

Hungarian Gas Storage Ltd
Natural Gas Storage Licensee

CODE OF BUSINESS CONDUCT

This Code of Business Conduct was approved by
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Authority.

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1 GENERAL

1.1 DEFINITIONS

1.1.1 Definitions of the terms used in the Code of Business Conduct

Terms used in the Code of Business Conduct shall be construed as meaning the same as in the governing documents.

Other terms used in the Code of Business Conduct:

Prepared Gas	Gas extracted from underground storage facilities that has been prepared for transmission via transmission pipelines.
Arrival Pressure	The pressure of the gas arriving at the transmission pipeline delivery point of the underground gas storage facility (pipeline zero point) from the transmission pipeline during the injection cycle.
Parties	For the purposes of the Natural Gas Storage Agreement: MFGT and the System User.
Settlement of Natural Gas Quantities	A complex activity, including keeping a balanced record of the gas volume of System Operators and System Users, and producing the protocols that serve as the basis of payments and verification of the performance of trading and service provision contracts.
GGPSSO	Guidelines for Good Third Party Access Practice for Storage System Operators (2 February 2011) by the European Commission.
Monthly Contract Quantity	The quantity of gas scheduled for delivery and acceptance for a given month (gas month) under the contract for the relevant gas year.
Office	Hungarian Energy and Public Utility Regulatory Authority
IT Platform	A system of technical and IT parameters which ensure the delivery and acceptance of all fundamental data to be produced or provided by MFGT to the System Users and to the Office under the Grid Code, in a standardised manner and via a secure platform, under continuous supervision.
Withdrawal Pressure	The pressure of the gas arriving at the transmission pipeline delivery point of the underground gas storage

		facility.
R&D		The Research and Development Division of MOL Nyrt, and the technical system thereof
Matching		Checking the correspondence of nomination between the storage company and the transmission company
Operator		A contributing organisation that performs its activity related to the operation of the underground gas storage facility under cooperation agreements concluded with MFGT.
Cushion gas		Gas required to maintain the pressure in and continuous operation of the underground gas storage facility.
Short-Term Storage Service		Storage service requested for a period shorter than a storage year.
Transmission Company		Licensee performing natural gas transmission, and the operation, maintenance and development of transmission pipelines.
Transmission System Operator		Transmission system operator appointed by the Office to perform the representation, management and coordination tasks of the integrated natural gas system.
Tariff Decree		HEPURA Decree No. 1/2013 (VII.1.) on the natural gas system usage fees, on the rules of stimulating the quality of service provided by the system operator through system usage fees, on the system usage fees applicable according to the quality of service provided, and on the terms of applying system usage fees.
Storage Licensee		Company that holds a natural gas storage operation licence issued by the Office under the Gas Act.
Storage Programme	Operative	Storage programme prepared by MFGT to ensure the accumulation of the target stock scheduled by the System Users for the storage period.
Load Change		The maximum allowable change in capacity in a single time unit during the withdrawal and injection cycles of the Storage Facility.
Fill Status		The ratio of working gas stored in the storage facility and the maximum working gas capacity of the storage facility.

Technological Ratio The ratio of the working gas capacity and withdrawal/injection capacity as specified in the storage licensee’s operational licence, determining the number of technological withdrawal and injection days.

Abbreviations used in the Code of Business Conduct:

Gas Act	Act No. XL. of 2008 on natural gas supply
Civil Code	Act No. V of 2013 on the Civil Code
Mining Act.	Act No. XLVIII on mining (Mining Act)
Implementation Decree	Government Decree No. 19/2009. (I.30.) on the implementation of Act No. XL of 2008 on natural gas supply
Mining Act Implementation Decree	Gov. Decree No. 203/1998 (XII.19.) on the implementation of Act No. XLVIII of 1993 on mining Hungarian Standard
MSZ	
Grid Code	Operational and Trading Code

1.2 OBJECTIVE, SUBJECT MATTER, EFFECT AND STRUCTURE OF THE CODE OF BUSINESS CONDUCT

1.2.1 Objective and Subject Matter of the Code of Business Conduct

Section 113 of Act No. XL of 2008 on natural gas supply (Gas Act) requires licensees to produce their code of business conduct specifying general safety, quality, technical, commercial, settlement and payments rules for services provided by the licensees, as well as the terms of meeting supply quality and user demand.

The objective of this Code of Business Conduct is to define the general safety, quality, technical, sales, quantity settlement and payment rules governing the services provided by Hungarian Gas Storage Ltd (hereinafter: MFGT) – for the market participants it contracts with – along with rules governing the contract terms and the violation of contract, as well as the detailed rules of supply quality and satisfying consumer demand. Additionally, it is intended to provide a clear description of the rights and obligations of the system users, and to lay down the rules that ensure non-discriminatory access to the storage system.

This Code of Business Conduct contains the contract terms for the basic, optional and customised services offered by MFGT. This Code of Business Conduct was developed on the basis of the legislation and official resolutions listed in Appendix 2 (hereinafter: the governing documents). MFGT strictly adheres to the terms set forth in these documents during its operation whatsoever.

1.2.2 Effect of the Code of Business Conduct

As per Section 113, Subsection (4) of the Gas Act, the Code of Business Conduct shall enter into effect on approval by the Office. The scope of this Code of Business Conduct covers the natural gas storage operations of MFGT, the System Users that use the service provided by MFGT, the contracts and agreements concluded for natural gas storage services, and the contracting parties.

As per Section 119 Subsection (1) of the Gas Act, the Office may apply legal sanctions should MFGT conduct its activities in violation of this Code of Business Conduct.

As per Section 113 Subsection (4) of the Gas Act, MFGT shall make its approved Code of Business Conduct accessible to its customers, both in hard copy and on its website. Access to the Hungarian and English language versions of this document shall be provided both in the customer service office, and on the company website.

MFGT may and, in compliance with Section 121, Subsection (1) of the Implementation Decree, shall revise this Code of Business Conduct on an annual basis. The revision of the Code of Business Conduct shall cover changes to the relevant legal and other regulations, changes arising from the operating practice of the licensee, and the contractual systems. MFGT shall make the necessary amendments to the Code of Business Conduct, and submit them to the Office for approval.

Amendments shall enter into effect on the day specified in the approval resolution of the Office. MFGT will notify its contractual partners of the amendments.

1.2.3 Structure of the Code of Business Conduct

Code of Business Conduct

Annexes

1. Description and technical parameters of the storage system operated by MFGT
2. Contact information of the customer service office
3. Description of the natural gas storage operation support system (description of the IT Platform)
4. Financial conditions of storage and contract templates
5. General Terms and Conditions of Contract for Natural Gas Storage Services (hereinafter: ÁSZF)
 - 5.1 Contract on Using and Providing Seasonal Basic Natural Gas Storage Service - template
 - 5.2 Contract on Using and Providing Seasonal Basic Natural Gas Storage Service (Bundle) - template
 - 5.3 Natural Gas Storage Capacity Contract on Firm Injection, Withdrawal and Working Gas Capacities within the Year
 - 5.4 Natural Gas Storage Capacity Contract on 100% Available, Flat Curves Injection Capacity and Withdrawal Capacity
 - 5.5 Natural Gas Storage Capacity Contract on Interruptible Capacity

- 5.6 Long-Term Contract on Using and Providing Seasonal Basic Natural Gas Storage Service - template
- 5.7 Natural Gas Storage Framework Contract on Storage Plus Service - template
- 5.8 Long-Term Contract on Using and Providing Bundled Natural Gas Storage Service - template
- 5.9 Contract on Portfolio Management Service - template
- 5.10 Contract on Using and Providing Peak Plus Natural Gas Storage Additional Withdrawal and Injection Service - template
- 5.11 Contract on Using MFGT Natural Gas Storage Option (Flex Plus) Optional Service - template
- 5.12 Framework Contract on Using and Providing Daily Peak Plus Natural Gas Withdrawal Service
- 5.13 Framework Contract On Using And Providing Daily Peak Plus Natural Gas Injection Service
- 5.14 Contract on Using and Providing Natural Gas Storage Service in Type "A" Public Customs Warehouse - template
- 5.15 Contract on Lending and Borrowing Natural Gas - template
- 6. Method of Calculation for Settlement, Parameters
- 7. Terms of Contractual Guarantees
 - 7.1 Bank Guarantee template (Letter of Guarantee)
 - 7.2 Statement on Offering Injected Gas
- 8. Procedures for Breach of Contract
- 9. Capacity Auction Regulation
- 10. Description of Storage Plus Service (Commercial Virtual Storage Product)
- 11. Settlement Procedure for Universal Service Related Storage Capacities
- 12. Rules of Procedure for Storing, Releasing and Replacing Strategic Natural Gas Reserve

Appendices

- 1. Organisational Chart of MFGT
- 2. Key European and Hungarian Legislation and Regulations Concerning the Gas Market
- 3. Organisations Representing System User Interests

1.3 MFGT COMPANY PROFILE

1.3.1 Official Data

Licensee name:	Hungarian Gas Storage Limited Company
Registered seat:	1051 Budapest, Széchenyi István tér 7-8.
Mailing address:	1399 Budapest, Pf. 645.
Court registration number:	Cg. 01-10-045043
Court of registration and legal supervision:	Budapest Court as Court of Registration
Statistical Code:	12543317-6312-114-01
Tax number:	12543317-2-44
Bank account number:	16300000-04008363-90006405
Account-keeping bank:	CitiBank

1.3.2 MFGT's Organisational Structure and Area of Operation

The fundamental rules of organisation pertaining to the operation of MFGT are laid down in the Organizational and Operational Rules, the Signatory Rights Manual, and the Authority Manual.

MFGT performs its natural gas storage activities in the organisational structure outlined in Appendix 1, using its own storage capacities and facilities, within the territory of Hungary.

The operational area of MFGT covers the underground gas storage facilities listed in Annex No. 2 of the Natural Gas Storage Operational Licence issued by the Office:

- Hajdúszoboszló UGS
- Zsana UGS
- Pusztaederics UGS
- Kardoskút UGS

MFGT renders its natural gas storage services for the unified storage facility.

1.3.3 External Relations

The following external relations concern MFGT's activities:

- a. Supervisory authorities (Office, Hungarian Office for Mining and Geology, Mining Offices, Ministry of National Development, National Inspectorate for Environment, Nature and Water etc.)
- b. System Users
- c. System operator of the natural gas storage facilities
- d. Natural gas producer

- e. Organisations representing System User interests (Appendix No. 3)
- f. Other organisations (police, fire service, disaster management, local authorities)

MFGT maintains its external relations in the following manner:

a. Customer Service Office

The customer service office acts as a point of contact for potential customers who require natural gas storage services and contracted System Users in connection with the storage operations. In the customer service office, information is provided directly by MFGT experts of the relevant area.

The operating parameters of the customer service office are attached to this Code of Business Conduct in Annex No. 2.

b. 24-hour Dispatching Service

MFGT operates a continuous 24-hour dispatching service to control storage volumes. The purpose of the service is to monitor storage volumes, perform tasks related to nomination and settlement, along with providing information, with special regard to the usage of daily capacities available to the System Users. Additionally, the service receives and assesses load change requests from the transmission company, and if necessary instructs the storage facilities to take the relevant measures. During its daily operation, the dispatching centre maintains continuous contact with the System Users, the relating system operator, and the natural gas producers supplying the storage facilities.

The contact details of the Dispatching Service are listed in Annex No. 2 to this Code of Business Conduct.

c. Internet Website

MFGT provides System Users with regularly updated and detailed commercial and technical information in both Hungarian and English on its website (www.magyarfoldgaztarolo.hu). Information is published in compliance with the GGPSSO requirements.

d. IT Platform

The IT Platform supports the operative cooperation between the System Users and MFGT. The IT Platform is described in Annex No. 3 to this Code of Business Conduct.

The System Users and MFGT maintain contact via the IT Platform in the course of requesting and using services. If the IT Platform is inoperable, rendering the System Users unable to comply with their contractual nomination and other data provision obligations, the System Users shall notify the Dispatching Service of the IT Platform's failure to operate, both in writing and verbally. The dispatcher shall notify the other System Users of the system malfunction. Until the IT Platform is restored, System Users and MFGT shall communicate via telephone, e-mail or fax.

2 ACTIVITIES OF MFGT AS A NATURAL GAS STORAGE LICENSEE

2.1 NATURAL GAS STORAGE ACTIVITY

MFGT performs its activities in compliance with the following licences issued by the Office: natural gas storage operational licence No. 1567/2013 issued on 25th July 2013, amended natural gas storage operational licence No. 2045/2013 issued on 12th November 2013 due to the name change and amended natural gas storage operational licence No. 615/2015 issued on 11th February 2015.

The licence authorises MFGT to perform natural gas storage activities and to operate the gas storage facilities listed therein.

The activities of MFGT are regulated by the prevailing applicable regulations as listed in Appendix 2. MFGT operates, maintains and develops the natural gas storage facilities specified in the licence to the extent required for the continuous and safe performance of its operations. The expected lifespan and technical conditions of the natural gas storage facilities are revised biennially, and the findings are reported to the Office.

2.2 GENERAL SAFETY RULES

2.2.1 Guarantees for the Security of Supply for System Users

Prior to issuing the natural gas storage licence to MFGT, the Office assessed the availability of technical, economic and personnel prerequisites stipulated by legal regulations. The Office issued the natural gas storage operational licence in a resolution on the basis of this assessment, providing the exclusive right and obligation to operate the storage systems specified in the licence, and to sell storage capacities.

The natural gas storage operations of MFGT, as well as the operating conditions and technical standards are continuously monitored by the Office and the Hungarian Office for Mining and Geology. MFGT continuously develops, maintains and operates its storage facilities in compliance with customer requirements and as approved by the authorities.

MFGT continuously updates its maintenance and operational regulations, and analyses the technical conditions of the system and malfunctions. The results of these analyses are evaluated and fed back to the regulated operating procedures.

HUNGARIAN GAS STORAGE LTD has a certified Integrated Management System including a Quality Management System (QMS) in compliance with ISO 9001:2008 standard, an Occupational Health and Safety Management System (OHSMS) in compliance with OHSAS 18001:2007 standard and an Environmental Management System (EMS) in compliance with ISO 14001:2004 standard. The three-year certification and the annual audit of these Systems are carried out by an independent and accredited certification body.

As part of the Integrated Management System, MFGT employs qualified internal auditors to perform continuous system checks, covering all internal procedures regulating the natural gas storage activities. The continuous monitoring of the natural gas storage activities is provided in this manner.

In order to ensure the security of supply for the System Users, MFGT concludes a cooperation agreement with the relating system operator.

To perform certain tasks related to the natural gas storage activity, MFGT employs external contractors via contractor agreements in any event.

MFGT regularly evaluates its contractual suppliers. MFGT corrects the detected errors and error risks, and takes preventive action if required.

In its contractual relationships with System Users, MFGT monitors, collects and evaluates the requests and comments of the System Users. The necessary steps are then taken in order to improve customer satisfaction. MFGT continuously measures and evaluates the quality of the services it provides, and uses these findings to further improve service quality. MFGT conducts annual questionnaire surveys to assess customer satisfaction. System Users are also informed of the findings of the survey.

2.2.2 Regulations Ensuring Non-Discriminatory and Transparent Storage Service

In the course of the storage services, MFGT does not unlawfully discriminate between requestors and requests for its services. Nor does it offer any additional benefits to its affiliated companies or other companies in order to provide them with a business advantage.

The principle of equal treatment applies both to the purchase and provision of services related to capacities, and to pricing.

In compliance with Section 121 of the Gas Act and Section 138 of the Implementation Decree, MFGT prepares a compliance programme to govern non-discrimination and equal treatment procedures. The compliance programme shall be approved by the Office. MFGT shall strictly comply with the terms of the compliance programme and shall have it continuously monitored by an independent compliance officer assigned by MFGT. MFGT's compliance officer informs the Office of MFGT's compliance with the programme in annual compliance reports.

MFGT compiles a Code of Conduct containing the guidelines for its employees that help them handle in an appropriate and ethical manner any problematic situation arising during everyday work.

2.2.3 Data Protection Guarantees and Securities

In respect of any data or facts MFGT may learn in the course of its cooperation with the System Users pertaining to the other party or to the operations of the other party, MFGT shall refrain from disclosing or making available the same to third parties, and from using the same for other than contractual purposes, without the duly signed written consent of the other party.

During the contractual relationship and afterwards, MFGT shall keep all data obtained as confidential with respect to a third party for the period specified for retention by legal regulations and by the internal regulations of MFGT. MFGT shall store electronic documents on a server computer. Following the expiry of the retention period, paper-based documents shall be pulped, while electronic documents shall be deleted.

Prevention of unauthorised access to the IT equipment used by MFGT (including the IT Platform) and the security of data of the storage facilities shall be ensured by protection integrated into the operating system.

MFGT shall comply with its data provision obligations specified in the Grid Code and the Natural Gas Storage Contract via the IT Platform it operates and its company website. The IT Platform is a system of technical and IT parameters which ensure the delivery and acceptance of all fundamental data to be produced or provided by MFGT to the System Users and to the Office under the Grid Code, in a standardised manner and via a secure platform, under continuous supervision.

The confidentiality obligation of the parties to the cooperation agreements concluded with System Users in relation to natural gas storage activities does not apply to the following:

- information that is publicly available or that becomes publicly available other than through the fault of the receiving party; or
- information that was verifiably known to the receiving party before the effective date of the contract; or
- information that was communicated to the receiving party by a third party that was under no obligation of confidentiality towards the party to which the information pertains; or
- information whose publication or disclosure is required by a legal regulation, a stock exchange rule or a resolution of an authority, to the extent and audience specified; or
- information to the disclosure of which the affected party has consented in writing.

2.2.4 Environmental Issues

In the framework of its Integrated Management System, MFGT operates an Environmental Management System that complies with standard ISO 14001:2004 (MSZ EN ISO 14001:2005) and is certified by an independent certification organisation.

MFGT performs its storage operations in compliance with Act No. LIII of 1995 on the General Rules of Environment Protection. In its activities, MFGT is committed to the protection of the environment, human life and health. Therefore:

- it produces a preliminary environmental impact study before commencing operations that affect the environment, and also a detailed study later on;
- it performs the required environmental assessments;
- keeps its emissions within the relevant air pollution limit values;
- manages waste and hazardous waste in compliance with the relevant regulations;
- endeavours to protect surface and underground waters;
- keeps noise levels and vibration pollution below the relevant limit values.

All contracted cooperating partners and contractors of MFGT shall accept a contractual obligation to comply with the relevant environmental regulations. Should MFGT receive verified information to the effect that one of its partners failed to comply with its statutory

environmental obligations, MFGT will be entitled to request a modification or termination of the contract.

2.3 QUALITY REQUIREMENTS OF SERVICES PROVIDED BY MFGT

2.3.1 Quality Parameters of the License's Activity

The quality parameters of MFGT's natural gas storage activity are defined in terms of the following:

- compliance with statutory and contractual requirements;
- quality of service, its measurement and feedback to System Users;
- accuracy of data and information provided in connection with natural gas storage activity.

2.3.2 Requirements for the Quality of Stored Natural Gas, Procedure of Verification

For the purposes of this Code of Business Conduct, MFGT defines the quality parameters of natural gas as the pressure and quality parameters of natural gas received (injected) into and dispatched (withdrawn) from the gas storage facility.

The required pressure values as quality parameters are specified in the cooperation agreement made between MFGT and the relating system operator. These pressure values per delivery point shall be used in the natural gas storage contracts concluded between MFGT and the System Users.

The quality of natural gas handed over at the delivery points for storage or withdrawn from the gas storage facilities, shall comply with Annex No. 11 of Government Decree No. 19/2009 (I.30.) on the implementation of the provisions of Act No. XL of 2008 on natural gas supply. In compliance with the Grid Code, MFGT provides the System Users with verification and settlement data regarding the quality of natural gas.

The relating system operator shall make available to MFGT on a daily basis all measurement data in accordance with the gas quality metering procedure of the Grid Code and the cooperation agreement concluded between MFGT and the transmission company, for settlement purposes.

The daily verified data are included in the monthly delivery and acceptance protocol made between MFGT and the relating system operator or the natural gas producer.

Where there is no connection to the transmission pipeline during injection or withdrawal, quality parameters of the delivered natural gas are measured by the relevant natural gas producer, as per the relevant cooperation agreement.

The System User may inspect the quality data of the withdrawn and injected natural gas and the documents verifying the accuracy of the measurements at any time, which shall be accessible on the IT Platform or otherwise accessed by the System User after having notified the relevant MFGT contact person of this request..

The detailed rules of procedure of measuring natural gas quality is regulated by the Grid Code.

2.4 TECHNICAL REQUIREMENTS OF SERVICES PROVIDED BY MFGT

2.4.1 Operational Control of the Storage System

Annex No. 1 of this Code of Business Conduct details the key technical parameters of the storage facilities owned by MFGT (except for those that constitute business secrets). MFGT performs the business management, technical and economic control tasks related to the storage facilities listed.

2.4.2 Requirements Arising from the Technical Characteristics of the Storage Facilities (Boundary Conditions of Capacity Management)

The main technical parameters of the storage facilities are detailed in the annexes of the natural gas storage operational licence issued by the Office. MFGT shall continuously review and update the annexes. The review is based on the Technical Operational Plan (TOP), specifying the available capacities (per storage facility), as well as developments planned for the storage capacities. As per Section 27 of the Mining Act, TOP is the document MFGT shall submit for approval to the Hungarian Office for Mining and Geology, pursuant to which MFGT shall be obliged to perform its mining (natural gas storage) activity.

Annex No. 1 specifies the technical parameters of each storage facility. MFGT shall apply the following regulation to the unified storage facility:

Capacities defined as per the TOP to be offered for commercial purposes shall be offered by MFGT pursuant to the Grid Code. The capacities available to the System Users during the storage year and the information pertaining to capacity booking are continuously available on the MFGT website.

a. Announcing the Duration of Storage Cycles

Injection period starts on 1st April and ends on 30th September, while withdrawal period starts on 1st October and ends on 31st March. MFGT may extend the withdrawal and injection periods – insofar as allowed by the law or required for supply reasons.

b. Rules for Starting up Storage Facilities

Following their startup, storage facilities shall be run on no load, for a duration that varies from one storage facility to another. The storage activity is commenced gradually, as each storage facility is started up. As a result, the available maximum and minimum capacities change gradually, and at different rates.

Given the above, MFGT applies strict nomination rules with regard to starting injection and withdrawal, which are specified in Section 3.2.1 of this Code of Business Conduct.

c. Rules for Shutting down Storage Facilities within a Storage Cycle

During the storage year, MFGT may shut down any of its storage facilities in response to changes in demand, resulting in possible capacity limitations. This does not constitute a failure on the part of MFGT to comply with its obligations.

d. Withdrawal and Injection Capacity of the Unified Storage Facility

System Users can check the current fill level of the storage facilities on the MFGT website. This value changes constantly during injection and withdrawal. The withdrawal and injection capacities of the storage facilities change depending on the current fill level.

MFGT shall determine the capacity available to the System Users on a given gas day on the basis of the injection and withdrawal plans submitted by the System Users – for the unified storage facility. System Users shall update the plan on a weekly basis, therefore available capacities vary depending on the submitted requests. Before each gas day, System Users may check on the MFGT IT Platform the minimum and maximum available capacities with regard to the unified storage facility on the given gas day.

System Users can also use the MFGT IT Platform to monitor the maximum capacities that they may nominate for. The rules of nomination are specified in Section 3.2.1 of this Code of Business Conduct.

2.4.2.1 Maintenance Rules for Storage Facilities

MFGT uses regular maintenance to ensure the availability of the storage system and its components. These activities guarantee that all components of the storage system comply with a constant level of availability requirements from commissioning to the end of their lifespan.

MFGT performs part of its maintenance activities through contractors. MFGT shall schedule large-scale maintenance work between the injection and withdrawal cycles.

As per Section 94 of the Implementation Decree, MFGT shall notify the natural gas transmission company of the scheduled maintenance periods, based on which the transmission company shall then schedule the dates of planned shutdowns.

The transmission company shall harmonise the submitted maintenance schedules, and publish the same on its website by 15 January. At the same time, MFGT shall inform the System Users of the maintenance schedule affecting its own storage facilities through its website. If necessary, MFGT may deviate from the maintenance schedule, providing 15 days' notice to the System Users.

2.4.2.2 Breakdown and Recovery Rules for Storage Facilities

In order to ensure a secure supply for System Users, MFGT shall employ qualified staff on a 24-hour basis, capable of managing breakdown-recovery, restrictions and emergencies.

MFGT shall continuously update the rules developed on the basis of the Mining Act and the related regulations, and shall communicate and make available the same to the employees working on the technology of the storage facilities. It shall comply and ensure compliance with these rules, and shall perform the required checks.

MFGT shall operate a blowout prevention service at its storage facilities by employing - in the framework of a contractual relationship - a contractor that complies with the requirements specified in Section 21 Subsection (5) of the Implementation Decree of the Mining Act.

MFGT has a disaster recovery plan which covers incidents caused by fire, explosion and malfunction potentially jeopardizing human life, valuable property, the environment or the security of supply.

3 SERVICES PROVIDED BY MFGT

3.1 DESCRIPTION OF SERVICES

MFGT shall be responsible for providing System Users with access to the storage capacities and other services required for the storage of natural gas.

MFGT shall perform its obligations applying the principle of least cost, in a transparent and non-discriminatory manner, with utmost emphasis on operational safety, the protection of environment and health.

The System Users may use the services of the MFGT in compliance with the Code of Business Conduct and the relevant legal regulations, exclusively in the framework of and under the terms specified in a valid and effective contract.

Access to MFGT's working gas and peak storage capacities shall be offered in a regulated way, while if exemption is granted pursuant to Section 74, Subsection (2) of the Gas Act, in a negotiated (non-regulated) way. The resolution granting exemption shall be published on the MFGT website. MFGT shall determine and publish on its website the prices of services provided via negotiation and the detailed rules of their access, in compliance with the principle of equal treatment.

Services provided by MFGT are as follows:

- 1. Basic Services**
- 2. Optional Services**
- 3. Customized (neither basic, nor optional) Services**

Services specified in Section 3.3.1.1.4 of the Grid Code for capacities provided by MFGT via regulated access may be used by the System Users as basic services.

MFGT shall perform the activities as per Section 3.3..1.1.4 of the Grid Code as basic services for the System Users pursuant to the relating section.

Hungarian Gas Storage Limited Company
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Product	Duration	Type	Description	Fee
Firm Seasonal Storage Service – annual	1 year	Basic service	Working gas capacity, withdrawal and injection capacities required for the gas stock, along with injection and withdrawal services	Fee item specified by the Tariff Decree
Firm Seasonal Storage Service – long term	Long term	Basic service	Working gas capacity, withdrawal and injection capacities required for the gas stock, along with injection and withdrawal services	Fee item specified by the Tariff Decree
	(>1 year)			
Bundled Storage Service	Long term	Basic service	The optional bundling of capacities (withdrawal, injection and working gas capacities) sold	Fee item specified by the Tariff Decree
	(>1 year)			
Firm Injection, Working Gas and Withdrawal Capacities – short-term	Short term	Optional service	Firm withdrawal, working gas and injection capacities for an optional “within the year” period, at an optional time	Fee item specified by the Tariff Decree
	(<1 year)			
Interruptible Seasonal and Short-Term Injection and Withdrawal Capacity	Short term	Optional service	Interruptible withdrawal and injection capacities may be requested as interruptible service	Minimum price based on the fee item specified by the Tariff Decree
	(daily use)			
Storage Plus (Commercial Virtual Storage)	Occasional	Optional service	Fulfilling injection and withdrawal requests at any time of the year in the direction opposite to the actual physical flow at the storage facility and/or the direction of flow announced for the period	0.325 HUF/kWh/day

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100% Available Flat Curves Injection and Withdrawal Capacity	1 year	Optional service	Full availability of the withdrawal capacity, regardless of the fill level	1.625 HUF/kWh/year
Portfolio Management Service	1 year	Customized service	This product facilitates the division of a buyer stock into portfolio parts and the tracking of their development	1 000 000 HUF/portfolio part/year
Public Customs Warehouse	1 year	Optional service	Customs warehouse service for gas arriving from outside the EU	Storage capacity fees (Fee item specified by the Tariff Decree) + 5 000 000 HUF/year service fee
Peak Plus	1 year or daily	Optional service	Purchasing additional withdrawal or injection capacity at the existing minimum technological ratio in addition to the booked capacity	Annual: injection capacity 25.994 HUF/kWh/year, withdrawal 25.994 HUF/kWh/year, Daily: injection and withdrawal capacity 0.325 HUF/kWh/day
Option Product (Flex Plus)	Daily	Optional service	Possibility of option to the extent of the total booked capacity, payable in case of calling a positive or negative option by the Transmission Company exceeding 10% of the daily allocated quantity	0.065 HUF/kWh/day
Gas Loan Product	Occasional	Optional product	System User uses stored gas owned by MFGT under a loan contract for a specified period	See product description (3.1.2.7)

The fee of basic services provided in relation to capacities with regulated access shall be determined by the prevailing Tariff Decree. Services can be accessed via capacity auctions announced by MFGT. The minimum bid price determined at the capacity auction may be less than the price set forth in the Tariff Decree.

Terms and fees relating to optional services are contained in this Code of Business Conduct. The fees of optional services are to be approved by the Office as per Section 150 of the Implementation Decree during the official procedure of adopting the Code of Business Conduct.

MFGT and the System User shall agree on the terms and price of customized services on an individual basis, following the principle of equal treatment, as per Section 79 Subsection (4) of the Implementation Decree.

This chapter of the Code of Business Conduct sets out these services, and specifies the general conditions of using these services, based on the above categorisation. Contracting conditions are specified in Annex No. 5 to this Code of Business Conduct (General Terms and Conditions (ÁSZF) of Using Natural Gas Storage Services).

3.1.1 Basic Services and Rules of Access

MFGT provides basic services as per the contract templates attached to this Code of Business Conduct as Annex No. 5 under the following conditions:

3.1.1.1 Firm Seasonal Storage Service

a) Firm seasonal service – annual

In the contracted storage year(s), MFGT shall provide to the System Users the seasonal storage service by rendering the basic services specified in Section 3.3.1.1.4 of the Grid Code. This includes the working gas capacity, withdrawal and injection capacities, and injection and withdrawal services related to the gas stock to be stored.

The offering and booking of capacities shall be performed in compliance with Section 8.11 of the Grid Code.

The conclusion of the Natural Gas Storage Contract shall be subject to the condition that System User fully delivers to MFGT all data reports and documents specified in the Grid Code and the Code of Business Conduct.

MFGT will only accept capacity nominations from and conclude natural gas storage contracts with System Users that have a sufficient financial and/or payment securities for the performance of their contractual obligations. Provisions on financial and/or payment securities are contained in Annex No. 7.1 and 7.2 to this Code of Business Conduct.

If during the annual capacity booking, the capacity requirements of the System Users exceed the available storage capacities, then in order to ensure non-discriminatory access, and in compliance with the Grid Code, MFGT shall organise an auction for the available capacities. The process of the auction shall be governed by Annex No. 9.1 – Storage Capacity Auction Regulation I – to this Code of Business Conduct. In case of offering optional storage capacities not related to the annual capacity auction announcement, MFGT shall be entitled to announce an auction for the free capacities. The process of this auction shall be governed by Annex No. 9.2 – Storage Capacity Auction Regulation II – to this Code of Business Conduct.

When submitting a capacity nomination, the System User shall make an automatically binding and duly signed declaration of intent for the purchase of the nominated capacity. Pursuant to Section 8.11.1.1 (f) of the Grid Code, the System User shall, to the extent of the capacities specified in the binding declaration of intent, enter into a Natural Gas Storage Contract on the nominated capacities confirmed by MFGT. Should the System User fail to comply with this obligation, they lose their capacity booking right, and thus MFGT shall be entitled to sell such unbooked capacities to another System User. MFGT may seek legal remedy for the damages incurred as a result of the delayed sale.

On signing the contract, the System User shall submit an injection schedule, and shall update it on a weekly basis during the injection cycle. Based on the submitted injection schedules, MFGT shall produce its injection programme, specifying in advance the schedule of satisfying the aggregate requests. System Users shall update their own injection schedules on a weekly basis, also considering any capacity and stock changes, and MFGT shall in turn continuously update its injection programme accordingly. MFGT shall be entitled to reject nominations that deviate from the injection schedule, and to request a new nomination.

System Users shall produce and submit to MFGT a withdrawal schedule as of 15 September. System Users shall update the withdrawal schedule on a weekly basis during the withdrawal cycle. System User shall take into account changes in stocks and capacities. In order to assist injection capacity nomination, MFGT shall in any case specify the number of days scheduled for injection so that the System User can prepare its injection schedule accordingly. In the event that the injection or the withdrawal period is extended, after having it consulted with the Office, MFGT shall notify its customers and the market participants in a notice published on its website.

System User shall comply with the prevailing Tariff Decree when paying the price of the service, and scheduling payment. The terms of payment are specified in Annex No. 5 to this Code of Business Conduct.

b) Firm seasonal service – long-term

This service concerns capacity bookings for a period longer than the gas year, and is otherwise identical to the service described in Section 3.1.1.1 Annex No. 5.6 hereto specifies the detailed contractual terms and conditions for firm long-term seasonal service.

3.1.1.2 Storage Capacity Transfer Transactions when Users Switch Traders(Primary Trading)

MFGT shall perform capacity transfer transactions required by the switching of traders free of charge, in compliance with Section 8.4 of the Grid Code.

Performing this service requires that traders releasing and traders accepting capacities shall notify MFGT of the capacity transfer. Both Parties shall do so via the MFGT IT Platform. The transaction will only be accepted and recorded if the amount of capacity released by transferor is accepted by the transferee on the IT Platform, by the deadline applicable to submitting the nominations for the gas day on the working day preceding the effective date of the transaction.

The IT Platform operated by MFGT ensures that System Users can use a so called simplified procedure as per Section 11.1.1 of the Code of Business Conduct with regard to the contract amendment resulting from the transaction.

If there is no agreement between the System Users on the transferred quantity, the contracts of the System Users remain unchanged.

The contracted capacities of the System User transferring the capacity shall be reduced by the same amount that is added to the contracted capacities of the System User accepting the capacity. The aggregate storage capacities of the System Users involved in the switching of traders shall not decrease as a result of the transaction.

Account settlements related to capacities supplying users eligible for universal service are contained in Annex No. 11 of the Code of Business Conduct.

3.1.1.3 Offering Options for Withdrawal and Injection Capacities

In compliance with Section 9.5.3 of the Grid Code, MFGT allows the System Users to offer options during the nomination of natural gas storage capacities free of charge up to 10% of the nomination.

Offering the option allows the System Users to contribute to establishing system balance. The option offered by the System User shall thereafter be managed by the transmission company.

3.1.1.4 Secondary Capacity Trading Transactions¹

Unless otherwise provided by law, System Users may sell and purchase their booked capacities between each other. Nominated capacities may also be sold in part on the secondary capacity market.

In the course of providing this service, MFGT performs the administrative tasks related to the trading of capacities on the secondary market, as defined in Section 8.9.3 of the Grid Code. Accordingly, it enters into its registry system the changes to the capacity nominations of the System Users.

Capacity fees shall remain payable to MFGT by the System User selling the capacity. Volume fees may be paid to MFGT by the buyer of the capacities, depending on the terms of the relevant agreement concluded by the System Users (MFGT shall be notified thereof 5 days prior to the conclusion of the agreement).

Performing this service requires that System Users entering into a secondary capacity sale and purchase agreement shall notify MFGT as per Section 8.9.3 of the Grid Code with regard to the conclusion of the contract, and record the same on the MFGT IT Platform.

Secondary settlements related to capacities supplying users eligible for universal service are contained in Annex No. 11 of the Code of Business Conduct.

3.1.1.5 Providing Technical Support for the Sale of Stored Working Gas, Registering Transactions

In the course of providing this service, MFGT handles working gas transfer transactions between System Users, as provided in this chapter.

¹The storage company offers secondary capacity trading provided the basic service is used.

In the transaction, a System User sells stored working gas to another System User under a sale and purchase agreement. This shall be registered by both Parties on the MFGT IT Platform. As a next step, both System Users shall submit their injection or withdrawal schedules following the transaction. MFGT may, on the basis of its own operative programme, revise these schedules, and initiate negotiations.

The buyer System User shall inform MFGT as to whether it has sufficient storage working gas capacities. The buyer System User without working gas capacity may only obtain working gas if it also verifiably purchases the required capacity.

Based on the report from the System Users, MFGT shall perform the required contract amendments, and update its registry system.

MFGT may refuse to register the sale and purchase of working gas in the following cases:

- if the working gas of the seller System User decreases after the transaction to such an extent that the working gas quantity substituting a bank guarantee would no longer be available. In this case, the seller System User shall provide MFGT with a bank guarantee.
- the System User purchasing the working gas does not have a valid natural gas storage contract with MFGT.
- the System User purchasing the working gas does not have sufficient working gas capacities for the storage of the purchased gas.
- if the working gas transaction prevents the buyer from reaching its target stock, thus defaulting on the injection schedule.
- if the working gas stock is related to supplying consumers eligible for universal service and the buyer does not intend to use it or register it for universal service.
- if the working gas stock is not for supplying consumers eligible for universal service and the buyer intends to use it or register it for universal service.
- if the working gas stock is for supplying consumers eligible for universal service and the buyer intends to use it or register it for universal service.

The price of the service and the terms of payment are specified in Annex No. 5 of this Code of Business Conduct.

