

Contract No. 88(KTC)200403

Kyiv

April 3, 2020

1. Parties to the Contract

Limited Liability Company "Tysagaz" (the "**Buyer**"), as represented by the Director Mykhailo Vuksta and Chief Accountant Mykhailo Fizer, who are acting on the basis of the Charter, and Limited Liability Company "KTS Engineering" (the "**Seller**"), as Represented by the Director for Business Development Kostiantyn Bruiev, who is acting under Power of Attorney No. 16/K dated January 1, 2020, each separately named as "**Party**" and collectively referred to as the "**Parties**", have entered into this Agreement for the following:

2. Subject of the Contract

2.1. The Seller shall sell, and the Buyer shall purchase on the terms specified in this Agreement, JGC 420 GS-N.L Cogeneration Modules in container version (two units) manufactured by Jenbacher, hereinafter referred to as the "**Equipment**" with the following technical characteristics:

Electric power of the module: 1497 kW.

Voltage: 400 V.

The equipment shall be delivered in accordance with the Technical Description attached to the Contract (Annex No. 1 to the Contract).

The buyer is informed that the applicable local rules and standards may differ from the manufacturer's requirements for use (especially for minimum CH₄ content and maximum O₂ content). In case the local rules and standards differ from the requirements of the manufacturer for the operation of the Equipment, the Buyer or the operator are responsible for compliance with the local rules and standards. The Seller declares that the specified type of engine is intended exclusively for operation in a stationary mode. In this case acquiring of the necessary permit required for compliance with the emission standards is exclusively Buyer's responsibility. For the purposes of this Contract, the Seller assumes that the Buyer has the necessary permissions related to the relevant emission standards. The Seller also indicates that other emission standards may apply if a module is certified as a mobile unit, for which the Seller is not responsible.

3. Contract price

Currency of the present agreement shall be Ukraine Hryvnya (UAH)

Total price of the Contract:

3.1. The cost of the Equipment (Contract Price) at the time of conclusion of this Contract is 33,990,012.00 UAH. (Thirty-three million nine hundred ninety thousand twelve UAH. 00 kopecks), in addition 20% VAT - 6 798 002.40 UAH. (Six million seven hundred ninety-eight

thousand and two UAH 40 kopecks), which together amounts to 40 788 014.40 UAH. (Forty million seven hundred eighty-eight thousand fourteen UAH 40 kopecks) including VAT.

The price of the Agreement at the rate of sale of the euro on the interbank foreign exchange market at the moment of conclusion of the Agreement is 40 788 014.40 UAH. (Forty million seven hundred eighty-eight thousand fourteen UAH 40 kopecks) including VAT is equivalent to 1 368 000,00 (one million three hundred sixty-eight thousand euros).

The currency equivalent of the Contract Price - 1 368 000,00 (One million three hundred sixty-eight thousand EUR) - remains unchanged throughout the duration of the Agreement.

3.2. Given the 100% import origin of the Equipment, the Contract Price in UAH referred to in paragraph 3.1. Is dynamic and is adjusted in proportion to the change in UAH exchange rate to EUR at the time of payment according to interbank rate of sale of EUR at the time of market close the day before the issuance of the payment request (web resource <https://minfin.com/currency/mb/eur/>). Changing the Contract price does not require the conclusion of a supplementary agreement to the Contract.

3.3. If the Seller *de facto* receives from the Buyer an amount less than the equivalent of EUR 1 368 000,00 as a result of a change in the EUR/UAH exchange rate, the Buyer shall be entitled, upon receipt of the final payment in accordance with p.4.2. of the Contract, to issue an additional payment request for the difference caused by change in the exchange rate, which shall include relevant calculations, and the Buyer shall pay the requested amount within 5 banking days.

If the Seller *de facto* receives from the Buyer an amount greater than the equivalent of EUR 1 368 000.00 as a result of change in the EUR/UAH exchange rate, the Seller, upon receipt of the final payment in accordance with clause 4.2. Of the contract, shall repay to the Buyer the overpaid money within 5 banking days from the date of crediting of the final payment to the Seller's account.

