

# STANDARD TERMS AND CONDITIONS TEMPLATE

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*This template is intended for all Hub users.*

V3.6

STANDARD TERMS AND CONDITIONS

BETWEEN

*AS Conexus Baltic Grid*

AND

*THE MARKET PARTICIPANT*

## 1. Definitions

| Term                                   | Meaning  |
|--|--|
| AIB Communications Hub or "Hub"        | A commercial website operated on behalf of AIB which provides coordination and synchronisation services, distributing messages and acknowledgements between the registries of Hub users. The Hub is defined in detail in Document HubCom;                                      |
| Association of Issuing Bodies or "AIB" | The international scientific association constituted in accordance with the Belgian law of 25 October 1921 (as amended), under nr. 0.864.645.330, under the name of "Association of Issuing Bodies";   |
| Certificate                            | A certificate, record or guarantee (in any form including an electronic form) in relation to:<br>(a) attributes of the Input consumed in the production of a quantity of Output, and/or<br>(b) attributes of the method and quality of the production of a quantity of Output; |
| Certification Scheme                   | A legislative, administrative and/or contractual framework establishing a system of Certificates;  |

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| Term                          | Meaning   |
|-------------------------------|---|
| Competent Body                | In relation to the exercise or discharge of any legislative, governmental, regulatory or administrative function with respect to any Domain, the body duly authorised under the laws and regulations of the state (and, as the case may be, region) in which such Domain is situated to exercise or discharge that function, and, in relation to any gas Guarantee of Origin the body duly authorised by the State under the relevant Legislative Certification Scheme to issue that Guarantee of Origin;   |
| Data Log                      | The Record of Transactions of the AIB Communication Hub (the Transfer Log);   |
| Domain                        | An area containing Production Devices with respect to which a Hub user is a Competent Body;   |
| Domain Protocol               | In connection with a Domain, a document describing the procedures and regulatory provisions regarding GOs for that Domain;  |
| EECS Rules                    | The Principles and Rules of Operation of the European Energy Certificate System, issued by AIB;   |
| Guarantee of Origin (or "GO") | An electronic document (Certificate) issued by a Competent Body under the laws of a State as a guarantee of the nature and origin of energy for the purpose of providing proof to a final customer that a given share or quantity of energy, as the case may be : (i) was produced from the energy source to which the guarantee relates; (ii) was produced by the specified technology type to which the guarantee relates; and/or (iii) has, or the Production Device(s) which produced it has (or have) other attributes to which the guarantee relates; |
| HubCom                        | The document known as "Hub User Compliance Protocol" and subtitled "EECS Rules - Subsidiary Document AIB-PRO-SD03: EECS Registration Databases";  |
| Hub user                      | A Competent Body or Registry Operator which uses the Hub for Transactions,  |
| Input                         | An amount of a specific type of energy or material goods as listed in the EECS Rule Fact Sheet "Types of Energy Inputs and Technologies" consumed by a Production Device in the production of Output;   |

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| Term                                  | Meaning  |
|---------------------------------------|--|
| Integrity                             | The accuracy and consistency of retained and transmitted data, indicated by an absence of any alteration in data during its retention and its transmission from a Sender to a Receiver. Data integrity is maintained through the use of error checking and validation routines;  |
| Legislative Certification Scheme      | A Certification Scheme implemented pursuant to the law of any EU Member State or a State bound to the EU by a Treaty requiring the mutual recognition of GO's;   |
| Output                                | An amount of energy or material goods yielded by a Production Device and measured by a Measurement Body;   |
| Participant                           | A Registrant or Account Holder;  |
| Production Device                     | A separately measured device or group of devices that produces an Output;  |
| Registrant                            | A person in whose name a Production Device is registered from time to time in a Registry for the purposes of the issue of Certificates;  |
| Registration Database (or "Registry") | A database operated by a Hub user or a Registry Operator on behalf of a Hub user, comprising:<br>(a) Transferables and Cancellation Accounts and the Certificates in those Accounts;<br>(b) Details of Production Devices and information provided in connection with the registration of Production Devices;<br>(c) Details of Certificates which have been transferred out of that Registry; |
| Transaction                           | Any communication made and identified as a transfer between Registries regarding GOs, to which an electronic message refers.   |

## 2. Purpose

These Standard Terms and Conditions is a Contract (hereinafter called "the Contract") between *AS Conexus Baltic Grid* and *The Market Participant* (hereinafter called each a "Party" and jointly "the Parties").