Account settlements related to capacities supplying users eligible for universal service are contained in Annex No. 11 of the Code of Business Conduct.

3.1.1.6 Bundled Services

In general, this service means the optional bundling of capacities (withdrawal, injection and working capacities) sold as part of the Basic Services, under long-term contract. The fees of the service and the terms of payment are specified in Annex No. 5 of this Code of Business Conduct.

However, optional storage services may be included in the bundled service as agreed by the parties.

3.1.2 Optional Services and the Rules of Access

MFGT offers the services specified below as optional services. Contract templates for these services (by type of service) are attached to this Code of Business Conduct in Annex No. 5.

3.1.2.1 Sale of Firm, Short-Term Injection, Withdrawal and Working Gas Capacities

With this product, MFGT allows the System User to book capacities if within the year firm capacity is required. System User can book firm capacity for a period shorter than a year pursuant to Section 8.11.1.6 of the Grid Code under the following terms:

MFGT can offer firm withdrawal, working gas and injection capacities for the System Users as firm short-term products for an optional within-the-year period, at an optional time. Capacities can be announced as bundled and unbundled offers on the MFGT website and on the IT Platform. MFGT sells the announced short-term products pursuant to the prevailing price regulation decrees.

Within the year interruptible capacities are only available to the System Users unless all firm withdrawal, injection and working gas capacities have been sold.

The general terms of announcing firm capacities during the storage year are identical with the general terms of announcing firm capacities for the year. Therefore, System Users booking firm capacities for the year, meeting the conditions prescribed by the Grid Code and having submitted the required documents to MFGT in the annual capacity booking period are not required to resubmit the documents.

Following MFGT received the signed contract and the payable short-term firm storage fee, nominations for short-term firm capacities can be submitted.

3.1.2.2 Providing Interruptible Seasonal and Short-Term Injection and Withdrawal Capacities

Via this service, MFGT allows the System User to book capacities even if it was not allocated any firm capacity. System User may request and book interruptible capacities in compliance with Sections 8.11.1.9 and 8.11.1.10 of the Grid Code.

System User may request both interruptible withdrawal and injection capacities as interruptible service. Working gas capacities cannot be requested on an interruptible basis.

Unless otherwise provided by law, interruptible capacities are only available to the System Users if all firm withdrawal and injection capacities have been sold. MFGT shall always offer available annual interruptible capacities, as agreed upon with the natural gas transmission company in advance.

System Users may request interruptible capacities:

- in advance, for a whole storage year;
- at any time during the storage year, up to the remaining part of the storage year;
- daily.

The terms of requesting interruptible capacities during the storage year are identical with the terms of requesting firm capacities. Hence, System Users booking firm capacities, meeting the

conditions prescribed by the Grid Code and having submitted the required documents to MFGT in the annual capacity booking period are not required to resubmit the documents.

System Users that apply for interruptible capacities after the start of the storage year shall notify MFGT 5 days prior to the proposed day of usage. MFGT shall then send a contract to the System User. Nominations for interruptible capacities may be submitted after the duly signed contract and the payable interruptible storage fee have been received by MFGT.

The price of the service and the terms of payment are specified in Annex No. 5 of this Code of Business Conduct.

3.1.2.3 Storage Plus Service

Storage Plus Service allows the System Users to move gas in the direction opposite to the actual physical flow at the storage facility and/or the direction of flow announced for the relevant period. This means that they will be able to perform injection during the withdrawal cycle, and withdrawal during the injection cycle, regardless of the actual physical direction of flow at the storage facility.

This is possible in two ways:

- either by opposite direction supply at the zero point of the unified storage facility (in which case Backhaul (BH) capacity shall be booked with the FGSZ Natural Gas Transmission Company (FGSZ) for using the service)
- or by starting up a storage facility in the flow direction opposite to that of the announced storage cycle.

Anyone intending to use the Storage Plus Service shall make sure that for performing the transmission, all the conditions prescribed for the service are met with regard to the Natural Gas Transmission (FGSZ) system. MFGT shall assume liability exclusively for providing the storage service, while the transmission service shall be provided by FGSZ.

The detailed description of the Storage Plus Service is contained in Annex No. 10 of the Code of Business Conduct, while the contract template is attached as Annex No. 5.7.

3.1.2.4 100% Available Flat Curves Injection and Withdrawal Capacity Storage Product

MFGT aims to provide flat curves, 100% available injection and withdrawal capacities for the System Users, thus making the scheduling of injection easier, the storage target stock simpler to reach and withdrawal easier to plan. MFGT sells 100% available flat curves injection and withdrawal capacities so that 100% available flat curves injection and withdrawal capacities will be available for booking beyond the annual capacity booking. The amount of offered capacities depends on the capacity booking requests submitted until 1st March each year during the first round of the annual storage capacity booking. MFGT shall determine separately in each year the quantity and price of 100% available injection and withdrawal capacities. MFGT shall offer 100% available injection and withdrawal capacities in bundles. The price of a bundle includes the capacity fee, but excludes the volume fees. Capacity bidders may request an optional number of bundles, but the number of bundles shall be an integer. Requests for capacity bundles shall be submitted until the deadline determined by MFGT. In case of

capacity overbooking, MFGT holds an auction. The rules of auction are set forth in Annex No. 9.I and II. of the Code of Business Conduct. During the announcement, MFGT shall continuously provide information to its customers on the status of sale on its website.

3.1.2.5 Peak Plus and Daily Peak Plus Peak Capacity Storage Product

Peak Plus capacity product allows the System Users to book further injection and/or withdrawal capacities in addition to their already obtained and booked working gas, withdrawal and injection capacities without purchasing any additional working gas capacity. MFGT determines separately in each year the quantity of Peak Plus (injection and withdrawal) capacities available for booking. The product is available to System Users with a storage capacity booking contract for at least a year and with capacities booked at the minimum technological ratio.

System Users shall undertake to conclude a supplementary contract with MFGT in case of an accepted capacity request.

3.1.2.6 Option (Flex Plus) Storage Product

Flex Plus service allows offering a positive or negative option exceeding 10% of the Buyer's daily nomination to the Natural Gas Transmission Company (FGSZ) for the zero point of the unified storage facility of MFGT, which then shall be allocated in the event of using FGSZ. This is referred to as Hydraulic Balancing Gas Option (HEG, HEGO) by the Trading Platform (KP) and the Grid Code. This service is available to System Users with Natural Gas Storage Contract and storage capacity booking for the given storage year.

MFGT facilitates it for the System Users to provide a positive or negative option via the MFGT IT platform free of charge up to 10% of the daily nominated quantity, and for a fee in excess of 10%. The sum of the largest possible positive option and the nominated quantity may not exceed the capacity available to the System Users, while in case of a negative option, it may not be less than zero.

Fee shall be paid only for the quantity drawn by FGSZ and allocated by MFGT in excess of 10% of the daily nominated quantity.

If FGSZ draws the quantity offered in the option, the System User shall pay the fee specified in Section 3.1 of the Code of Business Conduct.

If the exercised option does not exceed the 10% of the System User's daily nominated quantity, the Flex Plus Optional Service is free of charge.

If the exercised option exceeds the 10% of the System User's daily nominated quantity, the fee for the Flex Plus Optional Service shall be 0.065 HUF/kWh + VAT for the amount above 10% of the daily nominated quantity.

The financial settlement and invoicing of the Flex Plus Optional Service shall be performed posteriorly at the beginning of the month following the base month by settling the volume fee, and shall be based on the daily value drawn by FGSZ and actually allocated by MFGT above 10% of the daily nominated quantity.

A statement and an invoice based on the statement shall be sent by MFGT to the System User each month regarding the fees relating to using the Flex Plus Optional Service. The payment deadline of the invoice shall be the 30 calendar days from the date of issue.

Payment, guarantee and financial guarantee conditions not regulated by the Tariff Decree or the Code of Business Conduct of MFGT shall be determined according to the agreement between the parties.

In addition to the above, Annex No. 5.11 of the Code of Business Conduct (template contract) shall be applicable to the service.

3.1.2.7 Gas Loan Storage Product

As provided for in HEPURA Resolution No. 1567/2013 (MFGT operational licence) and also in Section 141/G of Act No. XL of 2008 on natural gas supply, MFGT owns 120 million m³ (15 °C)* working gas, for the lending of which – under specified conditions – it has a permit from HEPURA.

Borrower is entitled to borrow the whole or part of the reclassified working gas for its own use, for a gas lending fee, while providing the required collateral (bank guarantee).

During the period specified in the contract, Borrower takes over the gas in the unified storage facility – at a date determined by the Borrower –, and shall return it to MFGT upon the expiry of the loan, but not later than until ____ 201_. In case of customers with other storage contracts, the energy quantity contracted via the Gas Loan contract shall be managed separately from their existing agreements.

It is a precondition for the transaction that upon notification from the Hungarian Energy and Public Utility Regulatory Authority (HEPURA), the total energy quantity withdrawn/borrowed shall be replaced (injected) immediately, but not later than within 30 calendar days.

If in spite of the HEPURA notification, the Borrower fails to return the natural gas according to the schedule as per contract, MFGT shall be entitled to use the gas injected by the Borrower for securing other storage services and to fulfil the HEPURA requirement therefrom. Such utilization shall not exempt the Borrower from paying the fees related to other storage services.

The Gas Loan shall further be conditional on the certification of the bank guarantee securing the value of the borrowed gas, and also on the payment of fees payable in advance in relation to the transaction.

Neither primary, nor secondary trading of the product is possible.

Gas Loan transaction fee shall consist of:

Fee payable by the Borrower

- a. The loan fee (including the working gas capacity fee related to the energy quantity of the natural gas lent) payable by the Borrower upon the delivery of the Natural Gas Lent to the Borrower shall be: HUF + VAT / kWh.

which shall be calculated using the following formula:

The unit price (HUF/kWh) of the loan fee payable by the Borrower when taking over the Natural Gas = $(\text{CEGH} * \text{Contract Volume}) * \text{Risk Premium} * \text{Exchange Rate} / \text{Contract Volume} + \text{Product Fee}$

where:

CEGH: The daily "Settlement Price" published on the day MFGT receives the Borrower's request for the conclusion of the Gas Loan contract, in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month, rounded to 3 decimal digits in EUR/MWh. If on the on the day MFGT receives the Borrower's request for the conclusion of the Gas Loan contract, no daily "Settlement Price" is published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month, the last daily "Settlement Price" published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month.

<http://www.cegh.at/gas-futures-market>

Contract Volume: Energy quantity in kWh, requested and booked pursuant to the Contract on Establishing the Right of Using Gas Loan

Risk Premium: 48%

Product Fee: 0.618 HUF/kWh

Exchange Rate: MNB HUF/EURO exchange rate applicable on the day of issuing the invoice

- b. In addition to the above fees, with regard to usage, as per the provisions of MFGT's Code of Business Conduct, the fees of services used in relation to the natural gas lent (Daily Peak+, Storage +, etc.) and the Volume fees shall also be payable."

Payment Conditions

The loan fee shall be invoiced by MFGT in one sum to the Borrower. The payment deadline shall be 15 days, or if it is sooner, the day preceding the start of withdrawal by the Borrower. MFGT shall accept nomination for withdrawal only if the loan fee has already been credited to its account until this payment deadline.

Collateral

Method of calculating the extent of the financial collateral (bank guarantee) required by MFGT with regard to the gas lent via the Gas Loan product:

150% of the daily "Settlement Price" published on the day MFGT receives the Borrower's request for the conclusion of the Gas Loan contract, in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month, multiplied by the energy quantity requested and booked via the contract on Establishing the Right of Using Gas Loan, in MWh. If on the on the day MFGT receives the Borrower's request for the conclusion of the Gas Loan contract, no daily "Settlement Price" is published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month, the last daily "Settlement Price" published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month shall be the basis of calculating the bank guarantee.

Borrower shall provide the bank guarantee in EURO currency.

The bank guarantee, the beneficiary of which is MFGT, shall be submitted by the Borrower to MFGT upon initiating the use of the Gas Loan, prior to nomination/physical withdrawal.

Duration of Contract

Entry into force shall be conditional on the authentic certification of the bank guarantee securing this legal relationship, and on the prior payment of the gas loan fee.

The contract shall terminate when the natural gas quantity (energy quantity) lent and actually withdrawn is recovered in full, the deadline of which shall be specified jointly by the Parties, but it shall not be later than 30th April, or if recovery is required by HEPURA, the 30th calendar day from notifying MFGT thereof.

Liability

In the event of a delay or failure in the recovery/injection of the borrowed/withdrawn natural gas, any and all damage incurred by MFGT, including public administration fines and any third party damage caused by this contract, shall be borne by the Borrower.

3.1.3 CUSTOMIZED (NEITHER BASIC, NOR OPTIONAL) SERVICES

3.1.3.1 Portfolio Management Service

Portfolio Management service facilitates the division of a buyer stock into portfolio parts and the tracking of their development. This service is available to Buyers with Natural Gas Storage contract and storage capacity booking for the given storage year. MFGT facilitates it for the Buyer to divide their booked capacities and stored stock into portfolio parts. Portfolio Management Service does not affect or in any way influence daily storage operation (nomination, allocation, capacities), as this is an administrative service beyond daily operation, facilitating an easier determination of buyer portfolios for users. MFGT shall send a monthly report on capacity and volume data of portfolio parts. System User shall monthly submit to MFGT the storage transactions within the portfolio parts (withdrawal, injection, stock transfer, capacity transfer). The daily volume, stock transfer and capacity balance per portfolio service shall equal to the daily storage volume stock change and capacity balance of the service user.

3.2 OPERATIVE RULES OF USING SERVICES

3.2.1 Basic Service Nomination Rules

3.2.1.1 Nominating Firm Storage Capacities

The conditions of using the firm storage capacities specified in the Natural Gas Storage Contract are specified in the Grid Code.

In addition to the terms of Section 9.4 of the Grid Code, MFGT specifies the following nomination rules:

- Start-up of storage facilities

The unified storage facility can only be started gradually, and if a minimum demand exists. Therefore System Users shall understand that MFGT accepts requests related to the starting of injection and withdrawal only if the such request is sufficient for starting up the injection or withdrawal programme.

For the protection of the storage facilities, when starting injection or withdrawal, the storage activity shall be performed at an even pace up to the first five days, and only then may the volumes be modified. We can accept nominations only in accordance with this rule in the storage facility start-up period.

MFGT satisfies received injection and withdrawal start requests in the order of receipt, pursuant to the above paragraph. In any case, MFGT shall be entitled to determine at its own discretion the sequence of starting up the storage facilities within the unified storage facility, taking into account the physical characteristics and the level of preparedness of the storage facilities. Nominations submitted in a given period shall qualify as commitment, hence nominated volumes shall also be nominated by the customers at the transmission company. The natural gas storage company reserves the right to claim damages from any non-complying customer that fails fulfil its nomination in the given period.

In order to manage nomination and technological problems related to the start-up of storage facilities, MFGT may offer interruptible capacities to the System Users.

Start-up of storage facilities becomes more predictable if System Users strictly comply with the daily injection and withdrawal schedules submitted after the execution of the contract.

- Capacity Breakdown

At the beginning and at the end of each storage period, System Users shall count on using less firm injection and withdrawal capacities than the contracted maximum capacity due to the operational characteristics of storage facilities. System Users shall consider this when preparing or updating (weekly) the daily storage schedule submitted. MFGT shall continuously inform the System Users on its website about the available firm capacities (as a % of booked capacities) in the capacity breakdown period, as well.

In the period affected by capacity breakdown, available firm capacities shall be determined in proportion to the contracted capacities of the System Users (including capacities purchased on the secondary market). These firm capacities will then be published by MFGT on its IT Platform.

- Miscellaneous rules of nomination:

- a. System Users may submit basic and optional nominations that will be deducted from firm capacities.
- b. System Users that take natural gas from the natural gas production system for injection through the delivery point of the gas production system (direct injection), or that intend to deliver gas to the exit point of the natural gas

production system, shall nominate these quantities. These delivery points shall be listed in the contracts concluded between MFGT and the natural gas producer.

- c. During nomination, MFGT shall also apply the “shipper-pair” transaction system used in the system of the transmission licensee. In this case, the System User shall also use the “shipper codes” used in the Transmission System. Nominations shall be in any case checked on the IT Platform when the nomination between MFGT and the transmission company is verified as per Section 9.2.8 of the Grid Code.
- d. Regarding System Users with several natural gas storage capacity booking contracts, MFGT shall manage the contracted capacities and the stored working gas quantities on an aggregate basis, and shall provide aggregate nomination for the System User.
- e. As for daily nominations, the storage company accepts nominations for the gas day until 14:00 hours on the day preceding the gas day. Submitted nominations can be registered as daily or 24-hour quantities. In as far as the storage customer submits a daily quantity, the storage company divides it into 24 equal parts.

The storage company facilitates the modification of the daily nomination on the IT Platform (in the absence of which via email or fax), prior to the gas day from 16:00 hours until the remainder of the gas day or on an hourly basis. The modification can be accepted if there is at least two full hours until the relevant time.

- f. Received requests shall be reconciled by the storage company with the transmission company, following which the transmission company shall inform the customer with regard to the result thereof.
- g. The storage company may restrict the submitted nominations to preserve the geological characteristics of the underground gas storage sites and the mechanical qualities of the reservoir, and also for the sake of the well system’s physical protection.
- h.
 - Nomination rules applicable in case of deviation from the schedule specified by the System User:

System Users shall submit their daily injection schedule for the period until the end of the cycle within 5 business days prior to the start of the storage cycle, and shall update it on a weekly basis. System Users can update their schedules electronically or on the MFGT IT Platform.

- a. According to the storage schedule weekly updated by the System Users, MFGT shall develop its operative plan on carrying out System User requests (specifying the storage facility to be used).
- b. MFGT accepts the System User’s nomination unless the System User deviates more than +/- 10% from the weekly updated schedule approved by MFGT. If the total nomination of the System Users exceeds the daily available capacity, yet each nomination is still within the allowed range, MFGT shall provide the available capacity in proportion to the System Users’ nomination.

- c. Should the System User deviate more than +/- 10% from the weekly updated schedule approved by MFGT, the nomination may be refused by MFGT and a re-nomination may be required from the System User.
- d. By fully exploiting the technical capabilities, MFGT shall do its utmost to accept the daily nominations submitted by the System Users, thus providing the most flexible conditions for the System Users, and only if inevitable, may act as per the above items in case of System Users deviating by over 10%.

3.2.1.2 Nominating Storage Capacity Transfers in the case of Switching Traders

From the effective date of the transaction, System Users may submit nominations based on the new capacities. Nomination requirements shall be checked on the MFGT IT Platform on the basis of the modified values.

3.2.1.3 Nomination Rules for Options Offered with regard to Withdrawal and Injection Capacities

Prior to each gas day, System Users shall record on the MFGT IT Platform the quantities requested for the given gas day, by specifying the following:

- the quantity of firm capacity;
- the optional quantity (which shall be at the disposal of the natural gas transmission licensee following the option has been offered);
- the quantity of interruptible capacity.

The IT Platform shall check the received data against the following criteria:

- The sum of the firm and optional quantities submitted by the System User shall not exceed the firm capacity available to the System User.
- The interruptible quantity submitted by the System User shall not exceed the contracted interruptible capacity.

The IT Platform shall only accept nominations that satisfy the above criteria.

MFGT shall only accept nominations on interruptible capacities if the System User has nominated all of the available firm capacities.

3.2.1.4 Conducting and Nominating Secondary Capacity Trading Transactions

Nominations for the transferred capacity are made by either the seller or the buyer of the capacity, in accordance with the agreement made between the parties. If the contract stipulates that the buyer of the capacity shall make the nomination, then it may do so from the effective date of the transaction. The System User taking the capacity may submit nominations for the capacities obtained on the secondary market in combination with previously booked capacities. Nomination requirements shall be checked on the MFGT IT Platform on the basis of the modified values.

3.2.2 Operative Rules for Optional Services

3.2.2.1 Rules for Nominating Firm Storage Capacities

Firm capacities shall be nominated as per Section 9.4.1 of the Grid Code.

3.2.2.2 Rules for Nominating Interruptible Storage Capacities

Interruptible capacities shall be nominated as per Section 9.4.3 of the Grid Code.

3.2.2.3 Storage Plus Storage Product

Rules for using Storage Plus storage product are set forth in Annex No. 10 of the Code of Business Conduct.

3.2.2.4 Using 100% Flat Curve Capacity Product

The rules for using 100% available flat curve capacity product are set forth in Annex No. 5.4 of the Code of Business Conduct.

3.2.2.5 Using Peak Plus Capacity Product

The rules for using Peak Plus capacity product are set forth in Annex No. 5.11, 5.12 and 5.13 of the Code of Business Conduct.

3.2.2.6 Using Option (Flex Plus) Capacity Product

The rules for using optional Flex Plus capacity product are set forth in Annex No. 5.11 of the Code of Business Conduct.

3.2.2.7 Using Portfolio Management Capacity Product

The rules for using Portfolio Management capacity product are set forth in Annex No. 5.9 of the Code of Business Conduct.

3.2.2.8 Using Gas Loan Storage Product

The operative rules for using Gas Loan storage product are set forth in Annex No. 5.15 of the Code of Business Conduct.

3.3 DELIVERY AND ACCEPTANCE OF STORED NATURAL GAS DURING NATURAL GAS STORAGE SERVICE

3.3.1 Delivery Points

When booking and nominating capacities, MFGT shall manage the storage sites in a unified manner as described in Section 1.3.2 of the Code of Business Conduct.

3.3.1.1 Transmission System Entry and Exit Points (Zero Points) for the Purposes of Natural Gas Storage

The injection of natural gas from the transmission pipeline and the withdrawal of natural gas into the transmission pipeline shall be performed at the delivery points. The quality and quantity of gas shall be measured at all transmission zero points, using the metering appliances operated by the transmission licensee.

Natural gas withdrawn from storage facilities shall be delivered to the System User at the delivery points. System User then has the transmission company deliver natural gas from the delivery points under a relevant contract agreement.

Due to the technological characteristics of the Kardoskút UGS, withdrawn gas and gas produced in Hungary may exit simultaneously at the storage zero point during the withdrawal period. The impact of this on allocation and volume settlement shall be managed by both the transmission licensee and MFGT in their own systems.

3.3.1.2 Delivery Points for Gas Produced in Hungary

In the case of Kardoskút UGS, it is possible to feed natural gas directly from the Hungarian producers through the E&P system into the natural gas storage system. The quantity and quality of natural gas shall be measured at this delivery point by E&P, in compliance with the cooperation agreement made between MFGT and E&P.

3.3.2 Metering Delivered Natural Gas

MFGT shall take over natural gas at the transmission pipeline zero points of the storage facilities from the transmission licensee acting on behalf of the System User, and delivers natural gas owned by the System User to the transmission licensee at the zero points.

As for produced gas that are arriving to the storage facility not from the direction of the transmission pipeline zero point, quantity and quality measurements shall be also performed at the delivery points of the natural gas production system.

Measurement data collected at the delivery points shall be electronically delivered to MFGT by the natural gas producer and the transmission licensee on a daily basis pursuant to the Grid Code, along with the 24-hour aggregate quantity figures.

3.4 SETTLEMENT, PRICES AND TERMS OF PAYMENT OF SERVICES PROVIDED BY MFGT

The verification of the performance of the natural gas storage contract and the related monthly settlement shall be based on the protocol signed jointly by the contracting parties. The protocol shall be based on gas balance data compiled using certified measurement figures received on a daily basis. Other rules concerning the settlement, service fees, the pricing method and the terms of payment are specified in Annex No. 5 of this Code of Business Conduct.

3.5 COMPLAINT MANAGEMENT IN RELATION TO NATURAL GAS STORAGE SERVICE

In order that complaints and notices submitted by the System User in connection with the operations of MFGT are investigated promptly and in a standardised way, and so that the causes of these complaints can be eliminated, MFGT shall strictly regulate the procedure of complaint management within the Integrated Management System. According to this procedure, any and all complaints and notices received from the System Users shall be investigated and recorded by MFGT. Records shall be stored for 3 years after closing the complaint. Considering the time demand of investigating complaints, MFGT shall, in all cases, notify System Users within 5 business days of the time required for the investigation and elimination of the reported problem. Complaints received by MFGT shall be addressed in writing within 10 business days from receipt.

Following the investigation of a complaint, MFGT shall notify the System User of the findings of the investigation and the measures taken. In the event that the complaint turns out to be unfounded, its rejection shall be accompanied by a detailed and clear explanation.

3.6 SERVICE-RELATED MISCELLANEOUS TERMS OF THE CODE OF BUSINESS CONDUCT

Following the receipt and confirmation of requests for natural gas storage services from the System Users (or in the case of capacity overbooking, following the confirmation of quantities awarded at the auction), MFGT shall enter into the natural gas storage contracts. The contractual relationship between MFGT and the System User, the terms of calling capacities (nominations), as well as the terms of allocation, settlement and payment, are specified in Annex No. 5 of this Code of Business Conduct and in the contract templates included therein.

Terms set forth in the ÁSZF and the contract templates shall govern the contractual relationship in a complementary way, binding the contracting parties. The definitions specified in the Code of Business Conduct shall automatically form a part of the ÁSZF, as well.

Magyar Földgáztároló Zrt.

.....
László Fritsch

CEO

.....
Ákos Kriston

Deputy CEO

Annexes

1 Description and Technical Parameters of the Storage System Operated by MFGT

The operational area of MFGT shall cover the underground gas storage facilities listed in Annex No. 2 of the Natural Gas Storage Operational Licence. MFGT shall construe its storage services as applicable to the unified storage facility pursuant to Section 1.3.2 of the Code of Business Conduct.

This annex contains the technical specifications of the four storage facilities comprising the unified storage facility for information purposes.

Major technical data of the storage facilities

- **Nominal (maximum) working gas, injection and withdrawal capacity related data** – both for each storage facility and for the unified storage facility – are listed in the annex to the Natural Gas Storage Operational Licence and on the website of MFGT.
- **The maximum load change data, basic level service day numbers and the maximum load change speeds in the injection period** are included in the following table:

Underground gas storage facilities	Basic level service duration (day)	Time required for raising minimum level to maximum (h)	Maximum load change speed (thou. m ³ /h/h)	Minimum ÷ maximum (Mm ³ /d)
Hajdúszoboszló UGS	3	8.7+7.6=16.3	15; 30*	1.68 ÷ 10.3
Zsana UGS	1	11.0	60	1.2 ÷ 17.0
Pushtaederics UGS	5	10.1	10	0.48 ÷ 2.9
Kardoskút UGS	2	6.0	10	0.72 ÷ 2.15

- The load change speed in Hajdúszoboszló is 15 thou.m³/h/h below 4.8 Mm³/d with one well group, while above 4.8 Mm³/d with both well groups, it is 30 thou.m³/h/h
- **The maximum load change data, basic level service day numbers and the maximum load change speeds in the withdrawal period** are included in the following table:

Hungarian Gas Storage Limited Company
Code of Business Conduct Annex No.1: Description and
technical parameters of the storage system operated by MFGT

Underground gas storage facilities	Basic level service duration (day)	Basic level service with full well system (Mm ³ /day)	Time required for raising basic level to maximum (h)	Maximum load change speed (thou. m ³ /h/h)	Minimum with reduced well system ÷ maximum with full well system(Mm ³ /d)
Hajdúszoboszló UGS	5	4.8	9.8+10.1=19.9	35; 28*	1.92 ÷ 19.8
Zsana UGS	1	9.6	5.9	130	1.44 ÷ 28.0
Puszaederics UGS	5	0.96	8.0	10	0.96 ÷ 2.88
Kardoskút UGS	5	1.0	7.9	10	0.48 ÷ 2.9

- The load change speed in Hajdúszoboszló with full well system is 35 thou.m³/h/h between 4.8 and 13 Mm³/d, while between 13 and 19.8 Mm³/d with full well system it is only 28 thou.m³/h/h.
- Capacity data and allowable load change data of the storage facilities are subject to constant change in function of the fill level of the each storage facility. System Users can check this on the MFGT website.

Unified data of underground gas storage facilities

Main data generally describing the underground gas storage facilities:

	Working gas capacity [Million m ³]	Injection capacity [Million m ³ /d]	Withdrawal capacity [Million m ³ /d]	Well system [piece]	Installed compressor capacity [MW]
Puszaederics	340	2.9	2.88	33	9.2
Kardoskút	280	2.15	2.9	29	5.7
Hajdúszoboszló	1640	10.3	19.8	128	30.8
Zsana	2170	17.0	28.0	63	49.4
Total	4430	32.35	53.58	253	95.1

Pusztaderics Underground Gas Storage Facility

The Pusztaderics storage facility is the oldest gas storage site, and also the only underground gas storage facility in Transdanubia. It operates in two geological formations (Lower and Upper Nova) with its 24 injection and production wells and 9 observation wells.

Kardoskút Underground Gas Storage Facility

The Kardoskút underground storage facility was also established in a depleted free gas field, in the Komlós A-1, A-2 and B-2, B-6 reservoirs of the Pusztaszőlős field, at a depth of 1080-1250 m. It is a special storage feature (similarly to Pusztaderics) that the reservoir pressure is relatively high (120-130 bar), therefore compressor-use is not required during withdrawal.

Hajdúszoboszló Underground Gas Storage Facility

The Hajdúszoboszló underground storage facility operates in the Szoboszló-III level of the field, the primary production of which was terminated as early as in 1976 (in order to save the required amount of cushion gas). The storage layer is sandstone, at an average depth of 960-980m. Relating to the original initial reservoir pressure, none of the storage facility parts exceed 100 bars.

Zsana Underground Gas Storage Facility

The Zsana underground storage facility is the youngest and most modern facility with the largest capacity and highest load flexibility. The latter feature results from the fact that unlike other MFGT storage sites (with storage activity in sandstone layers), the storage layer of the Zsana-North natural gas field is a Miocene limestone formation, which facilitates relatively higher well capacities. The average storage layer depth is 1880-1920m.

2 Contact information of MFGT's Customer Service Office

MFGT's Sales, Marketing and Regulation provides customer services for MFGT in conformity with the following system of regulations.

Seat of the Customer Service Office

1051 Budapest
Széchenyi István tér 7-8.

Mail address:

Magyar Földgáztároló Zrt.
Ügyfélszolgálati iroda
1051 Budapest (District V.)
Széchenyi István tér 7-8.

Telephone/fax/e-mail

Phone: 1/354-7000
Fax: 1/354-7045
E-mail: info@mfgt.hu

Customer Service Office opening hours

Weekdays 9:00 – 12:00
14:00 – 15:30

System Users can contact the Dispatcher service colleagues on duty all 24 hours a day in issues concerning daily operative issues.

Dispatcher service contact data

Phone: 52/362-574, 20/411-3368
Fax: 52/558-048
E-mail: dispatcher@mfgt.hu

In the event the contact data or opening hours of the Customer Service Centre changes, MFGT shall publish the modified data on its website.

3 Description of the System Supporting the Operative Functioning of the Natural Gas Storage Activity

MFGT has introduced an IT system for the support of the natural gas storage activity to facilitate the operative functioning of the following fields concerning the system users.

General description

The Informational Platform of MFGT is an interactive system ensuring the performance of the implemented administrative and trading activities in real time. It helps users in entering only relevant data while performing certain functions in conformity with the integrated control mechanisms. The objective of the system is allowing customers to electronically use storage facilities, to nominate, book, sell and buy capacities, and to trade working gas. Instead of the former solution based on sending in Excel files, it provides an integrated solution supporting the daily course of business by means of authenticated and time-stamped transactions. System users have access to a tool with which former transaction data can be queried retrospectively.

The system stores data in an auditable way. Transactions are performed immediately, in real time, and the consequences and results thereof are forthwith recorded in the system. Users can always get a customized view and query of information they require.

The Informational Platform of MFGT is a WEB-based application. System users can connect to the application through a secure server data link. The installation of a Flash plug-in is required on the client side to access the system. The user functions of the application appear on a WEB interface, where navigation is by means of menu items.

MFGT sets a so-called 'buyer admin' rights user account for each system user when they start using the application. Therefore, logging in on the system requires a user name and a password, and no chip card or any other digital hardware identification is necessary. The 'buyer admin' of each client is entitled to add further users within his or her organisation, giving them a user ID and first password for logging in and assigning them authorisation.

The system is capable of managing messages, which can also be received by the users outside the system, in the form of an e-mail, after making the required notification settings in the application. The system ensures the use of the functions in Hungarian and English for all the users.

The application has several interfaces allowing an immediate B2B data link to other systems. One of these is the interface developed with the transmission licensee, due to which we can constantly provide information on the available capacity of the storage facilities corresponding to the actual conditions on the basis of measured and other (e.g.: matching) data.

The application is available in 7x24 hours for MFGT partners. Data are saved each day. Data and the system can be restored in case of any system downtime. The system has a distributed architecture and redundant network connections. A security group provides 7x24 supervision and protection for the application servers and databases, also protecting operational firewalls and other supporting devices. The operability of new functions and error correction is verified on two independent test systems using different test methods prior to final installation.

Major functions:

1. Natural gas storage capacity announcement and booking

MFGT offers the available capacities for the given storage year on its website and IT Platform. This is available for each system user having registered for the current storage year by uploading the required documents on the IT Platform. In the event a new party requires capacity, MFGT provides access to the IT Platform. During annual capacity booking, system users are entitled to specify their annual capacity demand within the time frame available in conformity with the provisions of the Grid Code. In addition to this, the documents stipulated as the precondition for capacity booking can also be electronically uploaded on the IT Platform.

In the event the requested capacities fail to reach the extent of the offered capacity, the requested capacities can be considered as booked in conformity with the so-called “click and store” expectations.

2. Primary and secondary trade

According to the rule of law, system users may trade their booked capacities with each other. System users may trade their surplus capacities on the IT Platform with other system users in line with the Code of Business Conduct. The fact of capacity transfer can be electronically administered under the “Transactions” menu item.

3. Working gas trade

System users are entitled to trade the working gas in the storage facility through the IT Platform - in conformity with the terms and conditions stipulated in the Code of Business Conduct.

4. Concluding a natural gas storage contract

The data of all the concluded contracts can be stored electronically. System users can view the data in relation to their applicable contract/contracts under the Contracts menu item.

5. Nomination

Nominations can be submitted on a Web interface from time to time for one or several gas days, in addition to which, the system also facilitates uploading from a fixed format Excel file.

6. Balance

The application automatically records and stores the most recent data required for the balance of each system user’s working gas stock, including stock changes, natural gas quality metering data etc. As a result, system users can view their applicable balance on the natural gas storage services in the system.

7. Planning

In order to ensure that contracted quantities are served in the injection cycle as planned, system users can make their plan in for the cycle. In the injection cycle, by allowing the customers to specify their own injection plans and by considering the injection schedule prepared by MFGT for the unified storage facility, the system ensures scheduled and timely access to the system users’ working gas target stock.

8. Matching

After closing the nomination window, MFGT forwards received, verified and approved nominations to the transmission licensee via an electronic interface for data coordination - pursuant to the provisions of the Grid Code -, of the results of which the transmission company informs MFGT.

9. Gas Quality

Pursuant to the provisions of the Grid Code and the Code of Business Conduct, the system stores the data of the natural gas quality measurement performed by the system operators, the quality related information, as well as the related quality certificate, providing daily access thereto for the system users.

4 Financial Conditions of Storage and Contract Templates

For capacity requests MFGT asks the System User to present

- a contractual (financial/payment) guarantee and
- a document demonstrating the financial conditions specified by MFGT.

Annex No. 7 specifies the terms and conditions of providing documents demonstrating financial conditions and includes the document template.

Section 2 on “Terms of Payment” of Annex No. 5 (ÁSZF) of the Code of Business Conduct includes payment terms for storage fees and surcharges.

5 General Terms and Conditions of Contract for Natural Gas Storage Services (hereinafter: ÁSZF)

General Terms and Conditions of Contract (ÁSZF) for Using Natural Gas Storage Services

Definitions

In addition to definitions described in the applicable legal provisions, Section 1.1.1 of the Code of Business Conduct describes the definitions and the interpretation thereof specified in the General Contractual Terms and Conditions (hereinafter referred to as ÁSZF) and all contracts (hereinafter referred to as Contract) concluded pursuant to ÁSZF.

General Provisions for the Terms and Conditions of Contract

1 General Terms and Conditions of Contract

The general contractual terms and conditions specified in this Annex of the Code of Business Conduct regulate the basic principles of the legal relationships between MFGT and the System Users, therefore any contractual relationship concluded between the parties shall be governed by them. The general terms and conditions of contract and the specific Contracts signed by the parties shall constitute a uniform contract and shall be managed together at all times. The general terms and conditions of contract shall be mandatory content elements of each Contract. If there is a contradiction between a general term or condition of contract and any condition of the Contract, the latter shall prevail [Section 6:80 of the Civil Code].

If MFGT agrees with any System User on providing a service beyond the stipulations of the ÁSZF or offers conditions that are more favourable than those described in the contract templates of the relating annex to the Code of Business Conduct, MFGT shall also offer the same option to all other System Users.

During the application of the general terms and conditions of contract specified in this document, the relevant provisions of the Civil Code shall prevail as underlying rules.

2 Entering into Contract, Capacity Booking and Requesting Services

The System User may utilise services provided by MFGT only if a Contract has been concluded, in line with the provisions of the relevant laws and regulations.

Simultaneously with concluding the Contract, MFGT authorizes the System User to gain access to its IT Platform, and this authorization enables the Parties to accomplish administrative and trading

activities according to the Contract. The IT Platform User's Manual available on MFGT's website specifies the rules for gaining access to the system.