3.4. The cost of the Equipment includes the cost of shipping, packing and marking the Equipment, as well as commissioning works. Assemblance works with filling of all peripheral systems is not included in the delivery set of this Contract.

4. Payment

The Buyer shall make full advance payment of the Contract Price in the following order:

4.1. The first payment of 30% of the Contract Price, amounting to 410 400,00 EUR (Four hundred ten thousand four hundred EUR), shall be made by the Buyer until April 07, 2020 inclusive. Compliance with the deadline for making this payment is crucial as in the event of its missing the above deadline manufacturing of the Equipment within the time limit specified in paragraph 5.1. of the contract shall become technically impossible and the new date will be determined by the manufacturer.

4.2. The final payment of the remaining 70% of the Contract Price, amounting to of 957 600,00 EUR (Nine hundred fifty-seven thousand six hundred EUR), shall be paid by the Buyer within 5 (five) banking days upon receipt of Buyer's Notification of Readiness of the Equipment for Shipment.

4.3. All payments are made in UAH to the account of the Seller - UA563218420000026000053019174 at PJSC CB "PRIVATBANK", KYIV branch.

4.4. Ownership of the Equipment and all risks associated with the ownership, storage, transportation and use of the Equipment shall transfer from the Seller to the Buyer at the time of acceptance of the Equipment after the Parties sign the Sales Invoice.

4.5. The Buyer shall make payments on the basis of the payment requests made by the Seller.

4.6. In case of delay of the payment pursuant to clause 4.1. the new term of manufacture of the Equipment shall be determined by the manufacturer in accordance with its technical regulations and technical capabilities and shall be notified in writing by the Seller to the Buyer.

5. Delivery

5.1. Readiness of the Equipment for shipment from the manufacturer's factory, subject to Buyer's fulfillment of the obligation provided for in p.4.1 within the term specified by that paragraph – shall be October 7, 2020. If the Buyer misses the deadline for fulfillment of the obligation provided for in paragraph 4.1., the new date of readiness of the Equipment for shipment shall be determined by the manufacturer and shall be notified in writing by the Seller to the Buyer.

5.2. Delivery time of the equipment is 10 (ten) business days from the date of the final payment.

5.3. Terms of delivery: DDP Tainia str., 5 km, village. Vovkovo, Uzhgorod district, Zakarpattya Region, INCOTERMS 2010.

5.4. The Seller undertakes to perform the Equipment commissioning works at the Buyer's facility. The result of commissioning will be the proper operation of the Equipment in accordance with the documentation specified in clause 7.1 of the Contract. Upon completion of commissioning work, the Parties shall sign a Protocol of Performance of Commissioning Works, specifying the amount of work performed, the period of work, the persons who directly performed the work, the claims (if any) of the Buyer, defects and other information at the request of any Party.

6. Termination of the Contract

6.1. The Buyer shall have the right to terminate the Contract at any time prior to receiving the Equipment by sending a corresponding message to the Seller.

6.2. Because the equipment is imported and manufactured specifically for the Buyer, the Contract shall be considered terminated upon payment by the Buyer to the Seller of the Contract termination fee in the following amount.

Number of calendar days after the entry into force of the Agreement (signed by both Parties)	Termination fee
1-110	410 400,00 EUR (advance payment under p 4.1. of the Contract)
More than 110 days or after the date of notification of the readiness of the Equipment for shipment	100% of the Contract Price

6.3. If the Contract is terminated at the Buyer's initiative, the Seller's obligation to deliver the Equipment shall be considered terminated and the amounts received by the Seller under the Contract shall be credited to the commission in accordance with clause 6.2 of the Contract. The Seller independently resolves all issues related to the termination of the Contract with the manufacturer, including compensation. If the amount of cancellation fee received by the Seller pursuant to paragraph 6.2 of the contract is not sufficient for settlement with the manufacturer, it is not subject to increase.

6.4. After the Buyer fulfils item 4.1 of the Contract, the Seller shall not have the right to terminate this Contract unilaterally, except as under mandatory rule of law.

