

Pursuant to Article 76 paragraph 5 and Article 77 paragraph 4 of the Energy Law (“Official Gazette RS”, no. 145/14) and Article 17 paragraph 1 and Article 42 paragraph 1 of the Law on Government (“Official Gazette of RS”, no. 55/05, 71/05 - corrigendum, 101/07, 65/08, 16/11, 68/12 – CC, 72/12, 7/14 – CC and 44/14),

The Government is hereby adopting the following

REGULATION ON THE POWER PURCHASE AGREEMENT

Article 1

The Regulation hereof prescribes in more detail the contents and other elements of the power purchase agreement, as well as the contents and other elements of the power purchase agreement concluded between the guaranteed supplier and preliminary privileged producer, exercising the right provided under that agreement to incentives under the suspensive condition to acquire the status of privileged producer pursuant to the Energy Law and secondary legislation adopted thereunder.

Article 2

The power purchase agreement, pursuant to the Energy Law and the law regulating contracts and torts, shall contain the following:

- 1) Type and installed capacity of the power plant of the privileged producer;
- 2) Incentives the privileged producer is entitled to;
- 3) Incentives during the trial period, if the agreement is concluded by a preliminary privileged producer;
- 4) Incentive period;
- 5) Obligations of the guaranteed supplier in terms of assuming the balancing responsibility and balancing costs;
- 6) Obligations of the privileged producer in terms of planning the operation and maintenance of the power plant;
- 7) Contractual penalty;
- 8) Place of energy handover into the system;
- 9) Place and method of metering;
- 10) Transfer of possession over the produced electricity;
- 11) Electricity meter reading and complaints;
- 12) Price of electricity and manner and terms for price changes;
- 13) Calculation, invoicing and payment method and dynamics;
- 14) Default interest for late payments;
- 15) Payment security instruments, their maintenance and enforcement of the payment security instruments;
- 16) Pledge and assignment of claims of the privileged producer;
- 17) Force Majeure and effects of the Force Majeure;
- 18) Risk of electricity not received by the system operator;
- 19) Payment and subsequent delivery of paid electricity in case of partial or complete termination of operation of the system or part of the system;
- 20) Amendments to regulations during the term of the agreement and method of eliminating the consequences of amendments to regulations;
- 21) Method of communication between contracting parties;
- 22) Transfer of contractual rights and obligations;

23) Rights of the lender or lender's agent with respect to the agreement, as well as the method of exercising such rights, if the installed capacity of the power plant exceeds 30 MW;
24) Cessation of the agreement due to cancellation or termination;
25) Consequences of the termination of the agreement;
26) Method of settlement of disputes;
27) Other elements defined under the model agreement referred to in Article 4 of the Regulation hereof.

Article 3

The power purchase agreement concluded by the guaranteed supplier and preliminary privileged producer exercising their right to incentives under such an agreement under the suspensive condition to acquire the status of privileged producer, in addition to the elements prescribed under Article 2 of the Regulation hereof, contains the following:

- 1) The method of proving compliance with the conditions for acquiring the status of privileged producer within the prescribed period;
- 2) Rights and obligations of the contracting parties in case of phased construction of the power plant;
- 3) Rights and obligations of the contracting parties as of the date of commissioning the power plant or part of the power plant until the beginning of the incentive period;
- 4) Obligations of the preliminary privileged producer in case it fails to acquire the status of privileged producer within the prescribed period, but uses the incentives;
- 5) Other elements defined under the model agreement referred to in Article 4 of the Regulation hereof.

Article 4

The agreements referred to in Articles 2 and 3 of the Regulation hereof shall be concluded in accordance with the model power purchase agreement (hereinafter: the Model), attached to the Regulation hereof and constituting its integral part.

The contracting parties shall enter into the power purchase agreement in writing in accordance with the Model prescribed by the Regulation hereof.

Parts of the model written in italics and in brackets represent mandatory guidelines for the contracting parties when entering into a power purchase agreement and they shall include the appropriate provisions from the model into the power purchase agreement in accordance with such guidelines, as appropriate.

The contracting parties may not include provisions amending, supplementing or excluding provisions of the model prescribed under the Regulation hereof into the power purchase agreement, unless the model specifies otherwise.

Provisions of the power purchase agreement agreed upon in the manner referred to in paragraph 3 of the Article hereof shall have no legal effect, while excluded provisions of the model shall be directly applicable.

Notwithstanding paragraph 3 of the Article hereof, if upon entering into the power purchase agreement certain issues are found to be not specified under the model or if certain provisions of the model need to be amended in order to adjust its implementation to specific circumstances, the contracting parties may amend the power purchase agreement with the approval of the ministry competent for energy matters (hereinafter: the Ministry).

The Ministry shall issue or deny approval within 30 days as of the date of submitting the proposal for amendments to the power purchase agreement.

Should the contracting parties fail to agree on the proposal for amendments to the agreement referred to in paragraph 5 of the Article hereof, the provisions of the law regulating contracts and torts shall apply.

Article 5

The power purchase agreements concluded by privileged producers with the public and/or guaranteed supplier before the date of the Regulation hereof coming into effect shall remain in force and shall be valid until their expiry, except in terms of rights and obligations related to the guarantee of origin of electricity, which shall cease to be in effect on the date of entry into effect of the Regulation hereof.

The provisions of paragraph 1 of the Article hereof shall not prevent amendments to the power purchase agreement to be carried out in case the privileged producer uses the right of opting for the incentive measures prescribed under the Government regulation governing incentives for privileged producers.

Privileged producers having submitted a request for entering into a power purchase agreement, with the request not decided upon before the entry into effect of the Regulation hereof, may conclude the power purchase agreement with the guaranteed supplier in accordance with the model prescribed under the Regulation hereof.

Privileged producers and/or preliminary privileged producers who submit a request for the conclusion of a power purchase agreement after the entry into effect of the Regulation hereof shall conclude the power purchase agreement in accordance with the model prescribed by the Regulation hereof.

An entity having acquired the status of preliminary privileged producer after the entry into force of the Energy Law ("Official Gazette of RS", no. 145/14) and having a concluded preliminary agreement with the guaranteed supplier, may request to declare the preliminary agreement null and void and conclude a power purchase agreement in accordance with the model prescribed under the Regulation hereof.

Article 6

The Regulation hereof shall enter into effect on the next day following its publication in the "Official Gazette of the Republic of Serbia".

No. 05
Belgrade,

THE GOVERNMENT

PRIME MINISTER

MODEL AGREEMENT

[insert name, address, registration number and tax identification number of the guaranteed supplier,] (hereinafter the “BUYER”), represented by [insert first name and surname], on one side, and [insert name, address, registration number, tax identification number of the entity having the status of provisional, or privileged producer], (hereinafter the “SELLER”) represented by [insert first name, surname and position of the authorized person], on the other side, (hereinafter individually referred to as a “Party” or collectively referred to as “Parties”) are concluding, in Belgrade, on [insert date], the following:

POWER PURCHASE AGREEMENT

The Parties agree on the following:

- (A) That the SELLER has acquired the status of a privileged producer for [insert type of power plant and its name], with a total installed capacity of [insert the power] and located in [insert local self-government unit, cadastral municipality], (hereinafter: the “Power Plant”);

In case the agreement is concluded by an entity holding the status of preliminary privileged producer, Item (A) shall read as follows:

That the SELLER has acquired the status of a preliminary privileged producer for [insert type of power plant and its name], with a total installed capacity of [insert the power] and which it intends to [insert build or reconstruct] in [insert local self-government unit, cadastral municipality], (hereinafter: the “Power Plant”);

- (B) That the BUYER is authorized and obliged by law to purchase from the SELLER the electricity produced in the Power Plant;
- (C) That on [insert date] the SELLER has submitted to the BUYER a request for the conclusion of a power purchase agreement.

DEFINITION OF TERMS

Article 1

The terms and expressions used in the Agreement hereof shall have the following meanings:

- 1) Day of acquiring the status of privileged power producer means the day when the decision on acquiring of the status of privileged power producer has become final;
- 2) Working day means any day from Monday to Friday, except for non-working public and religious holidays in the Republic of Serbia;
- 3) Accounting period means a period beginning at 07:00 hours on the first day of a calendar month and ending at 07:00 hours on the first day of the next calendar month;
- 4) Generated electricity of the Power Plant or part of the Power Plant means the total electricity delivered in the transmission or distribution system at the electric power delivery point for a specific accounting period, expressed in kWh;

- 5) Trial operation means operation of the Power Plant, or part of the Power Plant necessary for determining its suitability for use, as per the law regulating planning and construction;
- 6) Registered electricity means the total amount of generated electricity measured by a metering device at the metering point for a certain time period, expressed in kWh;
- 7) Metering point is a point where one or more metering devices for the measurement of generated electricity are located, near or at the delivery point;
- 8) A partial or total interruption of operation of the system or part of the system shall mean a limitation of the generated electricity delivery from the Power Plant, caused by the inability of the transmission and/or distribution system to take over the entire electricity that would have been generated by the Power Plant if such a limitation had not occurred, and the system operator was unable to eliminate it within 12 hours of its occurrence or lasting cumulatively for more than 48 hours during a calendar year;
- 9) Termination payment shall mean an amount equal to the principal of the debt owed on the Termination Date of the Agreement hereof in compliance with any financing or refinancing agreement, with regard to the Power Plant, increased by the interest due and any termination costs related to financing and refinancing;
- 10) Maximum effective operating time for the Power Plant, and/or part of the Power Plant, is the prescribed effective operating time of the Power Plant amounting to [insert number of hours prescribed for the relevant type of Power Plant] in [insert words: for every year of the incentive period, or in case of wind power plants: every quarter of the incentive period], serving as the basis for the calculation of the quantities of electricity produced that the SELLER is entitled to the incentive purchase price for;
- 11) Year of the incentive period means a period of twelve months calculated periodically every year during the incentive period, where the first period is calculated as of the first day of the incentive period, and every subsequent period as of the anniversary date of the incentive period;

In case the agreement is concluded for a wind power plant, item 11) shall read as follows:

11) Quarter of the incentive period means three consecutive years calculated periodically between the following periods:

- (1) Period between year one and (including) year three of the incentive period;
- (2) Period between year four and (including) year six of the incentive period;
- (3) Period between year seven and (including) year nine of the incentive period;
- (4) Period between year ten and (including) year twelve of the incentive period.

