. the Buyer does not provide or restore the performance security required by the Seller within 7 calendar days of receipt of the respective request;
 - 8.7.3. the Buyer has consumed the Gas illegally;
 - 8.7.4. the Buyer violates or fails to perform the obligations of the natural gas consumer arising from the applicable legislation to a degree that the Seller is no longer interested in continuing the Agreement.
- 8.8. Upon termination of the Agreement on the grounds specified in clause 8.6, the Seller shall submit a written notice of termination to the Buyer at least 7 calendar days ahead, unless otherwise provided in the Agreement or legislation. In the cases specified in clauses 8.6.1 and 8.6.4, the Seller has the right to terminate the Agreement without observing the notice period, unless otherwise provided in the legislation.
- 8.9. The Seller has the right to terminate the indefinite term Agreement at any time by submitting a notice of termination to the Buyer at least 30 calendar days before the termination of the Agreement. Upon termination of the Agreement, the delivery and sale of Gas by the Seller to the Buyer shall cease.
- 8.10. Upon termination of the Agreement for any reason, the provisions of the Agreement which by their nature provide for the rights and obligations of the Parties after the termination of the Agreement shall continue to apply after the termination of the Agreement.

9. Notices

- 9.1. Any correspondence related to the Agreement (questions, notifications, claims, letters and other similar forms of correspondence) (hereinafter “**Notice**”) shall be forwarded to the other Party using the contact details specified in the Agreement or notified to the other Party. A Party is obliged to inform the other Party immediately of any change in contact details. If the contact details of a Party have changed during the term of the Agreement and the Party has not informed the other Party thereof, the Notice shall be deemed to have been received by the Party if it has been sent using the most recent contact details provided by the Party. Upon receipt of the Notice, the Party concerned shall give the other Party a reply within a reasonable time or within the time limit specified in the applicable law (if any).
- 9.2. Unless otherwise provided in the Agreement, a Notice having direct legal effect, in particular a Notice giving rise to financial claims or obligations or affecting the validity of the Agreement, shall be deemed to have been duly given if it is given in writing. A digitally signed form is equated to a written form.
- 9.3. The Seller has the right to submit Notices with the invoice issued to the Buyer, and if the respective invoice is paid, it is considered that the Buyer has received the Notice.

10. Processing of personal data

- 10.1. The Buyer agrees and authorizes the Seller to submit and obtain from system operators the information necessary to comply with this Agreement, including the Buyer's personal data.
- 10.2. The Seller ensures the processing of the Buyer's personal data in accordance with the applicable legislation and the principles of use of personal data applied by the Seller, which are available on the Seller's website.
- 10.3. In case of payment defaults, the Seller forwards the data about the Buyer (name, personal identification code, contact details, language of communication, arrears information) to the contractual partner managing and recovering the arrears (incl. Paus Konsults), which may include the Buyer's data in its debt history to enable third parties to assess the Buyer's creditworthiness or receive the data for other similar purposes in accordance with applicable law. The personal data shall be available in the debt history database for up to 3 years as of the performance of the obligation by the customer.

11. Final Provisions

- 11.1. The laws and other applicable legislation of the Republic of Latvia shall apply to the Agreement and related documents.
- 11.2. All disputes between the parties arising from or related to the Agreement shall be settled through negotiations. If such disputes cannot be resolved through negotiations, they shall be resolved in the Public Utilities Commission (www.sprk.gov.lv) or court according to applicable legislation. If the Buyer settles abroad after concluding the Agreement or if the Buyer's place of residence is not known at the time of filing the action, the dispute shall be settled in a court of the Republic of Latvia based on the legislation of the Republic of Latvia. This shall not preclude the Parties from submitting an application in an expedited procedure for orders for payment in accordance with the jurisdiction provided for in that procedure.
- 11.3. If the Buyer is a consumer, under certain circumstances the Buyer might be entitled to submit a complaint to the Commission for Solving the Consumer Disputes (<http://www.ptac.gov.lv/>) or via the European Online Dispute Resolution (ODR) platform (ec.europa.eu/consumers/odr).
- 11.4. During the term of the Agreement and for 2 years after the termination of the Agreement, the Buyer undertakes to keep secret, not to disclose and not use for its own benefit or for the benefit of any person or body any information on derogations or changes from the standard terms and conditions for natural gas sale available on the Seller's website, that are included in this Agreement (hereinafter "**Confidential Information**"). Disclosure of Confidential Information to third parties is permitted only with prior consent of the Seller, except for disclosure to the Buyer's legal advisers, banks and in cases where the Party is required by the applicable legislation to disclose information. This clause does not affect the right of the Buyer to disclose information to the extent necessary to protect his or her legitimate rights.

12. Seller's information