System Users may book capacities published on MFGT's website (www.magyarfoldgaztarolo.hu) or IT Platform for the capacities specified for the unified storage point as per Section 1.3.2 of the Code of Business Conduct.

The Parties shall conclude a Contract for capacity quantities specified in normal volume [at 101.325 Pa pressure and 25/0°C reference value] [kWh/storage year, kWh/day]. The registration of the quantity of natural gas delivered and oftaken from the storage site and the settlement between the Parties shall be based on energy quantity [GCV based kWh]. Pursuant to HEPURA Decree No. 1/2013 (hereinafter referred to as Tariff Decree), settlement between the Parties shall be based solely on energy quantity [kWh].

When concluding the Contract on using storage service, the System User shall submit its injection schedule and update it during the injection cycle on a weekly basis.

Rules for Using Seasonal Basic Services with Regard to Natural Gas Storage Capacities Supplied by MFGT via Regulated Access

Section 3.2.1 of the Code of Business Conduct stipulates nomination rules. In addition to the provisions therein described, MFGT specifies the following rules:

- System Users shall understand that injection or withdrawal requests can only be performed if injection or withdrawal requests received reach or exceed the technological minimum quantity that can be injected or withdrawn at the unified storage facility. If the injection or withdrawal capacity of available on the MFGT IT Platform is zero, System Users shall be obliged to inform the MFGT Dispatching Service in writing via e-mail about their injection or withdrawal demand until 21:00 hours of the day preceding the gas day. MFGT shall publish the development of requests for starting injection or withdrawal on its IT Platform. If – in this event – MFGT is unable to perform the System User's withdrawal and injection nomination, MFGT shall not be responsible for any resulting losses and cannot be obliged to reimburse the fee.
- System Users shall understand that as storage pressure increases in the injection period, the maximum possible injection capacity decreases as part of normal operation. MFGT publishes the estimated availability percentage of injection capacity on its website, calculated on the basis of forecasts from customers.
- System Users shall understand that as storage pressure decreases in the withdrawal period, the maximum possible withdrawal capacity decreases as part of normal operation. MFGT publishes the estimated availability percentage of withdrawal capacity on its website, calculated on the basis of forecasts from customers.
- If MFGT fails to perform the System User's confirmed withdrawal nomination, MFGT shall refund to the System User the withdrawal capacity related, time proportional and decreased capacity proportional part of the capacity fee paid by the System User. The amount of the fee to be paid back is one 365th part of the fee paid by the System User for the withdrawal

capacity involved in non-fulfilment for each day when MFGT fails to perform the nomination. In addition to the obligation to refund the fee, MFGT shall not be obliged to pay any additional compensation for damages.

- If MFGT fails to perform the System User's confirmed injection nomination, MFGT shall refund to the System User the injection capacity related, time proportional and (non-performed) capacity proportional part of the fee paid by the System User. The amount of the fee to be paid back is one 365th part of the fee paid by the System User for the injection capacity involved in non-fulfilment for each day when MFGT fails to perform the nomination. In addition to the obligation to refund the fee, MFGT shall not be obliged to pay any additional compensation for damages.

Delivery of Natural Gas

1 Delivery Points

When booking and nominating capacities, MFGT shall manage the storage sites in a unified manner as described in Section 1.3.2 of the Code of Business Conduct.

2 Pressure of the Natural Gas Delivered and Offtaken

The cooperation agreement between MFGT and the transmission company specifies the entry pressures which facilitate the implementation of the injection program and are appropriate for MFGT, along with the exit pressure levels which are expected by the transmission company and facilitate the transmission of the withdrawn gas.

The natural gas shall be regarded as suitable for storage if it reaches the required entry and exit pressures at the delivery points as per Contract.

In the contract concluded with the transmission company, System User shall specify the pressure values required at the storage site delivery points.

MFGT will only perform the System User's nomination if the pressure of the incoming natural gas complies with the level specified in the Contract. If, due to any reason, the transmission company is unable to transport natural gas to the storage sites at the required pressure level, and hence the System User's nomination cannot be fulfilled, MFGT shall not be liable towards or obliged to pay compensation to the System User.

3 Quality of Natural Gas Delivered and Offtaken

MFGT shall undertake to inject natural gas only if it complies with the quality parameters as per Annex No. 11 of Government Decree No. 19/2009 (I.30.) on the implementation of Act No. XL of 2008 on Natural Gas Supply.

If the quality of the gas withdrawn and prepared fails to meet the requirements specified in Annex No. 11 of Government Decree No. 19/2009 (I.30.) on the implementation of the provisions of Act

No. XL of 2008 on natural gas supply and hence the transmission company refuses to receive such gas, MFGT shall be liable for the resulting consequences.

The delivering party (the transmission company acting on behalf of the System User during injection, MFGT during withdrawal) shall measure the gas quality, or have it measured, at the delivery points by using methods specified in various standards applied in the industry and shall register and document the gas quality in accordance with the provisions of the Grid Code.

Account Settlement of Natural Gas Storage Services

1 Metering Natural Gas Delivered

When injecting natural gas, the volume of natural gas offtaken at the delivery point and the volume of the delivered gas in case of withdrawal shall be measured by the transmission licensee and the natural gas producer with the calibrated measuring equipment operated by them, in accordance with the cooperation agreement concluded with MFGT. Withdrawal and injection volume fees shall be settled on the basis of these quantity measurements.

The transmission licensee shall enter daily zero point volume data considered to be final settlement data in a protocol for MFGT after performing an on-site reading once a month.

In the metering systems, the conversion of natural gas quantity to normal state (at 0°C temperature and at 101.325 kPa pressure) shall be performed by calculator equipment.

2 Allocation Rules

Allocation shall take place according to the rules specified by Chapter 14 of the Grid Code and the following supplements shall be considered.

- During the allocation process, System Users will get the quantities nominated for the gas day.
- MFGT shall assume liability only for nominations submitted and accepted on the MFGT IT Platform.

3 Settlement of Natural Gas Delivered

Annex No. 6 of the Code of Business Conduct includes a detailed regulation for settlement.

4 Procedure for Calculating Cushion Gas Mixed with Working Gas

Due to the special characteristics of the Zsana UGS, it is inevitable in the natural gas storage activity performed by MFGT to extract cushion gas with the withdrawn working gas in the withdrawal cycle. The settlement methodology for inevitable cushion gas extraction shall be in line with the requirements of the Hungarian Office for Mining and Geology. Due to this inevitable extraction, the quantity of cushion gas required for the safe operation of storage facilities decreases. Therefore

MFGT shall recover the extracted cushion gas. Recovering this amount shall be continuously carried out by MFGT from the working gas stored in the facility by purchasing working gas from a System User. This System User shall be selected via tender, in a transparent way pursuant to the specifications of Section 82 of the Implementation Decree.

The quantity of the cushion gas inevitably extracted can be determined by calculation. The calculation steps are as follows:

- Using the condensate (liquid m³) extracted from the Zsana UGS, the quantity of the extracted cushion gas (m³) shall be determined, for which the average gas/condensate ratio (liquid m³/m³) of the production history is applied.
- From the production history, the average calorific value of the storage site's original gas (dry cushion gas) is available, thus the heat quantity and energy quantity of the extracted dry cushion gas can be determined.
- The calorific value and the volume of the mixed gas delivered into the transmission pipeline is continuously registered during withdrawal. (Registration shall be performed by the chromatographs measuring quality at the transmission pipeline zero point.)
- By using the equation system developed for the heat quantity and volume of the mixed gas, the quantity of the components can be calculated (working gas and dry cushion gas).
- Steam capacity is calculated from the measured quantity of the gas condensate separated only from the cushion gas during preparation – by using the steam capacity conversion factor determined upon laboratory measurement.
- The net dry cushion gas and the condensate's steam capacity add up to the gross quantity of cushion gas extracted on the well head.

The recovery of the extracted cushion gas is settled monthly between the natural gas storage company and the System User.

5 Other Settlements Related to Natural Gas Storage

If the technical calculations underlying production and storage indicate that the available cushion gas quantity exceeds the technologically required amount, and if the extraction of this difference does not compromise storage operation – or hence the available storage capacities -, MFGT re-qualifies such difference or part thereof as working gas and then sells it in commercial trade at its own discretion – while simultaneously informing the Office thereof.

Should MFGT decide to liquidate a natural gas storage facility for economic or technical reasons, then after withdrawing the working gas and meeting the mining annuity payment obligations - provided that the mining annuity for the relevant quantity has already been paid -, MFGT sells the free gas used for cushion gas purposes in commercial trade at its own discretion – while simultaneously informing the Office thereof.

Fees and Payment Terms For Seasonal Basic Services Related To Natural Gas Storage Capacities Supplied by MFGT via Regulated Access

The applicable Tariff Decree on setting the natural gas system usage fees shall specify storage tariffs, annual capacity fees, volume fees, surcharges and the frequency of fee payments – excluding the fees of optional services and capacity auctions.

The modifications of the fee items specified in the resolution issued by the Office shall become part of the Contract simultaneously with their coming into force; therefore the Parties shall apply the modifications as of the regulation's effective date.

MFGT shall invoice each fee rounded to the nearest whole Forint to the System User. Fees and surcharges determined as per this chapter shall be net amounts, and MFGT shall charge VAT in the invoices in accordance with the applicable regulations.

Parties agree to settle the fees arising from the contract(s) periodically, in equal monthly instalments pursuant to Section 58, Subsection (1) of Act No. CXXVII of 2007 on Value Added Tax (VAT Act).

MFGT shall issue invoices on the basis of the monthly protocols signed by the System User and MFGT, the performance certificate and the relating contractual agreement.

1 Fees

a) Storage capacity fee

It is an annual capacity fee to be paid by the System User pursuant to the prevailing Tariff Decree in advance in each month based on the booked capacity of the storage site, the working gas capacity, the booked injection and the booked withdrawal capacity. As for working gas capacities, injection capacities and withdrawal capacities booked during the storage year, the System User shall pay the full annual capacity fee for the remaining period of the storage year in equal monthly instalments. The System User shall pay the fee difference in a lump sum for the period already passed. The annual capacity fee and the already invoiced capacity fees shall be calculated for the new capacity portfolio. Due to fees incurred in relation to the additional capacities, they shall either be complemented with new invoices issued or corrected by a document to be treated as an invoice if required.

b) Interruptible capacity fee

The fee of interruptible seasonal withdrawal and injection capacities shall equal to the proportionate part of the capacity fee specified for firm capacities with regard to withdrawal and injection capacities. MFGT shall refund a time and capacity proportionate part of the booking fee to the System User for the days when MFGT interrupts the interruptible service.

c) Interruptible capacity requested on a daily basis

The System User shall pay the fee of the daily interruptible capacity for the day of nomination. The capacity fee shall be equal to the annual firm capacity fee.

If during the month concerned, the System User's capacity booking is modified (due to capacity transfer, secondary capacity trading, etc.) the invoice already submitted and paid will be

supplemented with a document to be treated as an invoice or with an invoice if the fee has been increased.

d) *Withdrawal fee*

It means the volume fee to be paid by the System User for the energy quantity of the withdrawn natural gas.

The withdrawal fees to be monthly paid by the System User shall be determined as the product of the monthly energy quantity withdrawn for the System User and the withdrawal fee as per the Tariff Decree.

e) *Injection fee*

It means the volume fee to be paid by the System User for the energy quantity of the natural gas injected into the storage facility.

The injection fees to be paid by the System User shall be determined as the product of the monthly energy quantity injected for the System User and the injection fee as per the Tariff Decree.

f) *Fee of bundled capacity booking services*

The fee of bundled services is specified in the contract based on Annex No. 5.2 of the Code of Business Conduct.

g) *Fee of bundled long term services*

The fee of bundled services is specified in the contract based on Annex No. 5.8 of the Code of Business Conduct.

h) *Fee of Storage Plus Storage Product*

The fees of Storage Plus storage product is specified in Section 3.1 and Annex No. 5.7 (template contract) of the Code of Business Conduct.

i) *Fee of 100% Available, Flat Curve Capacity Product*

The fees of 100% available, flat curve capacity product is specified in Section 3.1 and Annex No. 5.4 (template contract) of the Code of Business Conduct.

j) *Fee of Peak Plus and Daily Peak Plus Additional Capacity Product*

The fee of Peak Plus and Daily Peak Plus capacity product is specified in Section 3.1 and Annex No. 5.10, 5.12 and 5.13 (template contract) of the Code of Business Conduct.

k) *Fee of Option (Flex Plus) Capacity Product*

The fee of the option (Flex Plus) capacity product is specified in Section 3.1 and Annex No. 5.11 (template contract) of the Code of Business Conduct.

l) *Fee of Portfolio Management Service Product*

The fee of Portfolio Management Service Product is specified in Section 3.1 of the Code of Business Conduct.

m) *Fee of Gas Loan Storage Product*

The fee of the gas loan service shall be specified by MFGT in its product announcement.

2 Terms of Payment

Having contractually performed the specified obligations, MFGT shall be entitled to submit an invoice.

A document evidencing performance (protocol, performance certificate or contract annex) shall constitute an attachment of the invoice.

If the invoice fails to comply with the stipulations of the Contract, or any preconditions for payment specified in the Contract are not met, the System User shall request MFGT in writing to provide corrections. In this case, the contractual payment deadline shall start on the day of full completion.

2.1 1. Payment terms for storage capacity fee

MFGT shall issue an invoice once a month on the capacity fees and on the instalment of the annual capacity fee for the given month not later than the 10th business day of the month preceding the base month. The due date of any invoice shall be the first day of using the services in the reference month. If the due date falls on a holiday, the following business day after the holiday shall be the due date. The System User shall transfer the invoiced amount to MFGT's bank account so that it is credited before the expiry of the due date. Failing to do so entitles MFGT to suspend the natural gas storage service, of which the System User is notified (pursuant to Annex No. 8 of the Code of Business Conduct).

If during the month concerned, System User's capacity booking is modified (due to capacity transfer, etc.), the invoice already submitted and paid shall be supplemented with a document to be treated as an invoice or with an invoice to be issued by MFGT not later than until the 5th business day of the month following the reference month. The System User shall transfer the invoiced amount to MFGT's bank account so that it is credited before the expiry of the due date. Failing to do so entitles MFGT to suspend the natural gas storage service, of which the System User is notified.

As for working gas capacities, injection capacities and withdrawal capacities booked during the storage year, the System User shall pay the full annual capacity fee for the remaining period of the storage year in equal monthly instalments.

The System User shall pay the fee difference in a lump sum for the period already passed. The annual capacity fee and the already invoiced capacity fees shall be calculated for the new capacity portfolio. Due to fees incurred in relation to the additional capacities, they shall either be complemented with new invoices issued or corrected by a document to be treated as an invoice if required.

The payment deadline of the invoices and the document to be treated as invoice shall be 30 calendar days from issuing the invoice.

2.2 Payment terms for injection and withdrawal storage fees

MFGT shall issue the invoice on injection and withdrawal fees once a month to the System User on the basis of data included in the protocols signed by MFGT and the System User. The protocol shall always include, in addition to injection and withdrawal fees, the part of withdrawn and injected quantities cumulated for the given month, which are calculated in the balance sheet for the unified storage facility on a daily basis and allocated to the System User in energy quantity [kWh].

The 30th calendar day following the date of invoice issue shall be the due date. If the due date falls on a holiday or a Sunday, the following business day after the holiday or Sunday shall be the due date. The System User shall transfer the invoiced amount to MFGT's bank account so that it is credited before the expiry of the due date. Failing to do so entitles MFGT to suspend the natural gas storage service, of which the System User is notified (pursuant to Annex No. 8 of the Code of Business Conduct).

MFGT shall issue and send the invoice to the System User not later than on the 10th day following the reference month, enclosing the monthly protocol and the following data:

- daily natural gas volume delivered or taken in monthly total [kWh],
- calculation of surcharges and the documents underlying the calculations,
- monthly closing stock in energy quantity [kWh].

2.3 Payment terms for bundled storage services

The payment terms for bundled services are specified in Annex No. 5.2, 5.5 and 5.8 of the Code of Business Conduct.

3 Invoicing procedure

The invoice dispatched by MFGT shall be considered as properly submitted:

- upon the certified date of delivery if delivered in person,
- upon the certified date of delivery if delivered by courier service,
- on the 3rd business day after mailing in case of letters sent by registered mail.

Any legal debates regarding due date of invoices or invoice delivery and any default in payment shall be governed by the provisions of the Civil Code.

MFGT shall issue the invoice in an amount rounded to the nearest whole forint, determined on the basis of the tariffs described in the "Fees" section of this Chapter.

The System User shall fulfil its payment obligations via transfer to MFGT's bank account specified in the Contract. Any payments to MFGT shall be made in Hungarian Forint.

4 Payment, payment default

In case of payment default, Parties shall pay interest for default pursuant to the Civil Code in a way that the interests are charged for the period between the due date and the day when the payment is made.

Parties shall issue the charge letters regarding interest for default once a month on the basis of the invoice payment delays occurred until the last day of the previous month. The due date for paying interest for default shall be the 10th day after sending.

If MFGT grants some allowance from the interests that can be charged for default in payment or disputed settlements, MFGT shall publish this on its IT Platform and grant that such allowance to every System User.

In the event of non-performance, MFGT shall act according to Annex No. 8 of the Code of Business Conduct.

5 Settling invoice complaints

MFGT shall follow the relevant regulations when issuing an invoice.

Any System User may make a complaint or objection in writing in connection with MFGT's invoicing within 5 business days of receiving the disputed invoice. The complaint shall include the disputed data, the amount and the reason for the dispute.

If the invoice is disputed, the System User shall pay the invoiced amount with rights reserved.

Within 2 business days after the complaint has been communicated, the Parties shall negotiate about the disputed item. If the complaint is approved, MFGT shall send a correction settlement/data supply to the System User within 5 business days from receiving the complaint.

If the complaint is rejected, MFGT shall send a written explanation of the refusal to the System User within 5 business days.

Following the investigation of the invoice, the Parties shall make a settlement on the basis of the modification of the invoice:

- a. in case of overpayment, the party that issued the invoice shall refund the difference plus default interest rate pursuant to the Civil Code for the period between the fulfilment date and refund date to the party receiving the invoice,
- b. in case of underpayment, the party receiving the invoice shall transfer the difference to the party issuing the invoice, without delay.

Any partial payment of an amount included in the invoice shall be considered a non-payment.

6. Contractual guarantee

The System User shall provide a bank guarantee or a natural gas quantity it possesses but stores with MFGT as a contractual guarantee (payment guarantee) to MFGT. The rules for the bank guarantee and for the offered quantity of stored natural gas as contractual collateral are specified by Annex No. 7 of the Code of Business Conduct.

7 Rights and obligations

7.1 System User's rights and obligations

Rights

- System User shall be entitled to inject the natural gas owned by it into the Storage Site owned by MFGT, store it there and withdraw it in accordance with the capacities defined in the Contract and other contractual terms and conditions.
- To nominate injection and withdrawal capacities up to the capacities defined in the Contract.
- To sell natural gas storage capacities to other System Users in compliance with the relevant terms and conditions of the Contract.
- System User shall be entitled to sell to other parties, partially or wholly, any stored working gas owned by the System User. MFGT shall register the ownership change only if MFGT receives the financial and/or payment guarantee relating to the storage fees of the gas sold.
- To issue on its own booked capacities commissioned capacity sale assignments to MFGT.
- System User shall be entitled to receive information in relation to its storage stock, storage volumes and its available storage capacities.
- System User shall be entitled to exercise its rights arising from a breach of contract committed by MFGT, if MFGT fails to fulfil any of its contractual obligations.

Obligations

- System User shall have the natural gas they intend to inject transmitted and delivered to the Storage Site (zero point of the transmission line) – in the quality as per the Contract –, and shall also offtake the natural gas withdrawn from the Storage Site and have it transported from there.
- System User shall pay the fees specified in the Contract to MFGT.
- System User shall provide a contractual guarantee for MFGT.
- The System User shall use the IT Platform operated by MFGT to fulfil its contractual obligations. Should the System User have any problems with using the IT Platform, they shall inform the MFGT in writing.
- System User shall keep contact with MFGT via its contact persons specified in the Contract, cooperate with MFGT and provide data supply and all relevant information to MFGT.

7.2 MFGT's Rights and Obligations

Rights

- In justified cases and in accordance with the provisions of the Contract, MFGT shall be entitled to refuse or restrict fulfilment toward the System User and shall inform the System User thereof in writing in advance.
- In case of force majeure or breakdown, MFGT is entitled to interrupt the provision of firm storage services to an extent and for a period as necessary and sufficient.
- MFGT is entitled to refuse any injection that exceeds the injection capacity specified in the Contract, or any withdrawal that exceeds the withdrawal capacity, any natural gas storage that exceeds working gas capacity or any withdrawal of natural gas volumes that exceeds the quantity injected by the System User.
- MFGT is entitled to refuse System User's nomination if the sum of nominations does not exceed the minimum level required by the Storage Site.
- MFGT is entitled to refuse System User's demand for injection if the volume of the natural gas to be injected does not meet the requirements as per standard MSZ 1648:2000.
- In case of a breach of contract by the System User, MFGT is entitled to call in the financial guarantee or sell the gas being stored.
- MFGT is entitled to request information from the System Users as required for the safe operation of the storage facilities and for the contractual fulfilment of the nominations.
- In addition to the above said key rights, MFGT is entitled to exercise its rights arising from a breach of contract committed by the System User, if the System User fails to fulfil any of its contractual obligations.

Obligations

- Based on the System User's nomination, MFGT shall inject the natural gas owned by the System User into the Storage Site, store it there and withdraw it in accordance with the capacities specified in the Contract and with other contractual terms and conditions.
- MFGT shall take over the natural gas volume to be injected at the zero points of the transmission line, from the Transmission Company acting on behalf of the System User, in accordance with the provisions of the Contract, then shall keep the gas in the Storage Site and shall deliver the requested withdrawn gas to the Transmission Company acting on behalf of the System User at the zero points of the transmission line - in a quality meeting the requirements of the Contract and Annex No. 11 of Government Decree No. 19/2009 (I.30.) on the implementation of the provisions of Act No. XL of 2008 on natural gas supply.
- MFGT shall operate the IT Platform and shall provide access to it for the System User.
- MFGT shall perform the contract amendments related to the primary capacity sale transactions and to the switching of traders.
- MFGT shall keep contact and cooperate with the System Users, investigate their complaints, provide data supply and shall share all relevant information with them.

Breach of contract and consequences

1. Cases of breach of Contract

Except in cases of force majeure, it shall constitute a breach of Contract whenever any of the Parties violates any contractual term or condition or the provisions of the Civil Code on breach of contract, with special regard but not limited to the following:

On behalf of the System User:

- Failure to pay the compensation for services;
- The quality of the injected natural gas fails to meet the requirements specified in the Contract.

On behalf of MFGT:

- Non-fulfilment of accepted injection and withdrawal tasks required by the System User;
- The received natural gas is lost or destroyed;
- The quality of the withdrawn natural gas fails to meet the provisions of the Contract

2 Consequences of breach of contract, damages

Annex No. 8 of the Code of Business Conduct specifies the consequences of and the rules of procedure in case of a breach of contract.

Force Majeure

It shall not qualify as a breach of Contract if either Party fails to meet its contractual obligations through no fault of either Party (force majeure). Force majeure circumstances include particularly but not exclusively unforeseeable circumstances that may not be prevented by the contracting parties (e.g.: war, national strike, earthquake, flood, fire, act of terrorism etc.), which are beyond the control of the Parties and directly prevent the Party concerned from meeting its contractual obligations.

The Party announcing the force majeure event shall notify the other Party as soon as reasonably possible if:

- the force majeure event has ceased, or
- the force majeure event has ceased to affect the performance of the announcing Party.

Neither Party shall be exempt from fulfilling their contractual obligations until the affected Party announces the force majeure event.

The Party affected by force majeure:

- shall use reasonable endeavors to avoid, prevent, stop or mitigate the effects of the Force Majeure event, including the procurement of services, products, equipment and materials from other resources, and payment of reasonable amounts;
- shall use reasonable endeavors to continue the performance of the Contract immediately after the force majeure event has ceased; and
- shall inform the other Party, on the reasonable request of the other Party, about the type and causes of the force majeure event, the actions taken to avoid, cease or mitigate the force majeure event and the expected duration thereof.

Except as otherwise agreed by the Parties in writing, the contractual deadlines shall be prolonged in proportion to the duration of the force majeure event.

If the event that the force majeure period exceeds 180 days, either Party is entitled to terminate the contract in writing by giving a 30-day notice without any detrimental legal implications, even if the Contract does not allow the Party to do so.

Contracting Parties shall immediately inform each other in writing on any pending force majeure, the occurrence of force majeure and the probable duration thereof. The Party responsible for delay in providing information on a pending or occurring force majeure shall be accountable for any losses arising from such late notification.

Emergency, breakdown

Emergency and breakdown are events or operating conditions that deviate from normal, planned operation of the connected transmission system, the underground storage and gas production facilities, and occur due to reasons beyond the control of the relevant transmission companies, and may result in a decrease in the security of supply, serious pollution or public danger, and gas supply to the System User becomes restricted, and generating operating parameters other than normal operation at the delivery points of the storage site.

In the event of emergency, the Party that becomes aware thereof shall immediately inform the other Party in writing if the emergency affects compliance with the contractual conditions, and the Parties shall negotiate on a continuation of the fulfilment of the Contract as soon as possible, and agree on issues deemed important by any of the Parties.

Under Act No. XL of 2008 on natural gas supply (Gas Act), in case of a breakdown, MFGT shall proceed as follows:

- Takes immediate measures for the sake of breakdown-recovery,
- Restores service as soon as possible after breakdown-recovery.

Gas Act and Government Decree No. 19/2009 on the implementation of the Gas Act specify the detailed rules of managing crises in natural gas supply and major disruptions in the integrated natural gas system, also specifying the restrictions and principles to be applied in case of crises and major disruptions, along with the system users' rights and obligations.

Amendment of the Contract

Contracting Parties may modify the Contract in writing by mutual agreement, signed by the authorised signatories. The date when the amendment comes into force shall be specified.

Any changes in the relating legislation during the term of the Contract shall be applied as of the date set forth by the legislation. The necessary amendments shall also be reflected in the ÁSZF. In the event that changes lead to the considerable modification of the conditions, and the Contracting Parties cannot be expected to maintain the Contract with such altered content, either Contracting Party may initiate the amendment of the Contract.

Any change in the entity of the Contracting Parties shall be considered as a contract amendment which shall not interfere with Parties' interests, neither in providing services, nor in paying compensation. Where either Party's interests so require, guarantee in a reasonable amount and form can be required.

It does not qualify as contract amendment if the court registry data of the Parties, particularly the seat, the representatives or the bank account number change or if the data of the organization or contact persons proceeding in connection with the conclusion and performance of this contract change. The relevant Party shall notify the other Party with regard to these changes in writing 10 days in advance, but not later than on the 10th following the (registry of the) change.

Termination of the Contract

The Natural Gas Storage contract shall be terminated in the following cases:

- the contract is terminated by mutual agreement of the Parties,
- either of the Parties terminates the Contract,
- the Office effectively revokes either Party's operational licence,
- if System User becomes insolvent or subject to bankruptcy, liquidation or winding-up procedure,
- either Party is dissolved without a legal successor,
- if a force majeure period exceeds 108 days,
- either Party terminates the Contract with immediate effect upon the other Party's repeated and material breach of contract despite a written warning,
- the term of the Contract has expired.

Miscellaneous Provisions

System User is entitled to entrust another entity (hereinafter "Agent") with nomination on its behalf. MFGT shall provide the Agent with all the opportunities (e.g. access to the nomination system) required for performing nomination process instead of the System User. System User shall pay any costs incurred in connection with this assignment.

If any Party is reorganized or wound up with a legal successor, obligations and rights arising from the Contract with regard to the Party concerned shall be transferred to the legal successor.

Either Party may transfer any right, obligation or claim – except for claims on money – arising from the Natural Gas Storage Contract only with prior written approval from the other Party.

During the term of the Contract either Party may propose the renegotiation of the Natural Gas Storage Contract.

1 Confidentiality

Any data, facts, especially but not exclusively, the existence and content of the Contract which came to the attention of the Parties in any way in connection with the conclusion and performance of the Contract with regard to the other Party and the activities thereof shall be deemed to be a business secret as per Section 2:47 of the Civil Code. Parties shall not disclose such information to third parties, nor make it available or use it for any purpose other than the performance of this Contract.

Parties are entitled to disclose data, facts or information specified in the previous paragraph to a third party that provides financial, accounting or legal services for the Parties under Contract, on condition that the Parties ensure that any partner providing financial, accounting or legal services for the Party under a contract for work and services shall treat any data, facts or information regarding the Natural Gas Storage Contract as confidential, in accordance with the Parties' financial interests, without publishing or disclosing them to third parties. Failing to do so, the defaulting Party shall fully compensate the adversely affected Party for any damage arising therefrom.

The following information shall not fall within the scope of confidentiality obligation:

- information that is publicly available or that becomes publicly available other than through the fault of the receiving party; or
- information that was verifiably known to the receiving party before the effective date of the contract; or
- information that was communicated to the receiving party by a third party that was under no obligation of confidentiality towards the party to which the information pertains; or
- information whose publication or disclosure is required by a legal regulation, a stock exchange rule or a resolution of an authority, to the extent and audience specified.
- information, the disclosure of which has been approved by the other Party.

2 Risk-taking

MFGT shall be responsible for keeping the quantity of the natural gas handed over for storage and maintaining its quality as per standard MSZ 1648:2000 and returning it to the System User.

3 Governing law, Settlement of disputes

The provisions of Hungarian law shall apply to both the contract and any arising disputes.

Parties shall settle the disputes arising in relation to the Contract primarily via amicable negotiation.

Failing such settlement in any disputes arising from or relating to the Contract or its breach, termination, validity or interpretation, Parties agree to subject themselves to the exclusive jurisdiction of the Arbitration Court in the Energy (Budapest), provided that the Court of Arbitration proceeds according to its own Rules of Procedure. The number of arbitrators shall be three. The language of procedure shall be Hungarian.

Annexes

- 5.1 CONTRACT ON USING AND PROVIDING SEASONAL BASIC NATURAL GAS STORAGE SERVICE
- 5.2 CONTRACT ON USING AND PROVIDING BUNDLED SEASONAL BASIC NATURAL GAS STORAGE SERVICE
- 5.3 NATURAL GAS STORAGE CAPACITY CONTRACT ON FIRM INJECTION, WITHDRAWAL AND WORKING GAS CAPACITIES WITHIN THE YEAR
- 5.4 NATURAL GAS STORAGE CAPACITY CONTRACT ON 100% AVAILABLE, FLAT CURVES INJECTION CAPACITY AND WITHDRAWAL CAPACITY (OPTIONAL SERVICE)
- 5.5 CONTRACT ON USING AND PROVIDING BUNDLED INTERRUPTIBLE NATURAL GAS STORAGE SERVICE
- 5.6 LONG-TERM CONTRACT ON USING AND PROVIDING SEASONAL BASIC NATURAL GAS STORAGE SERVICE
- 5.7 NATURAL GAS STORAGE CAPACITY FRAMEWORK CONTRACT ON STORAGE PLUS SERVICE
- 5.8 LONG-TERM CONTRACT ON USING AND PROVIDING BUNDLED NATURAL GAS STORAGE SERVICE
- 5.9 CONTRACT ON PORTFOLIO MANAGEMENT SERVICE
- 5.10 CONTRACT ON USING AND PROVIDING PEAK PLUS NATURAL GAS STORAGE ADDITIONAL WITHDRAWAL AND INJECTION SERVICE
- 5.11 CONTRACT ON USING NATURAL GAS STORAGE OPTION (FLEX PLUS) OPTIONAL SERVICE
- 5.12 FRAMEWORK CONTRACT ON USING AND PROVIDING DAILY PEAK PLUS NATURAL GAS WITHDRAWAL SERVICE
- 5.13 FRAMEWORK CONTRACT ON USING AND PROVIDING DAILY PEAK PLUS NATURAL GAS INJECTION SERVICE
- 5.14 CONTRACT ON USING AND PROVIDING NATURAL GAS STORAGE SERVICE IN TYPE "A" PUBLIC CUSTOMS WAREHOUSE
- 5.15 **CONTRACT ON LENDING AND BORROWING NATURAL GAS**

5.1 CONTRACT ON USING AND PROVIDING SEASONAL BASIC NATURAL GAS STORAGE SERVICE

concluded by and **between**

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

tax No.:

court of Reg. and Reg. No.:

hereinafter referred to as **System User**

and **Hungarian Gas Storage Private Company Limited by Shares**

seat: 1051 Budapest, Széchenyi István tér 7/8.

mailing address: 1399 Budapest, Pf. 645.

account keeping bank:

bank account No.:

invoicing address: 1051 Budapest, Széchenyi István tér 7/8.

tax No.: 12543317-2-44

court of Reg. and Reg. No.: Budapest Court as Court of Registration, Cg. 01-10-045043

hereinafter referred to as **MFGT**

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

I SUBJECT AND DURATION OF CONTRACT

1. The subject of this Contract on Using and Providing Seasonal Basic Natural Gas Storage Service (hereinafter referred to as Contract) is:
 - a) the storage of natural gas owned by the System User, along with its firm injection into and withdrawal from the Hungarian underground gas storage facilities owned and operated by MFGT according to the quantity parameters as per Chapter III and quality parameters as per Chapter IV. and
 - b) offering a positive or negative option exceeding 10% of the daily nomination of the System User to the Natural Gas Transmission Company (FGSZ) for the zero point of MFGT's unified storage facility (Flex Plus Optional Service). The description and the applicable fees of the service are contained in Section III. of the Code of Business Conduct. Along with
 - c) providing withdrawal opportunity in the injection cycle, and injection opportunity in the withdrawal cycle for the System User via Storage Plus Optional Service. The description and the applicable fees of the service are contained in Section III. of the Code of Business Conduct. Along with
 - d) providing further injection and/or withdrawal capacity (Daily Peak Plus Optional Service) in addition to the booked working gas, withdrawal and injection capacities specified as the subject herein. The description and the applicable fees of the service are contained in Section 3. of the Code of Business Conduct.
2. Pursuant to this Contract, MFGT shall – upon the contractual instruction of the System User – inject the natural gas taken over for the purpose of natural gas storage during the period as per Section I.4, shall keep it in its storage facilities and shall withdraw it in the period as per Section I.4, and shall provide Flex Plus Optional Service and/or Storage Plus Optional Service and/or Daily Peak Plus Optional Service based on the relating instructions of the System User.
3. This Contract shall be concluded for a definite period until 1st April 201_ at 06:00 hours.
4. Parties contract for using and providing a seasonal basic service and – as instructed by the System User – Flex Plus Optional Service and/or Storage Plus Optional Service and/or Daily Peak Plus Optional Service. The contractual injection cycle shall start at 06:00 on 1st April 201_, and shall end at 06:00 on 1st October 201_. The contractual withdrawal cycle shall start at 06:00 on 1st October 201_, and shall end at 06:00 on 1st April 201_. Flex Plus Optional Service and/or Storage Plus Optional Service and/or Daily Peak Plus Optional Service can also be used in this period.
5. System User can use Flex Plus Optional Service if it submits an option exceeding 10% of its daily nomination.
6. System User can use Storage Plus Optional Service if it submits a nomination opposite to the storage periods as per Section I.4.
7. System User can use Daily Peak Plus Optional Service if MFGT has in advance announced the duration of the service and the available capacities on its website and the System User has submitted by email its additional booking request for the relevant gas days. If the System User's request is confirmed by

MFGT, a specific contract on using Daily Peak Plus injection/withdrawal peak capacities is concluded by and between the Parties for that given day. Other terms and conditions of using the service shall be contained in Annex No. 2.

II. GENERAL TERMS

1. In issues not regulated by the Contract, the provisions of the General Terms and Conditions (hereinafter referred to as ÁSZF), Annex No. 5 of the Code of Business Conduct shall apply.
2. By signing this Contract, the System User shall acknowledge to have fully read and understood the content of ÁSZF herein mentioned – as available on the MFGT web page (www.magyarfoldgaztarolo.hu) – and considers it to be the part of this Contract, and so agrees to be bound by it. Parties shall deem the content of ÁSZF annexed to the Code of Business Conduct approved by the Hungarian Energy and Public Utility Regulatory Authority (hereinafter: HEPURA) to be the same as the usual contracting practice.
3. Special conditions not stipulated in the ÁSZF shall be specified in this Contract.

III PROVISION OF STORAGE CAPACITIES

1. Firm storage capacities available for the System User regarding the contractual storage cycles as per Section I.4 (in case of selling in bundles, capacities within booked bundles):

For supplying users eligible for universal service (USP)

storage working gas capacity:	kWh
injection (peak) capacity:	kWh/day
withdrawal (peak) capacity:	kWh/day

For supplying users not eligible for universal service (Non-USP)

storage working gas capacity:	0 kWh
injection (peak) capacity:	0 kWh/day
withdrawal (peak) capacity:	0 kWh/day

2. System User shall submit the contracted monthly schedule for injection and withdrawal on the IT Platform under the menu item Nomination/Gas Volume Plan.
3. System User understands that the actual injection and withdrawal capacity may vary according to the working gas stocks and to other, inevitably changing parameters and boundary conditions. The availability of capacities and the minimum and maximum injection and withdrawal capacity values are published by MFGT on its IT Platform for the System Users.
4. In case of a positive closing stock for the System User, MFGT shall be entitled to act according to Section 40 of HEPURA Decree No. 1/2013 (VII.11.) (Tariff Decree).