In case the agreement is concluded by the SELLER for a power plant with an installed capacity of above 30 MW the following items 12) and 13) shall be added to read as follows:

- 12) Lender means a person providing financing or refinancing in respect of the Power Plant based on a loan agreement or other legal basis.
- 13) Lender's agent means a representative of one or more Lenders who provide financing or refinancing in respect of the Power Plant;

In case the agreement is concluded by an entity holding the status of preliminary privileged producer, item 14), or item 12) shall be added if the previous item is item 11), and it shall read as follows:

- 14) Part of the Power Plant is a part of the Power Plant for which the preliminary privileged power producer status has been acquired and for which the Agreement hereof is concluded, independently built and with separate use permit and which, after the construction, has separate metering for reading the generated electricity.

Unless the context requires otherwise or the Agreement hereof explicitly stipulates otherwise, any reference to the Power Plant shall also be deemed to refer to part of the Power Plant.

Terms and expressions used in the Agreement hereof not listed in paragraph 1 of the Article hereof shall have the meaning assigned to them under the Energy Law (“Official Gazette of RS”, no. 145/14) and regulations adopted based on Articles 74 and 80 of the respective law.

SUBJECT MATTER OF AGREEMENT

Article 2

By way of the Agreement hereof the Parties regulate the conditions for the purchase of the electricity generated in the Power Plant, as well as the conditions and the manner of use of the incentive measures related to the electricity generated in the Power Plant the SELLER is entitled to in accordance with the Energy Law, secondary legislation adopted thereunder and the Agreement hereof.

INCENTIVE MEASURES

Article 3

The Parties agree that the SELLER may exercise the following incentive measures in accordance with the Agreement hereof:

- 1) Incentive period;
- 2) The BUYER taking over the balancing responsibility;
- 3) The BUYER taking over the balancing costs;
- 4) Right to incentive purchase price for the electricity,

In case the agreement is concluded by an entity holding the status of preliminary privileged producer, Article 3 shall read as follows:

The Parties agree that the SELLER may exercise the following incentive measures:

- 1) Incentive period,
- 2) The BUYER taking over the balancing responsibility,
- 3) The BUYER taking over the balancing costs,
- 4) Right to incentive purchase price for the electricity.

The SELLER shall also be entitled to incentive measures as per the preceding paragraph for the period including the time as of the trial operation until the day of commencement of the incentive period, in accordance with the Agreement hereof.

The SELLER shall be entitled to incentive measures, in respect of their content and scope, effective on the day of submitting the request for acquiring the status of preliminary privileged producer, unless they are entitled to select incentive measures effective at some

other time, more favourable for the SELLER, based on the Energy Law (“Official Gazette of RS”, no. 145/14) and regulations issued based on Articles 74 and 80 of the respective law.

The SELLER undertakes the obligation to acquire the status of privileged power producer for the Power Plant or part of the Power Plant within the validity period of the status of provisional privileged producer.

If the SELLER extends the status of preliminary privileged producer, the deadline for compliance with the obligation as per paragraph 4 of the Article hereof shall expire on the date of expiry of the extended validity period for the status of preliminary privileged producer, to be acknowledged by an annex to the Agreement hereof that the SELLER and the BUYER shall conclude within 15 days as of the day of receipt of the SELLER’s request.

Along with the request for conclusion of the annex as per paragraph 5 of the Article hereof, the SELLER shall to deliver to the BUYER a certified copy of the decision on the extension of the status of preliminary privileged producer.

The SELLER shall exercise the right to incentive measures separately for each part of the Power Plant if during the validity of the status of preliminary privileged producer they acquire privileged producer status for one or several parts of the Power Plant.

The provisions of paragraph 7 of the Article hereof shall not apply if the SELLER has acquired the status of privileged producer based on a single use permit for the entire Power Plant, commissioned in phases during the trial operation. In this case, the right to incentive measures shall be exercised solely for the entire Power Plant.

INCENTIVE PERIOD

Article 4

The SELLER shall be entitled to incentive measures for the duration of the incentive period.

The incentive period shall last for 12 years as of the date of the first reading of the metering equipment after the day of acquiring the status of privileged producer, i.e. from: [insert date of first reading of metering equipment] until [insert date of expiry of the incentive period], unless the duration of the incentive period is prescribed otherwise by the Agreement hereof.

In case the agreement is concluded by an entity holding the status of preliminary privileged producer paragraph 2 of Article 4 shall be altered and paragraphs 3 and 4 shall be added thereafter, to read as follows:

The incentive period shall last for 12 years as of the date of the first reading of the metering equipment after the day of acquiring of the status of the privileged producer for the Power Plant, unless the duration of the incentive period is prescribed otherwise by the Agreement hereof.

The date of commencement and the day of expiry of the incentive period shall be acknowledged by the Parties in an Annex to be concluded when the SELLER delivers the decision on acquiring the status of the privileged producer for the Power Plant or a part of the Power Plant to the BUYER.

If the SELLER acquires the status of privileged producer for a part of the Power Plant within the deadline, the incentive period shall last for 12 years separately for each part of the Power Plant the SELLER separately acquired the status of the privileged producer for, with the possibility of the extension of the incentive period for each part of the Power Plant, in accordance with the provisions of the Agreement hereof.

BALANCING RESPONSIBILITY AND BALANCING COSTS

Article 5

The BUYER shall undertake the obligation to take over the balancing responsibility and balancing costs of the SELLER for the delivery point of electricity during the incentive period.

The SELLER shall belong to the balancing responsibility group of the BUYER, and/or another electricity market participant the BUYER transferred its balancing responsibility to.

In case the agreement is concluded by a person holding the status of preliminary privileged producer, the paragraph 3 shall be added after paragraph 2 of the Article hereof to read as follows:

The BUYER shall take over the balancing responsibility and balancing costs for the delivery point of electricity and the electricity the SELLER generates until the day of commencement of the incentive period.

OBLIGATIONS OF THE SELLER REGARDING PLANNING OF OPERATION AND POWER PLANT MAINTENANCE

Article 6

The SELLER shall undertake the following obligations towards the BUYER for the duration of the agreement:

1) Submit an annual operation plan of the Power Plant on the forms prescribed by the BUYER, by 1 July of each calendar year, unless the installed capacity of the Power Plant is up to 1 MW;

2) Submit a daily operation plan of the Power Plant for the following day on the forms prescribed by the BUYER by 12 o'clock each day, except if the installed capacity of the Power Plant is up to 5 MW;

3) Correct the planned amounts in case of significant changes of circumstances serving as the basis for determining the annual and daily plan of operation of the Power Plant and submit the adjusted plan to the BUYER:

(1) No later than 15 days as of the change of circumstances relevant for determining the annual plan of operation of the Power Plant;

(2) No later than 4 (four) hours as of learning of the change of circumstances relevant for determining the daily plan of operation of the Power Plant, particularly in case of changes to the availability of generation units in the Power Plant;

4) Enable *online* access to the metering meteorological data installed in accordance with the Grid Code for the [insert transmission or distribution] system;

5) Submit the annual maintenance plan for the Power Plant for the following year on the form prescribed by the BUYER, at latest until 1 July of each calendar year during the incentive period, including repair, maintenance and all other planned outages of the generation units, as well as the planned installed capacity of all generation units in the Power Plant that will not be available during certain periods of the year except if the installed capacity of the Power Plant is up to 1 MW;

6) Inform the BUYER about planned changes of the annual maintenance plan or corrections to the maintenance plan no later than 30 days prior to the implementation of the planned changes;

7) Cooperate with the BUYER in the preparation of the annual maintenance plan and take into account the annual dynamics of the BUYER's electricity requirements;

8) If the installed capacity of the Power Plant is over 5 MW, inform the BUYER in case of an unplanned outage of one or more generation units or a temporary reduction in the

installed capacity of the Power Plant, without delay and no later than 4 (four) hours from the outage and:

(1) Without delay and no later than 48 hours from the outage, deliver their best estimate to the BUYER on whether and when such off-line capacity of the Power Plant will be available again;

(2) Inform the BUYER on restoring the availability of the off-line capacity without delay and no later than four (4) hours as of that moment;

9) Reimburse all the costs incurred by the BUYER due to the failure to act in accordance with the obligations set forth under the Article hereof, in which case the BUYER shall notify the SELLER on the amount of the respective costs and deliver evidence of such costs, and the SELLER shall offset such costs against the amounts charged for the electricity delivered in the next invoice.

For the first year of operations of the Power Plant, the information about the annual plan of operation referred to in paragraph 1 item 1) of the Article hereof shall be established based on the excerpt from the technical documentation of the Power Plant serving as the basis for its construction.

For each subsequent year the SELLER shall adjust the information on the annual plan of operation in accordance with an analysis based on the true achieved production during the same period of the preceding years and the refurbishing plans.

The BUYER shall be entitled to dispute with justification the delivered annual plan of operation within 30 days following the receipt of the plan if it is not prepared in accordance with paragraph 3 of the Article hereof and professional standards.

The SELLER shall deliver an adjusted plan of operation taking into account the remarks of the BUYER within 15 days.

In case of an unplanned outage of one or more generation units or a temporary reduction in the installed capacity of the Power Plant as a result of damage to the Power Plant or any part thereof, the SELLER shall decide whether they will remedy the cause of the outage and return the Power Plant to operation with the full installed capacity, however they are required to notify the BUYER about the decision without delay.

If the SELLER decides to remove the cause of the outage and return the Power Plant to operation with the full installed capacity, they shall engage reasonable efforts to do so as soon as reasonably possible under the given circumstances and shall inform the BUYER once the off-line capacity has been returned to operation.