This Contract sets out the terms and conditions upon which *AS Conexus Baltic Grid* is prepared to provide Transaction services regarding GOs to *The Market Participant* via the AIB Communication Hub as contemplated by the rules described in the Domain Protocol which is available at [www.conexus.lv](http://www.conexus.lv) and the HubCom Protocol issued by the AIB.

Where Transactions are performed upon the request of *The Market Participant* or involving *The Market Participant*, in accordance with this Contract, the rules described in the Domain Protocol and all applicable technical requirements, and the Parties involved do not claim in due time that the Transaction was in any way erroneous, *The Market Participant* shall in good faith accept the legal consequences of such Transaction.

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## 3. Compliance with the rules described in the Domain Protocol

Registrants of Production Devices become eligible to receive Guarantee of Origin (GO) Certificates under a specific Legislative Certification Scheme by contractually committing themselves with the Competent Body responsible for the relevant Domain (under AS *Conexus Baltic Grid* Standard Terms and Conditions) to comply with the rules described in the Domain Protocol. The Registrant will also be subject to applicable legislation. In case of conflict between the Domain Protocol and the Contract the former shall prevail.

## 4. Obligation to inform

Each Party shall contribute to the implementation of this Contract, to the extent that both Parties shall provide each other without delay all necessary information required by the application of this Contract. If the operation of a Production Device of *The Market Participant* no longer conforms to the reported information, *The Market Participant* shall inform AS *Conexus Baltic Grid* immediately about the change.

## 5. Information systems

AS *Conexus Baltic Grid* issues GOs by using an electronic registry (Registration Database).

*The Market Participant* shall arrange, at his own cost, the necessary information technology architecture and interfaces which *The Market Participant* needs in order to use the Registration Database. *The Market Participant* shall be responsible for sufficient and state of the art methods and technologies that safeguard data security and integrity relating to the use of the Registration Database.

AS *Conexus Baltic Grid* has the right to change the IT prerequisites for the use of the Registration Database. AS *Conexus Baltic Grid* shall inform *The Market Participant* electronically at least 30 calendar days prior to the implementation of material changes. In urgent cases changes can be made without prior notice. AS *Conexus Baltic Grid* shall then inform *The Market Participant* electronically as soon as possible after the change has been made.

AS *Conexus Baltic Grid* shall inform *The Market Participant* three working days in advance of planned unavailability of the Registration Database. *The Market Participant* shall be informed of other unavailability preventing the use of the Registration Database as soon as possible.

*The Market Participant* shall respect the technical requirements and rules of conduct described in the Domain Protocol.

AS *Conexus Baltic Grid* has the right to prevent or restrict the use of the Registration Database service by *The Market Participant* if there is misuse of the system or if *The Market Participant* has not fulfilled its contractual obligations.

## 6. Liability

*The Market Participant* shall at all times act in accordance with the applicable legal provisions and the Domain Protocol of the relevant Domain.

AS *Conexus Baltic Grid* is not liable for losses incurred by *The Market Participant*, except in case of AS *Conexus Baltic Grid* gross negligence, which shall exclude claims for indirect or consequential damage, such as, but not limited to commercial damage, loss of profit, claims of other third parties.

If *The Market Participant* suffers a loss due to gross negligence by AS *Conexus Baltic Grid*, *The Market Participant* must direct the claim for compensation only against AS *Conexus Baltic Grid*.