5. If required by the System User, further storage products are provided by MFGT for the System Users via optional services which can be specifically requested, and for which the Parties shall conclude a separate contract.
6. The System User may use interruptible capacities as well, for which the Parties shall also conclude a separate contract.
7. System User shall weekly submit the planned injection and withdrawal quantities for the following week on MFGT's IT Platform until 12:00 Friday of the preceding week. This is required for planning the operation of the storage facilities, yet this is not equal to the weekly nomination. However, if the System User's nomination submitted for the given day deviates by more than 10% from the planned schedule, and thus endangers service provision to those System Users who use the storage services according to their forecast, MFGT reserves the right to refuse the nomination in full or in part. Furthermore, by fully exploiting the technical capabilities, MFGT shall do its utmost to accept the daily nominations submitted by the System Users, thus providing the most flexible conditions for the System Users, and only if inevitable, may sanction towards System Users deviating by over 10%.
8. MFGT shall not be obliged to ensure injection and withdrawal capacities exceeding the peak capacity values stipulated by Section III.1 of the Contract, nor to ensure more working gas capacity, or to conduct withdrawal activities exceeding the actually injected working gas volume.
9. System Users shall submit also to MFGT the storage demand forecasts with the date and content prescribed by Section 7.5.2.1 of the Grid Code.
10. Pursuant to the Code of Business Conduct, MFGT shall be financially responsible for preserving the heat quantity of the actually injected gas, for its settlement and for the injection and withdrawal thereof according to Section III.1 herein.

IV STORAGE GAS QUALITY

MFGT shall undertake to inject natural gas only if it meets the quality parameters prescribed by Annex No. 11 of Government Decree No. 19/2009 (I.30.) on the implementation of Act No. XL of 2008 on Natural Gas Supply.

V NATURAL GAS DELIVERY AND ACCEPTANCE, MEASUREMENT, SETTLEMENT

According to Section 1.3.2 of the Code of Business Conduct, MFGT manages the storage facilities as a unified whole. Based on the daily nomination submitted by the System User for the unified storage facility, MFGT shall allocate the gas quantity to be injected or withdrawn to the relevant underground gas storage facilities. MFGT shall undertake to deliver the nominated quantities allocated to the relevant storage facilities, and in case of non-performance, MFGT shall cover the surcharges and balancing costs incurred by the System User.

V(OPERATIVE FLOW OF INFORMATION

1. In the course of its daily activities, MFGT shall cooperate with the transmission system operator performing transmission system operation to fulfil its obligations towards the System User.

2. Parties ensure that besides the regular contacts specified in this Contract, they shall notify each other of all incidents which may have an effect on their cooperation, and they facilitate smooth communication via consultation opportunities and proper dataflow.
3. Information and data flow between the Parties shall be governed by the Grid Code and the ÁSZF.

VII STORAGE FEE, FEE OF OPTIONAL SERVICES

1. Capacity booking and volume fees payable by the System User shall be determined by MFGT pursuant to the fee items set forth in HEPURA decree No. 1/2013 (VII.11.) (Tariff Decree). Capacity fees shall be invoiced according to the Tariff Decree in advance in equal monthly instalments, while volume fees shall be invoiced ex post and monthly, based on the actual monthly volume.
2. Capacity fees specified in the Tariff Decree shall be determined upon the costs generated in connection with providing the seasonal basic service, while the specific fees shall be calculated on assuming a one year contractual period. Therefore, in the event that the duration of the contract is less than a storage year, Parties agree to settle the fees arising from herein periodically, in equal monthly instalments pursuant to Section 58, Subsection (1) of Act No. CXXVII of 2007 on Value Added Tax (VAT Act).
3. If the System User has a valid storage contract and purchases further capacities from MFGT during the storage year, a settlement shall be made on the period already passed. The annual capacity fee shall be calculated for the new capacity portfolio, and the already invoiced capacity fees shall either be complemented with new invoices issued on fees incurred in relation to the additional capacities or corrected by a document to be treated as an invoice if required. System User shall pay the fee in a lump sum for the period already passed. In as far as the fee difference is not settled in time, MFGT will not accept additional capacity nominations until the existing fee liability is credited to MFGT's account. The annual capacity fee shall be calculated for the new capacity portfolio, and the already invoiced capacity fees shall be corrected. For the remaining duration of the contract, the capacity fees shall be paid in equal monthly instalments based on the new portfolio.
4. The modifications of the fees specified in the Tariff Decree will become part of the Natural Gas Storage Contract simultaneously with their coming into force; therefore the Parties shall apply the modifications as of the Decree's effective date.
5. The fees of FLEX Plus Optional Service, Storage Plus Optional Service and Daily Peak Plus Optional Service shall be contained in Annex No. 1. To avoid any confusion, Parties agree that in case of Flex Plus Optional Service and/or Storage Plus Optional Service and/or Daily Peak Plus Optional Service only the actual use of such services generates any payment obligation for the System User.

VIII GOVERNING LAW, SETTLEMENT OF DISPUTES

The provisions of Hungarian law shall apply to both the contract and any arising disputes.

Parties shall agree to settle the disputes relating to the Natural Gas Storage Contract primarily via amicable negotiation.

Failing such settlement in any disputes arising from or relating to the Natural Gas Storage Contract or its breach, termination, validity or interpretation, both parties hereby agree to subject themselves to the exclusive jurisdiction of the Arbitration Court in the Energy (Budapest), provided that the Court of Arbitration proceeds according to its own Rules of Procedure. The number of arbitrators shall be three. The language of procedure shall be Hungarian.

IX ENTRY INTO FORCE

This Contract shall be concluded upon signature. The provisions of the ÁSZF shall apply to the entry into force of the Contract.

X MISCELLANEOUS PROVISIONS

Contact Persons

In issues related to the Contract:

On behalf of the System User:

On behalf of MFGT

Phone:

Fax:

e-mail:

On behalf of the System User:

Phone:

Fax:

e-mail:

In issues of daily operative contact:

On behalf of the System User:

Phone:

Fax:

e-mail:

On behalf of MFGT: Dispatcher service

Phone: 52/362-574

Fax: 52/558-048

e-mail: dispatcher@mfgt.hu

This Contract shall be valid together with the attached annexes, which shall form an inseparable part thereof.

Budapest,

Magyar Földgáztároló Zrt.

System User

.....

.....

Annexes:

- | | |
|--------------|---|
| Annex No. 1 | Description, fees and terms of using Flex Plus Optional Service, Storage Plus Optional Service and Daily Peak Plus Optional Service |
| Annex No. 2: | Capacity fees payable by the System Users |

Annex No. 1

Option (Flex Plus) Storage Product

Flex Plus service allows offering a positive or negative option exceeding 10% of the Buyer's daily nomination to the Natural Gas Transmission Company (FGSZ) for the zero point of the unified storage facility of MFGT, which then shall be allocated in the event of using FGSZ. This is referred to as Hydraulic Balancing Gas Option (HEG, HEGO) by the Trading Platform (KP) and the Grid Code. This service is available to Buyers with Natural Gas Storage contract and storage capacity booking for the given storage year.

MFGT facilitates it for the Buyer to provide a positive or negative option via the MFGT IT platform free of charge up to 10% of the daily nominated quantity, and for a fee in excess of 10%. The sum of the largest possible positive option and the nominated quantity may not exceed the capacity available to the customer, while in case of a negative option, it may not be less than zero.

Fee shall be paid only for the quantity drawn by FGSZ and allocated by MFGT in excess of 10% of the daily nominated quantity.

If FGSZ draws the quantity offered in the option, the System User shall pay the fee specified in Section III.1 of the Code of Business Conduct.

If the exercised option does not exceed the 10% of the System User's daily nominated quantity, the Flex Plus Optional Service is free of charge.

If the exercised option exceeds the 10% of the System User's daily nominated quantity, the fee for the Flex Plus Optional Service shall be 0.065 HUF/kWh + VAT for the amount above 10% of the daily nominated quantity.

The financial settlement and invoicing of the Flex Plus Optional Service shall be performed posteriorly at the beginning of the month following the base month by settling the volume fee, and shall be based on the daily value drawn by FGSZ and actually allocated by MFGT above 10% of the daily nominated quantity.

A statement and an invoice based on the statement shall be sent by MFGT to the System User each month regarding the fees relating to using the Flex Plus Optional Service. The payment deadline of the invoice shall be the 30th calendar day from the date of issue.

Payment, guarantee and financial guarantee conditions not regulated by the Tariff Decree or the Code of Business Conduct of MFGT shall be determined according to the agreement between the parties.

In addition to the above, Annex No. 5.12 of the Code of Business Conduct (template contract) shall be applicable to the service.

Storage Plus Service

Storage Plus Service allows the System Users to move gas in the direction opposite to the actual physical flow at the storage facility and/or the direction of flow announced for the relevant period. This means that they will be able to perform injection during the withdrawal cycle, and withdrawal during the injection cycle, regardless of the actual physical direction of flow at the storage facility.

This is possible in two ways:

- either by opposite direction supply at the zero point of the unified storage facility (in which case Backhaul (BH) capacity shall be booked with the FGSZ Natural Gas Transmission Company (FGSZ) for using the service)
- or by starting up a storage facility in the flow direction opposite to that of the announced storage cycle.

Anyone intending to use the Storage Plus Service shall make sure that for performing the transmission, all the conditions prescribed for the service are met with regard to the Natural Gas Transmission (FGSZ) system. MFGT shall assume liability exclusively for providing the storage service, while the transmission service shall be provided by FGSZ.

The fee charged for the Storage Plus Service is 0.325 HUF/kWh/day.

Storage Plus Service fee shall be payable in the event of using injection and withdrawal service in the direction opposite to the actual physical flow at the storage facility and/or the direction of flow announced for the relevant period according to quantities thus injected or withdrawn.

The financial settlement and invoicing of the Storage Plus Service shall be carried out posteriorly, based on the quantities actually allocated.

For the days when MFGT interrupts the Storage Plus Service, System User shall not pay the fee up to the extent of interruption.

System User shall pay the injection and withdrawal volume fees related to using the Storage Plus Service in line with the capacities booked in the annual storage contract, at fees calculated pursuant to the Tariff Decree.

The detailed description of the Storage Plus Service is contained in Annex No. 10 of the Code of Business Conduct, while the contract template is attached as Annex No. 5.8.

Daily Peak Plus Service

The subject matter of the Daily Peak Plus Service is the firm withdrawal/injection of the natural gas owned by the System User from or into the Hungarian underground gas storage facilities owned and operated by MFGT.

Within Daily Peak Plus Natural Gas Withdrawal/Injection service, the System User can purchase additional daily withdrawal/injection capacity to complement its booked withdrawal/injection capacity. Daily withdrawal/injection peak capacity thus booked facilitates the faster use of the already existing working gas capacity earlier booked by the System User pursuant to the Natural Gas Storage Contract (hereinafter referred to as master contract). Withdrawal/injection peak capacities booked within Daily Peak Plus Natural Gas Withdrawal/Injection Service shall be settled separately, and will not be combined with the fees of already existing capacities booked in the master contract. Booked withdrawal/injection capacities available under the annual master contract and the daily withdrawal/injection capacity can be used together.

MFGT shall commit itself to provide additional daily withdrawal/injection capacities only if:

- actually available additional daily withdrawal/injection capacity exists and
- there are no technical obstacles preventing the provision of additional daily withdrawal/injection capacities and
- the System User does not have overdue debts of any kind to MFGT.

Capacities:

In any case, MFGT shall publish the available additional withdrawal/injection capacities and their direction on its website.

The amount of Daily Peak Plus withdrawal/injection peak capacities booked by the System User shall depend on capacity bookings requested by the System User – and confirmed by MFGT.

The System User shall nominate its booking request towards MFGT for the relevant gas days by email.

If the System User's request is confirmed by MFGT, a specific contract on using Daily Peak Plus injection/withdrawal peak capacities is concluded by and between the Parties for that given day.

The basis of settlement shall be the amount of capacities confirmed by MFGT.

The submission and confirmation of the requests for Daily Peak Plus withdrawal/injection peak capacities (conclusion of the specific contract on daily bookings) shall take place as specified. In order to use Daily Peak Plus withdrawal/injection peak capacities, System User shall submit to MFGT its additional withdrawal/injection capacity request until 22:00 hours on the preceding gas day. Only the contact person(s) specified in the contract shall be entitled to make nominations in connection with the Daily Peak Plus withdrawal/injection peak capacity product. MFGT shall confirm it to the System User until 23:00 hours if the Daily Peak Plus withdrawal/injection peak capacities are available in the required quantity. The specific Contract on Using and Providing Daily Peak Plus

Withdrawal/Injection Peak Capacity is concluded by and between the parties for the given gas day when MFGT confirms the capacity request.

The service fee shall be 0.325 HUF/kWh/day.

MFGT shall not be obliged to provide withdrawal/injection capacities exceeding the applicable peak capacities offered.

Daily Peak Plus withdrawal/injection peak capacities booked by the System User may not be subject to secondary capacity trading, and such transactions will not be recorded on the IT Platform by MFGT.

The System User shall pay the service fee following the reference month, based on the daily additional withdrawal/injection (peak) capacities booked in total in the given month, which fee shall exclude the volume fees.

Template contracts for the Daily Peak Plus Service as a separate, optional service shall be contained in Annex No. 5.12 and 5.13 of the Code of Business Conduct.

Hungarian Gas Storage Limited Company
Code of Business Conduct Annex No. 5.1 : Contract on Using and Providing Seasonal Basic
Natural Gas Storage Service

Annex No. 2

_____ 201_/_201_

Kitárolási díj:	Ft/GJ	Betárolási díj :	Ft/GJ
Ahol			
$TM = 0,0826 \times \left[\text{MAX} \left(1; 133,33 \times \frac{B}{M}; 70,31 \times \frac{K}{M} \right) + \frac{133,33}{\text{MIN} \left(133,33; \frac{M}{B} \right)} + \frac{70,31}{\text{MIN} \left(70,31; \frac{M}{K} \right)} \right]$			

Megnevezés	Időszak	betárolási (B) csúcs	mobil kapacitás (M)	kitárolási (K) csúcs	betárolási díj	kitárolási díj	mobilkapacitás lekötési díj	csúcskapacitás lekötési díj	betárolási kapacitás lekötési díj	Tárolói kapacitás díj (Ft/év)
		MJ/nap	MJ	MJ/nap	Ft/GJ	Ft/GJ	Ft/év	Ft/év	Ft/év	Ft/év
								0	0	

201_._ _____ díj

Kapacitás díj: Ft/hó
 - ebből mobildíj Ft/hó
 - ebből csúcsdíj Ft/hó
 - ebből betárolási kapacitás díj: Ft/hó

Összesen:	Ft/hó
- ebből mobildíj	Ft/hó
- ebből csúcsdíj	Ft/hó
- ebből betárolási kapacitás díj:	Ft/hó

_____ 201_/_201_

Kitárolási díj:	Ft/MWh	Betárolási díj :	Ft/MWh
Ahol			
$TM = 0,2684 \times \left[\text{MAX} \left(1; 133,33 \times \frac{B}{M}; 70,31 \times \frac{K}{M} \right) + \frac{133,33}{\text{MIN} \left(133,33; \frac{M}{B} \right)} + \frac{70,31}{\text{MIN} \left(70,31; \frac{M}{K} \right)} \right]$			

Megnevezés	Időszak	betárolási (B) csúcs	mobil kapacitás (M)	kitárolási (K) csúcs	betárolási díj	kitárolási díj	mobilkapacitás lekötési díj	csúcskapacitás lekötési díj	betárolási kapacitás lekötési díj	Tárolói kapacitás díj (Ft/év)
		Kwh/nap	Kwh	Kwh/nap	Ft/MWh	Ft/MWh	Ft/év	Ft/év	Ft/év	Ft/év

201_._ _____ díj

Kapacitás díj: Ft/hó
 - ebből mobildíj Ft/hó
 - ebből csúcsdíj Ft/hó
 - ebből betárolási kapacitás díj: Ft/hó

Összesen:	Ft/hó
- ebből mobildíj	Ft/hó
- ebből csúcsdíj	Ft/hó
- ebből betárolási kapacitás díj:	Ft/hó

5.2 CONTRACT ON USING AND PROVIDING BUNDLED SEASONAL BASIC NATURAL GAS STORAGE SERVICE

concluded by and **between**

seat:

mailing address:

account keeping bank: bank account No.:

invoicing address:

tax No.:

court of Reg. and Reg. No.:

hereinafter referred to as **System User**

and **Hungarian Gas Storage Private Company Limited by Shares**

seat: 1051 Budapest, Széchenyi István tér 7-8.

mailing address: 1399 Budapest, Pf. 645.

account keeping bank:

bank account No.:

invoicing address: 1051 Budapest, Széchenyi István tér 7-8.

tax No.: 12543317-2-44

court of Reg. and Reg. No.: Budapest Court as Court of Registration, Cg. 01-10-045043

hereinafter referred to as **MFGT**

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

PREAMBLE

On ____ 201_, MFGT publicly announced an open auction for every system user under the title of "Capacity Auction No. 201_/I" to book available storage capacities via open auction (hereinafter referred to as Auction). During the auction a successful bid was submitted by the System User. MFGT accepted System User's bid. The bid constitutes Annex 2 to this Contract. Based on the Bid, Parties shall conclude the following contract on booking for the storage year 201_/201_.

I SUBJECT AND DURATION OF CONTRACT

1. The subject of this Contract on Using and Providing Bundled Seasonal Basic Natural Gas Storage Service (hereinafter referred to as Contract) shall be:
 - e) The storage of natural gas owned by the System User, along with its firm injection into and withdrawal from the Hungarian underground gas storage facilities owned and operated by MFGT – with regard to bundling the capacity bundles awarded at the auction – according to the quantity parameters as per Chapter III and quality parameters as per Chapter IV. and
 - f) offering a positive or negative option exceeding 10% of the daily nomination of the System User to the Natural Gas Transmission Company (FGSZ) for the zero point of MFGT's unified storage facility (Flex Plus Optional Service). The description and the applicable fees of the service are contained in Section III. of the Code of Business Conduct. Along with
 - g) providing withdrawal opportunity in the injection cycle, and injection opportunity in the withdrawal cycle for the System User via virtual storage service (Storage Plus Optional Service). The description and the applicable fees of the service are contained in Section 3. of the Code of Business Conduct. Along with
 - h) providing further injection and/or withdrawal capacity (Daily Peak Plus Optional Service) in addition to the booked working gas, withdrawal and injection capacities specified as the subject herein. The description and the applicable fees of the service are contained in Section 3. of the Code of Business Conduct.
2. Pursuant to this Contract, MFGT shall – upon the contractual instruction of the System User – inject the natural gas taken over for the purpose of natural gas storage during the period as per Section I.4, shall keep it in its storage facilities and shall withdraw it in the period as per Section I.4, and shall provide Flex Plus Optional Service and/or Storage Plus Optional Service and/or Daily Peak Plus Optional Service based on the relating instructions of the System User.
3. This Contract shall be concluded for a definite period until 1st April 201_ at 6:00 hours.
4. Parties contract for using and providing a seasonal basic service and Flex Plus Optional Service and/or Storage Plus Optional Service and/or Daily Peak Plus Optional Service. The contractual injection cycle shall start at 6:00 on 1st April 201_, and shall end at 6:00 on 1st October 201_.

The contractual withdrawal cycle shall start at 6:00 on 1st October 201_, and shall end at 6:00 on 1st April 201_. Flex Plus Optional Service and/or Storage Plus Optional Service and/or Daily Peak Plus Optional Service can also be used in this period.

5. System User can use Flex Plus Optional Service if it submits an option exceeding 10% of its daily nomination.
6. System User can use Storage Plus Optional Service if it submits a nomination opposite to the storage periods as per Section 4.
7. System User can use Daily Peak Plus Optional Service if MFGT has in advance announced the duration of the service and the available capacities on its website and the System User has submitted by email its additional booking request for the relevant gas days. If the System User's request is confirmed by MFGT, a specific contract on using Daily Peak Plus injection/withdrawal peak capacities is concluded by and between the Parties for that given day. Other terms and conditions of using the service shall be contained in Annex No. 2.

II GENERAL TERMS

- In issues not regulated by the Contract, the provisions of the General Terms and Conditions (hereinafter referred to as ÁSZF), Annex No. 5 of the Code of Business Conduct shall apply.
- By signing this Contract, the System User shall acknowledge to have fully read and understood the content of ÁSZF herein mentioned – as available on the MFGT web page (www.magyarfoldgaztarolo.hu) – and considers it to be the part of this Contract, and so agrees to be bound by it. Parties shall deem the content of ÁSZF annexed to the Code of Business Conduct approved by the Hungarian Energy and Public Utility Regulatory Authority (HEPURA) to be the same as the usual contracting practice.
- Special conditions not stipulated in the ÁSZF shall be specified in this Contract.

III PROVISION OF STORAGE CAPACITIES

1. Firm storage capacities available to the System User in the booked bundles are as follows:

storage working gas capacity:	kWh
injection (peak) capacity:	kWh/day
withdrawal (peak) capacity:	kWh/day
2. System User shall submit the contracted monthly schedule for injection and withdrawal on the IT Platform under the menu item Nomination/Gas Volume Plan.
3. Contracted capacities shall be booked for non-universal service purposes only, and cannot be subject to primary trading.
4. System User understands that the actual injection and withdrawal capacity may vary according to the working gas stocks and to other, inevitably changing parameters and boundary conditions. The availability of capacities and the minimum and maximum

injection and withdrawal capacity values are published by MFGT on its website for the System Users.

5. In case of a positive closing stock for the System User, MFGT shall be entitled to act according to Section 40 of HEPURA Decree No. 1/2013 (Tariff Decree).
6. If required by the System User, further storage products are provided by MFGT for the System Users via optional and specific services, for which the Parties shall conclude a separate contract.
7. The System User may use interruptible capacities as well, for which the Parties shall also conclude a separate contract.
8. System User shall weekly submit the planned injection and withdrawal quantities for the following week on MFGT's IT Platform until 12:00 Friday of the preceding week. This is required for planning the operation of the storage facilities, yet this is not equal to the weekly nomination. However, if the System User's nomination submitted for the given day deviates by more than 10% from the planned schedule, and thus endangers service provision to those System Users who use the storage services according to their forecast, MFGT reserves the right to refuse the nomination in full or in part. Furthermore, by fully exploiting the technical capabilities, MFGT shall do its utmost to accept the daily nominations submitted by the System Users, thus providing the most flexible conditions for the System Users, and only if inevitable, may sanction towards System Users deviating by over 10%.
9. Pursuant to the Code of Business Conduct, MFGT shall be financially responsible for preserving the heat quantity of the actually injected gas, for its settlement and for the injection and withdrawal thereof according to Section III.1 herein.
10. MFGT shall not be obliged to ensure injection and withdrawal capacities exceeding the peak capacity values stipulated by Section III.1 of the Contract, nor to ensure more working gas capacity, or to conduct withdrawal activities exceeding the actually injected working gas heat quantity.
11. System Users shall submit also to MFGT the storage demand forecasts with the date and content prescribed by Section 7.5.2.1 of the Grid Code.

IV STORAGE GAS QUALITY

MFGT shall undertake to inject natural gas only if it meets the quality parameters prescribed by Annex No. 11 of Government Decree No. 19/2009 (I.30.) on the implementation of Act No. XL of 2008 on Natural Gas Supply.

V NATURAL GAS DELIVERY AND ACCEPTANCE, MEASUREMENT, SETTLEMENT

According to Section 1.3.2 of the Code of Business Conduct, MFGT manages the storage facilities as a unified whole. Based on the daily nomination submitted by the System User for the unified storage facility, MFGT shall allocate the gas quantity to be injected or withdrawn to the relevant underground gas storage facilities. MFGT shall undertake to deliver the nominated quantities

allocated to the relevant storage facilities, and in case of non-performance, MFGT shall cover the surcharges and balancing costs incurred by the System User.

VI OPERATIVE FLOW OF INFORMATION

1. In the course of its daily activities, MFGT shall cooperate with the Transmission Company and the Transmission Operator to fulfil its obligations towards the System User.
2. Parties ensure that besides the regular contacts specified in this Contract, they shall notify each other of all incidents which may have an effect on their cooperation, and they facilitate smooth communication via consultation opportunities and proper dataflow.
3. Information and data flow between the Parties shall be governed by the Grid Code and the ÁSZF.

VII STORAGE FEE

1. System User purchased the capacities booked in Section III.1 in bundle.

One bundle contains:

- working gas capacity: kWh
- injection capacity: kWh/day
- withdrawal capacity: kWh/day

System User purchased bundles.

The total price of purchased bundles is HUF +VAT.

2. Parties agree to settle the fees arising from herein periodically, in equal monthly instalments pursuant to Section 58, Subsection (1) of Act No. CXXVII of 2007 on Value Added Tax (VAT Act). The bundle fee contains the storage capacity fee, excluding the injection volume fee and the withdrawal volume fee, which shall be paid by the System User according to the prevailing Tariff Decree, based on the monthly volume, also excluding the fees of optional services used, as contained in Section 3.1 of the Code of Business Conduct.

The fees of FLEX Plus Optional Service and Storage Plus Optional Service and Daily Peak Plus Optional Service shall be contained in Annex No. 1. Parties agree that in case of Flex Plus Optional Service and/or Storage Plus Optional Service and/or Daily Peak Plus Optional Service only the actual use of such services generates any payment obligation for the System User.

VIII GOVERNING LAW, SETTLEMENT OF DISPUTES

The provisions of Hungarian law shall apply to both the contract and any arising disputes.

Parties shall agree to settle the disputes relating to the Natural Gas Storage Contract primarily via amicable negotiation.

Failing such settlement in any disputes arising from or relating to the Natural Gas Storage Contract or its breach, termination, validity or interpretation, both parties hereby agree to subject themselves to the exclusive jurisdiction of the Arbitration Court in the Energy (Budapest), provided that the Court of Arbitration proceeds according to its own Rules of Procedure. The number of arbitrators shall be three. The language of procedure shall be Hungarian.

IX ENTRY INTO FORCE

This contract shall enter into force upon signature.

X MISCELLANEOUS PROVISIONS

Contact Persons

In issues related to the Contract:

On behalf of MFGT:

Phone:

Fax:

email:

On behalf of the System User:

Phone:

Fax:

email:

In issues of daily operative contact:

On behalf of the System User:

Phone:

Fax:

email:

On behalf of MFGT: Dispatching Service

Phone: 0036 52 362-574

Fax: 0036 52 558-048

email: dispatcher@mfgt.hu

This Contract shall be valid together with the attached annexes, which shall form an inseparable part thereof.

Budapest, 201_

Magyar Földgáztároló Zrt.

.....

Annexes:

- Annex No. 1: Description, fees and terms of using FLEX Plus Optional Service, Storage Plus Optional Service and Daily Peak Plus Optional Service
- Annex No. 2: Successful bid submitted by the System User during the Auction
- Annex No. 3: Capacity fees payable by the System Users
- Annex No. 4: Declaration

Annex No. 1

Option (Flex Plus) Storage Product

Flex Plus service allows offering a positive or negative option exceeding 10% of the Buyer's daily nomination to the Natural Gas Transmission Company (FGSZ) for the zero point of the unified storage facility of MFGT, which then shall be allocated in the event of using FGSZ. This is referred to as Hydraulic Balancing Gas Option (HEG, HEGO) by the Trading Platform (KP) and the Grid Code. This service is available to Buyers with Natural Gas Storage contract and storage capacity booking for the given storage year.

MFGT facilitates it for the Buyer to provide a positive or negative option via the MFGT IT platform free of charge up to 10% of the daily nominated quantity, and for a fee in excess of 10%. The sum of the largest possible positive option and the nominated quantity may not exceed the capacity available to the customer, while in case of a negative option, it may not be less than zero.

Fee shall be paid only for the quantity drawn by FGSZ and allocated by MFGT in excess of 10% of the daily nominated quantity.

If FGSZ draws the quantity offered in the option, the System User shall pay the fee specified in Section III.1 of the Code of Business Conduct.

If the exercised option does not exceed the 10% of the System User's daily nominated quantity, the Flex Plus Optional Service is free of charge.

If the exercised option exceeds the 10% of the System User's daily nominated quantity, the fee for the Flex Plus Optional Service shall be 0.065 HUF/kWh + VAT for the amount above 10% of the daily nominated quantity.

The financial settlement and invoicing of the Flex Plus Optional Service shall be performed posteriorly at the beginning of the month following the base month by settling the volume fee, and shall be based on the daily value drawn by FGSZ and actually allocated by MFGT above 10% of the daily nominated quantity.

A statement and an invoice based on the statement shall be sent by MFGT to the System User each month regarding the fees relating to using the Flex Plus Optional Service. The payment deadline of the invoice shall be 30 calendar days from the date of issue.

Payment, guarantee and financial guarantee conditions not regulated by the Tariff Decree or the Code of Business Conduct of MFGT shall be determined according to the agreement between the Parties.

In addition to the above, Annex No. 5.12 of the Code of Business Conduct (template contract) shall be applicable to the service.

Storage Plus Service

Storage Plus Service allows the System Users to move gas in the direction opposite to the actual physical flow at the storage facility and/or the direction of flow announced for the relevant period. This means that they will be able to perform injection during the withdrawal cycle, and withdrawal during the injection cycle, regardless of the actual physical direction of flow at the storage facility.

This is possible in two ways:

- either by opposite direction supply at the zero point of the unified storage facility (in which case Backhaul (BH) capacity shall be booked with the FGSZ Natural Gas Transmission Company (FGSZ) for using the service)
- or by starting up a storage facility in the flow direction opposite to that of the announced storage cycle.

Anyone intending to use the Storage Plus Service shall make sure that for performing the transmission, all the conditions prescribed for the service are met with regard to the Natural Gas Transmission (FGSZ) system. MFGT shall assume liability exclusively for providing the storage service, while the transmission service shall be provided by FGSZ.

The fee charged for the Storage Plus Service is 0.325 HUF/kWh/day.

Storage Plus Service fee shall be payable in the event of using injection and withdrawal service in the direction opposite to the actual physical flow at the storage facility and/or the direction of flow announced for the relevant period according to quantities thus injected or withdrawn.

The financial settlement and invoicing of the Storage Plus Service shall be carried out posteriorly, based on the quantities actually allocated.

For the days when MFGT interrupts the Storage Plus Service, System User shall not pay the fee up to the extent of interruption.

System User shall pay the injection and withdrawal volume fees related to using the Storage Plus Service in line with the capacities booked in the annual storage contract, at fees calculated pursuant to the Tariff Decree.

The detailed description of the Storage Plus Service is contained in Annex No. 10 of the Code of Business Conduct, while the contract template is attached as Annex No. 5.8.

Daily Peak Plus Service

The subject matter of the Daily Peak Plus Service is the firm withdrawal/injection of the natural gas owned by the System User from or into the Hungarian underground gas storage facilities owned and operated by MFGT.

Within Daily Peak Plus Natural Gas Withdrawal/Injection service, the System User can purchase additional daily withdrawal/injection capacity to complement its booked withdrawal/injection capacity. Daily withdrawal/injection peak capacity thus booked facilitates the faster use of the already existing working gas capacity earlier booked by the System User pursuant to the Natural Gas Storage Contract (hereinafter referred to as master contract). Withdrawal/injection peak capacities booked within Daily Peak Plus Natural Gas Withdrawal/Injection Service shall be settled separately, and will not be combined with the fees of already existing capacities booked in the master contract. Booked withdrawal/injection capacities available under the annual master contract and the daily withdrawal/injection capacity can be used together.

MFGT shall commit itself to provide additional daily withdrawal/injection capacities only if:

- actually available additional daily withdrawal/injection capacity exists and
- there are no technical obstacles preventing the provision of additional daily withdrawal/injection capacities and
- the System User does not have overdue debts of any kind to MFGT.

Capacities:

In any case, MFGT shall publish the available additional withdrawal/injection capacities and their direction on its website.

The amount of Daily Peak Plus withdrawal/injection peak capacities booked by the System User shall depend on capacity bookings requested by the System User – and confirmed by MFGT.

The System User shall nominate its booking request towards MFGT for the relevant gas days by email.

If the System User's request is confirmed by MFGT, a specific contract on using Daily Peak Plus injection/withdrawal peak capacities is concluded by and between the Parties for that given day.

The basis of settlement shall be the amount of capacities confirmed by MFGT.

The submission and confirmation of the requests for Daily Peak Plus withdrawal/injection peak capacities (conclusion of the specific contract on daily bookings) shall take place as specified. In order to use Daily Peak Plus withdrawal/injection peak capacities, System User shall submit to MFGT its additional withdrawal/injection capacity request until 22:00 hours on the preceding gas day. Only the contact person(s) specified in the contract shall be entitled to make nominations in connection with the Daily Peak Plus withdrawal/injection peak capacity product. MFGT shall confirm it to the System User until 23:00 hours if the Daily Peak Plus withdrawal/injection peak capacities are available in the required quantity. The specific Contract on Using and Providing Daily Peak Plus Withdrawal/Injection Peak Capacity is concluded by and between the Parties for the given gas day when MFGT confirms the capacity request.

The service fee shall be 0.325 HUF/kWh/day.

MFGT shall not be obliged to provide withdrawal/injection capacities exceeding the applicable peak capacities offered.

Daily Peak Plus withdrawal/injection peak capacities booked by the System User may not be subject to secondary capacity trading, and such transactions will not be recorded on the IT Platform by MFGT.

The System User shall pay the service fee following the reference month, based on the daily additional withdrawal/injection (peak) capacities booked in total in the given month, which fee shall exclude the volume fees.

Template contracts for the Daily Peak Plus Service as a separate, optional service shall be contained in Annex No. 5.12 and 5.13 of the Code of Business Conduct.

5.3 NATURAL GAS STORAGE CAPACITY CONTRACT ON FIRM INJECTION, WITHDRAWAL AND WORKING GAS CAPACITIES WITHIN THE YEAR

concluded by and between

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

tax No.:

Court of Registration and Reg. No.:

hereinafter referred to as **System User**

and

Hungarian Gas Storage Limited Company

seat:

1051 Budapest, Széchenyi István tér 7-8.

Mailing address:

1399 Budapest, Pf. 645.

account keeping bank:

bank account No.:

invoicing address:

1051 Budapest, Széchenyi István tér 7-8.

tax No.:

12543317-2-44

Court of Registration and Reg. No.:

Budapest Court as Court of Registration, Cg. 01-10-045043

hereinafter referred to as **MFGT**

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

I Subject and Duration of Contract

1. The subject of this Natural Gas Storage Capacity Contract on Firm Injection, Withdrawal and Working Gas Capacities within the Year (hereinafter referred to as contract) shall be:
 - a) booking within the year firm capacity by the System,
 - b) the storage and ensuring storage of natural gas owned by the System User, along with its firm injection into and withdrawal from the Hungarian underground gas storage facilities owned and operated by MFGT according to the quantity parameters as per Chapter III and quality parameters as per Chapter IV and
 - c) offering a positive or negative option exceeding 10% of the daily nomination of the System User to the Natural Gas Transmission Company (FGSZ) for the zero point of MFGT's unified storage facility (Flex Plus Optional Service). The description and the applicable fees of the service are contained in Section 3 of the Code of Business Conduct.
 - d) providing withdrawal opportunity in the injection cycle, and injection opportunity in the withdrawal cycle for the System User via Storage Plus Optional Service. The description and the applicable fees of the service are contained in Section 3 of the Code of Business Conduct.
2. Pursuant to this Contract, MFGT shall – upon the contractual instruction of the System User – inject the natural gas taken over for the purpose of natural gas storage during the period as per Section I.4, shall keep it in its storage facilities and shall withdraw it in the period as per Section I.4, and shall provide Flex Plus Optional Service and/or Storage Plus Optional Service based on the relating instructions of the System User.
3. This Contract shall be concluded for a definite period until 1st April 201.. at 06:00 hours.
4. The Parties contract for using and providing firm injection, withdrawal and working gas capacities and Flex Plus Optional Service and/or Storage Plus Optional Service. The general contractual injection cycle starts at 6:00 on 1st April 201.., and shall end at 6:00 1st October 201... The general contractual withdrawal cycle starts at 6:00 on 1st October 201.., and shall end at 6:00 1st April 201... Pursuant to this contract, it shall also be possible to book capacities for a period shorter than 365 days within the above specified period. Flex plus Optional Service and/or Storage plus Optional Service can also be used in this period.
5. The System User can use Flex Plus Optional Service automatically if it submits an allocation exceeding 20% of its daily nomination.
6. The System User can use Storage Plus Optional Service automatically if it submits a nomination opposite to the storage periods as per Section 4.

II. General Terms

1. In issues not regulated by the Contract, the provisions of the General Terms and Conditions (hereinafter referred to as ÁSZF), Annex No. 5 of the Code of Business Conduct shall apply.
2. By signing this Contract, the System User shall acknowledge to have fully read and understood the content of ÁSZF herein mentioned – as available on the MFGT web page (www.magyarfoldgaztarolo.hu) – and considers it to be the part of this Contract, and so agrees to be bound by it. Parties shall deem the content of ÁSZF annexed to the Code of Business Conduct approved by Office to be the same as the usual contracting practice.
3. Special conditions not stipulated in the ÁSZF shall be specified in this Contract.