In case the agreement is concluded by a person holding the status of preliminary privileged producer, paragraph 2 shall be added after paragraph 1 of the Article hereof to read as follows:

The obligations as per paragraph 1 of the Article hereof shall also be obligatory for the SELLER as of the beginning of the operation of the Power Plant until the commencement of the incentive period in accordance with the needs of the trial operation.

CONTRACTUAL PENALTY

Article 7

Should the SELLER fail to fulfil their obligations as per Article 6 paragraph 1 items 1) to 8) of the Agreement hereof towards the BUYER, the SELLER shall owe the BUYER a contractual penalty to the amount of 5% (five percent) of the average daily value of the delivered electricity paid for the generated electricity during the month immediately

preceding the event that represents cause for the application of the contractual penalty for each calendar day of delay.

In the case referred to in paragraph 1 of the Article hereof, the SELLER shall offset the amount of the contractual penalty in their next invoice against the amounts charged for the delivered electricity.

AMENDMENT OF THE OBLIGATIONS OF THE SELLER REGARDING THE PLANNING OF POWER PLANT OPERATION AND MAINTENANCE

Article 8

In case of a change of the system operator grid code under the segment concerning the planning of operation of balancing responsibility groups and/or the required dynamics for the delivery of the plans, the Parties shall, at the request of the BUYER, regulate such issues with an annex to the Agreement hereof, setting out new requirements regarding the planning of Power Plant operation in accordance with the amended Grid Code for the [insert transmission or distribution] system.

ELECTRIC POWER DELIVERY POINT TO THE SYSTEM

Article 9

The delivery point of electricity into the system shall be the point of connection of the Power Plant to the [insert transmission system or distribution system].

TRANSFER OF OWNERSHIP OF GENERATED ELECTRICITY

Article 10

Ownership over the electricity generated shall pass from the SELLER to the BUYER by the delivery and takeover of the electricity at the point of delivery of electricity.

METERING POINT

Article 11

The Parties agree that the metering point shall be located at the delivery point.

The Parties agree that there shall be no technical losses of electricity between the metering point and the delivery point, i.e. that the registered electricity represents the generated electricity of the Power Plant relevant for invoicing.

If the metering point is not located at the delivery point, Article 11 shall read as follows:

The Parties acknowledge:

1) That due to technical limitations the metering point is located [insert in front or behind] the delivery point, where the electricity is under the ownership of [insert the BUYER or SELLER depending on ownership].

2) That between the metering point and the delivery point of electricity there are technical losses to the amount of [insert the amount of losses] %.

3) That the registered electricity shall be [insert the word: DECREASED if the metering point is on the side of the SELLER or INCREASED if the metering point is on the side of the BUYER] for each accounting period at an amount of [insert the amount of

losses]% and that the result shall be the generated electricity from the Power Plant relevant for invoicing.

In case the agreement is concluded by an entity holding the status of preliminary privileged producer, and the location of the metering point is unknown, Article 11 shall read as follows:

The Parties shall state in an Annex, compliant with the approval for connection, whether the metering point is located at the point of electricity takeover as well as the technical loss amount and the method of registered electricity correction, if they establish that the metering point and point of takeover are not on the same location, within five working days after the SELLER has informed the BUYER on the point of metering

Should the BUYER fail to conclude an annex in accordance with paragraph 1 of the Article hereof, the provisions of the grid connection approval or the system access agreement that pertain to the metering point, as well as the correction coefficient, if any, shall be considered integrated into the Agreement hereof.

MANNER OF MEASUREMENT

Article 12

Measurement of the electricity shall be carried out at the metering point by using the relevant metering devices and applying the criteria set forth by the regulation regulating the conditions for electricity supply, the grid code for the system the Power Plant is connected to, and the system access agreement with the system operator.

ELECTRICITY READINGS

Article 13

Registered electricity readings shall be carried out by the system operator.

The SELLER shall submit a request to the system operator to perform meter readings and deliver the recorded data to the BUYER in case of cessation of validity of the Agreement hereof, and temporary suspension of its effects in accordance with Article 28 of the Agreement hereof.

COMPLAINTS AGAINST ELECTRICITY READINGS

Article 14

A Party that objects to the registered electricity reading and requests an extraordinary verification of the value of the readings and/or control of the accuracy of the installed metering equipment shall deliver the complaint submitted to the system operator to the other Party without delay.

For the avoidance of doubt, none of the provisions of Articles 14 and 15 of the Agreement hereof shall be interpreted so as to prevent the SELLER from issuing an invoice in accordance with Article 19 of the Agreement hereof.

DETERMINING THE VALUE OF ELECTRICITY WHEN A READING IS INACCURATE OR THE METERING EQUIPMENT IS DEFECTIVE

Article 15

If the value of a reading is found to be inaccurate or the metering devices failed to properly register the generation of electricity for a specific time period of time due to a defect, the Parties agree that the exact value of the registered electricity shall be determined by the system operator based on the readings of control meters, if any.

If the registered electricity cannot be determined based on readings of the control meters, the Parties agree that its value shall be determined through the application of the provisions of Article 31 paragraph 2 of the Agreement hereof.

If the metering point is not located at the delivery point, paragraphs 3, 4 and 5 of the Article hereof shall be added after paragraph 2 of the Article hereof to read as follows:

In case additional losses of electricity occur between the delivery point and the metering point regarding the estimated technical losses as per Article 11 of the Agreement hereof, the burden of loss shall be borne by the party causing the additional losses.

The amount of additional losses shall be determined by the system operator.

The generated electricity relevant for the calculation and invoicing during the month when the additional losses occurred shall be carried out based on Article 13 of the Agreement hereof and the established additional losses as per paragraph 4 of the Article hereof.

In case the agreement is concluded by a person holding the status of preliminary privileged producer and the location of the metering point is unknown, Article 11 shall read as follows:

If the read value is determined to be inaccurate or the metering devices fail to properly register the generation of electricity during a specific period of time due to a defect, the Parties agree that the exact value of the registered electricity shall be determined by the system operator based on the readings of control meters, if any.

If the registered electricity cannot be determined based on readings of the control meters, the Parties agree that its value shall be determined through the application of the provisions of Article 31 paragraph 2 of the Agreement hereof.

If the Parties determine by the annex as per Article 11 of the Article hereof that the metering point is not located at the delivery point of electricity and additional losses occur in relation to the estimated technical losses, the burden of losses shall be borne by the party causing the additional losses.

The amount of additional losses shall be determined by the system operator.

The generated electricity relevant for the calculation and invoicing during the month when the additional losses occurred shall be carried out based on Article 13 of the Agreement hereof and the established additional losses as per paragraph 4 of the Article hereof.

INCENTIVE PURCHASE PRICE

Article 16

The SELLER is entitled to the incentive purchase price during the incentive period, adjusted in accordance with Article 17 of the Agreement hereof, to the amount of **[insert the incentive purchase price for the Power Plant]** in accordance with **[insert name of the applicable regulation setting out incentive measures for the privileged power producers with the number of the official gazette]**.

During the incentive period, the SELLER shall charge the incentive purchase price for the generated electricity that may not exceed **[insert maximum electricity generation for the Power Plant]** kWh within any year of the incentive period, to be calculated based on the maximum effective operating time of the Power Plant amounting to **[insert maximum effective operating time prescribed for the type of the Power Plant in accordance with the**

regulation setting out the incentive measures] hours and the installed capacity of the Power Plant.

In case the power purchase agreement is concluded for a wind power plant paragraph 2 shall read as follows:

During the incentive period, the SELLER shall charge the incentive purchase price for the generated electricity that may not exceed [insert maximum electricity generation for the Power Plant] kWh within any quarter of the incentive period, to be calculated based on the maximum effective operating time for the Power Plant amounting to [insert maximum effective operating time of the Power Plant in accordance with the regulation setting out the incentive measures] hours and the installed capacity of the Power Plant.

For the generation of electricity realized in the Power Plant exceeding the maximum effective operating time of the Power Plant, the SELLER shall charge a purchase price to the amount of 35% of the incentive purchase price, i.e. [insert the nominal amount of 35% of the incentive purchase price for the Power Plant].

In case the agreement is concluded by a person holding the status of preliminary privileged producer, paragraphs 4, 5, 6 and 7 shall be added after paragraph 3 of the Article hereof to read as follows:

If the SELLER acquires the status of privileged power producer for part of the Power Plant within the deadline as per Article 3 of the Agreement hereof, they shall be entitled to the incentive purchase price for the electricity generated in the part of the Power Plant equal to the incentive purchase price as per paragraph 1 of the Article hereof.

In case the SELLER builds the Power Plant in separate parts, the maximum produced power and the maximum effective operating time of the Power Plant shall be determined separately for each part of the Power Plant, through the application of the rules referred to in paragraph 2 of the Article hereof by analogy.

The SELLER shall be entitled to 50% of the incentive purchase price for the period starting from the first reading of the metering equipment of the Power Plant or part of the Power Plant until the day of commencement of the incentive period.

The rules of the Agreement hereof regarding the conditions, deadline and method of payment of the incentive purchase price shall apply accordingly to issues related to the conditions, deadline and method of payment of the price before the incentive period.

ADJUSTMENT OF THE INCENTIVE PURCHASE PRICE WITH INFLATION

Article 17

Regular annual adjustments of the incentive purchase prices due to inflation in the Eurozone shall be carried out in February of each year as follows:

$$C_1 = C_0 * (1 + INF_{\text{peryear}} / 100\%)$$

where:

C_1 – is the incentive purchase price adjusted for inflation,

C_0 – is the incentive purchase price from the previous year,

INF_{peryear} – is the annual inflation in the Eurozone, expressed in percentages and published by the Statistical Office of the European Union (EUROSTAT).

The adjusted incentive purchase price determined in accordance with paragraph 1 of the Article hereof shall apply as of 1 March of the year when the relevant price adjustment has been carried out.