If *The Market Participant* suffers a loss due to gross negligence by a Hub user, Competent Body, Market Participant or third party, *The Market Participant* must direct the claim for compensation only against the relevant Hub user, Competent Body, Market Participant or third party that has caused the damage.

The AIB, other Hub users or their representatives are not liable for the actions of the negligent Hub user, Competent Body, Market Participant or third party.

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*The Market Participant* has a duty to do everything possible to prevent or limit the extent of the damage. If *The Market Participant* does not implement adequate measures to prevent or limit the extent of the damage, compensation may be reduced.

Claims against any Hub user for any damage, loss, cost or expense incurred by *The Market Participant* in relation to Transactions with GOs shall be limited to five thousand (5000) Euros per year excluding indirect or consequential damage, such as, but not limited to commercial damage, loss of profit, claims of other third parties. Such limitation will however not apply in case of wilful misconduct or intentional damage.

Claims against the AIB for any damage, loss, cost or expense incurred by *The Market Participant* and caused by gross negligence by the AIB in relation to Transactions with GOs shall be limited to thousand (1000) Euros per year per Market Participant, excluding indirect or consequential damage, such as, but not limited to commercial damage, loss of profit, claims of other third parties. Such limitation will however not apply in case of wilful misconduct or intentional damage. Any performance that is provided in conformity with the AIB's Service Level Agreement cannot be regarded as gross negligence.

However, if this paragraph 6 is not applicable or not valid due to applicable legislation, these provisions will be applied insofar allowed by applicable law.

## 7. Errors in Issuing

If *AS Conexus Baltic Grid* or *The Market Participant* discovers an error in issuing, cancelling or processing of a GO, the other party shall be informed as soon as possible.

If there is an error in the course of issuing, cancelling or processing of a GO or an error due to any unauthorised access to or malfunction of a Registration Database, *AS Conexus Baltic Grid* and *The Market Participant* shall cooperate and use all reasonable endeavours to ensure that no unjust enrichment occurs as a result of the error. If there is an error, the GOs held in *The Market Participant's* account may be withdrawn or amended by *AS Conexus Baltic Grid*. If not enough GOs have been issued, *AS Conexus Baltic Grid* will issue the GOs as soon as it receives the correct information.

If it transpires that the data in any GO is inaccurate (whether or not through an act or omission of the Registrant of the originating Production Device), *AS Conexus Baltic Grid* is entitled to – provided that such GOs are, at the time of such withdrawal, in the "Transferable Account" of that Registrant – withdraw those GOs, and other GOs of the same type.

## 8. Expiry of AS Conexus Baltic Grid services relating to GOs

If *AS Conexus Baltic Grid* right to serve as the Competent Body for GOs in accordance with a Legislative Certification Scheme in the related Domain expires *AS Conexus Baltic Grid* has the right to transfer the Contract to a new Competent Body. If there is no new Competent Body, *AS Conexus Baltic Grid* has the right to terminate the Contract.

If *AS Conexus Baltic Grid* no longer acts as Competent Body for a Legislative Certification Scheme *The Market Participant* has the right to retrieve its data.

## 9. Fees

*The Market Participant* shall perform the payment for the GO Registry and Transaction services in accordance with the methodology for fees setting for the issuance of the GOs and the maintenance of electronic system also known as GO Registry (hereinafter called "Fee Methodology") set in accordance with the Energy Law and which is available at [www.conexus.lv](http://www.conexus.lv). The Fee Methodology shall constitute an integral part of this Contract.

Starting from the conclusion of this Contract, *AS Conexus Baltic Grid* shall issue the invoice to the Market Participant covering the fixed annual fee of GO Registry and Transaction services for the calendar year (hereinafter called "Fixed annual fee") and recalculation of fees applicable to the previous calendar year, which shall cover the amount of GO Registry and Transaction services exceeding the maximum amount set in the Fixed annual fee for the previous calendar year, in accordance with Fee Methodology.