6.5. Provided that the Buyer duly fulfills the payment obligations under p. 4.1. and p. 4.2., delay in delivery of the Equipment for more than 40 banking days, as well as delay in the readiness of the Equipment for shipment of more than 40 banking days are considered to be material breach of the Contract. In case of delay of delivery of the Equipment or delay in readiness of the Equipment for shipment for more than 40 banking days the Buyer has the right to terminate the contract unilaterally without termination fee by sending a notice of termination to the Seller. In this case, the Seller is obliged to return to the Purchaser the cost of the Equipment (or the actually received part of the cost) within 5 (five) banking days from the date of receipt of the Notification (but not more than within 15 banking days from the date of sending the Notification to the address specified in the Agreement), calculated in UAH based on the currency equivalent of the Contract price and the interbank rate of sale of the EUR at the time of closing the auction on the day preceding the payment.

6.6. Buyer's breach of payment deadlines under clause 4.2. of the Contract, by more than 40 calendar days, is considered as the Buyer's refusal of the Agreement. In this case, the Seller shall be exempt from the obligation to supply the Equipment, the Contract shall be considered terminated, and the Buyer shall pay the Seller a commission for cancellation of the Contract in the amount of 100% of the Contract price (the amount paid by the Buyer under clause 4.1 of the Contract shall be credited to this fee).

7. Additional Contract Documents

7.1. This Contract includes the Documents which form an integral part thereof:

Technical description of the Generator Container Generator JGC420 GS-N.L (Annex 1),
Equipment Specification (Annex 2)
TI 1000-0300 - Requirements for fuel gas (Annex 3);
TI 1100-0110 - Limit Operating Conditions for Jenbacher Engines (Annex 4);
TI 1100-0111 - General Operating and Maintenance Conditions (Annex 5);
TI 1000-0041 - Surface Requirements for the Installation of Jenbacher Units (Annex 6);
TI 1000-1109 - Lubricant Requirements for Jenbacher Engines (Appendix 7).
Form of the site readiness for commissioning (Annex 8).

8. Exemptions

8.1. This Contract does not include:

Design of the installation Equipment on the object (hydraulic, exhaust, electrical parts);

- Construction works on the site;
- Unloading and laying on the foundation;
- Other works and services not specified in the Contract.

9. Contract duration

9.1. The Contract is valid from the date of signature by both Parties and shall remain valid through December 18, 2022, but in any case until both Parties fulfil their obligations under the Contract.

10. Warranty period

10.1. The Seller provides warranty for the Equipment: 24 (twenty-four) months from the date of signing the Act of Commissioning or 16 000 hours of operation of the Equipment, or within no more than 28 (twenty-eight) months after the Buyer has received a written notice of readiness of the Equipment for shipment from the manufacturer's factory, whichever is the earlier ("Warranty Period"). In case the Seller misses the deadline for delivery after sending the notice of readiness of the Equipment for shipment from the factory, the above-mentioned 28-month period shall be extended for the number of days, which is equal to the number of days for which the delivery time was violated.

10.2. All warranties are valid provided that the Buyer uses only original spare parts and consumables recommended by Jenbacher and / or an authorized service center during the Warranty Period.

11. Force-Majeur

11.1. The Seller or the Buyer shall not be liable or deemed to be a party to the breach or default of this Agreement if their timely performance is directly or indirectly impeded by circumstances, force majeure: natural disasters, actions (or omissions) of public authorities, fires, complex weather conditions, strikes and other labor conflicts, floods, war (declared or unannounced), epidemic, riots, blocking of roads, accidents. The Parties confirm their full awareness of the circumstances surrounding the COVID-19 pandemic infection and, at

the time of the conclusion of this Agreement, do not consider the said pandemic and the related governmental actions to be force majeure. In the case of the imposition on the territory of Ukraine (its individual regions), Austria (the country of origin of the Equipment) or third countries the prohibitions or restrictions on the movement of freight transport or other restrictions which will directly affect the ability of the Seller to fulfill the obligations to deliver the Equipment, depending on particular circumstances may be considered a force majeure, which will not release the Seller from the obligation in kind, but will release him from liability for delay and from the consequences of this Agreement delays in the period of prohibitions / restrictions.