In case the agreement is concluded for a power plant with high-efficiency electricity and thermal energy cogeneration using natural gas, paragraphs 3 and 4 shall be added to read as follows:

The incentive purchase price for power plants with high-efficiency of electricity and thermal energy cogeneration using natural gas shall be adjusted at each change of the price of natural gas, in the following manner:

$$C_3 = C_2 * 0.33 + C_0 * 0.67 * G / 312.58$$

where:

C_3 – is the adjusted incentive purchase price for power plants with high-efficiency electricity and thermal energy cogeneration, c€/kWh,

C_2 – is the adjusted incentive purchase price for inflation as per paragraph 1 of the Article hereof, c€/kWh,

C_0 – is the adjusted incentive purchase price determined on the date of validity of the regulation regulating incentive measures, c€/kWh,

G – is the adjustment coefficient for the price of gas published by the Ministry in competent for energy issues.

The adjusted incentive purchase price as per paragraph 1 of the Article hereof shall be applied as of the first day of the following month.

CALCULATION AND PAYMENT

Article 18

The incentive purchase price and the purchase price shall be calculated in Euros based on the invoice issued and shall be paid in dinar counter-value in accordance with the mean exchange rate of the National Bank of Serbia effective on the day of issuing the invoice.

The Parties shall determine a calendar month as the accounting period the invoice is issued for.

INVOICE

Article 19

The SELLER shall deliver an invoice to the BUYER for the total amount of electricity generated by the 15th of the month for the previous month.

The invoice as per paragraph 1 of the Article hereof shall particularly contain the following:

- 1) Name of the SELLER as well as the name and type of the Power Plant where the generation of the electricity is carried out;
- 2) Number of the Agreement hereof;
- 3) Accounting period;
- 4) The maximum amount of electricity produced corresponding to the maximum effective operating time as determined by Article 16 of the Agreement hereof;
- 5) The amount of incentive purchase price as determined by Article 16 of the Agreement hereof, expressed in Euros;
- 6) The amount of the purchase price as determined by Article 16 of the Agreement hereof, expressed in Euros;
- 7) The start date and the end date of [insert current year of the incentive period or the current quarter of the incentive period] wherein the effective operating time for the

Power Plant is calculated, in accordance with Article 16 paragraph 2 of the Agreement hereof;

- 8) The total amount of electricity generated as of the beginning of [insert the year of the incentive period or the quarter of the incentive period] the maximum effective operating time is calculated for until the commencement of the accounting period the invoice is issued for, expressed in kWh;
- 9) The total amount of electricity generated during the accounting period expressed in kWh;
- 10) The total amount of electricity generated expressed in kWh for the accounting period, charged at the incentive purchase price;
- 11) The total amount of electricity generated expressed in kWh for the accounting period, charged at the purchase price in case the sum of the generated electricity during the accounting period and the total amount of electricity generated as per item 7) of the paragraph hereof exceeds the amount of electricity as per item 4) of the paragraph hereof;
- 12) The mean foreign exchange rate of the National Bank of Serbia for Euros on the date of issuing the invoice;
- 13) The amount of calculated value added tax, if the SELLER is a VAT taxpayer;
- 14) Total amount for payment;
- 15) Deadline for payment, i.e. the invoice due date determined in accordance with Article 20 of the Agreement hereof.

DEADLINE FOR PAYMENT

Article 20

The deadline for payment of the invoice delivered for electricity generated is 15 working days as of the date of receipt of the invoice.

COMPLAINTS AGAINST THE INVOICE

Article 21

The BUYER shall pay the undisputed part of the invoice by the invoice due date.

The BUYER may file a complaint against the invoice issued in writing, stating the disputed amount and the reasons for the complaint, within 3 (three) working days as of the date of receiving the invoice.

Authorized representatives of the Parties shall amicably resolve the dispute as per paragraph 2 of the Article hereof no later than 10 (ten) working days as of the date of submitting the complaint and produce minutes thereupon.

Should the minutes as per paragraph 3 of the Article hereof show the complaint was founded in its entirety or in part, the SELLER shall issue a new invoice in accordance with the facts determined by the minutes within 5 (five) working days as of the date of signing the minutes.

Should the minutes as per paragraph 3 of the Article hereof show that the objection was unfounded in its entirety or in part, the BUYER shall pay to the SELLER the disputed amount as per the invoice within 5 (five) working days as of the date of signing the minutes, increased for the amount of default interest calculated as of the due date in accordance with Article 20 of the Agreement hereof until the date of payment.

If the authorized representatives fail to agree or cannot agree on how to resolve the dispute in accordance with paragraph 3 of the Article hereof, the dispute shall be resolved in accordance with Article 41 of the Agreement hereof.

If the BUYER pays the SELLER a higher monetary amount for the electricity taken over due to a subsequently determined error in the measured data, the SELLER shall to refund to the BUYER the surplus of the funds paid within 8 days as of the date of the BUYER delivering the request in writing, increased for the default interest calculated as of the first date after the expiry of the deadline for the refund until the date of payment.

PAYMENT SECURITY INSTRUMENT

Article 22

The Parties mutually acknowledge that the BUYER has delivered three blank promissory notes to the SELLER with a “no protest” clause and no expiry date, registered with the National Bank of Serbia along with the promissory note authorization and other documentation for its use.

OBLIGATION OF MAINTAINING THE PAYMENT SECURITY INSTRUMENT

Article 23

The BUYER shall deliver a new blank promissory note to the SELLER in case of collection under any of the promissory notes, within 30 (thirty) working days as of the date of activation, with such new promissory to be delivered with the characteristics specified in Article 22 of the Agreement hereof.

ACTIVATION OF PAYMENT SECURITY INSTRUMENT

Article 24

The SELLER may collect on the promissory note amounts for the collection of the undisputed, due and unpaid debt of the BUYER in the following cases:

1) The BUYER fails to meet their payment obligations for one accounting period even under the additional period of 15 working days as of the date of notice for subsequent payment, in which case the SELLER may collect the unpaid amount increased by the accrued default interest;

2) The BUYER is failing to meet their payment obligations during the process of selection of a new guaranteed supplier in accordance with the Energy Law, in which case the SELLER may collect any unpaid amounts increased by the accrued default interest;

3) The BUYER fails meet their payment obligations to the SELLER for agreement termination in the manner prescribed by the Agreement hereof, in which case the SELLER may collect the unpaid amount increased by the accrued default interest.

For the avoidance of doubt, the SELLER may collect under promissory notes pursuant to the Article hereof, both during and after the expiry or early termination of the Agreement hereof.

RETURN OF UNUSED PAYMENT SECURITY INSTRUMENT

Article 25

The SELLER shall return the unused promissory notes to the BUYER within 30 (thirty) working days following the expiry of the Agreement hereof and settlement of all claims of the SELLER in accordance with the Agreement hereof.

PLEDGE AND ASSIGNMENT OF THE RECEIVABLES OF THE SELLER

Article 26

The BUYER hereby grants its consent to the SELLER to assign to a third party due and future amounts of any monetary receivables it acquires based on the Agreement hereof in accordance with the law governing contracts and torts, and to pledge it in accordance with the law regulating pledges over movable assets and rights.

FORCE MAJEURE

Article 27

If one Party is unable to fulfil its obligations in accordance with the Agreement hereof due to Force Majeure, it is obliged to inform the other Party thereof.

Force Majeure within the meaning of paragraph 1 of the Article hereof means every unforeseeable or unavoidable event beyond the control of the Parties and includes in particular (but without limitation):

- 1) Natural disasters, such as fire, flood, earthquake, volcanic eruptions and other forms of catastrophic weather conditions,
- 2) State of war or emergency, terrorism, revolution, public demonstrations, sabotage, vandalism, strike (excluding strikes of the workforce of either Party, but including strikes of the workforce of the system operator),
- 3) Actions by a state authority, holder of public authority, autonomous province body or of local self-government body, resulting in any license, permit, approval or other authorization necessary for meeting the obligations or exercising the rights ceasing to be valid or put out of force, or not being issued, amended or extended within the prescribed deadlines upon a submitted request, for reasons not attributable to illegal conduct or conduct in bad faith by the BUYER or SELLER,
- 4) Any act of nationalization or expropriation in respect to the Power Plant or part of the Power Plant,
- 5) International sanctions or entry into force of international organization regulations obligatory for the Republic of Serbia, if due to their application the BUYER is unable to fulfil their obligations based on incentive measures,
- 6) Partial or total interruption of the operation of the system or part of the system during the validity of the decision on a state of emergency for the territory of the Republic of Serbia, and/or autonomous province or local self-government unit where the Power Plant is located.

EFFECTS OF A FORCE MAJEURE EVENT

Article 28

In case of the occurrence of a Force Majeure event within the meaning of Article 27 of the Agreement hereof, the Agreement hereof shall remain in force, but its legal effects shall be suspended for the period of duration of the Force Majeure event.

In the case as per paragraph 1 of the Article hereof, the BUYER is obliged to settle all monetary obligations towards the SELLER having arisen until the occurrence of Force Majeure.

After the cessation of the Force Majeure event, the agreement between the Parties shall continue, and the term of agreement shall be extended for the period of duration of the force majeure event.

If the power purchase agreement is concluded by the SELLER for the power plant total installed capacity of above 30 MW, paragraphs 4 and 5 shall be added to read as follows:

For the avoidance of doubt, in case of the Force Majeure referred to in Article 27, paragraph 2, items 3 and 4 of the Agreement hereof, the legal effects of the Agreement hereof shall not be suspended for the duration of the Force Majeure if the SELLER terminates the agreement.

The consequences of the termination of agreement for the respective events of Force Majeure in respect of the rights and obligations of the Parties shall be regulated under Article 38 of the Agreement hereof.

FORCE MAJEURE NOTIFICATION

Article 29

The Party affected by a Force Majeure event shall notify the other Party both about the occurrence, as well as the cessation of the effects of Force Majeure, and the moment they are able to continue to meet their obligations under the Agreement hereof without delay, and no later than five working days as of the moment when the Force Majeure effect occurred, and/or ceased.