III Conditions of Using Firm Short-Term Injection, Working Gas and Withdrawal Capacities

1. MFGT offers firm withdrawal, working gas and injection capacities for the System Users as firm short-term products for an optional within-the-year period, at an optional time.
2. The System User can book firm capacity for a period shorter than a year pursuant to Section 8.11.1.6 of the Grid Code under the following terms.
3. Capacities can be announced as bundled and unbundled on the MFGT website and on the IT Platform.
4. MFGT shall sell the announced short-term products based on the tariff formula relating to the non-USP system usage fee pursuant to the prevailing tariff decree.
5. Within the year firm capacities are available to the System User provided there is any firm withdrawal, working gas and injection capacity available.
6. The general terms of announcing firm capacities during the storage year are identical with the general terms of announcing firm capacities for the year. Therefore, System Users booking firm capacities for the year, meeting the conditions prescribed by the Grid Code and having submitted the required documents to MFGT in the annual capacity booking period are not required to resubmit the documents.
7. Following the effective date of the contract, nominations for short-term firm capacities can be submitted.
8. MFGT shall separately determine during the storage year the extent of firm short-term injection, working gas and withdrawal capacities, which shall be published on its website.
9. System User shall submit the contracted monthly schedule for injection and withdrawal on the IT Platform under the menu item Nomination/Gas Volume Plan.
10. Contracted capacities shall be booked for non-universal service purposes only, and cannot be subject to primary trading.
11. System User understands that the actual injection and withdrawal capacity may vary according to the working gas stocks and to other, inevitably changing parameters and boundary conditions. The technical parameters shall be published by MFGT on its website for the System Users.

12. If required by the System User, further storage products are provided by MFGT for the System Users via optional and specific services, for which the Parties shall conclude a separate contract.
13. System User shall weekly submit the planned injection and withdrawal quantities for the following week on MFGT's IT Platform until 12:00 Friday of the preceding week. This is required for planning the operation of the storage facilities, yet this is not equal to the weekly nomination. However, if the System User's nomination submitted for the given day deviates by more than 10% from the planned schedule, and thus endangers service provision to those System Users who use the storage services according to their forecast, MFGT reserves the right to refuse the nomination in full or in part. Furthermore, by fully exploiting the technical capabilities, MFGT shall do its utmost to accept the daily nominations submitted by the System Users, thus providing the most flexible conditions for the System Users, and only if inevitable, may sanction towards System Users deviating by over 10%.

IV Storage Gas Quality

MFGT shall undertake to inject natural gas only if it meets the quality parameters prescribed by Annex No. 11 of Government Decree No. 19/2009 (I.30.) on the implementation of Act No. XL of 2008 on Natural Gas Supply.

V Natural Gas Delivery and Acceptance, Measurement, Settlement

According to Section 1.3.2 of the Code of Business Conduct, MFGT manages the storage facilities as a unified whole. Based on the daily nomination submitted by the System User for the unified storage facility, MFGT shall distribute the gas quantity to be injected or withdrawn to the relevant underground gas storage facilities. MFGT shall undertake to deliver the nominated quantities it verified for the unified storage facility, and in case of non-performance, MFGT shall cover the surcharges and balancing costs incurred by the System User.

VI Operative Flow of Information

1. In the course of its daily activities, MFGT shall cooperate with the Transmission Company and the Transmission Operator to fulfil its obligations towards the System User.
2. Parties ensure that besides the regular contacts specified in this Contract, they shall notify each other of all incidents which may have an effect on their cooperation, and they facilitate smooth communication via consultation opportunities and proper dataflow.
3. Information and data flow between the Parties shall be governed by the Grid Code and the ÁSZF.

VII Storage Fee

1. MFGT shall specify the product price based on the tariff formula relating to the non-USP system usage fee pursuant to the prevailing tariff decree.
2. MFGT shall offer the firm short-term injection, working gas and withdrawal capacities either bundled or unbundled.
3. The price of the bundle includes the annual capacity fee or the monthly capacity fee for a fixed term, but excludes the volume fees, which shall be invoiced posteriorly. The capacity fee shall be paid by the first working day of the base month.
4. Parties agree to settle the fees arising from herein periodically, in equal monthly instalments pursuant to Section 58, Subsection (1) of Act No. CXXVII of 2007 on Value Added Tax (VAT Act).
5. Capacity bidders may request an optional number of bundles, but the number of bundles shall be an integer.
6. Requests for capacity demand shall be submitted until the deadline determined by MFGT.
7. In case of capacity overbooking, MFGT holds an auction.
8. The fees of Flex Plus Optional Service and Storage Plus Optional Service shall be contained in Annex No. 1.

VIII Governing Law, Settlement of Disputes

1. The provisions of Hungarian law shall apply to both the contract and any arising disputes.
2. Parties shall agree to settle the disputes relating to the Natural Gas Storage Contract primarily via amicable negotiation.
3. Failing such settlement in any disputes arising from or relating to the Natural Gas Storage Contract or its breach, termination, validity or interpretation, both parties hereby agree to subject themselves to the exclusive jurisdiction of the Arbitration Court in the Energy (Budapest), provided that the Court of Arbitration proceeds according to its own Rules of Procedure. The number of arbitrators shall be three. The language of procedure shall be Hungarian.

IX Entry into Force

This contract shall enter into force upon signature.

X Miscellaneous Provisions

Contact Persons

In issues related to the Contract:

On behalf of the System User:

On behalf of MFGT:

Phone:

Fax:

e-mail:

In issues of daily operative contact:

On behalf of the System User:

Phone:

Fax:

e-mail:

On behalf of MFGT: Dispatching Service

Phone: 52/362-574

Fax: 52/558-044

e-mail: dispatcher@mfgt.hu

This Contract shall be valid together with the attached annexes, which shall form an inseparable part thereof.

Budapest,

Hungarian Gas Storage Ltd

System User

.....

- Annex No. 1: Fees of Flex Plus Optional Service and Storage Plus Optional Service
- Annex No. 2: Successful bid submitted by the System User during the Auction
- Annex No. 3: Capacity fees payable by the System User
- Annex No. 4: Declaration and Power of Attorney

Annex No. 1

Option (Flex Plus) Storage Product

Flex Plus service allows offering a positive or negative option exceeding 10% of the Buyer's daily nomination to the Natural Gas Transmission Company (FGSZ) for the zero point of the unified storage facility of MFGT, which then shall be allocated in the event of using FGSZ. This is referred to as Hydraulic Balancing Gas Option (HEG, HEGO) by the Trading Platform (KP) and the Grid Code. This service is available to Buyers with Natural Gas Storage contract and storage capacity booking for the given storage year.

MFGT facilitates it for the Buyer to provide a positive or negative option via the MFGT IT platform free of charge up to 10% of the daily nominated quantity, and for a fee in excess of 10%. The sum of the largest possible positive option and the nominated quantity may not exceed the capacity available to the customer, while in case of a negative option, it may not be less than zero.

Fee shall be paid only for the quantity drawn by FGSZ and allocated by MFGT in excess of 10% of the daily nominated quantity.

If FGSZ draws the quantity offered in the option, the System User shall pay the fee specified in Section 3.1 of the Code of Business Conduct.

If the exercised option does not exceed the 10% of the System User's daily nominated quantity, the Flex Plus Optional Service is free of charge.

If the exercised option exceeds the 10% of the System User's daily nominated quantity, the fee for the Flex Plus Optional Service shall be 0.065 HUF/kWh + VAT for the amount above 10% of the daily nominated quantity.

The financial settlement and invoicing of the Flex Plus Optional Service shall be performed posteriorly at the beginning of the month following the base month by settling the volume fee, and shall be based on the daily value drawn by FGSZ and actually allocated by MFGT above 10% of the daily nominated quantity.

A statement and an invoice based on the statement shall be sent by MFGT to the System User each month regarding the fees relating to using the Flex Plus Optional Service. The payment deadline of the invoice shall be the 30 calendar days from the date of issue.

Payment, guarantee and financial guarantee conditions not regulated by the Tariff Decree or the Code of Business Conduct of MFGT shall be determined according to the agreement between the parties.

In addition to the above, Annex No. 5.11 of the Code of Business Conduct (template contract) shall be applicable to the service.

Storage Plus Service

Storage Plus Service allows the System Users to move gas in the direction opposite to the actual physical flow at the storage facility and/or the direction of flow announced for the relevant period. This means that they will be able to perform injection during the withdrawal cycle, and withdrawal during the injection cycle, regardless of the actual physical direction of flow at the storage facility.

This is possible in two ways:

- either by opposite direction supply at the zero point of the unified storage facility (in which case Backhaul (BH) capacity shall be booked with the FGSZ Natural Gas Transmission Company (FGSZ) for using the service)
- or by starting up a storage facility in the flow direction opposite to that of the announced storage cycle.

Anyone intending to use the Storage Plus Service shall make sure that for performing the transmission, all the conditions prescribed for the service are met with regard to the Natural Gas Transmission (FGSZ) system. MFGT shall assume liability exclusively for providing the storage service, while the transmission service shall be provided by FGSZ.

The fee charged for the Storage Plus storage service is 0.325 HUF/kWh/day.

Storage Plus Service fee shall be payable in the event of using injection and withdrawal service in the direction opposite to the actual physical flow at the storage facility and/or the direction of flow announced for the relevant period according to quantities thus injected or withdrawn.

The financial settlement and invoicing of the Storage Plus Service shall be carried out posteriorly, based on the quantities actually allocated.

For the days when MFGT interrupts the Storage Plus Service, System User shall not pay the fee up to the extent of interruption.

System User shall pay the injection and withdrawal volume fees related to using the Storage Plus Service in line with the capacities booked in the annual storage contract, at fees calculated pursuant to the Tariff Decree.

The detailed description of the Storage Plus Service is contained in Annex No. 10 of the Code of Business Conduct, while the contract template is attached as Annex No. 5.7.

5.4 NATURAL GAS STORAGE CAPACITY CONTRACT ON 100% AVAILABLE, FLAT CURVES INJECTION CAPACITY AND WITHDRAWAL CAPACITY (OPTIONAL SERVICE)

concluded by and between

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

tax No.:

Court of Registration and Reg. No.:

hereinafter referred to as **System User**

and

Hungarian Gas Storage Limited Company

seat: 1051 Budapest, Széchenyi István tér 7-8.

Mailing address: 1399 Budapest, Pf. 645.

account keeping bank:

bank account No.:

invoicing address: 1051 Budapest, Széchenyi István tér 7-8.

tax No.: 12543317-2-44

Court of Registration and Reg. No.: Budapest Court as Court of Registration, Cg. 01-10-045043

hereinafter referred to as **MFGT**

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

I Subject and Duration of Contract

1. The subject of this Natural Gas Storage Capacity Contract on 100% Available, Flat Curves Injection Capacity and Withdrawal Capacity (hereinafter referred to as Contract) shall be using the 100% available flat curves non-USP injection and withdrawal and working gas capacity by the System User in the Hungarian underground gas storage facility owned and operated by MFGT pursuant to the terms and conditions described in the chapters below.
2. MFGT aims at providing 100% available flat curves injection and withdrawal capacities to the System Users within the range of the set minimum and maximum parameters. Quantity of contracted capacities:
 - a) Injection capacity: _____ kWh/day
 - b) Working Gas Capacity: _____ kWh
 - c) Withdrawal capacity: _____ kWh/day
3. This Contract shall be concluded for a definite period until 1st April 201_ at 06:00 hours.
4. The contractual storage cycle shall start at 06:00 01 April 201_ and shall end at 06:00 01. April 201_.

II. General Terms

1. In issues not regulated by the Contract, the provisions of the General Terms and Conditions (hereinafter referred to as ÁSZF), Annex No. 5 of the Code of Business Conduct shall apply.
2. By signing this Contract, the System User shall acknowledge to have fully read and understood the content of ÁSZF herein mentioned – as available on the MFGT web page (www.magyarfoldgaztarolo.hu) – and considers it to be the part of this Contract, and so agrees to be bound by it. Parties shall deem the content of ÁSZF annexed to the Code of Business Conduct approved by Office to be the same as the usual contracting practice.
3. Special conditions not stipulated in the ÁSZF shall be specified in this Contract.
4. The document of the announcement shall form part of this contract as an annex hereto.

III Conditions of Using 100% Available Flat Curves Injection and Withdrawal Capacities

1. Each year, after the annual storage capacity booking, MFGT decides whether to announce 100% available flat curves injection and withdrawal capacities. The purchased capacity shall be available at all times regardless of the storage parameters, yet in each case, it may be used within the range of minimum and maximum values. Capacities shall be published for offer in the period pursuant to the announcement, and MFGT shall guarantee their availability within the range of minimum and maximum values, not allowing any nomination exceeding the capacity maximum. Below the minimum level, MFGT tries to accept the nomination, but acceptance cannot be guaranteed.

2. The amount of offered capacities shall depend on the capacity booking requests submitted until 1st March each year during the first round of the annual storage capacity booking. MFGT shall separately determine at the beginning of each storage year the extent of 100% available, flat curves injection and withdrawal capacities, along with the related working gas capacity quantity.
3. It is a precondition for using the product that the System User has storage booking at the storage licensee for seasonal storage provided as a basic service.
4. MFGT shall announce the maintenance period, and the availability of capacities shall be according to the prevailing announcement.
5. Requests for capacity demand shall be submitted until the deadline determined by MFGT.
6. In case of capacity overbooking, MFGT holds an auction.

IV Storage Gas Quality

MFGT shall undertake to inject natural gas only if it meets the quality parameters prescribed by Annex No. 11 of Government Decree No. 19/2009 (I.30.) on the implementation of Act No. XL of 2008 on Natural Gas Supply.

IV Natural Gas Delivery and Acceptance, Measurement, Settlement

According to Section 1.3.2 of the Code of Business Conduct, MFGT manages the storage facilities as a unified whole. Based on the daily nomination submitted by the System User for the unified storage facility, MFGT shall distribute the gas quantity to be injected or withdrawn to the relevant underground gas storage facilities. MFGT shall undertake to deliver the nominated quantities it verified for the unified storage facility, and in case of non-performance, MFGT shall cover the surcharges and balancing costs incurred by the System User.

V Operative Flow of Information

1. In the course of its daily activities, MFGT shall cooperate with the Transmission Company and the Transmission Operator to fulfil its obligations towards the System User.
2. Parties ensure that besides the regular contacts specified in this Contract, they shall notify each other of all incidents which may have an effect on their cooperation, and they facilitate smooth communication via consultation opportunities and proper dataflow.
3. Information and data flow between the Parties shall be governed by the Grid Code and the ÁSZF.

VI Service fee

1. Service fee: 1.625 HUF/kWh/year
2. MFGT shall offer 100% available injection and withdrawal capacities in bundles.
3. The price of a bundle includes the capacity fee, but excludes the VAT and the volume fees.
4. Capacity bidders may request an integer number of bundles.
5. Bundled capacities have an annual fee and payment conditions shall be specified according to the announced terms. Optional service fees shall not depend on the fees set forth by any prevailing legislation and Office resolutions.
6. As for working gas capacities, injection capacities and withdrawal capacities booked during the storage year, the System User shall pay the full annual capacity pursuant to the Code of Business Conduct of MFGT. The System User shall pay the monthly fee for the month of contract conclusion together with the fee for the months already elapsed in the storage year in a lump sum, and Parties agree to settle the fees arising from herein periodically, in equal monthly instalments pursuant to Section 58, Subsection (1) of Act No. CXXVII of 2007 on Value Added Tax (VAT Act). The date of issuing the invoice shall be the date the contract takes effect. The capacity fee for every month of the rest of the storage year shall be paid in equal instalments.
7. Parties shall agree in a settlement for a fixed term.
8. The transmission fee shall be invoiced with the fees pursuant to the prevailing HEPURA Decree 1/2013 - excluding VAT - until the 10th working day following the base month.
9. The payment deadline shall be the 30th calendar day from the date of invoice issue, or if it is a holiday, it shall be the following banking day.

VII Governing Law, Settlement of Disputes

1. The provisions of Hungarian law shall apply to both the contract and any arising disputes.
2. Parties shall agree to settle the disputes relating to the Natural Gas Storage Contract primarily via amicable negotiation.
3. Failing such settlement in any disputes arising from or relating to the Natural Gas Storage Contract or its breach, termination, validity or interpretation, both parties hereby agree to subject themselves to the exclusive jurisdiction of the Arbitration Court in the Energy (Budapest), provided that the Court of Arbitration proceeds according to its own Rules of Procedure. The number of arbitrators shall be three. The language of procedure shall be Hungarian.

VII Entry into Force

This contract shall enter into force upon signature.

IX Miscellaneous Provisions

1. Contact Persons

In issues related to the Contract:

On behalf of the System User:

On behalf of MFGT:

Phone:

Fax:

email:

In issues of daily operative contact:

On behalf of the System User:

Phone:

Fax:

email:

On behalf of MFGT: Dispatching Service

Phone: 52/362-574

Fax: 52/558-044

email: dispatcher@mfgt.hu

This Contract shall be valid together with the attached annexes, which shall form an inseparable part thereof.

Budapest,

Hungarian Gas Storage Ltd

System User

.....

.....

5.5 CONTRACT ON USING AND PROVIDING BUNDLED INTERRUPTIBLE NATURAL GAS STORAGE SERVICE

concluded by and **between**

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

tax No.:

Court of Registration and Reg. No.:

hereinafter referred to as **System User**

and

Hungarian Gas Storage Limited Company

seat: 1051 Budapest, Széchenyi István tér 7-8.

Mailing address: 1399 Budapest, Pf. 645.

account keeping bank: CITIBANK

bank account No.: 10800007-00000000-13714002

invoicing address: 1051 Budapest, Széchenyi István tér 7-8.

tax No.: 12543317-2-44

Court of Registration and Reg. No.: Budapest Court as Court of Registration, Cg. 01-10-045043

hereinafter referred to as **MFGT**

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

PREAMBLE

On ____ 201_, MFGT publicly announced an open auction for every system user under the title of "Capacity Auction No. 201_/__" to book available storage capacities via open auction (hereinafter referred to as Auction). During the auction a successful bid was submitted by the System User. MFGT accepted System User's bid. The bid constitutes Annex 2 to this Contract. Based on the Bid, Parties shall conclude the following contract on booking for the storage year 201_/201_.

I Subject and Duration of Contract

1. The subject of this Contract on Using and Providing Bundled Interruptible Natural Gas Storage Service (hereinafter referred to as Contract) shall be:
 - a) The storage of natural gas owned by the System User, along with its interruptible injection into and withdrawal from the Hungarian underground gas storage facilities owned and operated by MFGT according to the quantity parameters as per Chapter III and quality parameters as per Chapter IV. and
 - b) offering a positive or negative option exceeding 10% of the daily nomination of the System User to the Natural Gas Transmission Company (FGSZ) for the zero point of MFGT's unified storage facility (Flex Plus Optional Service). The description and the applicable fees of the service are contained in Section 3. of the Code of Business Conduct. Along with
 - c) providing withdrawal opportunity in the injection cycle, and injection opportunity in the withdrawal cycle for the System User, Storage Plus Optional Service. The description and the applicable fees of the service are contained in Section 3. of the Code of Business Conduct.
2. Pursuant to this Contract, MFGT shall – upon the contractual instruction of the System User – inject the natural gas taken over for the purpose of natural gas storage during the period as per Section I.4, shall keep it in its storage facilities and shall withdraw it in the period as per Section I.4, and shall provide Flex Plus Optional Service and/or Storage Plus Optional Service based on the relating instructions of the System User.
3. This Contract shall be concluded for a definite period until 1st April 201_ at 6:00 hours.
4. The Parties contract for using and providing Interruptible Natural Gas Storage Service, and – as instructed by the System User –, Flex plus Optional Service and/or Storage plus Optional Service. The contractual injection cycle starts at 6:00 on 1st April 201_, and shall end at 6:00 1st October 201_. The contractual withdrawal cycle starts at 6:00 on 1st October 201_, and shall end at 6:00 1st April 201_. Flex plus Optional Service and/or Storage plus Optional Service can also be used in this period.
5. System User can use Flex Plus Optional Service if it submits an option exceeding 10% of its daily nomination.

6. System User can use Storage Plus Optional Service if it submits a nomination opposite to the storage periods as per Section 4.

II. General Terms

1. In issues not regulated by the Contract, the provisions of the General Terms and Conditions (hereinafter referred to as ÁSZF), in Annex No. 5 of the Code of Business Conduct shall apply.
2. By signing this Contract, the System User shall acknowledge to have fully read and understood the content of ÁSZF herein mentioned – as available on the MFGT web page (www.magyarfoldgaztarolo.hu) – and considers it to be the part of this Contract, and so agrees to be bound by it. Parties shall deem the content of ÁSZF annexed to the Code of Business Conduct approved by the Hungarian Energy and Public Utility Regulatory Authority (Office) to be the same as the usual contracting practice.
3. Special conditions not stipulated in the ÁSZF shall be specified in this Contract.

III Provision of Storage Capacities

1. Firm storage capacities available to the System User in the booked bundles are as follows:

storage working gas capacity:	kWh
interruptible injection (peak) capacity:	kWh/day
interruptible withdrawal (peak) capacity:	kWh/day
2. System User shall submit the contracted monthly schedule for injection and withdrawal on the IT Platform under the menu item Nomination/Gas Volume Plan.
3. Contracted capacities shall be booked for non-universal service purposes only, and cannot be subject to primary trading.
4. System User understands that the actual injection and withdrawal capacity may vary according to the working gas stocks and to other, inevitably changing parameters and boundary conditions. The availability of capacities and the minimum and maximum injection and withdrawal capacity values are published by MFGT on its website for the System Users.
5. In case of a positive closing stock for the System User, MFGT shall be entitled to act according to Section 40 of HEPURA Decree No. 1/2013 (Tariff Decree).
6. If required by the System User, further storage products are provided by MFGT for the System Users via optional and specific services, for which the Parties shall conclude a separate contract.
7. System User shall weekly submit the planned injection and withdrawal quantities for the following week on MFGT's IT Platform until 12:00 Friday of the preceding week. This is required for planning the operation of the storage facilities, yet this is not equal to the weekly nomination. However, if the System User's nomination submitted for the given day deviates by more than 10% from the planned schedule, and thus endangers service provision to those System Users who use the storage services according to their forecast, MFGT reserves the right

to refuse the nomination in full or in part. Furthermore, by fully exploiting the technical capabilities, MFGT shall do its utmost to accept the daily nominations submitted by the System Users, thus providing the most flexible conditions for the System Users, and only if inevitable, may sanction towards System Users deviating by over 10%.

8. Pursuant to the Code of Business Conduct, MFGT shall be financially responsible for preserving the heat quantity of the actually injected gas, for its settlement and for the injection and withdrawal thereof according to Section III.1 herein.
9. MFGT shall not be obliged to ensure injection and withdrawal capacities exceeding the peak capacity values stipulated by Section III.1 of the Contract, nor to ensure more working gas capacity, or to conduct withdrawal activities exceeding the actually injected working gas heat quantity.
10. System Users shall submit also to MFGT the storage demand forecasts with the date and content prescribed by Section 7.5.2.1 of the Grid Code.

IV Storage Gas Quality

MFGT shall undertake to inject natural gas only if it meets the quality parameters prescribed by Annex No. 11 of Government Decree No. 19/2009 (I.30.) on the implementation of Act No. XL of 2008 on Natural Gas Supply.

V Natural Gas Delivery and Acceptance, Measurement, Settlement

According to Section 1.3.2 of the Code of Business Conduct, MFGT manages the storage facilities as a unified whole. Based on the daily nomination submitted by the System User for the unified storage facility, MFGT shall allocate the gas quantity to be injected or withdrawn to the relevant underground gas storage facilities. MFGT shall undertake to deliver the nominated quantities allocated for the relevant storage facilities, and in case of non-performance, MFGT shall cover the surcharges and balancing costs incurred by the System User.

VI Operative Flow of Information

1. In the course of its daily activities, MFGT shall cooperate with the Transmission Company and the Transmission Operator to fulfil its obligations towards the System User.
2. Parties ensure that besides the regular contacts specified in this Contract, they shall notify each other of all incidents which may have an effect on their cooperation, and they facilitate smooth communication via consultation opportunities and proper dataflow.
3. Information and data flow between the Parties shall be governed by the Grid Code and the ÁSZF.

VII Storage Fee

1. System User purchased the capacities booked in Section III.1 in bundle.

One bundle contains:

- working gas capacity: kWh
- injection capacity: kWh/day
- withdrawal capacity: kWh/day

System User purchased _____ bundles.

The total price of purchased bundles is HUF _____ +VAT.

2. Parties agree to settle the fees arising from herein periodically, in equal monthly instalments pursuant to Section 58, Subsection (1) of Act No. CXXVII of 2007 on Value Added Tax (VAT Act). The bundle fee contains the storage capacity fee, excluding the injection volume fee and the withdrawal volume fee, which shall be paid by the System User according to the prevailing Tariff Decree, based on the monthly volume, also excluding the fees of optional services used, as contained in Section 3.1 of the Code of Business Conduct.
3. As for working gas capacities, injection capacities and withdrawal capacities booked during the storage year, the System User shall pay the full annual capacity pursuant to the Code of Business Conduct of MFGT. System User shall pay the monthly fee for the month of contract conclusion together with the fee for the months already elapsed in the storage year in a lump sum within 30 calendar days from issuing the invoice. The date of issuing the invoice shall be the date the contract takes effect. The capacity fee for every month of the rest of the storage year shall be paid in equal instalments.
4. Volume fees payable by the System User shall be determined by MFGT pursuant to the fee items set forth in the Tariff Decree. Capacity fees shall be invoiced according to the Tariff Decree in equal monthly instalments, while volume fees shall be invoiced upon the actual monthly volume. The fees of Flex Plus Optional Service and Storage Plus Optional Service shall be contained in Annex No. 1.

VIII Governing Law, Settlement of Disputes

The provisions of Hungarian law shall apply to both the contract and any arising disputes.

Parties shall agree to settle the disputes relating to the Natural Gas Storage Contract primarily via amicable negotiation.

Failing such settlement in any disputes arising from or relating to the Natural Gas Storage Contract or its breach, termination, validity or interpretation, both parties hereby agree to subject themselves to the exclusive jurisdiction of the Arbitration Court in the Energy (Budapest), provided that the Court of Arbitration proceeds according to its own Rules of Procedure. The number of arbitrators shall be three. The language of procedure shall be Hungarian.

IX Entry into Force

This contract shall be concluded upon signature.

X Miscellaneous Provisions

Contact Persons

In issues related to the Contract:

On behalf of MFGT:

Phone:

Fax:

e-mail:

On behalf of the System User:

Phone:

Fax:

e-mail:

In issues of daily operative contact:

On behalf of the System User:

Phone:

Fax:

e-mail:

On behalf of MFGT: Dispatching Service

Phone: 52/362-574

Fax: 52/558-044

e-mail: dispatcher@mfgt.hu

This Contract shall be valid together with the attached annexes, which shall form an inseparable part thereof.

Budapest, __. _____ 201__

Hungarian Gas Storage Ltd

System User

.....

Annexes:

- Annex No. 1: Flex Plus Optional Service and Storage Plus Optional Service Fees
- Annex No. 2: Successful bid submitted by the System User during the Auction
- Annex No. 3: Capacity fees payable by the System User
- Annex No. 4: Declaration and Power of Attorney

Annex No. 1

Option (Flex Plus) Storage Product

Flex Plus service allows offering a positive or negative option exceeding 10% of the Buyer's daily nomination to the Natural Gas Transmission Company (FGSZ) for the zero point of the unified storage facility of MFGT, which then shall be allocated in the event of using FGSZ. This is referred to as Hydraulic Balancing Gas Option (HEG, HEGO) by the Trading Platform (KP) and the Grid Code. This service is available to Buyers with Natural Gas Storage contract and storage capacity booking for the given storage year.

MFGT facilitates it for the Buyer to provide a positive or negative option via the MFGT IT platform free of charge up to 10% of the daily nominated quantity, and for a fee in excess of 10%. The sum of the largest possible positive option and the nominated quantity may not exceed the capacity available to the customer, while in case of a negative option, it may not be less than zero.

Fee shall be paid only for the quantity drawn by FGSZ and allocated by MFGT in excess of 10% of the daily nominated quantity.

If FGSZ draws the quantity offered in the option, the System User shall pay the fee specified in Section 3.1 of the Code of Business Conduct.

If the exercised option does not exceed the 10% of the System User's daily nominated quantity, the Flex Plus Optional Service is free of charge.

If the exercised option exceeds the 10% of the System User's daily nominated quantity, the fee for the Flex Plus Optional Service shall be 0.065 HUF/kWh + VAT for the amount above 10% of the daily nominated quantity.

The financial settlement and invoicing of the Flex Plus Optional Service shall be performed posteriorly at the beginning of the month following the base month by settling the volume fee, and shall be based on the daily value drawn by FGSZ and actually allocated by MFGT above 10% of the daily nominated quantity.

A statement and an invoice based on the statement shall be sent by MFGT to the System User each month regarding the fees relating to using the Flex Plus Optional Service. The payment deadline of the invoice shall be the 30 calendar days from the date of issue.

Payment, guarantee and financial guarantee conditions not regulated by the Tariff Decree or the Code of Business Conduct of MFGT shall be determined according to the agreement between the parties.

In addition to the above, Annex No. 5.11 of the Code of Business Conduct (template contract) shall be applicable to the service.

Storage Plus Service

Storage Plus Service allows the System Users to move gas in the direction opposite to the actual physical flow at the storage facility and/or the direction of flow announced for the relevant period. This means that they will be able to perform injection during the withdrawal cycle, and withdrawal during the injection cycle, regardless of the actual physical direction of flow at the storage facility.

This is possible in two ways:

- either by opposite direction supply at the zero point of the unified storage facility (in which case Backhaul (BH) capacity shall be booked with the FGSZ Natural Gas Transmission Company (FGSZ) for using the service)
- or by starting up a storage facility in the flow direction opposite to that of the announced storage cycle.

Anyone intending to use the Storage Plus Service shall make sure that for performing the transmission, all the conditions prescribed for the service are met with regard to the Natural Gas Transmission (FGSZ) system. MFGT shall assume liability exclusively for providing the storage service, while the transmission service shall be provided by FGSZ.

The fee charged for the Storage Plus storage service is 0.325 HUF/kWh/day.

Storage Plus Service fee shall be payable in the event of using injection and withdrawal service in the direction opposite to the actual physical flow at the storage facility and/or the direction of flow announced for the relevant period according to quantities thus injected or withdrawn.

The financial settlement and invoicing of the Storage Plus Service shall be carried out posteriorly, based on the quantities actually allocated.

For the days when MFGT interrupts the Storage Plus Service, System User shall not pay the fee up to the extent of interruption.

System User shall pay the injection and withdrawal volume fees related to using the Storage Plus Service in line with the capacities booked in the annual storage contract, at fees calculated pursuant to the Tariff Decree.

The detailed description of the Storage Plus Service is contained in Annex No. 10 of the Code of Business Conduct, while the contract template is attached as Annex No. 5.7.

5.6 LONG-TERM CONTRACT ON USING AND PROVIDING SEASONAL BASIC NATURAL GAS STORAGE SERVICE

concluded by and **between**

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

tax No.:

Court of Registration and Reg. No.:

hereinafter referred to as **System User**

and

Hungarian Gas Storage Limited Company

seat: 1051 Budapest, Széchenyi István tér 7-8.

Mailing address: 1399 Budapest, Pf. 645.

account keeping bank:

bank account No.:

invoicing address: 1051 Budapest, Széchenyi István tér 7-8.

tax No.: 12543317-2-44

Court of Registration and Reg. No.: Budapest Court as Court of Registration, Cg. 01-10-045043

hereinafter referred to as **MFGT**

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

I Subject and Duration of Contract

1. The subject of this Contract on Using and Providing Seasonal Basic Natural Gas Storage Service (hereinafter referred to as Contract) covers:
 - a) the storage of natural gas owned by the System User, along with its firm injection into and withdrawal from the Hungarian underground gas storage facilities owned and operated by MFGT according to the quantity parameters as per Chapter III and quality parameters as per Chapter IV. and
 - b) offering a positive or negative option exceeding 10% of the daily nomination of the System User to the Natural Gas Transmission Company (FGSZ) for the zero point of MFGT's unified storage facility (Flex Plus Optional Service). The description and the applicable fees of the service are contained in Section 3 of the Code of Business Conduct and
 - c) providing withdrawal opportunity in the injection cycle, and injection opportunity in the withdrawal cycle for the System User via virtual storage service (Storage Plus Optional Service). The description and the applicable fees of the service are contained in Section 3 of the Code of Business Conduct.
2. Pursuant to this Contract, MFGT shall – upon the contractual instruction of the System User – inject the natural gas taken over for the purpose of natural gas storage during the period as per Section I.4, shall keep it in its storage facilities and shall withdraw it in the period as per Section I.4, and shall provide Flex Plus Optional Service and/or Storage Plus Optional Service based on the relating instructions of the System User.
3. This Contract shall be concluded for a definite period until 1st April 201.. at 06:00 hours.
4. The Parties contract for using and providing a seasonal basic service and Flex Plus Optional Service and/or Storage Plus Optional Service. MFGT shall annually publish the duration of the injection and withdrawal cycles. In the first storage year, the contractual injection cycle starts at 6:00 on 1st April 201.., and shall end at 6:00 1st October 201... The contractual withdrawal cycle starts at 6:00 on 1st October 201.., and shall end at 6:00 1st April 201... Flex plus Optional Service and/or Storage plus Optional Service can also be used in this period.
5. The System User can use Flex Plus Optional Service automatically if it submits an allocation exceeding 20% of its daily nomination.
6. The System User can use Storage Plus Optional Service automatically if it submits a nomination opposite to the storage periods as per Section 4.

II. General Terms

1. In issues not regulated by the Contract, the provisions of the General Terms and Conditions (hereinafter referred to as ÁSZF), Annex No. 5 of the Code of Business Conduct shall apply.
2. By signing this Contract, the System User shall acknowledge to have fully read and understood the content of ÁSZF herein mentioned – as available on the MFGT web page (www.magyarfoldgaztarolo.hu) – and considers it to be the part of this Contract, and so agrees

to be bound by it. Parties shall deem the content of ÁSZF annexed to the Code of Business Conduct approved by Office to be the same as the usual contracting practice.

3. Special conditions not stipulated in the ÁSZF shall be specified in this Contract.

III Provision of Storage Capacities

1. Firm storage capacities available for the System User regarding the contractual storage cycles as per Section I.4:

working gas capacity:	kWh
injection (peak) capacity:	kWh/day
withdrawal (peak) capacity:	kWh/day

2. System User shall submit the contracted monthly schedule for injection and withdrawal on the IT Platform under the menu item Nomination/Gas Volume Plan.
3. System User understands that the actual injection and withdrawal capacity may vary according to the working gas stocks and to other, inevitably changing parameters and boundary conditions. The availability of capacities and the minimum and maximum injection and withdrawal capacity values are published by MFGT on its IT Platform for the System Users.
4. In case of a positive closing stock for the System User, MFGT shall be entitled to act according to Section 40 of HEPURA Decree No. 1/2013 (VII.11.) (Tariff Decree).
5. If required by the System User, further storage products are provided by MFGT for the System Users via optional and specific services, for which the Parties shall conclude a separate contract.
6. The System User may use interruptible capacities as well, for which the Parties shall also conclude a separate contract.
7. System User shall weekly submit the planned injection and withdrawal quantities for the following week on MFGT's IT Platform until 12:00 Friday of the preceding week. This is required for planning the operation of the storage facilities, yet this is not equal to the weekly nomination. However, if the System User's nomination submitted for the given day deviates by more than 10% from the planned schedule, and thus endangers service provision to those System Users who use the storage services according to their forecast, MFGT reserves the right to refuse the nomination in full or in part. Furthermore, by fully exploiting the technical capabilities, MFGT shall do its utmost to accept the daily nominations submitted by the System Users, thus providing the most flexible conditions for the System Users, and only if inevitable, may sanction towards System Users deviating by over 10%.
8. Pursuant to the Code of Business Conduct, MFGT shall be financially responsible for preserving the heat quantity of the actually injected gas, for its settlement and for the injection and withdrawal thereof according to Section III.1 herein.
9. MFGT shall not be obliged to ensure injection and withdrawal capacities exceeding the peak capacity values stipulated by Section III.1 of the Contract, nor to ensure more working gas

capacity, or to conduct withdrawal activities exceeding the actually injected working gas volume.

10. System Users shall submit also to MFGT the storage demand forecasts with the date and content prescribed by Section 7.5.2.1 of the Grid Code.

IV Storage Gas Quality

MFGT shall undertake to inject natural gas only if it meets the quality parameters prescribed by Annex No. 11 of Government Decree No. 19/2009 (I.30.) on the implementation of Act No. XL of 2008 on Natural Gas Supply.

V Natural Gas Delivery and Acceptance, Measurement, Settlement

According to Section 1.3.2 of the Code of Business Conduct, MFGT manages the storage facilities as a unified whole. Based on the daily nomination submitted by the System User for the unified storage facility, MFGT shall allocate the gas quantity to be injected or withdrawn to the relevant underground gas storage facilities. MFGT shall undertake to deliver the nominated quantities allocated for the relevant storage facilities, and in case of non-performance, MFGT shall cover the surcharges and balancing costs incurred by the System User.

VI Operative Flow of Information

1. In the course of its daily activities, MFGT shall cooperate with the transmission company performing transmission system operation to fulfil its obligations towards the System User.
2. Parties ensure that besides the regular contacts specified in this Contract, they shall notify each other of all incidents which may have an effect on their cooperation, and they facilitate smooth communication via consultation opportunities and proper dataflow.
3. Information and data flow between the Parties shall be governed by the Grid Code and the ÁSZF.

