



# TRILATERAL AGREEMENT ON RUSSIAN GAS TRANSIT THROUGH UKRAINE FOR 2020 AND BEYOND

## Protocol

of the meetings of representatives of the European Union,

Ukraine and the Russian Federation,

as well as companies from these countries (LLC Gas Transportation Operator Systems of Ukraine, NAK Naftogaz of Ukraine, PJSC Gazprom)

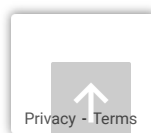
(December 19-20th, 2019, Berlin and Minsk)

Representatives of the European Union, Ukraine and the Russian Federation (hereinafter referred to as the Parties) welcome the achievement of the following agreements between interested companies and Ukraine and the Russian Federation, securing from January 1, 2020 the continuation of the transit of Russian gas through the territory of Ukraine:

**1.** In order to resolve legal disputes until December 29<sup>th</sup> 2019:

**1.1.** In the "package" with the implementation of the agreements provided for in paragraph 2.2, PJSC Gazprom and NAK Naftogaz of Ukraine will sign and will execute an irrevocable settlement agreement, providing for:

- payment of around 2.9 billion US dollars before December 29<sup>th</sup>, 2009, including interest and in accordance with the decisions of the **Arbitration** Institute of the



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have not been taken, including claims of Naftogaz of Ukraine for 12.2 billion US dollars and for 1.33 billion cubic meters m (without cash estimates);

- lifting arrests on property, assets and cash of PJSC Gazprom, as well as renouncing in the future all possible claims and claims under gas supply and transit contracts dated January 19, 2009;

**1.2.** Until December 29, 2019 PJSC Gazprom and Ukraine will conclude an irrevocable amicable agreement in the framework of PTS case No. 2019-10: PJSC Gazprom v. Ukraine, currently considered by the **arbitration** court and the city of Geneva, Helvetic Confederation. Such a settlement will provide, inter alia, for the termination by Ukraine of all current and possible future requirements for Gazprom based on decision the Antimonopoly Committee of Ukraine No. 18-p dated 01/22/2016 and the relevant decision of the Commercial Court of Kiev dated 12/05/2016 (including requirements for the payment of fines and penalties);

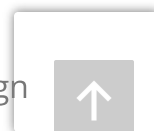
**2.** In order to continue the uninterrupted transit of Russian gas through the territory of Ukraine:

**2.1.** PJSC Gazprom will sign an agreement with NAK Naftogaz of Ukraine (hereinafter referred to as the Organizing Company) for the organization of gas transportation through the territory of Ukraine;

**2.2.** In the implementation of the agreements provided for in paragraph 1, to 12/29/2019 the following will be provided:

**2.2.1.** PJSC Gazprom and LLC Gas Transmission System Operator of Ukraine will conclude an inter-operator agreement;

**2.2.2.** The organizing company and LLC "Gas Transmission Operator Ukrainian Systems" will conclude a transport agreement (transit contract gas). During 2020, NEURC [the energy sector regulator of Ukraine] will make the necessary changes to the standard contract for the purpose of bringing it into line with the transport agreement between the organizing company and LLC "Operator of the gas transmission system of Ukraine" and the parties to the transport agreement will sign



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system of Ukraine LLC to reserve the capacities of the GTS of Ukraine. At the same time, the reservation of capacities of the Ukrainian gas transportation system over the years will be carried out in the following volumes (in normal billion cubic meters):

2020 : 65

2021 : 40

2022 : 40

2023 : 40

2024 : 40.

provided that at the time of booking NEURC will have established a competitive tariff recognized by the organizing company and corresponding to the tariffs, the level of gas transportation tariffs applied in Western and Central Europe.

The parties to the gas transportation agreement intend to further blow out the extension of cooperation on gas transit issues under similar conditions for the next regulatory periods of the operator of the Ukrainian gas transportation system 2025-2034.

**3.** Until December 27<sup>th</sup>, 2019 the parties will take the necessary measures (create the necessary conditions) for the relevant companies to fulfill the above agreements, including:

**3.1.** The European Commission guarantees and confirms in writing the certification of the Operator of the gas transmission system of Ukraine LLC as the compliance of Ukrainian legislation in the field of gas transportation regulation with EU requirements;

**3.2.** The Ukrainian Party will take all necessary measures by December 29<sup>th</sup>, 2019 (create all necessary conditions):

– to conclude amicable agreements with PJSC Gazprom referred to in paragraphs 1.1 and 1.2 of this protocol;





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– to guarantee the legal validity of the decision of NEURC on the terms of booking capacities as amended by the parties to the transport agreement in accordance with clause 2.2.2;

– to ensure the independence of the national regulator, the stability of legislative regulation, reliable, transparency, economic feasibility and stability of tariff setting;

**3.3.** The Russian Party will take the necessary measures (create the necessary conditions) for PJSC Gazprom to fulfill its obligations in accordance with the agreement stipulated in clause 1.1 on payment of decisions of the **Arbitration Institute** of the Stockholm Chamber of Commerce and Industry of 2017 and February 2018.

**4.** Subject to the full implementation of the agreements provided for in paragraphs 1-3 of this Protocol, the Parties will consider the possibility of gas supplies to Ukraine, taking into account the principle of pricing on the basis of the European hub (NCG), with the exception of a reasonable discount taking into account the volume of gas supplies.

For the European Union Maroš Šefčovič Vice-President European Commission	For Ukraine A.B Ermak, Assistant to the President of Ukraine	For the Russian Federation D.N Kozak Deputy Chairman of the Administration of the RFA. B. Novak Minister of Energy of the RF
	D.I. Kuleba Vice-Prime Minister of Ukraine for issues of European and Euro-Atlantic integration	
	A.A. Orzhel Minister of energy and protection of the environment of Ukraine	





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For the LLC Operator of the Gas Transportation System of Ukraine: S.L. Makogon

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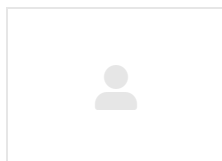
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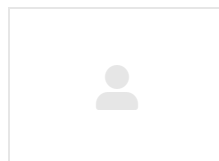
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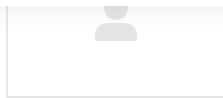




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