If both Parties are affected by the effect of Force Majeure, the day when both Parties are able to continue to meet their obligations shall be deemed as the date of cessation of the effects of Force Majeure.

RISK OF ELECTRICITY NOT TAKEN OVER BY THE SYSTEM OPERATOR

Article 30

The Parties agree that the inability of the SELLER to deliver electricity to the BUYER due to the partial or total interruption of operation of the system or part of the system represents a risk that threatens the orderly purchase of electricity under the Agreement hereof neither Party is responsible for.

In case the risk as per paragraph 1 of the Article hereof occurs, the Parties shall remedy its negative effects on the sale and purchase of the electricity in accordance with the principle of equality of mutual consideration so that neither Party incurs damage or achieves unjust enrichment.

PAYMENT AND SUBSEQUENT DELIVERY OF PAID ELECTRICITY IN CASE OF A PARTIAL OR TOTAL INTERRUPTION OF THE OPERATION OF THE SYSTEM OR PART OF THE SYSTEM

Article 31

During the period of partial or total interruption of system operation, the BUYER shall assume the risk referred to in Article 30 paragraph 1 of the Agreement hereof and pay the

SELLER in advance for the assumed electricity to the amount of the incentive purchase price in accordance with Article 16 paragraphs 2 and 3 of the Agreement hereof.

The assumed electricity regarding any month when a partial or total interruption of the system operation occurs or continues shall be calculated in accordance with the following formula:

$$E_{pr} = t_{pr} \frac{E_{pl}}{t_m} \frac{k_{og}}{100\%}$$

where:

E_{pr} is the assumed electricity during the relevant month, expressed in kWh;

t_{pr} is the number of hours of limitation in the takeover of electricity during the relevant month;

E_{pl} is the planned generation of electricity during the relevant month as indicated in the annual plan of operation referred to in Article 6 paragraph 1 item 1) of the Agreement hereof for the relevant year;

t_m is the aggregate number of hours during the relevant month;

k_{og} is the coefficient of limitation of output capacity requested for the Power Plant during the relevant month by the system operator, expressed in percentages or 100% in case of total interruption of the operation of the system.

The SELLER shall agree to extend the Agreement hereof after the end of the incentive period as necessary to subsequently deliver free of charge the quantity of electricity corresponding to the quantity of assumed electricity the BUYER has paid for in advance during the incentive period.

The information about t_{pr} and k_{og} referred to in paragraph 2 of the Article hereof shall be established based on the report on partial or total interruption of the operation of the system which the system operator delivered to the SELLER for the relevant month.

CHANGE IN LAW

Article 32

A change in law, within the meaning of the Agreement hereof, shall mean the coming into effect of new regulations after the conclusion of the Agreement hereof or amendments to regulations valid on the date of concluding the Agreement hereof, aimed at decreasing the rights or increasing the obligations of the SELLER, for whom the consequences are an increase in the cost of operations.

A change in law does not include non-discriminatory regulations and regulations equally and generally applicable to commercial entities in the Republic of Serbia, regardless of their professional activity.

In order for the SELLER to enforce their right of protection from a change in law, the consequences of a change in law must include the negative effect on the financial status of the SELLER.

If any change of regulations occurs, the SELLER shall submit to the competent authority, in accordance with the regulation adopted pursuant to Article 80 of the Energy Law, a proposal to amend the incentive measures in order to place the SELLER in the same financial position it was in under the Agreement hereof and immediately prior to the relevant change of regulations.

If the competent body agrees to the proposal of the SELLER within 90 days following the submission of the proposal by the SELLER, in a manner suitable for the SELLER, the BUYER shall undertake to amend the Agreement hereof and conclude an annex with the

SELLER in accordance with the decision of the competent body within 15 days following the request of the SELLER for the amendment of the Agreement hereof.

If the SELLER is not satisfied with the decision of the competent body or the competent body fails to issue a decision about the SELLER's proposal within 90 days, the SELLER shall be entitled to refer the dispute for resolution in accordance with Article 41.

In case where by virtue of the decision of the [insert court or arbitration] the incentive measures are amended, the BUYER shall conclude an annex with the SELLER in accordance with the decision of the [insert court or arbitration] within 15 working days as of the date of the request of the SELLER to amend the Agreement hereof, unless the decision of the [insert court or arbitration] prescribes a different deadline for amending the Agreement hereof.

Pending the decision of the competent body and/or adoption of a [insert court or arbitration] decision regarding amendments to the Agreement hereof necessary following a change in law, both Parties shall continue to comply with their obligations under the Agreement hereof to the maximum extent possible, provided that such compliance shall not result in either Party being in breach of any applicable regulations or in case of the SELLER becoming insolvent.

COMMUNICATION DURING THE TERM OF THE AGREEMENT

Article 33

Each Party shall, within 10 working days as of the Agreement hereof entering into effect, appoint a person responsible for the mutual exchange of information regarding the implementation of the Agreement hereof, including the notice on termination, and submit the data on the same to the other Party, including first name and surname, address and office number, telephone number, fax number and email address.

The Parties may change the person in charge of mutual exchange of information during the term of the Agreement hereof, with the obligations of informing the other Party thereof without delay, along with the submission of relevant data stated in paragraph 1 of the Article hereof.

NOTICES

Article 34

All notices, requests or other communication between the Parties shall be made in writing between the persons appointed for mutual exchange of information.

All other notices and documents sent by one Party to the other may be delivered by fax, courier service, registered or electronic mail, with the postage paid by the sender.

CONFIDENTIALITY OF INFORMATION

Article 35

The Parties agree that the content of the Agreement hereof shall be available to all third parties.

ASSIGNMENT OF AGREEMENT

Article 36

Another entity may enter into the Agreement hereof in place of the SELLER or in place of the BUYER.

The assignment of the agreement to another entity in place of the BUYER shall be exercised in accordance with special regulations of the Energy Law regulating the acquisition, amendment and termination of the role of guaranteed supplier performed by the BUYER at the time of conclusion of the Agreement hereof.

The assignment of the agreement to another entity in place of the SELLER shall be exercised based on a decision amending the decision on acquisition of the status of (preliminary) privileged producer replacing the (preliminary) privileged producer for the Power Plant.

The assignment of the agreement to another entity in the place of the SELLER shall also be exercised based on a decision on acquiring the status of (preliminary) privileged producer for the Power Plant to a third party in case of exercising the right of the lender or lender's agent under the step-in agreement, if such an agreement has been concluded.

In case of assignment of the agreement to another entity, the new BUYER or the new SELLER shall assume all the rights and obligations of their predecessor.

The new SELLER shall step into the remaining incentive period, incentive purchase price, as well as the other rights and obligations of the former SELLER on the day of delivery of the decision as per paragraphs 3 and 4 of the Article hereof to the BUYER.

The BUYER shall meet all obligations under the Agreement hereof until the new BUYER assumes the agreement, if they stop carrying out the activities of the guaranteed supplier.

In case the BUYER ceases to perform the activities of the guaranteed supplier, the BUYER shall be jointly and severally liable to the SELLER for the obligations arising prior to the assignment of the Agreement hereof to the new BUYER.

In case the agreement is concluded for a power plant with an installed capacity of above 30 MW, the following paragraphs 9 and 10 shall be added to read as follows:

The Parties mutually agree that the rights of the lender or lender's agent in connection with the Agreement hereof shall be regulated by a separate step-in agreement constituting a schedule to the Agreement hereof.

The BUYER shall, within 15 working days as of the date of submitting the request, enter into a step-in agreement as per paragraph 8 of the Article hereof with the SELLER and any lenders or lender's agent.

LEGAL STATUS CHANGES OF THE PARTIES

Article 37

If a Party undergoes status changes in accordance with the law regulating the legal status of commercial entities, it shall submit a notice as well as official documentation on the completed status change issued by the Business Registers Agency to the other Party within 5 working days as of the completion of the legal status change.

The legal successor of the Party referred to in paragraph 1 of the Article hereof and the other Party shall sign an annex to the Agreement hereof, regarding the rights and obligations under the Agreement hereof, in order to harmonize it with the completed status changes, within 15 working days following the completed status changes.

CESSATION OF AGREEMENT BY CANCELLATION AND TERMINATION OF AGREEMENT

Article 38

The SELLER may cancel the agreement at any time with a 30 days' notice period, as of the date of delivery of a written notice to the BUYER.

In case of cancellation as per paragraph 1 of the Agreement hereof, the parties shall not be liable for reimbursement of losses occurring or potentially occurring as a consequence of the termination of the agreement.

The SELLER shall have the right to terminate the Agreement hereof with a 30 days' notice period as of the date of the delivery of a written termination notice to the BUYER, with evidence of the occurrence of termination conditions, if:

1) The BUYER is late with the payment of any amount due, and such failure is not remedied within the subsequent deadline of 15 working days as of receiving the notice of due debts, and the SELLER cannot collect the outstanding debt of the BUYER from any of the promissory notes for any reason whatsoever; or

2) The BUYER has any of its licenses or permits necessary for the performance of their obligations under the Agreement hereof revoked, cancelled or made invalid and the BUYER fails to acquire a new license or permit within 30 working days as of the termination of the licence or permit, unless another entity becomes the BUYER in accordance with Article 36 of the Agreement hereof; or

3) The BUYER fails to deliver a promissory note within the deadline set out in Article 23 of the Agreement hereof, and the SELLER does not hold any of the promissory notes of the BUYER; or

4) The BUYER refuses to amend the agreement in case of a change of regulations in accordance with Article 32 of the Agreement hereof; or

5) The BUYER refuses to conclude a step-in agreement with the lender or lender's agent and the SELLER in accordance with Article 36 of the Agreement hereof; or

6) The BUYER undergoes bankruptcy or liquidation in accordance with the regulations governing bankruptcy and liquidation, unless another person becomes the BUYER in accordance with Article 36 of the Agreement hereof.