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Upon termination of the Contract, *AS Conexus Baltic Grid* shall issue the final invoice to *The Market Participant* covering Fixed annual fee and fee for the amount of GO Registry and Transaction services provided, which exceed the maximum amount set in the Fixed annual fee.

*The Market Participant* shall perform the payment for the GO Registry and Transaction services within the term indicated in *AS Conexus Baltic Grid* invoice and the invoice payment term shall be no less than 10 (ten) days.

*The Market Participant* shall pay *AS Conexus Baltic Grid* the default interest per each day of delayed payment in the amount of 0,15% per day of the timely unpaid sum per each day of delay. *AS Conexus Baltic Grid* shall calculate the default interest and shall specify it together with other information in the next invoice for the GO Registry and Transaction services.

*The Market Participant* has no right to receive any refund of the paid contractual fees as foreseen in this paragraph. The bank transfer fees shall be covered at the expense of *The Market Participant*.

*The Market Participant* shall have the obligation to pay the invoices, which were issued during the period when *AS Conexus Baltic Grid* was the Competent Body for GOs.

Invoice currency is euro. Invoice shall be issued electronically and shall be valid without signature.

## 10. Breach of the Contract

If *The Market Participant* is in material breach of the Contract, including his obligation to pay the fees to *AS Conexus Baltic Grid*, *AS Conexus Baltic Grid* is entitled to terminate or suspend the execution of this Contract and thus to stop issuing, cancelling or otherwise processing Certificates.

## 11. Force majeure

Neither Party shall be held liable nor be deemed in default under this Contract for any delay or failure in performance of any of their respective obligations if such delay or failure is the result of causes beyond the control and without negligence of such Party. Such causes shall include, without limitation, acts of war, civil war, riots, acts of terrorism, general strikes or lockouts, insurrections, sabotage, embargoes, blockades, acts or failures to act of any governmental or regulatory body (whether civil or military, domestic or foreign, national or supranational), communication line failures, power failures, fires, explosions, floods, accidents, epidemics, earthquakes or other natural or man-made disasters, and all occurrences similar to the foregoing (collectively referred to as "Force Majeure").

The Party affected by an event of Force Majeure, upon giving prompt notice to the other Party, shall be excused from performance hereunder on a day-to-day basis to the extent prevented by Force Majeure and the direct consequences thereof (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis to the extent that such obligations relate to the performance so prevented), provided that the Party so affected shall use its best efforts to avoid or remove such causes of non-performance and to minimize the consequences thereof and the Parties shall continue performance hereunder with the utmost dispatch whenever such causes are removed.

In the event that the Force Majeure continues to persist for a period exceeding one month, then either Party shall have the right to terminate the Contract by giving twenty (20) business days written notice of termination to the other Party.

## 12. Amendment of the Contract

If the national or European legislation or the AIB require that the gas Domain Protocol of Latvia be amended, the Parties agree to make all the required changes to this Contract in order to make it coherent with the Domain Protocol. The Parties acknowledge and understand that the AIB Communication Hub is used by many Hub users and Market Participants, and that modifications to the Hub or the regulatory environment must be applied by all parties involved.



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## 13. Confidentiality and Intellectual Property

Information of commercial, technical, strategic, financial or otherwise sensitive nature, which is not publicly known and is usually considered as valuable and confidential, whether or not it is explicitly indicated as confidential, shall be treated as confidential information by both Parties and used solely for the performance of this Contract. Disclosure of such information requires the prior written consent of the other Party, except information which is being disclosed pursuant to the applicable legal acts. *AS Conexus Baltic Grid* is also entitled to use information received from *The Market Participant* pursuant to this Contract for the purpose of fulfilling its functions set out in applicable legal acts for the duration of the Contract and also after termination of the Contract.

For the avoidance of doubt, this confidentiality clause does not prevent *AS Conexus Baltic Grid* to give information to authorities including but not limited to the tax authorities and the police of Latvia and the registration's country of *The Market Participant*, and Europol.