VII Storage Fee

1. Capacity booking and volume fees payable by the System User shall be determined by MFGT pursuant to the fee items announced in HEPURA decree No. 1/2013 (VII.11.) (Tariff Decree). Capacity fees shall be invoiced according to the Tariff Decree in equal monthly instalments, while volume fees shall be invoiced upon the actual monthly volume. Parties agree to settle the fees arising from herein periodically, in equal monthly instalments pursuant to Section 58, Subsection (1) of Act No. CXXVII of 2007 on Value Added Tax (VAT Act).
2. In as far as during the contract period the Tariff Decree ceases to be applicable to the storage services, MFGT shall be entitled to adjust – at the beginning of the gas year (on 1st October) –

the tariffs of the preceding storage year in the natural gas storage contract with the average consumer price index forecast relating to the respective year, for the following one year period. The basis of the adjustment shall be the applicable (latest) "Inflation Report" published by the Central Bank of Hungary.

3. The modifications of the fees specified in the Tariff Decree will become part of the contract simultaneously with their coming into force; therefore the Parties shall apply the modifications as of the Decree's effective date.
4. The fees of Flex Plus Optional Service and Storage Plus Optional Service shall be contained in Annex No. 3.
5. As of the date the Tariff Decree introduces heat quantity based storage fee calculation, the calculation of storage fees shall exclusively be based on energy quantity [kWh].
6. Governing Law, Settlement of Disputes
7. Parties shall agree to settle the disputes relating to the contract primarily via amicable negotiation.
8. Failing such settlement in any disputes arising from or relating to the contract or its breach, termination, validity or interpretation, both parties hereby agree to subject themselves to the exclusive jurisdiction of the Arbitration Court in the Energy (Budapest), provided that the Court of Arbitration proceeds according to its own Rules of Procedure. The number of arbitrators shall be three. The language of procedure shall be Hungarian.

VIII Governing Law, Settlement of Disputes

The provisions of Hungarian law shall apply to both the contract and any arising disputes.

Parties shall agree to settle the disputes relating to the Natural Gas Storage Contract primarily via amicable negotiation.

Failing such settlement in any disputes arising from or relating to the Natural Gas Storage Contract or its breach, termination, validity or interpretation, both parties hereby agree to subject themselves to the exclusive jurisdiction of the Arbitration Court in the Energy (Budapest), provided that the Court of Arbitration proceeds according to its own Rules of Procedure. The number of arbitrators shall be three. The language of procedure shall be Hungarian.

VII Entry into Force

This Contract shall be applied by the Parties to their existing legal relation in the same subject as of
.....

IX Miscellaneous Provisions

Contact Persons

In issues related to the Contract:

On behalf of the System User:

On behalf of MFGT:

Phone:

Fax:

e-mail:

On behalf of the System User:

Phone:

Fax:

e-mail:

In issues of daily operative contact:

On behalf of the System User: the System User's person on duty

Phone:

Fax:

e-mail:

On behalf of MFGT: Dispatching Service

Phone: 0036 52 362-574

Fax: 0036 52 558-048

email: dispatcher@mfgt.hu

This Contract shall be valid together with the attached annexes, which shall form an inseparable part thereof.

Budapest,

Hungarian Gas Storage Ltd

System User

.....

Annexes:

Annex No. 1: Flex Plus Optional Service and Storage Plus Optional Service Fees

Annex No. 2: Capacity fees payable by the System User

Annex No. 1

Option (Flex Plus) Storage Product

Flex Plus service allows offering a positive or negative option exceeding 10% of the Buyer's daily nomination to the Natural Gas Transmission Company (FGSZ) for the zero point of the unified storage facility of MFGT, which then shall be allocated in the event of using FGSZ. This is referred to as Hydraulic Balancing Gas Option (HEG, HEGO) by the Trading Platform (KP) and the Grid Code. This service is available to Buyers with Natural Gas Storage contract and storage capacity booking for the given storage year.

MFGT facilitates it for the Buyer to provide a positive or negative option via the MFGT IT platform free of charge up to 10% of the daily nominated quantity, and for a fee in excess of 10%. The sum of the largest possible positive option and the nominated quantity may not exceed the capacity available to the customer, while in case of a negative option, it may not be less than zero.

Fee shall be paid only for the quantity drawn by FGSZ and allocated by MFGT in excess of 10% of the daily nominated quantity.

If FGSZ draws the quantity offered in the option, the System User shall pay the fee specified in Section 3.1 of the Code of Business Conduct.

If the exercised option does not exceed the 10% of the System User's daily nominated quantity, the Flex Plus Optional Service is free of charge.

If the exercised option exceeds the 10% of the System User's daily nominated quantity, the fee for the Flex Plus Optional Service shall be 0.065 HUF/kWh + VAT for the amount above 10% of the daily nominated quantity.

The financial settlement and invoicing of the Flex Plus Optional Service shall be performed posteriorly at the beginning of the month following the base month by settling the volume fee, and shall be based on the daily value drawn by FGSZ and actually allocated by MFGT above 10% of the daily nominated quantity.

A statement and an invoice based on the statement shall be sent by MFGT to the System User each month regarding the fees relating to using the Flex Plus Optional Service. The payment deadline of the invoice shall be the 30 calendar days from the date of issue.

Payment, guarantee and financial guarantee conditions not regulated by the Tariff Decree or the Code of Business Conduct of MFGT shall be determined according to the agreement between the parties.

In addition to the above, Annex No. 5.11 of the Code of Business Conduct (template contract) shall be applicable to the service.

Storage Plus Service

Storage Plus Service allows the System Users to move gas in the direction opposite to the actual physical flow at the storage facility and/or the direction of flow announced for the relevant period. This means that they will be able to perform injection during the withdrawal cycle, and withdrawal during the injection cycle, regardless of the actual physical direction of flow at the storage facility.

This is possible in two ways:

- either by opposite direction supply at the zero point of the unified storage facility (in which case Backhaul (BH) capacity shall be booked with the FGSZ Natural Gas Transmission Company (FGSZ) for using the service)
- or by starting up a storage facility in the flow direction opposite to that of the announced storage cycle.

Anyone intending to use the Storage Plus Service shall make sure that for performing the transmission, all the conditions prescribed for the service are met with regard to the Natural Gas Transmission (FGSZ) system. MFGT shall assume liability exclusively for providing the storage service, while the transmission service shall be provided by FGSZ.

The fee charged for the Storage Plus storage service is 0.325 HUF/kWh/day.

Storage Plus Service fee shall be payable in the event of using injection and withdrawal service in the direction opposite to the actual physical flow at the storage facility and/or the direction of flow announced for the relevant period according to quantities thus injected or withdrawn.

The financial settlement and invoicing of the Storage Plus Service shall be carried out posteriorly, based on the quantities actually allocated.

For the days when MFGT interrupts the Storage Plus Service, System User shall not pay the fee up to the extent of interruption.

System User shall pay the injection and withdrawal volume fees related to using the Storage Plus Service in line with the capacities booked in the annual storage contract, at fees calculated pursuant to the Tariff Decree.

The detailed description of the Storage Plus Service is contained in Annex No. 10 of the Code of Business Conduct, while the contract template is attached as Annex No. 5.7.

5.7 NATURAL GAS STORAGE CAPACITY FRAMEWORK CONTRACT ON STORAGE PLUS SERVICE

concluded by and between

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

tax No.:

Court of Registration and Reg. No.:

hereinafter referred to as **System User**

and

Hungarian Gas Storage Limited Company

seat: 1051 Budapest, Széchenyi István tér 7-8.

Mailing address: 1399 Budapest, Pf. 645.

account keeping bank:

bank account No.:

invoicing address: 1051 Budapest, Széchenyi István tér 7-8.

tax No.: 12543317-2-44

Court of Registration and Reg. No.: Budapest Court as Court of Registration, Cg. 01-10-045043

hereinafter referred to as **MFGT**

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

I Subject and Duration of Contract

1. The subject matter of this Natural Gas Storage Plus Framework Contract (hereinafter referred to as Contract) is moving gas for the System User in the direction opposite to the actual physical flow and/or the direction of flow announced for the period, that is injection during withdrawal cycle and withdrawal during injection cycle in the Hungarian underground gas storage facility owned and operated by MFGT pursuant to the terms and conditions described in the chapters below.
2. The service specified in Section 1 is feasible in two ways:
either by opposite direction supply at the zero point of the unified storage facility (in which case Backhaul (BH) capacity shall be booked with the FGSZ Natural Gas Transmission Company (FGSZ) for using the service) or
3. by starting up a storage facility in the flow direction opposite to that of the announced storage cycle.
4. This Contract has been concluded for a definite period.
5. The Parties contract for one (1) full storage cycle. The contractual storage cycle starts at 06:00 on 1st April 201_, and shall end at 06:00 1st October 201_.

II. General Terms

1. In issues not regulated by the Contract, the provisions of the General Terms and Conditions (hereinafter referred to as ÁSZF), Annex No. 5 of the Code of Business Conduct shall apply.
2. By signing this Contract, the System User shall acknowledge to have fully read and understood the content of ÁSZF herein mentioned – as available on the MFGT web page(www.magyarfoldgaztarolo.hu) – and considers it to be the part of this Contract, and so agrees to be bound by it. Parties shall deem the content of ÁSZF annexed to the Code of Business Conduct approved by Office to be the same as the usual contracting practice.
3. Special conditions not stipulated in the ÁSZF shall be specified in the Contract and in the Storage Plus storage product description document constituting an inseparable part of this Contract.

III Conditions of Storage Plus Service

1. The product can be used as interruptible capacity on every day of the storage year.
2. During the nomination of virtual quantities option shall not be available.
3. The requested Storage Plus quantity shall be announced by the System User prior to the gas day, during nomination.
4. System User shall understand that the actually available virtual injection and virtual withdrawal capacity may vary according to the nominations submitted by other System Users.

IV Nomination, Allocation

According to Section 1.3.2 of the Code of Business Conduct, MFGT manages the storage facilities as a unified whole. System User shall submit its nomination for the virtual quantities on the nomination interface of MFGT's IT Platform. Prior to each gas day, MFGT shall inform the System Users on its IT platform regarding the physical mode of the unified storage facility, and nominations shall be submitted accordingly.

In the event that MFGT refuses the nomination request, System User receives a mismatching feedback, and shall settle its storage request via re-nomination. During allocation, the quantity of virtual storage shall be equal to the nominated quantity according to FGSZ data provision.

MFGT shall assume liability exclusively for providing the storage service, while the transmission service shall be provided by FGSZ.

V Storage Plus Service Fee

1. The capacity fee charged for the Storage Plus storage service shall be 0.325 HUF/kWh/day.
2. Storage Plus Service fee shall be payable in the event of using injection or withdrawal service in the direction opposite to the actual physical flow at the storage facility and/or the direction of flow announced for the relevant period according to quantities thus injected or withdrawn.
3. The financial settlement and invoicing of the Storage Plus storage service shall be carried out posteriorly, based on the confirmed daily allocated value.
4. For the days when MFGT interrupts the Storage Plus Service, System User shall not pay the fee up to the extent of interruption.
5. System User shall pay the injection and withdrawal volume fees related to using the Storage Plus Service at fees calculated pursuant to the prevailing HEPURA Decree No. 1/2013 (VII.11.) (Tariff Decree).

VI Governing Law, Settlement of Disputes

1. The provisions of Hungarian law shall apply to both the contract and any arising disputes.
2. Parties shall agree to settle the disputes relating to this Contract primarily via amicable negotiation.
3. Failing such settlement in any disputes arising from or relating to this Contract or its breach, termination, validity or interpretation, both parties hereby agree to subject themselves to the exclusive jurisdiction of the Arbitration Court in the Energy (Budapest), provided that the Court of Arbitration proceeds according to its own Rules of Procedure. The number of arbitrators shall be three. The language of procedure shall be Hungarian.

VII Entry into Force

This contract shall enter into force upon signature.

VIII Miscellaneous Provisions

Contact Persons

In issues related to the Contract:

On behalf of the System User:

On behalf of MFGT:

Phone:

Fax:

e-mail:

In issues of daily operative contact:

On behalf of the System User:

Phone:

Fax:

e-mail:

On behalf of MFGT: Dispatching Service

Phone: 52/362-574

Fax: 52/558-044

email: dispatcher@mfgt.hu

This Contract shall be valid together with the attached annexes, which shall form an inseparable part thereof.

Budapest,

Hungarian Gas Storage Ltd

System User

1. Annex No. 1: Description of Storage Plus Service

Annex No. 1

Storage Plus Service

Storage Plus Service allows the System Users to move gas in the direction opposite to the actual physical flow at the storage facility and/or the direction of flow announced for the relevant period. This means that they will be able to perform injection during the withdrawal cycle, and withdrawal during the injection cycle, regardless of the actual physical direction of flow at the storage facility.

This is possible in two ways:

- either by opposite direction supply at the zero point of the unified storage facility (in which case Backhaul (BH) capacity shall be booked with the FGSZ Natural Gas Transmission Company (FGSZ) for using the service)
- or by starting up a storage facility in the flow direction opposite to that of the announced storage cycle.

Anyone intending to use the Storage Plus Service shall make sure that for performing the transmission, all the conditions prescribed for the service are met with regard to the Natural Gas Transmission (FGSZ) system. MFGT shall assume liability exclusively for providing the storage service, while the transmission service shall be provided by FGSZ.

The fee charged for the Storage Plus storage service is 0.325 HUF/kWh/day.

Storage Plus Service fee shall be payable in the event of using injection and withdrawal service in the direction opposite to the actual physical flow at the storage facility and/or the direction of flow announced for the relevant period according to quantities thus injected or withdrawn.

The financial settlement and invoicing of the Storage Plus Service shall be carried out posteriorly, based on the quantities actually allocated.

For the days when MFGT interrupts the Storage Plus Service, System User shall not pay the fee up to the extent of interruption.

System User shall pay the injection and withdrawal volume fees related to using the Storage Plus Service in line with the capacities booked in the annual storage contract, at fees calculated pursuant to the Tariff Decree.

The detailed description of the Storage Plus Service is contained in Annex No. 10 of the Code of Business Conduct, while the contract template is attached as Annex No. 5.7.

5.8 LONG TERM CONTRACT ON USING AND PROVIDING BUNDLED NATURAL GAS STORAGE SERVICE

concluded by and **between**

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

tax No.:

Court of Registration and Reg. No.:

hereinafter referred to as **System User**

and

Hungarian Gas Storage Limited Company

seat:

1051 Budapest, Széchenyi István tér 7-8.

Mailing address:

1399 Budapest, Pf. 645.

account keeping bank:

CITIBANK

bank account No.:

10800007-00000000-13714002

invoicing address:

1051 Budapest, Széchenyi István tér 7-8.

tax No.:

12543317-2-44

Court of Registration and Reg. No.:

Budapest Court as Court of Registration, Cg. 01-10-045043

hereinafter referred to as **MFGT**

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

PREAMBLE

On ____ 201_, MFGT publicly announced an open auction for every system user under the title of "Capacity Auction No. 201_/__" to book available storage capacities via open auction (hereinafter referred to as Auction). During the auction a successful bid was submitted by the System User. MFGT accepted System User's bid. The bid constitutes Annex 4 to this Contract. Based on the Bid, Parties shall conclude the following contract on booking for the storage years 201_/201_, 201_/201_, 201_/201_.

I Subject and Duration of Contract

1. The subject of this Long Term Contract on Using and Providing Bundled Natural Gas Storage Service (hereinafter referred to as Contract) shall be:
 - d) The storage of natural gas owned by the System User, along with its firm injection into and withdrawal from the Hungarian underground gas storage facilities owned and operated by MFGT – with regard to bundling the capacity bundles awarded at the auction – according to the quantity parameters as per Chapter III and quality parameters as per Chapter IV. and
 - e) offering a positive or negative option exceeding 10% of the daily nomination of the System User to the Natural Gas Transmission Company (FGSZ) for the zero point of MFGT's unified storage facility (Flex Plus Optional Service). The description and the applicable fees of the service are contained in Section 3. of the Code of Business Conduct. Along with
 - f) providing withdrawal opportunity in the injection cycle, and injection opportunity in the withdrawal cycle for the System User via virtual storage service (Storage Plus Optional Service). The description and the applicable fees of the service are contained in Section 3 of the Code of Business Conduct.
2. Pursuant to this Contract, MFGT shall – upon the contractual instruction of the System User – inject the natural gas taken over for the purpose of natural gas storage during the period as per Section I.4, shall keep it in its storage facilities and shall withdraw it in the period as per Section I.4, and shall provide Flex Plus Optional Service and/or Storage Plus Optional Service based on the relating instructions of the System User.
3. This Contract shall be concluded for a definite period until 1st April 201_ at 6:00 hours.
4. The Parties contract for using and providing a seasonal basic service and Flex Plus Optional Service and/or Storage Plus Optional Service. MFGT shall annually publish the duration of the injection and withdrawal cycles. In the first storage year, the contractual injection cycle shall commence at 6:00 on 1st April 201_ and shall end at 6:00 on 1st October 201_, and the contractual withdrawal cycle shall commence at 6:00 on 1st October 201_ and shall end at 6:00 on 1st April 201_. Flex plus Optional Service and/or Storage plus Optional Service can also be used in the injection and withdrawal periods announced by MFGT.
5. System User can use Flex Plus Optional Service if it submits an option exceeding 10% of its daily nomination.

6. System User can use Storage Plus Optional Service if it submits a nomination opposite to the storage periods as per Section 4.

II. General Terms

1. In issues not regulated by the Contract, the provisions of the General Terms and Conditions (hereinafter referred to as ÁSZF), Annex No. 5 of the Code of Business Conduct shall apply.
2. By signing this Contract, the System User shall acknowledge to have fully read and understood the content of ÁSZF herein mentioned – as available on the MFGT web page(www.magyarfoldgaztarolo.hu)– and considers it to be the part of this Contract, and so agrees to be bound by it. Parties shall deem the content of ÁSZF annexed to the Code of Business Conduct approved by the Hungarian Energy and Public Utility Regulatory Authority (Office) to be the same as the usual contracting practice.
3. Special conditions not stipulated in the ÁSZF shall be specified in this Contract.

III Provision of Storage Capacities

1. Firm storage capacities available to the System User in the booked bundles are as follows:

storage working gas capacity:	kWh
injection (peak) capacity:	kWh/day
withdrawal (peak) capacity:	kWh/day
2. System User shall submit the contracted monthly schedule for injection and withdrawal on the IT Platform under the menu item Nomination/Gas Volume Plan.
3. Contracted capacities shall be booked for non-universal service purposes only, and cannot be subject to primary trading.
4. System User shall submit the contracted monthly schedule for injection and withdrawal on the IT Platform under the menu item Nomination/Gas Volume Plan not later than until 1st March 201_ for the storage year 201_/201_. The monthly schedule for injection and withdrawal capacities regarding storage year 201_/201_ shall be submitted until 1st March 201_.
5. System User understands that the actual injection and withdrawal capacity may vary according to the working gas stocks and to other, inevitably changing parameters and boundary conditions. The availability of capacities and the minimum and maximum injection and withdrawal capacity values are published by MFGT on its website for the System Users.
6. In case of a positive closing stock for the System User, MFGT shall be entitled to act according to Section 40 of HEPURA Decree No. 1/2013 (Tariff Decree).
7. If required by the System User, further storage products are provided by MFGT for the System Users via optional and specific services, for which the Parties shall conclude a separate contract.

8. The System User may use interruptible capacities as well, for which the Parties shall also conclude a separate contract.
9. System User shall weekly submit the planned injection and withdrawal quantities for the following week on MFGT's IT Platform until 12:00 Friday of the preceding week. This is required for planning the operation of the storage facilities, yet this is not equal to the weekly nomination. However, if the System User's nomination submitted for the given day deviates by more than 10% from the planned schedule, and thus endangers service provision to those System Users who use the storage services according to their forecast, MFGT reserves the right to refuse the nomination in full or in part. Furthermore, by fully exploiting the technical capabilities, MFGT shall do its utmost to accept the daily nominations submitted by the System Users, thus providing the most flexible conditions for the System Users, and only if inevitable, may sanction towards System Users deviating by over 10%.
10. Pursuant to the Code of Business Conduct, MFGT shall be financially responsible for preserving the heat quantity of the actually injected gas, for its settlement and for the injection and withdrawal thereof according to Section III.1 herein.
11. MFGT shall not be obliged to ensure injection and withdrawal capacities exceeding the peak capacity values stipulated by Section III.1 of the Contract, nor to ensure more working gas capacity, or to conduct withdrawal activities exceeding the actually injected working gas heat quantity.
12. System Users shall submit also to MFGT the storage demand forecasts with the date and content prescribed by Section 7.5.2.1 of the Grid Code.

IV Storage Gas Quality

MFGT shall undertake to inject natural gas only if it meets the quality parameters prescribed by Annex No. 11 of Government Decree No. 19/2009 (I.30.) on the implementation of Act No. XL of 2008 on Natural Gas Supply.

V Natural Gas Delivery and Acceptance, Measurement, Settlement

According to Section 1.3.2 of the Code of Business Conduct, MFGT manages the storage facilities as a unified whole. Based on the daily nomination submitted by the System User for the unified storage facility, MFGT shall allocate the gas quantity to be injected or withdrawn to the relevant underground gas storage facilities. MFGT shall undertake to deliver the nominated quantities allocated for the relevant storage facilities, and in case of non-performance, MFGT shall cover the surcharges and balancing costs incurred by the System User.

VI Operative Flow of Information

1. In the course of its daily activities, MFGT shall cooperate with the Transmission Company and the Transmission Operator to fulfil its obligations towards the System User.
2. Parties ensure that besides the regular contacts specified in this Contract, they shall notify each other of all incidents which may have an effect on their cooperation, and they facilitate smooth communication via consultation opportunities and proper dataflow.
3. Information and data flow between the Parties shall be governed by the Grid Code and the ÁSZF.

VII Storage Fee

1. System User purchased the capacities booked in Section III.1 in bundle.

One bundle contains:

- working gas capacity: kWh
- injection capacity: kWh/day
- withdrawal capacity: kWh/day

System User purchased ___ bundles.

The total price of purchased bundles is HUF _____ +VAT.

2. The storage capacity fees payable by the System User shall be the fees as per the successful price bid submitted by the System User during the auction and accepted by MFGT, which shall remain the same throughout the duration of the contract.
3. The volume fees applicable during usage shall be determined by the Hungarian Energy and Public Utility Regulatory Authority's prevailing decree on setting the system usage fees (Tariff Decree).
4. The extent of volume and capacity fees and their payment schedule are contained in Annex No. 3 hereto.
5. Parties agree to settle the fees arising from herein periodically, in equal monthly instalments pursuant to Section 58, Subsection (1) of Act No. CXXVII of 2007 on Value Added Tax (VAT Act). The bundle fee contains the storage capacity fee, excluding the injection volume fee and the withdrawal volume fee, which shall be paid by the System User according to the prevailing Tariff Decree, based on the monthly volume, also excluding the fees of optional services used, as contained in Section 3.1 of the Code of Business Conduct.
6. The fees of Flex Plus Optional Service and Storage Plus Optional Service shall be contained in Annex No. 2.
7. If during the performance of this Contract and before its agreed expiry on 1st April 201_, storage services are excluded from the scope of the Tariff Decree, or if the Tariff Decree is

repealed, MFGT shall be entitled to index the storage contract according to the following at the beginning of each gas year (on 1st July) until the next price fixing:

8. volume fees (injection volume fee and withdrawal volume fee) shall be adjusted with the annual producer price index of the energy industry as published by the Central Statistical Office for the preceding year (from 1st July to 1st July), capacity fees remain unchanged.
9. With regard to the volume fees, the modified fee items of the Tariff Decree shall - simultaneously with their coming into force - become part of the contract as a contract amendment by law, without any legal statement required; therefore the Parties shall apply the modifications as of the Decree's effective date during any settlement arising herefrom.

VIII Governing Law, Settlement of Disputes

The provisions of Hungarian law shall apply to both the contract and any arising disputes.

Parties shall agree to settle the disputes relating to the Natural Gas Storage Contract primarily via amicable negotiation.

Failing such settlement in any disputes arising from or relating to the Natural Gas Storage Contract or its breach, termination, validity or interpretation, both parties hereby agree to subject themselves to the exclusive jurisdiction of the Arbitration Court in the Energy (Budapest), provided that the Court of Arbitration proceeds according to its own Rules of Procedure. The number of arbitrators shall be three. The language of procedure shall be Hungarian.

IX Entry into Force

This contract shall enter into force upon signature.

X Miscellaneous Provisions

Contact Persons

In issues related to the Contract:

On behalf of MFGT:

Phone:

Fax:

email:

On behalf of the System User:

Phone:

Fax:

email:

In issues of daily operative contact:

On behalf of the System User:

Phone:

Fax:

email:

On behalf of MFGT: Dispatching Service

Phone: 52/362-574

Fax: 52/558-044

email: dispatcher@mfgt.hu

This Contract shall be valid together with the attached annexes, which shall form an inseparable part thereof.

Budapest,

Hungarian Gas Storage Ltd

System User

.....

Annexes:

- Annex No. 1: Flex Plus Optional Service and Storage Plus Optional Service Fees
- Annex No. 2: Successful bid submitted by the System User during the Auction
- Annex No. 3: Capacity fees payable by the System User
- Annex No. 4: Declaration and Power of Attorney

Annex No. 1

Option (Flex Plus) Storage Product

Flex Plus service allows offering a positive or negative option exceeding 10% of the Buyer's daily nomination to the Natural Gas Transmission Company (FGSZ) for the zero point of the unified storage facility of MFGT, which then shall be allocated in the event of using FGSZ. This is referred to as Hydraulic Balancing Gas Option (HEG, HEGO) by the Trading Platform (KP) and the Grid Code. This service is available to Buyers with Natural Gas Storage contract and storage capacity booking for the given storage year.

MFGT facilitates it for the Buyer to provide a positive or negative option via the MFGT IT platform free of charge up to 10% of the daily nominated quantity, and for a fee in excess of 10%. The sum of the largest possible positive option and the nominated quantity may not exceed the capacity available to the customer, while in case of a negative option, it may not be less than zero.

Fee shall be paid only for the quantity drawn by FGSZ and allocated by MFGT in excess of 10% of the daily nominated quantity.

If FGSZ draws the quantity offered in the option, the System User shall pay the fee specified in Section 3.1 of the Code of Business Conduct.

If the exercised option does not exceed the 10% of the System User's daily nominated quantity, the Flex Plus Optional Service is free of charge.

If the exercised option exceeds the 10% of the System User's daily nominated quantity, the fee for the Flex Plus Optional Service shall be 0.065 HUF/kWh + VAT for the amount above 10% of the daily nominated quantity.

The financial settlement and invoicing of the Flex Plus Optional Service shall be performed posteriorly at the beginning of the month following the base month by settling the volume fee, and shall be based on the daily value drawn by FGSZ and actually allocated by MFGT above 10% of the daily nominated quantity.

A statement and an invoice based on the statement shall be sent by MFGT to the System User each month regarding the fees relating to using the Flex Plus Optional Service. The payment deadline of the invoice shall be the 30 calendar days from the date of issue.

Payment, guarantee and financial guarantee conditions not regulated by the Tariff Decree or the Code of Business Conduct of MFGT shall be determined according to the agreement between the parties.

In addition to the above, Annex No. 5.11 of the Code of Business Conduct (template contract) shall be applicable to the service.

Storage Plus Service

Storage Plus Service allows the System Users to move gas in the direction opposite to the actual physical flow at the storage facility and/or the direction of flow announced for the relevant period. This means that they will be able to perform injection during the withdrawal cycle, and withdrawal during the injection cycle, regardless of the actual physical direction of flow at the storage facility.

This is possible in two ways:

- either by opposite direction supply at the zero point of the unified storage facility (in which case Backhaul (BH) capacity shall be booked with the FGSZ Natural Gas Transmission Company (FGSZ) for using the service)
- or by starting up a storage facility in the flow direction opposite to that of the announced storage cycle.

Anyone intending to use the Storage Plus Service shall make sure that for performing the transmission, all the conditions prescribed for the service are met with regard to the Natural Gas Transmission (FGSZ) system. MFGT shall assume liability exclusively for providing the storage service, while the transmission service shall be provided by FGSZ.

The fee charged for the **Storage Plus storage service** is 0.325 HUF/kWh/day.

Storage Plus Service fee shall be payable in the event of using injection and withdrawal service in the direction opposite to the actual physical flow at the storage facility and/or the direction of flow announced for the relevant period according to quantities thus injected or withdrawn.

The financial settlement and invoicing of the Storage Plus Service shall be carried out posteriorly, based on the quantities actually allocated.

For the days when MFGT interrupts the Storage Plus Service, System User shall not pay the fee up to the extent of interruption.

System User shall pay the injection and withdrawal volume fees related to using the Storage Plus Service in line with the capacities booked in the annual storage contract, at fees calculated pursuant to the Tariff Decree.

The detailed description of the Storage Plus Service is contained in Annex No. 10 of the Code of Business Conduct, while the contract template is attached as Annex No. 5.7.

5.9 CONTRACT ON PORTFOLIO MANAGEMENT SERVICE

concluded by and **between**

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

tax No.:

Court of Registration and Reg. No.:

hereinafter referred to as **System User**

and

Hungarian Gas Storage Limited Company

seat: 1051 Budapest, Széchenyi István tér 7-8.

Mailing address: 1399 Budapest, Pf. 645.

account keeping bank: CITIBANK

bank account No.: 10800007-00000000-13714002

invoicing address: 1051 Budapest, Széchenyi István tér 7-8.

tax No.: 12543317-2-44

Court of Registration and Reg. No.: Budapest Court as Court of Registration, Cg. 01-10-045043

hereinafter referred to as **MFGT**

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

I Subject of Contract

1. System User and MFGT has concluded a capacity booking contract effective for the storage year 201_/201_.
2. Pursuant to this “Contract on Portfolio Management Service” (hereinafter referred to as Contract) MFGT facilitates it for the System Users to divide their booked capacities into portfolio parts (hereinafter referred to as portfolio parts) under the conditions set forth herein.

II. General Terms

1. In issues not regulated by the Contract, the provisions of MFGT’s General Terms and Conditions (hereinafter referred to as ÁSZF), attached as Annex No. 5 to the Code of Business Conduct shall apply.
2. By signing this Contract, the System User shall acknowledge to have fully read and understood the content of ÁSZF herein mentioned – as available on the MFGT web page (www.magyarfoldgaztarolo.hu) – and considers it to be the part of this Contract, and so agrees to be bound by it. Parties shall deem the content of ÁSZF annexed to the Code of Business Conduct approved by the Hungarian Energy and Public Utility Regulatory Authority (HEPURA) to be the same as the usual contracting practice.
3. Special conditions not stipulated in the ÁSZF shall be specified in the Contract and in the “Portfolio Management Service” product description document attached inseparably as Annex No. 1 to the Contract.

III FEATURES AND CONDITIONS OF PORTFOLIO MANAGEMENT SERVICE

1. This service is available to System Users with Natural Gas Storage Contract and storage capacity booking for the storage year 201_/1_.
2. As part of the Portfolio Management Service, System Users are entitled to divide their booked capacities into portfolio parts.
3. The capacity distribution within each portfolio part shall be reported by the System User to MFGT in writing on a monthly basis.
4. MFGT shall keep record of the capacity distribution within each portfolio part - based on the report submitted by the System User.
5. System User shall be obliged to send via email a nomination on the storage use of portfolio parts in the event the portfolio structure changes. If a request is submitted by the System User, MFGT shall send a monthly report to the System User on the volume data submitted by the System User.
6. Portfolio Management Service does not affect or in any way influence daily storage operation (thus has no effect on the issues of nomination, allocation or capacities). This service is independent from daily operation and - based on data submitted by the System User - it

facilitates for the System User an easier demonstration of portfolio parts of clients belonging to the System User.

7. MFGT does not consider the actual gas movement and capacity changes within the portfolios belonging to the clients of the System User.

IV Nomination, Allocation

1. The System User shall be obliged to send via email a nomination on the storage use of portfolio parts on a daily basis in the format sent out by MFGT. Based on facts and nominations, MFGT shall carry out the allocation for the portfolio parts, and send weekly report to the System User for each day.
2. The daily volume, stock transfer and capacity balance per portfolio service shall equal to the daily storage volume stock change and capacity balance of the System User.

V PORTFOLIO MANAGEMENT Service Fee

System User shall pay an annual fixed fee for the Portfolio Management Service. The annual storage administrative fee per portfolio part shall be HUF 1 million + VAT for each year, which shall be paid in a lump sum upon the conclusion of contract. In the event that the System User's portfolio is supplemented with a new portfolio part during the storage year, the service fee shall be paid in a lump sum following the change has been reported, within 30 calendar days from issuing the invoice relating to the new portfolio part.

VI Governing Law, Settlement of Disputes

The provisions of Hungarian law shall apply to both the contract and any arising disputes.

Parties shall agree to settle the disputes relating to this Contract primarily via amicable negotiation.

Failing such settlement in any dispute arising from or relating to this Contract or its breach, termination, validity or interpretation, both parties hereby agree to subject themselves to the exclusive jurisdiction of the Permanent Court of Arbitration (Budapest) operating at the Hungarian Chamber of Commerce and Industry, provided that the Court of Arbitration proceeds according to its own Rules of Procedure. The number of arbitrators shall be three. The language of procedure shall be Hungarian.

VII Entry into Force

This Contract shall apply to a definite period from 06:00 hours on __.__.201__ until 06:00 hours on __.__.201__ (service period).

VIII Miscellaneous Provisions

Contact Persons

In issues related to the Contract:

On behalf of MFGT:

Phone:

Fax:

e-mail:

On behalf of the System User:

Phone:

Fax:

e-mail:

In issues of daily operative contact:

On behalf of the System User:

Phone:

Fax:

e-mail:

On behalf of MFGT: Dispatching Service

Phone: 0036 52 362-574

Fax: 0036 52 558-044

email: dispatcher@mfgt.hu

This Contract shall be valid and effective together with the attached annexes, which shall form an inseparable part thereof.

Budapest, ____ 201__

Hungarian Gas Storage Ltd

System User

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Annexes:

Annex No. 1: Portfolio Management Service Product Description

Annex No. 2: Protocol and Stock - Capacity Certificate for the Settlement of Underground Gas Storage Service

Annex No. 1:

Portfolio Management Service

Portfolio Management service facilitates the division of a buyer stock into portfolio parts and the tracking of their development.

Rules of using the service:

1. This service is available to Buyers with Natural Gas Storage contract and storage capacity booking for the storage year 201_/1_.
2. MFGT facilitates it for the Buyers to divide their booked capacities and stored stock into portfolio parts.
3. Portfolio Management Service does not affect or in any way influence daily storage operation (nomination, allocation, capacities), as this is a service beyond daily operation, facilitating an easier determination of buyer portfolios for users.
4. If a request is submitted by the System User, MFGT shall send a monthly report to the System User on the volume data submitted by the System User.
5. Buyer shall monthly submit to MFGT the storage transactions within the portfolio parts (withdrawal, injection, stock transfer, capacity transfer).
6. The daily volume, stock transfer and capacity balance per portfolio service shall equal to the daily storage volume stock change and capacity balance of the service user.
7. The Buyer shall pay an annual fixed fee for the Portfolio Management Service. The annual storage administrative fee per portfolio part shall be HUF 1 million + VAT for each year.

The technical and commercial terms of using storage services are specified by the contract concluded upon this offer and by the MFGT Code of Business Conduct.

Payment and guarantee conditions, along with the financial guarantees shall be determined according to the Tariff Decree, the Code of Business Conduct of MFGT and the agreement between the contracting parties.