If the agreement is concluded for a power plant with an installed capacity above 30 MW, the following items 7) and 8) shall be added to read as follows:

7) The Power Plant or any part thereof is nationalized or expropriated; or

8) The event referred to in Article 27 paragraph 2 item 3) occurs in the way described, leading to more than 90 working days passing as of the day of the submission of a complete and proper request by the SELLER, and a state authority, holder of public authority, autonomous province body or local self-government body does not issue a decision on the request, leading to the SELLER suffering damages and being prevented from the use of the incentive measures under the Agreement hereof.

In the case referred to in paragraph 3 of the Article hereof, the SELLER shall be entitled to a termination payment due to the termination of the Agreement hereof.

The SELLER agrees that it shall conclude an agreement on termination payment in instalments at the request of the BUYER.

The SELLER shall not be entitled to termination payment due to the termination in the case as per paragraph 3 item 1) of the Article hereof if they terminate the agreement if they could have collected their receivables from one or more promissory notes or if they terminated the agreement before attempting to collect the debt from a promissory note.

The right to termination payment shall become due within 30 days following the day when the SELLER files the request for termination payment to the BUYER, unless a separate

agreement between the Parties referred to in paragraph 4 of the Article hereof provides otherwise.

For the avoidance of doubt, the BUYER has the right to refuse the request for termination payment if they consider the termination conditions not to exist and can refer the dispute for settlement in accordance with Article 41 of the Agreement hereof.

If the SELLER terminates or cancels the Agreement hereof, they lose the right to conclude a power purchase agreement at incentive purchase prices with the BUYER again for the same Power Plant.

If the SELLER concludes a power purchase agreement for the power plant with an installed capacity of over 30 MW, paragraphs 10, 11 and 12 shall be added after paragraph 9 to read as follows:

In case of termination of the Agreement hereof referred to in paragraph 3 items 7) and 8) of the Article hereof, the SELLER shall be entitled to a termination payment from the BUYER only if the following additional conditions are fulfilled:

1) Termination payment will be realized only to the extent the SELLER failed to collect it from the insurance and/or in accordance with the specific regulations of the Republic of Serbia from the authority for the occurrence of the Force Majeure events referred to in Article 27 paragraph 2 items 3) and 4) of the Agreement hereof, whose omission prevents them from exercising their right to the incentive measures,

2) The SELLER shall acquire insurance, in full or in part, against the occurrence of Force Majeure events referred to in Article 27 paragraph 2 items 3) and 4) of the Agreement hereof, unless such type of insurance is not possible according to international or domestic insurance practices;

3) In case of expropriation the SELLER shall request the establishment of a fee for the expropriated Power Plant or part of the Power Plant in accordance with the law governing expropriation at least to the amount of the termination payment, provided that the SELLER shall not be responsible if the competent authority establishes a lower fee;

4) In cases of Force Majeure referred to in Article 27 paragraph 2 item 3) of the Agreement hereof the SELLER shall initiate adequate proceedings for the compensation of damages at least to the amount of the termination payment against the authority responsible for such a Force Majeure event, except in case it concluded a settlement with the authority whereby the responsible authority acknowledges having caused the damage through its omission;

5) The SELLER shall notify the BUYER without delay in case of the initiation of the procedure of expropriation and the procedure for compensation of damages referred to in items 3) and 4) of the paragraph hereof;

6) The SELLER shall submit to the BUYER a payment request before collecting payment from insurance, if insurance was contracted, or prior to the issuing of the final and enforceable decision of the authority through establishing the compensation for expropriation or the right to compensation of damages from the responsible authority;

7) The SELLER shall particularly specify the following in the payment request: the total amount of the termination payment, the amount of received payment based on insurance, expropriation, compensation of damages or other legal grounds, and the difference between the total and the received amount of the termination payment the SELLER claims from the BUYER.

The provisions of paragraph 10 of the Article hereof do not preclude the BUYER from disputing the termination payment request if they consider the SELLER's request is unfounded, and they may request the SELLER to provide evidence in support of their

termination payment request as well as evidence of fulfilment of the conditions for payment prescribed under paragraph 10 of the Article hereof.

In any case, if the Parties cannot agree on the termination payment due to a Force Majeure event either Party will refer the matter for dispute settlement in accordance with Article 41 of the Agreement hereof.

CESSATION OF AGREEMENT REGARDLESS OF THE WILL OF THE PARTIES

Article 39

The agreement shall cease regardless of the will of the Parties in case:

- 1) The SELLER's status of privileged producer ceases in respect of the Power Plant or part of the Power Plant, unless the Agreement hereof and the regulations regulating the acquisition, transfer and cessation of the status of privileged producer prescribe that the cessation of the status of privileged producer does not automatically cause the cessation of the agreement;
- 2) Upon the expiry of the incentive period;

In case the Agreement hereof is concluded with a person holding the status of preliminary privileged producer, Article 39 shall read as follows:

The agreement shall cease regardless of the will of the Parties in case:

- 3) The SELLER's status of the preliminary privileged producer or privileged producer ceases in respect of the Power Plant or part of the Power Plant, unless the Agreement hereof or the step-in agreement, if concluded, as well as the regulations regulating the acquisition, transfer and cessation of the status of the privileged producer prescribe that the cessation of the status of the (preliminary) privileged producer of the SELLER does not automatically cause the cessation of the agreement;
- 1) Upon the expiry of the incentive period;
- 2) The status of privileged producer is not acquired within the deadline.

The SELLER shall be deemed to have acquired the status of privileged producer within the deadline if they have filed the request for acquiring the status of privileged producer before the expiry of the validity of the status of preliminary privileged producer, irrespective of the moment of issuing the decision accepting such a request.

The SELLER shall reimburse the BUYER for all the benefits received under the Agreement hereof in case of failure to acquire the status of privileged producer within the deadline.

The benefit referred to in paragraph 3 of the Article hereof, to be determined by the BUYER, represents the difference between:

- 1) The sum of the revenues acquired by the SELLER based on the incentive purchase price and balancing costs of the BUYER and
- 2) The revenues they would have made had they not used the incentive measures.

LIMITATION OF LIABILITY AND REIMBURSEMENT OF DAMAGES

Article 40

The Parties agree that in case of the occurrence of damage due to violations of the Agreement hereof, the Party having caused the damage shall reimburse the other Party for the actual damages.

The damaged Party may also seek compensation for lost profit if the damage was caused by fraud, wilful misconduct or gross negligence, as well as in other cases prescribed by the Agreement hereof.

The provisions of paragraphs 1 and 2 of the Article hereof have no impact on the right of the SELLER to request termination payment from the PURCHASER in cases and in the manner set forth under Article 38 of the Agreement hereof.

If the BUYER fails to fulfil their payment obligations referred to in paragraph 3 of the Article hereof, the SELLER may collect the termination payment under the promissory note(s) delivered in accordance with the provisions of Article 24 of the Agreement hereof.

Save to the extent it is explicitly provided otherwise in the Agreement hereof, none of the Parties shall in any case whatsoever be liable to the other Party for any indirect damages or losses on any kind whatsoever irrespective of how they arose.

RESOLUTION OF DISPUTES

Article 41

Any disputes arising from, or in connection with the Agreement hereof shall be resolved by the Parties amicably, and if they fail to do so, the Commercial Court in Belgrade shall have competence for the resolution of disputes.

During dispute resolution, the Parties are required to continue the performance of their uncontested obligations in accordance with the provisions of the Agreement hereof.

If the Parties wish to contract arbitration for the resolution of disputes, Article 41 shall read as follows:

Any disputes arising from, or in connection with the Agreement hereof shall be resolved by the Parties amicably, and if they fail to do so, the Permanent Court of Arbitration at the Chamber of Commerce of Serbia in Belgrade shall have competence for the resolution of disputes.

In case the SELLER is a person directly or indirectly owned by a foreign national or it is financed by foreign financial institutions (irrespective of whether the power plant is connected to the transmission or distribution system) and wishes to contract an international court of arbitration of the International Chamber of Commerce (ICC) in Paris for dispute resolution, Article 41 shall read as follows:

Any disputes arising from, or in connection with the Agreement hereof shall be resolved by the Parties amicably, and if they fail to do so, any Party may refer such a dispute for settlement in accordance with the Article hereof.

Any and all disputes arising from, or in connection with the Agreement hereof shall be settled finally in accordance with the Rules of Arbitration of the International Chamber of Commerce (ICC) in Paris by one or more arbitrators appointed in accordance with the respective rules. The provisions about a temporary (*ad hoc*) arbitrator shall not be applicable.

The seat (or legal place) of arbitration shall be Paris, France.

The substantive laws for the settlement of disputes as per paragraph 1 of the Article hereof shall be the laws of the Republic of Serbia.

The arbitration award shall be final and binding for the Parties, and the Parties shall be required to implement it without delay.

All arbitration costs, including legal representation costs, shall be borne by the unsuccessful Party, unless otherwise determined by the court of arbitration.

The provisions of the Article hereof shall in no way impair either Party's right to file a request to the competent court in order to acquire interim measures for the protection of their rights pending the rendering of the arbitration award.

In case the SELLER is an entity directly or indirectly owned by a foreign person or it is financed by foreign financial institutions (irrespective of whether the power plant is connected to the transmission or distribution system) and wishes to contract an international court of arbitration of the International Arbitral Centre of the Austrian Federal Economic Chamber in Vienna (VIAC) in Vienna, Article 41 shall read as follows:

Any disputes arising from, or in connection with the Agreement hereof shall be resolved by the Parties amicably, and if they fail to do so any Party may refer such dispute for settlement in accordance with the Article hereof.

Any and all disputes and claims arising from or in connection with the Agreement hereof, including disputes regarding its validity, breach, termination or nullity shall be settled finally in accordance with the Arbitration Rules of the International Arbitral Centre of the Austrian Federal Economic Chamber in Vienna (VIAC) by one or three arbitrators appointed in accordance with the respective rules.