12. Liability of Parties

12.1. In case the Seller cannot deliver the Equipment at the Buyer's fault after the Buyer has received the message on readiness of the Equipment for shipment (late payment by the Buyer, refusal to receive the Equipment), the Buyer is obliged to pay the Seller the storage cost of the Equipment (its parts) in the amount of 3 840, 00 UAH, in addition to the VAT of 20% in the amount of 960,00 UAH, which together makes 4 800,00 UAH including VAT for each day of storage, starting from the 20th calendar day after the Buyer receives the notification of the readiness of the Equipment for shipment. Termination of the period of storage of the Equipment shall be considered as the date of shipment of the Equipment to the Buyer's warehouse, determined under item 5.3. of the Contract.

12.2. The Parties undertake to immediately notify each other of any delay under the Agreement, to provide documents evidencing the occurrence of the relevant circumstances, and to do their utmost to reduce the delay.

12.3. In case of delay of delivery of the Equipment for more than 20 banking days, subject to its full payment by the Buyer, the Seller undertakes to pay a fine at the Buyer's request in the amount of 3% (three percent) of the value of the unit of the equipment which is overdue.

12.4. In case of late payment of the relevant Equipment payments for more than 20 days, the Seller has the right to require the Buyer to pay a penalty in the amount of double NBU discount rate for the amount of arrears for each overdue day for the entire delay period.

13. Miscellaneous conditions

13.1. This Contract is executed in two copies, one for each Party, in the Ukrainian language, both texts being equally authentic.

13.2. All annexes, supplementary agreements, amendments and supplements to this Agreement shall be made only in writing and must be signed by both parties via authorized representatives.

13.3. All information contained in this Agreement, as well as in connection with the preparation, signature and progress of the implementation of this Agreement is strictly

confidential and is not subject to disclosure. The parties are responsible for maintaining confidentiality.

13.4. The parties have agreed that documents transmitted by email or other electronic means of communication are valid until the originals are received.

13.5. The parties may change the terms of delivery by signing additional agreements to this Agreement.

13.6. All notices in connection with the implementation of this Agreement shall be signed by the authorized representatives of the Parties and sent to the electronic addresses of the Parties:

sergey.panchuk@cubenergyinc.com;
info@tysagaz.com;
sergey.sabadash@kts-eng.com;
andrii.gerasymenko@kts-eng.com;
office@kts-eng.com.

13.7. The invalidation of any of the provisions of this Agreement shall not lead to the invalidation of the entire Agreement as a whole. In this case, the invalid provision shall be replaced by the appropriate provision, which is most consistent with the substance of the relationship between the Parties, other terms of this Agreement and the provisions of the current legislation of Ukraine.

13.8. In the fulfillment by the Parties of the terms of this Agreement, each Party shall ensure compliance with the requirements for protection of personal data provided by the Law of Ukraine "On Protection of Personal Data".

13.9. In the event that the web resource <https://minfin.com.ua/currency/mb/eur/> is unavailable due to technical malfunctions, termination of the portal, etc., the parties may agree to another source of information on the interbank euro selling rate or obtain information directly from the National Bank of Ukraine.

13.10. This Agreement constitutes the full agreement of the Parties on the subject matter of the Agreement. After the signing of the Agreement, all previous negotiations, correspondence, preliminary agreements, protocols of intent to conclude the Agreement shall cease to be valid.

14. Details of the Parties

Buyer: TYSAGAZ LLC	Seller: KTS Engineering LLC
Address: Taynia, 5 km, village Vovkove, Uzhgorod district, Zakarpattya region EDRPOU 23587911557 JSB UkrGasbank UA 233676003924666657 MFO 992329989978 Director <u>“Signed”</u> / Vuksta M.Yu. Chief Accountant <u>“Signed”</u> / Fizer MI	Address: 01030, Ukraine, Kyiv, st. I. Franko, 42, of. 24 EDRPOU 333572527840 IIN: 32597395758303 CB PRIVATBANK UA563248463638394995 MFO 32040483733 Director of Affairs business development <u>“Signed”</u> / Bruyev K.I. M.P.