Annex No. 2

Protocol and Stock - Capacity Certificate for the settlement of underground Gas Storage Service

Subject: Daily settlement of underground gas storage service
Reference Period: 20XX

Service Provider: MFGT
Service User:

Settlement Point: MFGT Natural Gas Storage

Working Gas Stock Settlement

	Energy quantity [kWh]
Opening balance:	0
Injection	0
Stock purchase:	
- from within _____	0
- from outside _____	0
Storage Plus:	0
Withdrawal:	0
Stock sale:	
- from within _____	0
- from outside _____	0
Storage Plus:	0
Closing balance:	

Capacity settlement

Annual booking	Working Gas Capacity [kWh]	Withdrawal Capacity [kWh/day]	Injection Capacity [kWh/day]
Opening capacity	0	0	0
Within the year booking	0	0	0
Capacity purchase			
- from within _____	0	0	0
- from outside _____	0	0	0
Capacity transfer			
- from within _____	0	0	0
- from outside _____	0	0	0
Closing capacity	0	0	0

Interruptible booking	Working Gas Capacity [kWh]	Withdrawal Capacity [kWh/day]	Injection Capacity [kWh/day]
Opening capacity	N/A	0	0
Change	N/A	0	0
Closing capacity	N/A	0	0

On behalf of the Service
provider:

On behalf of the User:

Prepared on: 201_

Minutes issued by:

MFGT
Budapest Széchenyi tér 7-8

**5.10 CONTRACT ON USING AND PROVIDING PEAK PLUS NATURAL GAS STORAGE ADDITIONAL
WITHDRAWAL AND INJECTION SERVICE**

concluded by and **between**

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

tax No.:

Court of Registration and Reg. No.:

hereinafter referred to as **System User**

and

Hungarian Gas Storage Limited Company

seat:

1051 Budapest, Széchenyi István tér 7/8.

Mailing address:

1399 Budapest, Pf. 645.

account keeping bank:

bank account No.:

invoicing address:

1051 Budapest, Széchenyi István tér 7/8.

tax No.:

12543317-2-44

Court of Registration and Reg. No.:

Budapest Court as Court of Registration, Cg. 01-10-045043

hereinafter referred to as **MFGT**

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

I Subject and Duration of Contract

1. The subject matter of this Contract On Using and Providing Natural Gas Storage Additional Withdrawal And Injection Service (hereinafter referred to as Peak Plus) shall be the firm injection and withdrawal of natural gas owned by the System User into and from the Hungarian underground gas storage facilities owned and operated by MFGT according to the quantity parameters as per Chapter III and quality parameters as per Chapter IV. Within Peak Plus, the System User can purchase additional withdrawal or injection capacity in addition to its booked capacity as per contract. Additional withdrawal/injection capacity (additional peak) thus booked facilitates a faster withdrawal or injection of the working gas capacity already existing as booked earlier by the System User pursuant to the natural gas storage contract (hereinafter referred to as master contract). Additional capacities booked within Peak Plus shall be settled separately, and will not be combined with the fees of already existing capacities booked in the master contract.
2. Parties agree that the System User has a natural gas storage master contract and storage capacity booking at the minimum technological ratio for the storage year of 201_.
3. Pursuant to this Contract MFGT shall – upon the contractual instruction of the System User - inject gas or withdraw previously injected gas according to the master contract using the additional capacities. This Contract has been concluded for a definite period. This Contract is concluded and takes effect on the day of signature, and shall terminate on ____ 201_, at 06:00.
4. Parties shall contract for using and providing Peak Plus Service, i.e. additional withdrawal or injection capacity. The contractual injection and withdrawal cycles of the storage year shall be the periods announced by MFGT. The injection cycle shall commence at 06:00 1st _ 201_ and shall end at 06:00 on __ 201_, while the withdrawal cycle shall commence at 06:00 on __ 201_ and shall end at 06:00 on __ 201_.

II. General Terms

1. In issues not regulated by the Contract, the provisions of the General Terms and Conditions (hereinafter referred to as ÁSZF), Annex No. 5 of the Code of Business Conduct shall apply.
2. By signing this Contract, the System User shall acknowledge to have fully read and understood the content of ÁSZF herein mentioned – as available on the MFGT web page (www.magyarfoldgaztarolo.hu) – and considers it to be the part of this Contract, and so agrees to be bound by it. Parties shall deem the content of ÁSZF annexed to the Code of Business Conduct approved by Office to be the same as the usual contracting practice.
3. Special conditions not stipulated in the ÁSZF shall be specified in this Contract.

III Provision of Storage Capacities

1. Firm withdrawal and injection storage capacities booked by the System User are as follows:

injection (peak) capacity: kWh/day

withdrawal (peak) capacity: kWh/day

2. System User shall submit the contracted monthly schedule for injection and withdrawal on the IT Platform under the menu item Nomination/Gas Volume Plan.
3. System User understands that the actual injection and withdrawal capacity may vary according to the working gas stocks and to other, inevitably changing parameters and boundary conditions. The availability of capacities and the minimum and maximum injection and withdrawal capacity values are published by MFGT on its website for the System Users.
4. System User shall weekly submit the planned injection and withdrawal quantities for the following week on MFGT's IT Platform until 12:00 Friday of the preceding week. This is required for planning the operation of the storage facilities, yet this is not equal to the weekly nomination. However, if the System User's nomination submitted for the given day deviates by more than 10% from the planned schedule, and thus endangers service provision to those System Users who use the storage services according to their forecast, MFGT reserves the right to refuse the nomination in full or in part. Furthermore, by fully exploiting the technical capabilities, MFGT shall do its utmost to accept the daily nominations submitted by the System Users, thus providing the most flexible conditions for the System Users, and only if inevitable, may sanction towards System Users deviating by over 10%.
5. As per this contract, MFGT shall not be obliged to ensure injection and withdrawal capacities exceeding the peak capacity values stipulated by Section III.1 of the Contract, nor to conduct withdrawal activities exceeding the actually injected working gas volume quantities.

IV Gas Quality for Withdrawal and Injection

MFGT shall undertake to inject natural gas only if it meets the quality parameters prescribed by Annex No. 11 of Government Decree No. 19/2009 (I.30.) on the implementation of Act No. XL of 2008 on Natural Gas Supply.

V Natural Gas Delivery and Acceptance, Measurement, Settlement

1. According to Section 1.3.2 of the Code of Business Conduct, MFGT manages the storage facilities as a unified whole. Based on the daily nomination submitted by the System User for the unified storage facility, MFGT shall allocate the gas quantity to be injected or withdrawn to the relevant underground gas storage facilities. MFGT shall undertake to deliver the quantities allocated/nominated for the relevant storage facilities, and in case of non-performance, MFGT shall cover the surcharges and balancing costs incurred by the System User.
2. MFGT will not withdraw any gas quantity exceeding the gas quantity injected pursuant to the master contract and this contract.

VI Operative Flow of Information

1. In the course of its daily activities, MFGT shall cooperate with the transmission company performing transmission system operation to fulfil its obligations towards the System User.
2. Parties ensure that besides the regular contacts specified in this Contract, they shall notify each other of all incidents which may have an effect on their cooperation, and they facilitate smooth communication via consultation opportunities and proper dataflow.
3. Information and data flow between the Parties shall be governed by the Grid Code and the ÁSZF.

VII INJECTION AND WITHDRAWAL FEE

1. The annual service fee

injection capacity fee: HUF 25.994 /kWh

withdrawal capacity fee: HUF 25.994 /kWh

shall be payable per month, excluding volume fees.

2. The total sum of volume fees shall be invoiced pursuant to HEPURA Decree 1/2013 (VII.11.) (Tariff Decree), each month upon the actual monthly volume turnover.
3. Pursuant to the Tariff Decree and the applicable ÁSZF, the fee for the storage year period already passed shall be paid in a lump sum within 10 calendar days from the date of issuing the invoice.
4. The payment deadline for the forthcoming part of the storage year shall be the first working day of each base month.

VIII Governing Law, Settlement of Disputes

The provisions of Hungarian law shall apply to both the contract and any arising disputes.

Parties shall agree to settle the disputes relating to the contract primarily via amicable negotiation.

Failing such settlement in any disputes arising from or relating to the contract or its breach, termination, validity or interpretation, both parties hereby agree to subject themselves to the exclusive jurisdiction of the Arbitration Court in the Energy (Budapest), provided that the Court of Arbitration proceeds according to its own Rules of Procedure. The number of arbitrators shall be three. The language of procedure shall be Hungarian.

IX Entry into Force

This contract shall enter into force upon signature.

X Miscellaneous Provisions

Contact Persons

In issues related to the Contract:

On behalf of the System User:

On behalf of MFGT:

Phone:

Fax:

email:

On behalf of the System User:

Phone:

Fax:

email:

In issues of daily operative contact:

On behalf of the System User: the System User's person on duty

Phone:

Fax:

email:

On behalf of MFGT: Dispatching Service

Phone: 0036 52 362-574

Fax: 0036 52 558-044

email: dispatcher@mfgt.hu

This Contract shall be valid together with the attached annexes, which shall form an inseparable part thereof.

Budapest,

Hungarian Gas Storage Ltd

System User

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5.11 CONTRACT ON USING NATURAL GAS STORAGE OPTION (FLEX PLUS) OPTIONAL SERVICE

concluded by and **between**

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

tax No.:

court of Reg. and Reg. No.:

hereinafter referred to as **System User**

and

Hungarian Gas Storage Private Company Limited by Shares

seat: 1051 Budapest, Széchenyi István tér 7/8.

Mailing address: 1399 Budapest, Pf. 645.

account keeping bank:

bank account No.:

invoicing address: 1051 Budapest, Széchenyi István tér 7/8.

tax No.: 12543317-2-44

Court of Registration and Reg. No.: Budapest Court as Court of Registration, Cg. 01-10-045043

hereinafter referred to as **MFGT**

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

I Subject and Duration of Contract

1. Definitions

For the purpose of maintaining the transmission system balance, System User may offer gas (Option) to the Natural Gas Transmission Company (FGSZ), which option is referred to as Hydraulic Balancing Gas Option (HEG, HEGO) by the Trading Platform (KP) and the Grid Code.

Based on the above and in relation to this contract, during nomination submitted for an MFGT storage facility, negative or positive option can be provided regarding capacities booked by the System User, which will be allocated if the FGSZ transmission system is used.

2. Subject and Duration of Contract

The System User may offer an option to FGSZ via the MFGT IT Platform up to the extent of 10% of the daily nominated quantity. Providing an option exceeding 10% of the nominated quantity is possible if Flex Plus Service is requested and this Contract is concluded.

MFGT shall be entitled to interrupt the Option optional service.

If the transmission company draws the quantity offered in the option, the System User shall pay the fee specified in Section V.

The sum of the largest possible positive option and the nominated quantity may not exceed the available capacity, while in case of negative options, it may not be less than zero.

This Contract shall be concluded for a definite period until 1st April 201.. at 06:00 hours.

II. General Terms

1. In issues not regulated by the Contract, the provisions of the General Terms and Conditions (hereinafter referred to as ÁSZF), Annex No. 5 of the Code of Business Conduct shall apply.
2. By signing this Contract, the System User shall acknowledge to have fully read and understood the content of ÁSZF herein mentioned – as available on the MFGT web page (www.magyarfoldgaztarolo.hu) – and considers it to be the part of this Contract, and so agrees to be bound by it. Parties shall deem the content of ÁSZF annexed to the Code of Business Conduct approved by Office to be the same as the usual contracting practice.
3. Special conditions not stipulated in the ÁSZF shall be specified in the Contract and in the “MFGT Natural Gas Storage Option (Flex Plus) Optional Service” product description document constituting an inseparable part of this Contract.

III Terms of MFGT Natural Gas Storage Option Optional Service

This service is available to Buyers with Natural Gas Storage contract and storage capacity booking for the storage year 201_.

The requested option service and its quantity shall be announced by the System User prior to the gas day, together with the nomination on the IT Platform under the menu item Nomination/Gas Volume Plan, pursuant to the provisions of the Grid Code.

IV Nomination, Allocation

1. According to Section 1.3.2 of the Code of Business Conduct, MFGT manages the storage facilities as a unified whole. System User shall indicate it on the nomination interface of the MFGT IT Platform during nomination if such option service is to be used. Prior to each gas day, MFGT shall inform the System Users on its IT platform with regard to the physical mode of the unified storage facility, and nominations and option requests shall be submitted accordingly.
2. MFGT reserves the right to reject or to perform a reduced option request.

V MFGT Natural Gas Storage Option Optional Service Fee

If the exercised option does not exceed 10% of the System User's daily nominated quantity, the Option optional service shall be free of charge.

If the exercised option exceeds 10% of the System User's daily nominated quantity, the fee for the Option optional service shall be 0.065 HUF/kWh + VAT for the amount above 10% of the daily nominated quantity.

The financial settlement and invoicing of the Option optional service shall be performed posteriorly, based on the daily value drawn by FGSZ and actually allocated by MFGT above 10% of the daily nominated quantity.

A statement and an invoice based on the statement shall be sent by MFGT to the System User on the fees relating to using the option optional service. The payment deadline of the invoice shall be the 30 calendar days from the date of issue.

VI Governing Law, Settlement of Disputes

The provisions of Hungarian law shall apply to both the contract and any arising disputes.

Parties shall agree to settle the disputes relating to this Contract primarily via amicable negotiation.

Payment, guarantee and financial guarantee conditions not regulated by the Tariff Decree or the Code of Business Conduct of MFGT shall be determined according to the agreement between the parties.

Failing such settlement in any disputes arising from or relating to this Contract or its breach, termination, validity or interpretation, both parties hereby agree to subject themselves to the exclusive jurisdiction of the Arbitration Court in the Energy (Budapest), provided that the Court of Arbitration proceeds according to its own Rules of Procedure. The number of arbitrators shall be three. The language of procedure shall be Hungarian.

VII Entry into Force

The Contract shall be concluded and take effect when signed by both parties.

VIII Miscellaneous Provisions

Contact Persons

In issues related to the Contract:

On behalf of the System User:

Phone:

Fax:

email:

On behalf of MFGT:

Phone:

Fax:

email:

In issues of daily operative contact:

On behalf of the System User:

Phone:

Fax:

email:

On behalf of MFGT: Dispatching Service

Phone: 0036 52 362-574

Fax: 0036 52 558-048

email: dispacher@mfgt.hu

This Contract shall be valid together with the attached annexes, which shall form an inseparable part thereof.

Budapest,

Hungarian Gas Storage Ltd

System User

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**5.12 FRAMEWORK CONTRACT ON USING AND PROVIDING DAILY PEAK PLUS NATURAL GAS
WITHDRAWAL SERVICE**

concluded by and **between**

seat:

mailing address:

account keeping bank:

bank account No:

invoicing address:

tax No.:

court of Reg. and Reg. No.:

hereinafter referred to as **System User**

and

Hungarian Gas Storage Private Company Limited by Shares

seat:

1051 Budapest, Széchenyi István tér 7-8.

mailing address:

1399 Budapest, Pf. 645.

account keeping bank:

CITIBANK

bank account No.:

10800007-00000000-13714002

invoicing address:

1051 Budapest, Széchenyi István tér

7-8. tax No.:

12543317-2-44

Court of Registration and Reg. No.: Budapest Court as Court of Registration, Cg. 01-10-045043

hereinafter referred to as **MFGT**

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

I SUBJECT AND DURATION OF FRAMEWORK CONTRACT

1. The subject matter of this Framework Contract on Using and Providing Daily Peak Plus Natural Gas Withdrawal Service (hereinafter referred to as Framework Contract) is the firm withdrawal of the natural gas owned by the System User from the Hungarian underground gas storage facilities owned and operated by MFGT according to the quantity parameters as per Chapter III. Within Daily Peak Plus Natural Gas Withdrawal service, the System User can purchase additional daily withdrawal capacity at the existing minimum technological ratio in addition to its booked withdrawal capacity. Daily withdrawal peak capacity thus booked facilitates the faster withdrawal of the natural gas injected into the already existing working gas capacity earlier contracted by the System User pursuant to the Natural Gas Storage Contract (hereinafter referred to as master contract). Withdrawal peak capacities booked within Daily Peak Plus Natural Gas Withdrawal service shall be settled separately, and will not be combined with the fees of already existing capacities booked in the master contract. Booked withdrawal capacities available under the annual master contract and the daily withdrawal capacity can be used together.
2. As per this Framework Contract, the System User can submit its Daily Peak Plus withdrawal peak capacity booking request pursuant to Section III/2, and book capacity if confirmed by MFGT.

Pursuant to this Framework Contract, the System User does not commit itself to actually book any additional daily withdrawal capacity.

Pursuant to this Framework Contract, MFGT shall commit itself to provide additional daily withdrawal capacities only if:
 - (i) actually available additional daily withdrawal capacity exists and
 - (ii) there are no technical obstacles preventing the provision of additional daily withdrawal capacities and
 - (iii) the System User does not have overdue debts of any kind to MFGT.
3. Parties agree that the System User has a natural gas storage master contract and storage capacity booking at the minimum technological ratio for the storage year of 201_/201_, which shall also be the conditions of concluding this Framework Contract.
4. Parties shall contract for using and providing Daily Peak Plus Natural Gas Withdrawal Service (additional daily withdrawal capacity). Pursuant to this Framework Contract, MFGT shall withdraw gas from the natural gas storage facility based on the capacity booking of the System User submitted and confirmed as per Section III/2.
5. The period relevant to this contract shall be from 06:00 hours on _____ 201_ until 06:00 hours on _____ 201_, which shall be part of the withdrawal period announced by MFGT.

II. GENERAL TERMS

1. In issues not regulated by the Contract, the provisions of the General Terms and Conditions (hereinafter referred to as ÁSZF), Annex No. 5 of the Code of Business Conduct shall apply.
2. By signing this Contract, the System User shall acknowledge to have fully read and understood the content of ÁSZF herein mentioned – as available on the MFGT web page (www.magyarfoldgaztarolo.hu) – and considers it to be the part of this Contract, and so agrees to be bound by it. Parties shall deem the content of ÁSZF annexed to the Code of Business Conduct approved by MEKH (HEPURA) to be the same as the usual contracting practice.
3. Special conditions not stipulated in the ÁSZF shall be specified in this Contract.

III. PROVISION OF STORAGE CAPACITIES

1. The amount of Daily Peak Plus withdrawal peak capacities booked by the System User shall depend on capacity bookings requested by the System User – and confirmed by MFGT.

The System User can nominate its booking request towards MFGT for the relevant gas days also by email.

If the System User's request is confirmed by MFGT, a specific contract on using Daily Peak Plus withdrawal peak capacities is concluded by and between the parties for that given day.

The basis of settlement shall be the amount of capacity confirmed by MFGT.

2. Requests for Daily Peak Plus withdrawal peak capacities shall be submitted and confirmed (conclusion of the specific contract on daily bookings) as per this Section. In order to use Daily Peak Plus withdrawal peak capacities, System User shall submit to MFGT its additional withdrawal capacity request until 16:00 hours on the preceding gas day. Only the contact person(s) specified in the contract shall be entitled to make nominations in connection with the Daily Peak Plus withdrawal peak capacity product. MFGT shall confirm it to the System User until 17:00 hours if the Daily Peak Plus withdrawal peak capacities are available in the required quantity. The specific Contract on Using and Providing Daily Peak Plus Withdrawal Peak Capacity is concluded for the given gas day when MFGT confirms the capacity request.
3. As per this contract, MFGT shall not be obliged to provide withdrawal capacities exceeding the peak capacities stipulated by Section III.1 of the Framework Contract.

4. Daily Peak Plus withdrawal peak capacities booked by the System User may not be subject to secondary capacity trading, and such transactions will not be recorded on the IT Platform by MFGT.

IV. NATURAL GAS DELIVERY AND ACCEPTANCE, MEASUREMENT, SETTLEMENT

According to Section 1.3.2 of the Code of Business Conduct, MFGT manages the storage facilities as a unified whole. Natural gas delivery and acceptance, measurement and settlement shall be carried out in line with the annual natural gas storage master contract.

V. OPERATIVE FLOW OF INFORMATION

1. In the course of its daily activities, MFGT shall cooperate with the transmission system operator to fulfil its obligations towards the System User.
2. Parties ensure that besides the regular contacts specified in this Contract, they shall notify each other of all incidents which may have an effect on their cooperation, and they facilitate smooth communication via consultation opportunities and proper dataflow.
3. Information and data flow between the Parties shall be governed by the Grid Code and the ÁSZF.

VI. DAILY PEAK PLUS NATURAL GAS WITHDRAWAL SERVICE FEE

1. The daily fee of the service
additional withdrawal capacity fee: HUF 0.325 + VAT/ kWh / day
The System User shall pay the service fee following the reference month, based on the daily additional withdrawal (peak) capacities booked in total in the given month, which fee shall exclude the volume fees.
2. Following the reference month, MFGT shall issue the invoice based on the additional withdrawal (peak) capacity requests submitted by the System User and confirmed by MFGT. The total sum of volume fees shall be invoiced pursuant to the applicable Tariff Decree, each month upon the actual monthly volume turnover, periodically in line with Section 58, Subsection (1) Act No. CXXVII of 2007 on Value Added Tax (VAT Act),

VII. GOVERNING LAW, SETTLEMENT OF DISPUTES

As to both the contract and any arising disputes, the rules of the Hungarian law shall apply.

Parties shall agree to settle the disputes relating to the framework contract primarily via amicable negotiation.

Failing such settlement in any disputes arising from or relating to the contract or its breach, termination, validity or interpretation, both parties hereby agree to subject themselves to the exclusive jurisdiction of the Arbitration Court in the Energy (Budapest), provided that the Court of Arbitration proceeds according to its own Rules of Procedure. The number of arbitrators shall be three. The language of procedure shall be Hungarian.

VIII. ENTRY INTO FORCE

This Framework Contract shall be concluded and shall take effect on the day of signature by both parties, and shall be effective for a definite period until 06:00 hours on _____201__.

IX. GUARANTEES

1. By signing this framework contract and in its declaration (“Declaration”) provided on a separate sheet, System User shall grant its consent to MFGT to use the guarantee provided by the System User under the annual capacity booking contract between the parties also in case of payment default as per this Framework Contract. The Declaration shall be annexed to this Framework Contract.
2. System User shall understand that in case it has overdue payment obligation to MFGT as per this Framework Contract, System User cannot submit any capacity request as per this Framework Contract.

X. MISCELLANEOUS PROVISIONS

1. Contact Persons

In issues related to the Contract:

On behalf of the System User:

Phone:

Fax:

email:

On behalf of MFGT:

Phone:

Fax:

email:

In issues of daily operative contact:

On behalf of the System User:

Phone:

Fax:

email:

On behalf of MFGT: Dispatcher service

Phone: 0036 52 362-574

Fax: 0036 52 558-048

email: dispatcher@mfgt.hu

This Contract shall be valid together with the attached Annexes, which shall form an inseparable part thereof.

Annexes:

1. Declaration

Budapest, __.__.201__

Hungarian Gas Storage Ltd

System User

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5.13 FRAMEWORK CONTRACT ON USING AND PROVIDING DAILY PEAK PLUS NATURAL GAS INJECTION SERVICE

concluded by and **between**

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

tax No.:

Court of Registration and Reg. No.:

hereinafter referred to as **System User**

and

Hungarian Gas Storage Private Company Limited by Shares

seat: 1051 Budapest, Széchenyi István tér 7-8.

Mailing address: 1399 Budapest, Pf. 645.

account keeping bank: CITIBANK

bank account No.: 10800007-00000000-13714002

invoicing address: 1051 Budapest, Széchenyi István tér 7-8.

tax No.: 12543317-2-44

Court of Registration and Reg. No.: Budapest Court as Court of Registration, Cg. 01-10-045043

hereinafter referred to as **MFGT**

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

I Subject and Duration of Framework Contract

1. The subject matter of this Framework Contract on Using and Providing Daily Peak Plus Natural Gas Injection Service (hereinafter referred to as Framework Contract) is the firm injection of the natural gas owned by the System User into the Hungarian underground gas storage facilities owned and operated by MFGT according to the quantity parameters as per Chapter III and quality parameters as per Chapter IV. Within Daily Peak Plus Natural Gas Injection service, System User can purchase additional daily injection capacity at the existing minimum technological ratio in addition to its booked injection capacity. Daily injection peak capacity thus booked facilitates the faster injection of the natural gas into the already existing working gas capacity earlier booked by the System User pursuant to the Natural Gas Storage Contract (hereinafter referred to as master contract). Injection peak capacities booked within Daily Peak Plus Natural Gas Injection service shall be settled separately, and will not be combined with the fees of already existing capacities booked in the master contract. Booked injection capacities available under the annual master contract and the daily injection capacity can be used together.
2. As per this Framework Contract, System User can submit its Daily Peak Plus injection peak capacity booking request pursuant to Section III/2, and book capacity if confirmed by MFGT.

Pursuant to this Framework Contract, the System User does not commit itself to actually book any additional daily injection capacity.

Pursuant to this Framework Contract, MFGT shall commit itself to provide additional daily injection capacities only if:

- (i) actually available additional daily injection capacity exists and
 - (ii) there are no technical obstacles preventing the provision of additional daily injection capacities and
 - (iii) System User does not have overdue debts of any kind to MFGT.
3. Parties agree that the System User has a natural gas storage master contract and storage capacity booking at the minimum technological ratio for the storage year of 2014.-20., which shall also be the conditions of concluding this Framework Contract.
 4. Parties shall contract for using and providing Daily Peak Plus Natural Gas Injection Service (additional daily injection capacity). Pursuant to this Framework Contract, MFGT shall inject gas into the natural gas storage facility based on the capacity booking of the System User submitted and confirmed as per Section III/2.

The period relevant to this product shall be from 06:00 hours on __.____ 20__ until 06:00 hours on __.____ 20__, which shall be part of the injection period announced by MFGT.

II. General Terms

1. In issues not regulated by the Contract, the provisions of the General Terms and Conditions (hereinafter referred to as ÁSZF), Annex No. 5 of the Code of Business Conduct shall apply.
2. By signing this Contract, the System User shall acknowledge to have fully read and understood the content of ÁSZF herein mentioned – as available on the MFGT web page (www.magyarfoldgaztarolo.hu) – and considers it to be the part of this Contract, and so agrees to be bound by it. Parties shall deem the content of ÁSZF annexed to the Code of Business Conduct approved by Office to be the same as the usual contracting practice.
3. Special conditions not stipulated in the ÁSZF shall be specified in this Contract.

III Provision of Storage Capacities

1. The amount of Daily Peak Plus injection peak capacities booked by the System User shall depend on capacity bookings requested by the System User – and confirmed by MFGT.
 - a. System User can nominate its booking request towards MFGT for the relevant gas days also by email.
 - b. If the System User's request is confirmed by MFGT, a specific contract on using Daily Peak Plus injection peak capacities is concluded by and between the parties for that given day.
 - c. The basis of settlement shall be the amount of capacities confirmed by MFGT.
2. Requests for Daily Peak Plus injection peak capacities shall be submitted and confirmed (the specific contract on daily bookings shall be concluded) as per this Section. In order to use Daily Peak Plus injection peak capacities, System User shall submit to MFGT its additional injection capacity request until 22:00 hours on the preceding gas day. Only the contact person(s) specified in the contract shall be entitled to make nominations in connection with the Daily Peak Plus injection peak capacity product. MFGT shall confirm it to the System User until 23:00 hours if the Daily Peak Plus injection peak capacities are available in the required quantity. The specific Contract on Using and Providing Daily Peak Plus Injection Peak Capacity is concluded by the parties for the given gas day when MFGT confirms the capacity request.
3. As per this contract, MFGT shall not be obliged to provide injection capacities exceeding the peak capacities stipulated by Section III.1 of the Framework Contract.
4. Daily Peak Plus injection peak capacities booked by the System User may not be subject to secondary capacity trading, and such transactions will not be recorded on the IT Platform by MFGT.

IV Storage Gas Quality

MFGT shall undertake to inject natural gas only if it meets the quality parameters prescribed by Annex No. 11 of Government Decree No. 19/2009 (I.30.) on the implementation of Act No. XL of 2008 on Natural Gas Supply.

V Natural Gas Delivery and Acceptance, Measurement, Settlement

According to Section 1.3.2 of the Code of Business Conduct, MFGT manages the storage facilities as a unified whole. Natural gas delivery and acceptance, measurement and settlement shall be carried out in line with the annual natural gas storage master contract.

VI Operative Flow of Information

1. In the course of its daily activities, MFGT shall cooperate with the transmission company performing transmission system operation to fulfil its obligations towards the System User.
2. Parties ensure that besides the regular contacts specified in this Contract, they shall notify each other of all incidents which may have an effect on their cooperation, and they facilitate smooth communication via consultation opportunities and proper dataflow.
3. Information and data flow between the Parties shall be governed by the Grid Code and the ÁSZF.

VII DAILY PEAK PLUS NATURAL GAS INJECTION SERVICE FEE

1. The daily fee of the service
additional injection capacity fee: HUF 0.325 + VAT/ kWh / day
2. System User shall pay the service fee following the reference month, based on the daily additional injection (peak) capacities booked in total in the given month, which fee shall exclude the volume fees.
3. Following the reference month, MFGT shall issue the invoice based on the additional injection (peak) capacity requests submitted by the System User and confirmed by MFGT. The total sum of volume fees shall be invoiced pursuant to the applicable Tariff Decree, each month upon the actual monthly volume turnover.

VIII Governing Law, Settlement of Disputes

The provisions of Hungarian law shall apply to both the contract and any arising disputes.

Parties shall agree to settle the disputes relating to the framework contract primarily via amicable negotiation.

Failing such settlement in any disputes arising from or relating to the contract or its breach, termination, validity or interpretation, both parties hereby agree to subject themselves to the exclusive jurisdiction of the Arbitration Court in the Energy (Budapest), provided that the Court of Arbitration proceeds according to its own Rules of Procedure. The number of arbitrators shall be three. The language of procedure shall be Hungarian.

IX Entry into Force

This Framework Contract shall be concluded and shall take effect on the day of signature by both parties, and shall be effective for a definite period until __.__.20__ at 6:00 hours.

X Guarantees

1. By signing this framework contract and in its declaration (“Declaration”) provided on a separate sheet, the System User shall grant its consent to MFGT to use the guarantee provided by the System User under the annual capacity booking contract between the parties also in case of payment default as per this Framework Contract. The Declaration shall be annexed to this Framework Contract.
2. System User shall understand that in case it has overdue payment obligation to MFGT as per this Framework Contract, System User cannot submit any capacity request as per this Framework Contract.

XI Miscellaneous Provisions

1. Contact Persons

In issues related to the Contract:

On behalf of the System User:

Phone:

Fax:

e-mail:

On behalf of MFGT:

Phone:

Fax:

e-mail:

In issues of daily operative contact:

On behalf of the System User:

Phone:

Fax:

e-mail:

On behalf of MFGT: Dispatching Service

Phone: 0036 52 362-574

Fax: 0036 52 558-048

e-mail: dispatcher@mfgt.hu

This Contract shall be valid together with the attached annexes, which shall form an inseparable part thereof.

Annexes:

1. Declaration and Power of Attorney

Budapest, __.__. 201.

Hungarian Gas Storage Ltd

System User

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5.14 CONTRACT ON USING AND PROVIDING NATURAL GAS STORAGE SERVICE IN TYPE "A" PUBLIC CUSTOMS WAREHOUSE

concluded by and **between**

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

tax No.:

Court of Registration and Reg. No.:

hereinafter referred to as **System User**

and

Hungarian Gas Storage Limited Company

seat: 1051 Budapest, Széchenyi István tér 7-8.

Mailing address: 1399 Budapest, Pf. 645.

account keeping bank: CITIBANK

bank account No.: 10800007-00000000-13714002

invoicing address: 1051 Budapest, Széchenyi István tér 7-8.

tax No.: 12543317-2-44

Court of Registration and Reg. No.: Budapest Court as Court of Registration, Cg. 01-10-045043

hereinafter referred to as **MFGT**

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

PREAMBLE

A “Contract on Using and Providing Bundled Natural Gas Storage Service” (hereinafter referred to as “Capacity Booking Contract”) was concluded by and between MFT and System User on __.__. 201_ on ____ kWh storage working gas capacity, ____ kWh/day firm injection (peak) capacity and ____ kWh/day firm withdrawal (peak) capacity.

MFGT operates a type “A” public customs warehouse (hereinafter referred to as “Public Customs Warehouse”) in its unified natural gas storage with regard to ____ kWh energy quantity. Licence number: _____.

System User intends to inject into the Public Customs Warehouse a natural gas quantity not exceeding the amount of capacity specified in Section 1) from the capacities the System User booked pursuant to the Capacity Booking Contract.

In relation to using capacities in the Public Customs Warehouse (withdrawal, injection, any transaction within the Public Customs Warehouse) booked as per the Contract, parties shall conclude the following contract with particular regard to the special customs rules applicable to the Public Customs Warehouse.

I Subject and Duration of Contract

1. Out of its capacities booked as per the Capacity Booking Contract, System User intends to store the following interruptible capacities in the Public Customs Warehouse operated by MFGT:
2. Firm storage capacities available to the System User in the Public Customs Warehouse are as follows:

storage working gas capacity:	_____ kWh
injection (peak) capacity:	_____ kWh/day
withdrawal (peak) capacity:	_____ kWh/day

Working gas, injection and withdrawal capacities booked as per the Capacity Booking Contract shall be reduced by the above capacity amounts.

3. When performing this contract, MFGT shall use, i.e. shall inject into and withdraw from the unified storage facility as a Public Customs Warehouse – based on its licence. MFGT shall be entitled to fulfil the nomination submitted by the System User with regard to the capacities booked in the Public Customs Warehouse from the unified storage facility as a Public Customs Warehouse.
4. Pursuant to this Contract MFGT shall – upon the contractual instruction of the System User – inject the natural gas taken over for the purpose of natural gas storage during the period as per Section I.5, shall keep it in the Public Customs Warehouse and shall withdraw it in the period as per Section I.5. Additional Capacities used by the System User as per the the Flex Plus Optional Service and/or Storage Plus Optional Service pursuant to the Capacity Booking Contract shall be automatically subject to this Contract.
5. The contract shall be concluded for a period identical to that of the Capacity Booking Contract, that is to say for a definite period until __.__.201_ at 6:00 hours.

6. During the term of the Capacity Booking Contract concluded by the System User, MFGT shall inject and withdraw natural gas into and from the Public Customs Warehouse using the capacities booked as per the Capacity Booking Contract - under the conditions specified herein.

II. General Terms

1. In issues not regulated by the Contract, provisions specified in the Capacity Booking Contract, the General Terms and Conditions (hereinafter referred to as ÁSZF), in Annex No. 5 of the Code of Business Conduct shall apply. In the event of any contradiction between this contract and the provisions of the Capacity Booking Contract or the ÁSZF, the stipulations of this contract shall prevail first, while stipulations of the Capacity Booking Contract shall prevail second.
2. By signing this Contract, System User shall acknowledge to have fully read and understood the content of ÁSZF herein mentioned – as available on the MFGT web page (www.magyarfoldgaztarolo.hu) – and considers it to be the part of this Contract, and so agrees to be bound by it. Parties shall deem the content of ÁSZF annexed to the Code of Business Conduct approved by the Hungarian Energy and Public Utility Regulatory Authority (Office) to be the same as the usual contracting practice.
3. Special conditions not stipulated in the ÁSZF shall be specified in this Contract.
4. The assignment of this Contract, or the transfer, handover etc. of booked capacities with public customs warehouse status to any third party shall be excluded, and shall not be recorded in MFGT's system.

III Provision of Storage Capacities in the Public Customs Warehouse

1. Conditions of injection into the Public Customs Warehouse:
 - a) System User's obligations:
 - i. System User shall certify it with a measurement protocol issued by the transmission company (FGSZ) taken upon metering at the border entry point that the natural gas stock to be injected has entered the country. The protocol shall be submitted to MFGT until the 15th day of the month following the reference month. In addition, System User shall submit to MFGT the transmission system allocations per day with regard to the border entry point(s) - as soon as it becomes available. Prior to injection, both MFGT and the transmission company (FGSZ) shall be notified by the System User with regard to the quantity it intends to store in the Public Customs Warehouse from the quantity to be injected.
 - ii. It shall also certify it with a measurement protocol issued by the Transmission Company (FGSZ) taken upon metering at the transmission pipeline exit point that the natural gas stock to be injected has entered the Public Customs Warehouse.
 - iii. In addition to the stipulations of Section III.1) a. ii) above, if the relevant customs authority accepts that the natural gas stock classified as community goods and previously injected by the System User into MFGT's unified storage facility being a Public Customs Warehouse (transfer into the Public Customs Warehouse) is transferred in the gas balance as an entry into the Public Customs Warehouse, the relating written instruction shall be issued by the System User.
 - iv. The certification of the owner, place of origin and status (non-EU) of the natural gas stock shall be performed by handing over the documentation prescribed by the relevant customs authority with regard to the natural gas stock, including at least the following: owner's name,

seat, tariff heading of the product, estimated unit price, quantity, estimated net value.

System User shall submit to MFGT the documentation prescribed by the relevant customs authority following the injection of the quantity as per the Capacity Booking Contract into the Public Customs Warehouse, but not later than on __.____ 201__.

- v. In the event that the System User is not the owner of the natural gas stock to be injected, authentic verification is required to prove that the owner has mandated the System User to inject the natural gas stock into the Public Customs Warehouse. Certification thereof shall be performed by submitting the contract existing between the the System User and the owner of the natural gas stock, along with the first entry measurement protocol mentioned in Section III. 1) a i).
 - vi. Immediately obtaining any data or information - even if not mentioned herein but required by the relevant customs legislation or by the relevant customs authority -, along with providing the required assistance without delay to MFGT for the sake of fulfilling tasks related to keeping public customs warehouse records.
- b) MFGT's obligations:
- i. Performing tasks related to keeping public customs warehouse records, filling in the single administrative document.
 - ii. In addition to the stipulations of Section III.1) a. ii) above, if the relevant customs authority accepts that the natural gas stock classified as community goods and previously injected by the System User into MFGT's unified storage facility being a Public Customs Warehouse (transfer into the Public Customs Warehouse) is transferred in the gas balance as an entry into the Public Customs Warehouse, the relating written instruction shall be issued by the System User.
 - iii. In as far as the natural gas stock has already been injected but the System User has not performed its obligations specified in Section III. 1) a, System User shall compensate MFGT for any damage or penalty arising therefrom.
- c) Transactions in the Public Customs Warehouse concerning booked capacity and/or natural gas stock

System User's obligations:

- *keeping records:* System User, as the manager of booked capacities (shipper) shall keep records of any ownership changes related to the natural gas stock, also recording if the owner of the natural gas stock appoints a new shipper. Ownership changes shall be certified by authentic documents, complemented with documents required by the relevant customs authority, also attaching the relating agreement in case of switching shippers. Based on the above, System User shall understand - and shall also inform the owner of the natural gas stock - that a shipper may have MFGT withdraw natural gas from the Public Customs Warehouse only if the shipper has the required capacities (or if such capacities have been made available to the System User by a third party) and has concluded a relating Contract on Using and Providing Interruptible Natural Gas Storage Service in Type "A" Customs Warehouse with MFGT.
- *obligation to inform the owner of the natural gas stock*
- System User shall inform the owner of the natural gas stock with regard to the provisions relating to natural gas injection, withdrawal, sale and new shipper appointment.
- *in relation to selling the natural gas stock:*
- shall certify title change with an authentic document,

- if the natural gas stock is traded within the EU, System User shall have the customs procedure performed,
- shall ensure withdrawal or storage in the Public Customs Warehouse on the basis of the new owner's instructions if the natural gas stock is sold in the Public Customs Warehouse (and not traded within the EU).
- *in relation to appointing a new shipper*
 - shall certify title change with an authentic document,
 - may hand over the natural gas stock to a shipper only if it has the required capacities (or if such capacities have been made available by a third party) and has concluded a relating Contract on Using and Providing Natural Gas Storage Service in Type "A" Customs Warehouse with MFGT.