The seat (or legal place) of arbitration shall be Vienna, Austria.

The substantive laws for the settlement of disputes as per paragraph 1 of the Article hereof shall be the laws of the Republic of Serbia.

The arbitration award shall be final and binding for the Parties, and the Parties will be required to implement it without delay.

All arbitration costs, including legal representation costs, shall be borne by the unsuccessful Party, unless otherwise determined by the arbitrators.

The provisions of the Article hereof shall in no way impair either Party's right to file a request to the competent court in order to acquire interim measures for the protection of their rights pending the rendering of the arbitration award.

In case the agreement is concluded for a power plant connected to the distribution system, Article 41 shall read as follows:

Any disputes arising out of the Agreement hereof and with regard thereto shall be resolved by the Parties amicably, and if they fail to do so, the Commercial Court in Belgrade shall have competence for the resolution of disputes.

During dispute resolution, the Parties are required to continue with performance of their uncontested obligations in accordance with the provisions of the Agreement hereof.

COMPLIANCE WITH APPLICABLE LAWS AND SECONDARY LEGISLATION

Article 42

The Law on Contracts and Torts, the Energy Law, and other laws and regulations of the Republic of Serbia shall apply to all issues not directly regulated by the Agreement hereof.

INVALIDITY

Article 43

If one or more provisions of the Agreement hereof is deemed invalid, illegal or unenforceable in any respect, this shall not affect the validity, legality and enforceability of the remaining provisions contained in the Agreement hereof, which shall continue in full effect.

The Parties shall endeavour to replace any invalid, illegal or unenforceable provision with a valid, legal and enforceable provision, the economic effect of which is to be as close as possible to the economic effect of the invalid, illegal or unenforceable provision in accordance with the law.

TERM OF AGREEMENT

Article 44

The Agreement hereof shall come into force on the day it is signed by both Parties and shall remain in effect until the day of expiry of the incentive period for the Power Plant.

In case of the occurrence and action of Force Majeure during the incentive period, the Parties shall acknowledge the new date of expiry of the incentive period by annex in accordance with Articles 27 and 28 of the Agreement hereof.

In case the agreement is concluded by a preliminary privileged producer, Article 44 shall read as follows:

The Agreement hereof shall come into force on the day of signing by both Parties and shall remain in effect until the expiry of the incentive period for the Power Plant, and/or where applicable for all parts of the Power Plant, unless it ceases to be in effect earlier or its validity is extended in accordance with the Agreement hereof and the step-in agreement as per Article 36 of the Agreement hereof, if the Parties enter into such an agreement with the lender or lender's agent.

In case the SELLER fails to acquire the status of privileged producer for the entire Power Plant in accordance with Article 3 of the Agreement hereof, the validity of the Agreement hereof shall be extended until the expiry of the incentive period for the generation of electricity, solely for those parts of the Power Plant the status of privileged producer has been acquired for within the deadline.

In case of the occurrence and action of Force Majeure during the incentive period, the Parties shall acknowledge a new date of expiry of the incentive period by an annex in accordance with Articles 27 and 28 of the Agreement hereof.

DOCUMENTATION CONSTITUTING AN INTEGRAL PART OF THE AGREEMENT

Article 45

The following documents delivered by the SELLER shall represent appendices to the Agreement hereof and constitute its integral part:

- 1) Decision on acquiring the status of privileged producer;
- 2) Deed of the competent system operator on the connection of the Power Plant;
- 3) Form for the submission of the annual plan of operation for the Power Plant;
- 4) Form for the submission of the annual maintenance plan for the Power Plant;
- 5) Form for the submission of the daily plan of operation for the Power Plant;
- 6) Form of the step-in agreement, if the Power Plant is above 30 MW of installed capacity.

Annexes concluded alongside the Agreement hereof shall constitute its integral part and produce equivalent legal effect as the Agreement hereof.

In case the agreement is concluded by a preliminary privileged producer, Article 45 shall read as follows:

The following documents shall represent appendices to the Agreement hereof and constitute its integral part:

- 1) Decision on acquiring the status of the preliminary privileged producer for the Power Plant;
- 2) Decision on acquiring the status of privileged producer;
- 3) Decision on the commencement of the trial operation of the Power Plant;
- 4) Report on the first reading of the metering equipment of the Power Plant or part of the Power Plant;
- 5) Deed of the competent system operator on the connection of the Power Plant;
- 6) Form for the submission of the annual plan of operation for the Power Plant;
- 7) Form for the submission of the annual maintenance plan for the Power Plant;
- 8) Form for the submission of the daily plan of operation for the Power Plant;
- 9) Form of the step-in agreement if the Power Plant is above 30 MW of installed capacity.

The Parties agree that the documents as per paragraph 1 items 2) through 8) of the Agreement hereof shall become an integral part of the agreement when acquired by the SELLER in accordance with the obligations as per the Agreement hereof.

Annexes concluded alongside the Agreement hereof shall constitute its integral part and shall produce equivalent legal effect as the Agreement hereof.

FINAL PROVISIONS

Article 46

Each Party shall bear their own costs related to the conclusion of the Agreement hereof.

Article 47

This agreement shall be produced in 6 (six) identical copies, three of which shall be retained by each of the Parties.

SELLER

BUYER

APPENDIX TO THE MODEL POWER PURCHASE AGREEMENT

Model Step-In Agreement to be concluded between the lender (or lender's agent) of the SELLER, the SELLER and the BUYER regarding the power purchase agreement for the power plant with a total installed capacity of over 30 MW

STEP-IN AGREEMENT

The Step-in Agreement hereof (the "Agreement") shall be concluded in [place] on [date]:

1. [name of the buyer], [address], tax identification number [●], company ID no. [●], represented by [●], on one hand ("BUYER"),
2. [name of the seller], [address], tax identification number [●], company ID No. [●], represented by [●], on one hand ("SELLER"), and
3. [name of the lender's agent], [address], company ID no. [●], represented by [●], ("Agent")

OR

[name of the lender], [address], company ID no. [●], represented by [●], ("LENDER"),]

each of the above hereinafter referred to individually as a "Party" and collectively as the "Parties".

WHEREAS:

- (A) The SELLER and the BUYER have concluded the power purchase agreement, [insert number and date of the Agreement], (the "Power Purchase Agreement"), in respect of the [insert type of the power plant and its name], with a total installed capacity of [insert installed capacity] on the territory of [insert municipality, cadastral municipality] (the "Power Plant").
- (B) Pursuant to the facility agreement [enter the date and the number of the agreement] [enter Agent or LENDER], the SELLER has been provided with financing in respect to the Power Plant, (the "Facility Agreement").
- (C) Under the Facility Agreement, the lenders have jointly appointed the Agent to act on their behalf in respect of the realization of their rights under this Agreement.

Terms and expressions used in this Agreement shall have the meaning assigned to such terms and expressions in the Energy Law (“Official Gazette of RS” No. 145/14), regulations issued based on Article 74 and Article 80 of the respective law and the Power Purchase Agreement.

Article 1

The Agreement hereof regulates the rights of [enter Agent or LENDER] in respect of the Power Purchase Agreement if the [enter Agent or LENDER] wishes to nominate another party (“Substitute”) in place of the SELLER in the following cases:

- 1) Following the occurrence of an event of breach of the Facility Agreement (“Enforcement Event”);
- 2) If the SELLER loses the status of privileged producer or the status of preliminary privileged producer;
- 3) If an event occurs giving the BUYER the right to terminate the Power Purchase Agreement (“Termination Event”).

Article 2

The [enter Agent or LENDER] may (but is not obliged to) notify the BUYER that an Enforcement Event has occurred.

If the [enter Agent or LENDER] notifies the BUYER that an Enforcement Event has occurred, the BUYER shall deliver the following to the [enter Agent or LENDER] within 7 working days after the receipt of the notice:

- (1) The list of the existing or outstanding obligations of the SELLER under the Power Purchase Agreement (including any amount owed by the SELLER to the BUYER) the BUYER is aware of; and
- (2) The list of liabilities of the SELLER under the Power Purchase Agreement falling due within three months as of the delivery of the notice.

Article 3

The BUYER shall inform the [enter Agent or LENDER] about the occurrence of the Termination Event, specifying the reasons providing for the right of termination of the Power Purchase Agreement (the “Termination Notice”).

The BUYER may terminate the Power Purchase Agreement to the SELLER and commence the measures, or take part in measures, against the SELLER only in accordance with the Agreement hereof.

If the SELLER’s status of privileged producer or the status of preliminary privileged producer has been terminated, the BUYER shall give notice of such event to the [enter Agent or LENDER].

The notices as per paragraphs 1 and 3 of the Article hereof shall also contain a list of obligations under Article 2 paragraph 2 items 1) and 2) of the Agreement hereof.

Article 4

Within three months as of the date of the Enforcement Event, receipt of the Termination Notice or the receipt of the notice on the loss of (preliminary) privileged producer status of the SELLER, the [enter Agent or LENDER] may (but is not obliged to) request the transfer of rights and obligations of the SELLER under the Power Purchase Agreement to the Substitute.

Article 5

If the [enter Agent or LENDER] decides to transfer the rights and obligations of the SELLER as per the Power Purchase Agreement to a Substitute, the transfer of the Power Purchase Agreement to the Substitute shall be done:

- 1) In case of the occurrence of the Enforcement or Termination Event based on amendments to the decision on acquiring the status of a (preliminary) privileged producer of the SELLER to the name of the substitute appointed by the [enter Agent or LENDER] before the competent authority in accordance with the regulations regulating the transfer of the status of (preliminary) privileged producer, or
- 2) In case of the receipt of a notice on the loss of the status of (preliminary) privileged producer of the SELLER, based on the decision on acquiring the status of (preliminary) privileged producer in the name of the Substitute appointed by the [enter Agent or LENDER] before the competent authority in accordance with the regulations regulating the transfer of the status of (preliminary) privileged producer.