The software that is used to enable the operation of the Registration Database and the Transactions, together with all included tools, know-how and related intellectual property rights, is and shall remain the exclusive property of *AS Conexus Baltic Grid*, the AIB or their service providers or licensors. The software code, documentation and in general all related know-how must be considered confidential information, even if not explicitly disclosed as such. *The Market Participant* shall use the services and the related software only for the purposes of this Contract and shall not copy, reproduce, reverse engineer, decompile nor alter, adapt or modify any part of the software or related documentation.

The duty of the Parties regarding non-disclosure of confidential information set out in this paragraph 13, shall survive the termination of the Contract for a period of ten (10) years.

## 14. Personal Data

The Parties are entitled to process personal data of natural persons received from the other Party solely for the purpose of enabling performance of this Contract, subject to requirements of legal acts applicable to processing and protection of personal data of natural persons. This shall include any kind of personal data as understood under Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), for instance, basic data for identification purposes, such as name and surname, contact details for contact via regular mail, telephone or e-mail or other identification data entered in appropriate registers or indicated in power of attorney or other documents in order to verify the right to conclude or perform the Contract.

A natural person whose personal data are concerned under this Contract has a right to obtain transparent information, to oppose, access and rectify any data which is relevant. The exercise of these rights is guaranteed by *AS Conexus Baltic Grid*.

By signing this Contract, the Parties hereby agree, that each Party shall use, and ensure that its respective subcontractors use, all personal data of the disclosing Party or of third disclosing parties exclusively for the purpose of performing this Contract and personal data of natural persons is processed in order to defend a legitimate interest of *AS Conexus Baltic Grid* and *The Market Participant* – enable performance of this Contract.

The Parties undertake to destroy personal data of natural persons received from the other Party, if the need to process said data is no longer necessary to enable performance of this Contract.

## 15. Assignment and Duration of the Contract

Each Party may assign this contract only with the written consent of the other Party. Such consent cannot be withheld with undue reason. Each Party shall not, however, without consent at any time assign this Contract to an affiliated company.

This Contract shall enter into force and apply after mutual signature by *AS Conexus Baltic Grid* and *The Market Participant* and remain in effect for a one year after the signature date. Each year this Contract shall be automatically extended for another one year period, unless termination notice is submitted by the Party to the other Party.

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The Party shall have the right to terminate this Contract with a prior one month termination notice period.

AS *Conexus Baltic Grid* shall have the right to terminate the Contract unilaterally with an immediate effect if The Market Participant has been subject to international or national sanctions or sanctions imposed by a member state of the European Union or the North Atlantic Treaty Organization affecting significant financial and capital markets interests during the performance of the Contract.

Notwithstanding the termination of the Contract in accordance with this paragraph 15 or the paragraph 10 or 11, the provisions related to the fulfilment of financial obligations, confidentiality, liability, applicable law and the dispute settlement shall survive the termination of this Contract.

## 16. Dispute resolution

Legal relationships arising out of the Contract shall be governed, enforced and construed according to the laws and regulations in force in the Republic of Latvia.

All disputes and disagreements (hereinafter called "the Dispute") between the Parties shall be resolved by way of negotiations. In the event of a Dispute, the Party referring to the existence of the Dispute must submit a written notice to the other Party, containing a description of the Dispute, the offered solution to the Dispute and a person or persons authorised to solve the issue related to the Dispute on behalf of the Party.

If the Dispute cannot be resolved within a period of thirty (30) days (unless the Parties have agreed upon a different deadline), it shall be settled pursuant to the procedure laid down in the applicable laws and regulations of the Republic of Latvia.

In case of disputes, the AIB Hub's Data Log may provide evidence as to the data that have been transferred through the Hub and the time thereof and in such case *The Market Participant* shall accept the statement of the AIB as a binding statement.

Date:

Date:

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*AS Conexus Baltic Grid*

.....  
*The Market Participant*