The right of the [enter Agent or LENDER] to appoint a Substitute does not affect the obligations of the Substitute to acquire all the necessary documents in their name, required for transferring and acquiring the status of (preliminary) privileged producer in accordance with the regulations regulating the transfer of the status of (preliminary) privileged producer.

Article 6

The day of the transfer of rights and obligations of the SELLER to the Substitute is the day when the resolution on the amendment of the resolution on acquiring the status of (preliminary) privileged producer in the name of the Substitute, or the resolution on acquiring the status of (preliminary) privileged producer in the name of the Substitute was delivered to the Buyer, in accordance with Article 36 of the Power Purchase Agreement (“Transfer Date”).

During the duration of the right of the [enter Agent or LENDER] to appoint a Substitute, the rights and obligations as per the Power Purchase Agreement shall be suspended until the Transfer Date, under the condition that the [enter Agent or LENDER] has notified the BUYER of their intention to appoint a Substitute.

If the [enter Agent or LENDER] fails to exercise their right to appoint a Substitute within the deadline as per Article 4 of the Agreement hereof, the Power Purchase Agreement shall cease to be valid if the SELLER has lost its status of privileged producer or preliminary privileged producer.

The duration of the Power Purchase Agreement shall be extended for the period referred to in paragraph 2 of the Article hereof during which the legal effects of the Power Purchase Agreement were suspended.

Article 7

If the [enter Agent or LENDER] appoints a Substitute pursuant to the Agreement hereof, the BUYER shall, at the SELLER's expense:

- (1) Take all actions that the [enter Agent or LENDER] may request in order to enable the transfer of the rights and obligations of the SELLER to the Substitute under the Power Purchase Agreement arising on or after the Transfer Date, unless the transfer of rights and obligations from the SELLER to the Substitute was completely executed on the Transfer Date;
- (2) Enter into a new step-in agreement with the [enter Agent or LENDER] (or their replacement) under the same substantial terms as the Agreement hereof, if necessary.

Article 8

As of the Transfer Date:

- (1) The SELLER shall be released from any obligations arising under or in connection with the Power Purchase Agreement after the date of transfer of the rights and liabilities from the SELLER to the Substitute;
- (2) The Substitute shall assume the rights, as well as the liabilities of the SELLER under the Power Purchase Agreement applicable from and after the date of transfer of the rights and liabilities of the SELLER to the Substitute.

As of the Transfer Date or the date when the [enter Agent or LENDER] has enforced their pledge rights over shares in the SELLER, as applicable, the BUYER shall not refer to breaches of the Power Purchase Agreement and shall withdraw the Termination Notice if such a breach or the grounds for the Termination Notice are remedied within 60 days of the Transfer Date or the date on which the [enter Agent or LENDER] has enforced their pledge rights over shares in the BUYER.

NO LIQUIDATION OR BANKRUPTCY PROCEEDINGS

Article 9

The BUYER shall not take any action to initiate bankruptcy or any other bankruptcy proceedings in relation to the SELLER.

NO AMENDMENTS

Article 10

The BUYER undertakes to comply with their obligations under the Power Purchase Agreement.

The BUYER shall not agree to, or make any amendments to the Power Purchase Agreement, or agree to any release or waiver of any term or provision of the Power Purchase Agreement, without sending prior written notice to the [enter Agent or LENDER] at least 30 days in advance.

NOTICES

Article 11

All communications between the Parties under the Agreement hereof shall be in writing and shall be sent to the address or fax number and labelled for the attention of the persons appointed for mutual communication, or otherwise notified by a Party to the other Parties by a notice given pursuant to the Article hereof.

Each Party shall, within 10 working days as of the Agreement hereof entering into effect, appoint a person responsible for the mutual exchange of information regarding the implementation of the Agreement hereof, including the notice on termination, and submit data on the same to the other Party, including first name and surname, address and office number, telephone number, fax number and e-mail address.

The Parties may change the person in charge of mutual exchange of information during the term of the Agreement hereof, whereby they must, without delay, inform the other Party thereof along with the submission of the relevant data stated in paragraph 2 of the Article hereof.

All communications issued under the Agreement hereof shall be delivered personally by hand, sent by fax, sent by courier service, or mailed by registered or certified mail, postage prepaid.

Communications delivered personally by hand, sent by fax or courier service shall be deemed handed over and effective on the day so delivered or sent, or, if received after or on a day that is not a working day in the place of receipt, on the first working day following the date the notice is delivered or sent.

Communications sent by mail shall be deemed delivered on the date when the other Party receives them.

Notwithstanding paragraph 5 of the Article hereof, any communication or document to be made or delivered to the [enter Agent or LENDER] under the Agreement hereof shall be effective only when actually received.

Any reference in this Agreement to the date of a notice shall be interpreted as the date when such a notice becomes effective.

Any Party may, by notice to the other Parties given in accordance with the Article hereof, change the address, fax number or person communications are to be made to under the Agreement hereof.

TERM OF THE AGREEMENT

Article 12

The Agreement hereof shall become effective upon the date of signing by all Parties and shall continue to be in effect until the date of settling all liabilities under the Facility Agreement, but no longer than the term of the Power Purchase Agreement.

GOVERNING LAW

Article 13

The Agreement hereof and any non-contractual obligation arising from or in connection with the Agreement hereof shall be governed by and construed in accordance with the substantive laws of the Republic of Serbia, without reference to the provisions on the conflict of law.

DISPUTE RESOLUTION

Article 14

Any dispute arising out of, or in connection with the Agreement hereof, including any issues regarding its interpretation, existence, validity or termination (“Dispute”) shall be resolved by negotiation between the Parties.

If the Parties are unable to resolve the Dispute by negotiation within 15 days of such a Dispute arising, then any of the Parties may refer the Dispute for settlement in accordance with Article 15 of the Agreement hereof.

During the Dispute resolution process both Parties shall continue fulfilling their duties in accordance with the provisions of the Agreement hereof.

Article 15

In case the SELLER is under direct or indirect ownership by a foreign person or financed by foreign financial institutions (regardless of whether the power plant is connected to the transmission or distribution system) and wishes to refer disputes to the international court of arbitration of the International Chamber of Commerce (ICC) in Paris, Article 15 shall read as follows:

Any and all disputes arising from, or in connection with the Agreement hereof shall be settled finally in accordance with the Rules of Arbitration of the International Chamber of Commerce (ICC) in Paris by one or several arbitrators appointed in accordance with the said rules. The provisions about a temporary (*ad hoc*) arbitrator shall not be applicable.

The seat (or legal place) of arbitration shall be Paris, France.

The substantive law of the Republic of Serbia shall be applicable for the settlement of disputes as per paragraph 1 of the Article hereof.

The arbitration award shall be final and binding for the Parties, and the Parties will be required to implement it without delay.

All arbitration costs, including legal representation costs, shall be borne by the unsuccessful Party, unless otherwise determined by the arbitrators.

The provisions of the Article hereof shall in no way impair either Party's right to file a request to the competent court in order to acquire interim measures for the protection of their rights pending the rendering of the arbitration award.

In case the SELLER is under direct or indirect ownership by a foreign person or financed by foreign financial institutions (regardless of whether the power plant is connected to the transmission or distribution system) and wishes to refer disputes to an international court of arbitration of the International Arbitral Centre of the Austrian Federal Economic Chamber in Vienna (VIAC) in Vienna, Article 15 shall read as follows:

Any and all disputes and claims arising from, or in connection with the Agreement hereof, including disputes regarding its validity, breach, termination or nullity shall be settled finally in accordance with the International Arbitral Centre of the Austrian Federal Economic Chamber in Vienna (VIAC) by one or three arbitrators appointed in accordance with the said rules.

The seat (or legal place) of arbitration shall be Paris, France.

The substantive law of the Republic of Serbia shall be applicable for the settlement of disputes as per paragraph 1 of the Article hereof.

The arbitration award shall be final and binding for the Parties, and the Parties will be required to implement it without delay.

All arbitration costs, including legal representation costs, shall be borne by the unsuccessful Party, unless otherwise determined by the arbitrators.

The provisions of the Article hereof shall in no way impair either Party's right to file a request to the competent court in order to acquire interim measures for the protection of their rights pending the rendering of the arbitration award.

ASSIGNMENT

Article 16

No Party may assign or transfer their rights, and/or obligations under the Agreement hereof without the prior written consent of the other Parties, except that the [enter Agent or LENDER] may assign or transfer their rights and obligations under this Agreement to a successor of [enter Agent or LENDER] in accordance with the Facility Agreement without the consent of the other Parties.

If paragraph 1 of the Article hereof applies, the assignor [enter Agent or LENDER] shall give notice to the other Parties, who shall enter into a step-in agreement with the assignee [enter Agent or LENDER] under substantially the same terms as the Agreement hereof.

The provisions of the Article hereof do not refer to the event of a change of the BUYER in accordance with the special regulations of the Energy Law regulating the acquisition, amendment and cessation of the status of guaranteed supplier, a function performed by the BUYER on the date of the Agreement hereof.

AMENDMENTS

Article 17

The Agreement hereof may be amended only by an agreement in writing signed by duly authorized representatives of each of the Parties.

CONFLICT

Article 18

In case of any conflict between the terms of the Power Purchase Agreement and the terms of the Agreement hereof, the terms of the Agreement hereof shall prevail.

LANGUAGE

Article 19

The Agreement hereof is executed in the Serbian language.

FINAL PROVISIONS

Article 20

The Agreement hereof shall constitute the entire agreement between the Parties regarding its subject matter and supersede all previous written or oral agreements, statements, negotiations and arrangements between the Parties on, or related to the subject matter of the Agreement hereof.

Article 21

The rights and legal remedies provided in the Agreement hereof are cumulative and not exclusive of any rights or remedies provided by the law.

Article 22

The Agreement hereof is executed in six identical copies, two copies to be retained by each of the Parties to the Agreement.

SELLER

LENDER OR LENDER’S AGENT

BUYER