Conditions of withdrawal from Public Customs Warehouse (in case of goods leaving the EU without having been released for free domestic circulation):

- d) System User's obligations:
- i. prior to withdrawal, System User shall present the Public Customs Warehouse warrant and submit to MFGT its supplements (documents required by the customs authority to verify title transfer, agreements relating to switching shippers).
 - ii. System User shall verify to MFGT the final place of using the natural gas stock, in a form prescribed by the relevant customs authority. Such verification shall be submitted prior to the start of withdrawal.
 - iii. System User shall demonstrate it with the measurement protocol issued by the transmission company (FGSZ) that the natural gas stock withdrawn from the Public Customs Warehouse has left the area of Hungary via the transmission system, in the direction of Ukraine or Serbia. Following the natural gas stock left the area of Hungary, System User shall submit the protocol to MFGT without delay, but not later than within 24 hours.
 - iv. In addition, System User shall also submit to MFGT a monthly protocol as soon as it becomes available, but not later than until the 15th day following the reference month.
 - v. It shall promptly obtain any and all data and information and ensure the required cooperation to and with MFGT for the sake of successful customs procedure for withdrawal.
- e) MFGT's obligations:
- i. Performing tasks related to keeping public customs warehouse records, filling in the single administrative document.
 - ii. MFGT shall not be obliged to start withdrawal from the Public Customs Warehouse unless System User fulfils its obligations as per Section III.2 and 3.

Both parties shall cooperate with the other party in any and all matters related to using the Public Customs Warehouse, and shall comply with the applicable domestic and community customs legislation, the provisions and instructions of the relevant customs authorities, and shall meet its arising payment obligations.

Defaulting of obligations specified in Chapter III (e.g.: immediate notification of MFGT submitting authentic documents with regard to title change and/or switching of shippers) shall be subject to penalty. Amount of penalty for each unobserved deadline: HUF 1 000 000 / calendar day, maximum HUF 20 000 000.

In order to guarantee the payment of the above penalty, System User shall provide a guarantee corresponding to HUF 20 000 000. The forms of guarantee shall be as follows:

- a) irrevocable, unconditional bank guarantee payable upon the first demand of MFGT without investigating the underlying relationship, with effect until __.____ 201_. MFGT shall not be obliged to start injecting into the Public Customs Warehouse / classifying the injected natural gas for the Public Customs Warehouse until receiving the bank guarantee, or
- b) gas already injected by the System User into the unified underground gas storage facility operated by MFGT. MFGT shall not be obliged to start injecting into the Public Customs Warehouse / classifying the injected natural gas for the Public Customs Warehouse until receiving the guarantee declaration, or

IV FEES, COSTS AND GUARANTEES RELATED TO INJECTION INTO AND WITHDRAWAL FROM PUBLIC CUSTOMS WAREHOUSE

1. Fee for using capacities booked pursuant to the Capacity Booking Contract in the Public Customs Warehouse until the expiry of this Contract: HUF 5 000 000 + VAT, that is five million forints + VAT..
2. The fee shall be invoiced following the conclusion of this Contract. The payment deadline shall be the 30th calendar day from the date of invoice issue, or if it is a holiday, it shall be the following banking day.

V LIABILITY ISSUES RELATED TO INJECTION INTO AND WITHDRAWAL FROM PUBLIC CUSTOMS WAREHOUSE

1. Parties shall assume full liability for any damage (including taxes, duties, customs or penalties imposed on either party – such as, inter alia, penalties imposed by the Tax Authority or the Office) incurred upon each other by violating the provisions herein.
2. MFGT explicitly excludes its liability towards the System User or the owner of the natural gas stock if withdrawal is not performed due to defaulting on any of the related conditions as per Section III/2 and III/3.

VI ENTRY INTO FORCE

This Contract shall be concluded for a definite period from __.____ 201_ at 06:00 hours until __.____ 201_ at 06:00 hours.

VII GOVERNING LAW, SETTLEMENT OF DISPUTES

The provisions of Hungarian law shall apply to both the contract and any arising disputes.

VIII MISCELLANEOUS PROVISIONS

Contact Persons

In issues related to the Contract:

On behalf of MFGT:

Phone:

Fax:

e-mail:

On behalf of the System User:

Phone:

Fax:

e-mail:

In issues of daily operative contact:

On behalf of the System User:

Phone:

Fax:

e-mail:

On behalf of MFGT: Dispatching Service

Phone: 0036 52 362-574

Fax: 0036 52 558-044

email: dispatcher@mfgt.hu

This Contract shall be valid together with the attached annexes, which shall form an inseparable part thereof.

Budapest, ____ 201__

Hungarian Gas Storage Ltd

System User

.....

Annexes:

Annex No. 1: Declaration

DECLARATION

..... as Declarant and Hungarian Gas Storage Ltd (seat: 1051 Budapest, Széchenyi István tér 7-8.) concluded a "CONTRACT ON USING AND PROVIDING BUNDLED NATURAL GAS STORAGE SERVICE" and a "CONTRACT ON USING AND PROVIDING NATURAL GAS STORAGE SERVICE IN TYPE "A" CUSTOMS WAREHOUSE". Declarant hereby declares to purchase the natural gas quantity covered by the above contracts until, improving the security of supply of Hungary.

Budapest, 201...

.....

5.15 CONTRACT ON LENDING AND BORROWING NATURAL GAS

concluded by and **between**

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

tax No.:

court of Reg. and Reg. No.:

hereinafter referred to as **Borrower**

and **Hungarian Gas Storage Private Company Limited by Shares**

seat: 1051 Budapest, Széchenyi István tér 7/8.

mailing address: 1399 Budapest, Pf. 645.

account keeping bank: CITIBANK

bank account No.: 10800007-00000000-13714002

invoicing address: 1051 Budapest, Széchenyi István tér 7/8.

tax No.: 12543317-2-44

court of Reg. and Reg. No.: Budapest Court as Court of Registration, Cg. 01-10-045043

hereinafter referred to as **Lender**, or as **MFGT**

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

ANTECEDENTS

By Resolution No. 1567/2013 amended by Resolution 615/2015, the Hungarian Energy and Public Utility Regulatory Authority (HEPURA) authorised MFGT to *“lend its own working gas quantity reclassified from cushion gas by the Hungarian Office for Mining and Geology to other licensees or to proprietary users on condition that the natural gas quantity thus lent shall be replaced immediately, but not later than within 30 days in full quantity if so required by the Office. Natural gas lending performed by the Licensee pursuant to this section shall not qualify as natural gas trade activity. Licensee shall inform the Office regarding natural gas lending performed pursuant to this section within 5 business day from the conclusion of the contract.”*

Subject to the provisions of the above HEPURA resolution, Lender developed a Gas Loan (hereinafter referred to as “Gas Loan”) product, the conditions of which shall be specified herein.

Borrower became entitled to use the Gas Loan by making a bid for the highest availability fee regarding ... pieces of bundles out of the ... pieces of bundles offered by the Lender at the auction of ... December 2015, thus became entitled to conclude the CONTRACT ON ESTABLISHING THE RIGHT OF USING GAS LOAN, thereby becoming eligible for using the Gas Loan product.

Subject to the provisions of the above HEPURA resolution and the stipulations of the Parties in the contract on Gas Loan, Lender and Borrower shall conclude the following contract on lending and borrowing natural gas (hereinafter referred to as Contract).

I. Use of Terms

For the purpose of this Contract, **Natural Gas lending and borrowing (hereinafter referred to as Loan)**, shall be a loan transaction as per Section 6:389, Subsection (1) of the Civil Code, based on which from its own working gas (energy quantity) reclassified from cushion gas (hereinafter referred to as "Natural Gas"), MFGT: lends to the Borrower

- (i) the quantity specified in Chapter VI (hereinafter referred to as Natural Gas Lent), as a fungible asset,
- (ii) at the Delivery Point specified in Chapter V,
- (ii) from the date specified in Chapter VII, Section 1,
- (iv) according to the schedule specified in Chapter VII, Section 1 (day/energy quantity),
- (iii) for the period specified in Chapter II, Section 7,
- (iv) for the fee specified in Chapter XII, Section 1.a.

Regarding the Natural Gas Lent, Borrower shall

- (v) pay its fee specified in Chapter XII, Section 1, following which
- (vi) its full quantity specified in Chapter VI
- (vii) from the date specified in Chapter VII, Section 2 or Chapter VII, Section 3,
- (viii) according to the schedule specified in Chapter VII, Section 2 or Chapter VII, Section 3 (day/energy quantity),
- (ix) not later than until the date specified in Chapter II, Section 7.2,

- (x) at the Delivery Point specified in Chapter V

shall be returned by the Borrower to MFGT.

II. Conclusion and Duration of Contract

1. By concluding this Contract MFGT shall lend the Natural Gas Lent specified in Chapter VI to the Borrower for the period set out in Chapter II, Section 7, and the Borrower shall borrow the Natural Gas Lent and shall return it to MFGT from the date specified in Chapter VII, Section 2 or Chapter VII, Section 3, according to the schedule set out in the same sections.
2. The fee payable by the Borrower to MFGT shall be specified in Chapter XII, and the method of its settlement shall be set forth in Chapter XIII.
3. The Contract shall be concluded for a definite period when signed by both parties and shall take effect if the condition as per Chapter XIV, Section 1 (handing over the bank guarantee) is fulfilled.

4. Duration of Contract: as of the effective date, until 201_.
5. Borrower shall be entitled to initiate the takeover of the Natural Gas Lent as of the effective date of the Contract in as far as it fulfilled its payment obligation as per Chapter XII, Section 1 in a way pursuant to Chapter XIII, Section 1.
6. Withdrawal and injection schedule
 - 6.1. The starting date of withdrawing the Natural Gas lent: The withdrawal schedule of the Natural Gas Lent shall be specified in Chapter VII, Section 1 of this Contract.
 - 6.2. The closing date of injecting the Natural Gas Lent, that is of injecting the last part of the Natural Gas with energy quantity identical to that of the Natural Gas Lent:201_ The injection schedule of the Natural Gas Lent shall be specified in Chapter VII, Section 2 of this Contract.

III. General Terms

1. In issues not regulated by the Contract, the provisions of MFGT's Code of Business Conduct and the General Terms and Conditions (hereinafter referred to as ÁSZF) shall apply.
2. By signing this Contract, the Borrower shall acknowledge to have fully read and understood the content of ÁSZF herein mentioned – as available on the MFGT web page (www.magyarfoldgaztarolo.hu) – and considers it to be the part of this Contract, and so agrees to be bound by it. Parties shall deem the content of ÁSZF annexed to the Code of Business Conduct approved by the Hungarian Energy and Public Utility Regulatory Authority to be the same as the usual contracting practice.
3. Special conditions not stipulated in the ÁSZF shall be specified in this Contract.

IV. Rights and Obligations of the Parties

1. During the performance of this Contract, Borrower shall cooperate with MFGT, return the Natural Gas Lent, and pay the related fees according to this Contract.
2. Borrower shall have full financial liability to return to MFGT natural gas amounts in a quantity equal to the energy quantity of the Natural Gas Lent specified in Chapter X according to the schedule as per Chapter VII, Section 2. If any part of this section, with particular regard to the the schedule specified for returning the Natural Gas Lent, is violated even once, it shall qualify as a material breach of contract, resulting in the prompt execution of the bank guarantee and full liability for damages to MFGT.
3. Regarding the Natural Gas Lent pursuant to this contract, it is not possible to use MFGT's optional Flex Plus product.
4. Lender shall not be obliged to lend any natural gas exceeding the quantity and energy quantity of the Natural Gas Lent specified in Chapter VI herein.
5. MFGT may refuse to lend and/or withdraw gas if following the conclusion of the contract, a material change has occurred in the Borrower's conditions or in the value or enforceability of the guarantee due to which the performance of the contract is no longer reasonably possible, and the Borrower fails to provide a due collateral upon request.

V. Delivery Point, Return Point, Transferring the Right of Disposal

Delivery Point: the delivery point of the Natural Gas is within the unified natural gas storage.

Return Point: the return point of the Natural Gas is primarily within the unified natural gas storage, however Parties may jointly agree that the Borrower returns the Natural Gas Lent by transferring stored working gas to MFGT.

Transferring the Right of Disposal: the right of disposal and loss potential shall be transferred at the Delivery Point when the Contract takes effect, and at the the Return Point when the energy quantity equal to that of the Natural Gas Lent has been injected (entered into the unified storage facility).

VI. Quantity of Lent (Delivered) and Returned Natural Gas (Energy Quantity)

Under this Contract, the quantity of the Natural Gas Lent which was lent to the Borrower and returned by the Borrower to MFGT shall be:

..... kWh

VII. Schedule for Withdrawing and Returning Natural Gas Lent from and into Storage

1. Borrowing/Delivery

Borrowing	Energy quantity (kWh/day) (min – max)*	Date (from - to days)
Scheduled delivery within the storage site	0 –201_ -.....201_

*The daily quantity of borrowing shall be determined in the context of the requisition received and its technical feasibility (pursuant to the provisions of MFGT’s Code of Business Conduct).

2. Returning the Natural Gas Lent

Return from loan	Energy quantity (kWh/day) (min – max)**	Date (from - to days)***
Scheduled return within the storage site	0 –201_ -.....201_
Storage working gas delivery	0 –201_ -.....201_

**The daily quantity of returning from loan shall be determined in the context of the requisition received, its technical feasibility (pursuant to the provisions of MFGT’s Code of Business Conduct) and the deadline of returning the loan.

***The deadline of returning the total Natural Gas quantity shall not be later than ____ 201_.

Returning from loan shall mean the whole of thekWh energy quantity set forth in Chapter VI, that is the fixed duration of the contract (as per Section II.5), as the deadline for returning the gas shall apply to the total quantity.

3. Returning the Natural Gas Lent if so required by HEPURA

MFGT was authorised to provide the “gas loan” service – subject to the stipulations of Section 141/G of the Gas Act and MFGT’s operational licence – under the condition that the Natural Gas Lent shall be replaced immediately, but not later than within 30 days in full if so required by HEPURA. Having regard to this, Borrower shall return to MFGT the energy quantity equal to the total of the Natural Gas Lent within 30 calendar days from being notified by MFGT. Parties shall urgently agree on scheduling the return. In as far as the parties fail to agree on the schedule, the Natural Gas Lent shall be replaced within 30 days in equal instalments.

VIII. Documenting the Natural Gas Delivery/Acceptance

Parties shall settle the daily quantities of the Natural Gas Lent they deliver to and accept from each other according to Annex No. 6 of the Code of Business Conduct.

IX. Operative Flow of Information

The scheduled days and the daily minimum and maximum quantities of the Natural Gas Lent withdrawn from and returned to the storage site shall be agreed on by the Parties in Chapter VII. The actual amount of the daily withdrawal and return shall be submitted by email to MFGT’s Dispatching Service by the Borrower until 9 PM on the day preceding the relevant gas day. The contact details of the Dispatching Service shall be contained in Chapter XVIII.

X. Quality of the Natural Gas Lent

MFGT shall lend Natural Gas meeting the quality parameter specifications of standard MSZ 1648, and Borrower shall return Natural Gas meeting the same quality parameters in the energy quantity equal to the Natural Gas Lent. In the event that the Borrower intends to return Natural Gas deviating from these quality parameters, Borrower commits a material breach of contract, and the Lender may refuse the takeover and become entitled to exercise the bank guarantee.

XI. Parties’ Cooperation

1. Parties shall cooperate with the Transmission Company and the Transmission Operator in order to fulfil their obligations.
2. Parties ensure that besides the regular contacts specified in this Contract, they shall notify each other of all incidents which may have an effect on their cooperation, and they facilitate smooth communication via consultation opportunities and proper dataflow.
3. Information and data flow between the Parties shall be governed by the Grid Code and the ÁSZF.

XII. Fee Payment

2. Fee payable by the Borrower
 - a. The loan fee (including the the working gas capacity fee related to the quantity of the Natural Gas Lent) payable by the Borrower upon making the Natural Gas Lent available to the Borrower shall be: HUF + VAT / kWh.

The unit price (HUF/kWh) of the loan fee payable by the Borrower when taking over the Natural Gas = $(\text{CEGH} * \text{Contract Volume}) * \text{Risk Premium} * \text{Exchange Rate} / \text{Contract Volume} + \text{Product Fee}$

where:

CEGH: The daily "Settlement Price" published on the day MFGT receives the Borrower's request for the conclusion of the Gas Loan contract, in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month, rounded to 3 decimal digits in EUR/MWh. If on the on the day MFGT receives the Borrower's request for the conclusion of the Gas Loan contract, no daily "Settlement Price" is published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month, the last daily "Settlement Price" published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month shall be the basis of calculating the bank guarantee.

<http://www.cegh.at/gas-futures-market>

Contract Volume: Energy quantity in kWh, requested and booked pursuant to the Contract on Establishing the Right of Using Gas Loan

Risk Premium: 48%

Product Fee: 0.618 HUF/kWh

Exchange Rate: MNB HUF/EURO exchange rate applicable on the day of issuing the invoice

- b. In addition to the above fees, with regard to usage, as per the provisions of the MFGT's Code of Business Conduct, the following shall also be payable in relation to the withdrawal and injection of the Natural Gas Lent: withdrawal and injection capacity fees and volume fees, Daily Peak + etc.

XIII. Payment Conditions

The loan fee shall be invoiced by MFGT in one sum to the Borrower. The payment deadline shall be within 15 days, or if it is sooner, the day preceding the start of withdrawal by the Borrower. MFGT shall accept nomination for withdrawal only if the loan fee has already been credited to its account until this payment deadline.

XIV. Collateral

1. Bank Guarantee

Borrower shall provide to MFGT an unconditional and irrevocable bank guarantee for payment issued by a credit institution accepted by MFGT, of which:

- the exclusive beneficiary shall be MFGT, and which
- *shall be in the amount of: EUR, that is euros.*

In as far as the Borrower uses other storage services and offered a bank guarantee as a payment collateral, the amount of the bank guarantee due pursuant to this contract may not be set off from this bank guarantee, not even if considering its payment obligations in relation to the other services, the bank guarantee there provided would cover the bank guarantee herein required.

1.1. The bank guarantee shall be valid until _____ 201_.

If the Borrower fails to return the Natural Gas Lent according to the schedule set forth in Chapter VII, Section 2 or Chapter VII, Section 3, or if the Borrower commits any other material breach of contract as per this Contract, MFGT shall become entitled to exercise the full amount of the bank guarantee following it becomes aware of (i) even the slightest deviation from schedule, or (ii) a material breach of contract.

- 1.2. Any fee or cost related to the bank guarantee shall be borne by the Borrower.
- 1.3. The early termination or the modification of the bank guarantee shall qualify as material breach of contract.
- 1.4. If under the duration of the contract, the daily "Settlement Price" published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month is on any day 5% higher than the daily "Settlement Price" published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month, the Borrower shall raise - up to the extent of the increase - the amount of the bank guarantee offered as collateral, to cover the increased value of the gas quantity lent. Defaulting on this shall qualify as material breach of contract.

In the event that this obligation is not fulfilled, the Borrower shall be obliged to pay a daily penalty of HUF 1,000,000, that is one million forints from the first day of default.

In as far as the "CEGH AT VTP Front Month Single Day Select" price decreases by at least 20% under the duration of the contract, parties shall jointly review the extent of the collateral provided by the Borrower.

- 1.5. This contract enters into force on condition that the Borrower delivers the bank guarantee to the Lender.

2. **Injected Gas**

In the event that the Borrower offered gas injected by the Borrower to secure other storage services, MFGT may use the pledged injected gas to secure the borrower's obligations as per this Contract only if:

- the Borrower fails to return the Natural Gas Lent according to the schedule set forth in Chapter VII, Section 3 in spite of the HEPURA notification specified in Chapter VII, Section 3. In this event, MFGT shall be entitled to use the gas injected by the Borrower for securing other storage services and to fulfil the HEPURA requirement therefrom. Such usage shall not exempt the Borrower from paying the fees related to other storage services.

By signing this Contract, Borrower expressly grants consent to the above.

XV. Breach of Contract, Penalty

Parties shall undertake to pay penalty in case of a material breach of contract.

Pursuant to the agreement between the parties, it shall qualify as a material breach of contract involving penalty if:

- Borrower defaults even once on any condition of the return schedule specified in Chapter VII, Section 2 or Chapter VII, Section 3;
- Borrower returns Natural Gas with energy quantity equal to that of the Natural Gas Lent, deviating from the quality parameters of standard MSZ 1648;
- the value or enforceability of the collateral is terminated or significantly decreased, which the Borrower fails to supplement upon MFGT's request;
- the "CEGH AT VTP Front Month Single Day Select" price increases by 5% under the duration of the contract, and the Borrower fails to accordingly increase the amount of the bank guarantee offered as collateral;
- Borrower delays the fulfilment of its payment obligation as per the loan contract, and fails to remedy such default when notified

The basis of the penalty shall be the market value of the natural gas lent at the time of lending ("CEGH AT VTP Front Month Single Day Select"*Contract Volume*Exchange Rate), that is HUF.....

where:

CEGH: The daily "Settlement Price" published on the day MFGT receives the Borrower's request for the conclusion of the Gas Loan contract, in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month, rounded to 3 decimal digits in EUR/MWh. If on the on the day MFGT receives the Borrower's request for the conclusion of the Gas Loan contract, no daily "Settlement Price" is published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month, the last daily "Settlement Price" published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month shall be the basis of calculating the bank guarantee.

<http://www.cegh.at/gas-futures-market>

Contract Volume: Energy quantity in kWh, requested and booked pursuant to the Contract on Establishing the Right of Using Gas Loan

Exchange Rate: MNB HUF/EURO exchange rate applicable on the day of issuing the penalty notice

Amount of penalty: 1% of the penalty base for each day affected by the material breach of contract, but not exceeding 20% of the penalty base in total.

XVI. Terminating the Contract

1. This Contract shall terminate when the Borrower returns the borrowed natural gas to MFGT-except for the cases of termination due to breach of contract.
2. Terminating the Contract by extraordinary termination.
 - a) Either party shall be entitled to terminate the contract in writing, without justification and with immediate effect after becoming aware of the other party's material breach of contract.
 - b) MFGT may terminate this contract with immediate effect if
 - Borrower defaults even once on any date or condition of the return schedule specified in Chapter VII, Section 2 or Chapter VII, Section 3, or
 - Borrower returns Natural Gas with energy quantity equal to that of the Natural Gas Lent, deviating from the quality parameters of standard MSZ 1648, or
 - MFGT finds that a material unfavourable change has occurred in the Borrower's conditions, and the Borrower fails to provide a due collateral to MFGT upon request, or
 - Borrower has deceived MFGT, which affected the conclusion or the content of the contract, or

- Borrower obstructs the investigation relating to its solvency, or to the coverage, collateral or implementation of purpose of the Natural Gas Lent, or
 - the Borrower's conduct to conceal assets threatens the possibility of returning the Natural Gas Lent, or
 - the value or enforceability of the collateral is terminated or significantly decreased, which the Borrower fails to supplement upon MFGT's request, or
 - the "CEGH AT VTP Front Month Single Day Select" price increases by 5% under the duration of the contract, and the Borrower fails to accordingly increase the amount of the bank guarantee offered as collateral
 - Borrower delays the fulfilment of its payment obligation as per the loan contract, and fails to remedy such default when notified, or
 - for any other reasons as per Section 6:38 of the Civil Code, or
 - if anyone initiates a winding-up, bankruptcy or liquidation procedure against the Borrower, or if a competent authority suspends or revokes its operational licence, or
 - due to a breach of contract deemed by MFGT as a material breach.
3. In the event of extraordinary termination, the loan automatically expires and the Borrower shall return the Natural Gas Lent within 30 days to MFGT. If the Borrower fails to return to MFGT the full amount of Natural Gas with energy quantity equal to that of the Natural Gas Lent within this period, MFGT shall become entitled to use the collaterals specified in Chapter XIV.
4. The party in breach of contract shall have full liability for the damage it caused, including particularly but not exclusively any damage (e.g.: public administration fines and third party damage) borne by MFGT due to the delay in or the failure of fulfilling the replacement obligation prescribed by HEPURA.
5. The Parties shall settle with each other when the contract is terminated.

XVII. Governing Law, Settlement of Disputes

The provisions of Hungarian law, with particular regard to the stipulations of the Gas Act, the Implementation Decree, the Grid Code, the Civil Code and the Lender's Code of Business Conduct shall apply to both the contract and any arising disputes.

Parties shall agree to settle the disputes relating to this Contract primarily via amicable negotiation.

Failing such settlement in any disputes arising from or relating to the contract or its breach, termination, validity or interpretation, both parties hereby agree to subject themselves to the exclusive jurisdiction of the Permanent Court of Arbitration (Budapest) operating at the Hungarian Chamber of Commerce and Industry, provided that the Court of Arbitration proceeds according to its own Rules of Procedure. The number of arbitrators shall be three. The language of procedure shall be Hungarian.

XVIII. Miscellaneous Provisions

1. Contact Persons

In issues related to the Contract:

On behalf of the Lender:
Phone:
Fax:
email:

On behalf of the Borrower:
Phone:
Fax:
email:

In issues of daily operative contact:

On behalf of the Borrower: Borrower's person on duty
Phone:
Fax:
email:

On behalf of MFGT: Dispatching Service
Phone.: 52/362-574
Fax: 52/558-044
email:

2. Contract Amendment

This Contract may be amended in writing by way of contract amendment signed by the Parties' authorised signatories. Parties expressly exclude the possibility of oral amendment, or amendment by fax or email.

3. Invalid Provisions

If any of the provisions of this Contract is or becomes invalid, ineffective or unenforceable, this shall not affect the validity, effectiveness or enforceability of the remaining provisions. In this case, the invalid, ineffective or unenforceable provision shall be replaced as soon as possible by the Parties with a provision the Parties would have agreed on at the time of concluding the Contract considering such invalidity, ineffectiveness or unenforceability, for the sake of the intended result. The same shall apply if a legal vacuum to be filled is exposed during the performance of the Contract

This Contract shall be valid together with the attached annexes, which shall form an inseparable part thereof.

Budapest, 201...

Hungarian Gas Storage Ltd
Lender

Borrower

Annexes:

Annex No. 1: Bank Guarantee

6 Method of Calculation for Settlement, Parameters

I Basis of Settlement, Description of Settlement Period

The basis of settlement between the Parties shall be with regard to the unified storage facility:

- (a) withdrawal, injection and working gas capacities recorded in the contract for the System User,
- (b) regularly taken delivery protocols regarding the quantities injected or withdrawn.

The settlement period shall be 1 calendar month.

The basis of the settlement shall be the daily physical balance of the storage facilities and the customer balances made in conformity with the same relying on the nominations, using the actual allocations. Both the daily balances and the customer balances include volume and energy quantity data.

Storage and customer balances are based on measured and calculated data.

The transmission company shall measure the quantity and quality of gas delivered and offtaken at the transmission pipeline zero points of the storage facilities pursuant to the provisions of the Grid Code and shall make the measurement data available for MFGT. The daily calorific value data submitted to MFGT by the transmission company shall be the arithmetical average of the values measured during the day. These values shall be entered into the balances.

The quantity and quality of gas from domestic natural gas production to be injected into the storage facilities directly (without the using the transmission pipeline), as well as the quantity and the quality of the gas delivered to the natural gas producer (E&P) from the storage facilities shall be measured by either Party pursuant to the cooperation agreement concluded between the parties (MFGT, E&P), and the results thereof shall be made available for the other Party. Gas quality data are provided by means of laboratory metering at these points.

System User's daily energy quantity turnover shall be determined on the basis of the gas turnover volume using the daily average calorific value as follows:

Following the gas day, MFGT shall allocate the gas quantity turned over on the given gas day to the System Users on the basis of the quantity and quality measurement data received from the transmission company and E&P. Allocation shall be based on the nominations submitted by the System Users for the given gas day.

MFGT shall not assign the System Users' stored stock to a specific storage facility as it is registered cumulatively, at a "unified storage facility" level only. The zero delivery point volume shall be determined on the transmission company's IT Platform for each System User. MFGT's Dispatcher Service shall perform the allocation. The value determined in the allocation process shall be the actual volume at the zero point of the storage facility.

The monthly closing protocols are taken as follows:

- On the basis of the monthly customer balances, MFGT shall prepare a protocol for each System User until the 10th business day of the month following the reference month.
- The measured and calculated data recorded in the protocol shall be as follows:

Monthly settled quantity [kWh]:	The cumulated value of the System User's daily settled quantities.
Opening stock [kWh]:	The quantity of working gas available for the System User at 6:00 hours on the first day of the given settlement period.
Closing stock [kWh]:	The quantity of working gas available for the System User at 6:00 hours on the first day following the last day of the given settlement period.

- The protocols shall be signed by both parties until the 15th business day of the month.

The final storage protocol shall be prepared following the final data provision by the transmission company to the MFGT and the monthly reallocation, and MFGT shall examine if the System User's volume data have changed and shall send a final protocol accordingly. If there is any difference between the data in the preliminary monthly protocol and in the final protocol, on the basis of the latter, Parties shall correct the invoices issued for the reference period.

If after the monthly reallocation there is no difference between the data in the preliminary protocol and the final protocol, MFGT shall consider the preliminary protocol as the final protocol, and accordingly, the invoice is not corrected, either.

MFGT shall notify the customers minimum two weeks in advance with regard to any modification in the settlement system, concerning the customers.

II Description of Settlement-Related Data Traffic and IT System

MFGT operates a system (IT Platform) supporting the operative functioning of its natural gas storage activity. The system is described in Annex No. 3 to the Code of Business Conduct.

MFGT's Dispatcher Service shall perform data supply in relation to settlement. Each storage facility has a comprehensive electronic monitoring and data processing (dispatching) system.

MFGT maintains a continuous and operative electronic connection with the transmission company, the E&P's dispatcher, and if required, MFGT contacts the System User.

The central organisation of MFGT has of online operative data about the technologies.

In the event of gas quality and technology related problems, MFGT notifies the transmission company and the System User, if so required.

Parties shall send each other the daily quality certificates pursuant to Section 13.1.3 of the Grid Code.

7 Terms of Contractual Guarantees

Pursuant to the Natural Gas Storage contract, MFGT requires from the System User a financial guarantee to guarantee payment or working gas owned by the System User as per Section 27 of the Gas Act as a payment guarantee to cover the contractual fees. MFGT requires a payment guarantee up to the amount of the contractual fees.

I Financial and Payment Guarantee

MFGT requires the following financial guarantee:

System User shall provide to MFGT a valid, unconditional and irrevocable bank guarantee for payment issued by a qualified credit institution accepted by MFGT, of which the exclusive beneficiary is MFGT, in the amount equal to the difference between the total storage contractual fees and the already settled contractual fees on the effective day of the storage contract. Pursuant to Section 27 of the Gas Act and this Code of Business Conduct, the System User shall also be entitled to offer injected gas to cover the contractual fees instead of or as a financial extension to the bank guarantee. System User is obliged to offer to MFGT the working gas as a financial guarantee in a (duly signed) written form. System User shall undertake to have a working gas volume in the storage facility that duly covers the storage fees at all times.

Any fee or cost related to the bank guarantee shall be borne by the System User.

MFGT accepts a bank guarantee or a bank guarantee and injected gas as financial guarantee from the System User.

MFGT accepts injected gas as payment guarantee from the System User.

Annex No. 7.1 hereto contains the bank guarantee template acceptable by MFGT.

The declaration regarding sale of the natural gas offered - instead of the bank guarantee or as a financial extension to the bank guarantee - by the System User as per Section 27 of the Gas Act shall be contained in Annex No. 7.2 attached hereto.

II Amount of the Financial Guarantee;

The amount of the financial security shall cover at least the contractual fees outstanding for the remaining contractual period at any time.

Financial guarantee with bank guarantee:

Bank guarantee amount (HUF) = annual storage fee (HUF) - already settled contractual fees (HUF).

Financial guarantee in case of injected gas:

60% of the lowest universal service provider natural gas price* (HUF/kWh) * injected gas quantity (kWh) = annual contract fees (HUF) - already settled contract fees (HUF).

The conversion between MJ heat quantity and kWh energy quantity shall be performed pursuant to Section II of Annex No. 9 of the prevailing HEPURA Decree 1/2013 (VII.11.) ($K_{\text{ENERGY}} = 3.2493$).

basic fee as per KHEM Decree 28/2009 (VI.25.) (USP price regulation) and the lowest price applicable to household consumers with 0-20m³/h gas meter, less VAT, as specified in the same decree

In the event the System User sells the working gas in its possession, during the sale, the System User's working gas quantity in the storage facility can only be decreased to an extent so that the quantity of the working gas substituting the bank guarantee will still cover the outstanding contractual fees.

7.1 LETTER OF GUARANTEE (PAYMENT GUARANTEE)

Name of Beneficiary: **Hungarian Gas Storage Private Company Limited by Shares**

Address: **1051 Budapest, Széchenyi István tér 7/8**

Guarantee No.:

Contract No.:

We are aware of the fact that (address,.....) - hereinafter referred to as System User – intends to conclude a contract with the Beneficiary – in the subject of Natural Gas Storage Contract (hereinafter referred to as: Contract).

Pursuant to the Contract to be concluded – as a precondition thereto – a Payment Bank Guarantee letter shall be submitted on behalf of the System User for the benefit of the Beneficiary, to ensure that the System User fully meet its payment obligations stipulated in the Contract. In any event when the System User fails to fulfil its payment obligations as per the Natural Gas Storage Contract in due time, Beneficiary shall be entitled on the day following the expiry of the deadline to satisfy its claim by means of calling the bank guarantee. The amount of the bank guarantee shall be at least the amount of any and all fees payable by the System User to the Beneficiary during the contractual period as per the storage contract, decreased by the amount of the fees already paid.

Hereby, we, Bank (address.....) assume an irrevocable and unconditional obligation to the effect that we perform payment on behalf of the Customer in the maximum amount of

HUF

(that is forints)

for the Beneficiary within 5 banking days from the Beneficiary's first written demand, without investigating the underlying relationship, on condition the Beneficiary represents that the System User has failed to fulfil the payment obligations stipulated in the Contract due to a cause attributable to the System User.

We shall satisfy the Beneficiary's claim in relation to this Letter of Guarantee by means of cash transfer in conformity with the demand sent by the Beneficiary in a written form. Beneficiary shall submit its duly signed claim to our bank through the Beneficiary's account keeping bank, verifying the authenticity of the signatures. The Bank will not accept any payment demand received on the phone or by fax.

This bank guarantee shall remain in effect from 1st April 201 until the date a quantity of gas corresponding to % of the working gas capacity booking request nominated by the System User for the storage year is injected, but not later than until 201 . System User and Beneficiary shall inform the Bank by mail of the fact of completing the injection.

The bank guarantee shall expire upon injecting a quantity of gas corresponding to % of the working gas capacity booking request, and our Bank shall not perform any payment based thereon, irrespective of whether the original copy is sent back to our Bank.

System User shall bear all the costs arising in relation to this bank guarantee.

This bank guarantee or any right arising therefrom may be assigned only with the prior written consent of the Bank.

As to this bank guarantee, Hungarian law shall apply.

..... 201...

.....

Name:

Position:

Bank:

7.2 DECLARATION AND POWER OF ATTORNEY

The System User as a system user using natural gas storage service represents that instead of the bank guarantee or as its financial extension, it offers the gas it injected into the underground natural gas storage facilities of Hungarian Gas Storage Ltd (hereinafter referred to as MFGT) to cover the contractual fees relating to the storage year of 201 /201 .

By signing this declaration, the System User agrees that in case of payment default on the fees payable upon the storage contract, MFGT may sell from its injected natural gas - pursuant to Annex No. 8 of the Code of Business Conduct - a quantity the purchase price of which covers the invoiced but unpaid fees.

System User undertakes that on 01 April 201 the storage working gas stock serving as coverage for the contractual fees will not be less than 20 percent of the working gas capacity booked for the storage year of 201 /201 . As of the beginning of the storage year, the percentage ratio relating to the above specified stock shall pro rata decrease monthly so that the storage working gas stock serving as coverage for the contractual fees shall always cover the storage fees not yet paid.

In the event that the booked storage capacity of the System User increases during the storage year, the System User shall be obliged to provide further storage working gas stock as a security covering the increased storage fees. Should the System User fail to provide such security, MFGT is not obliged to provide additional capacities.

System User irrevocably understands that in case of storage fee payment default, MFGT shall be entitled to sell the injected and offered gas according to Annex No. 8 of the Code of Business Conduct, and to deduct the storage fee from the revenue of such sale.

In order to have zero kWh working gas stock on 31 March 201 , the System User undertakes to pay all payable storage fees in advance until 1 March 201 . Failure to do so qualifies as a breach of contract, based on which MFGT shall be entitled to sell the natural gas stock stored in the storage facility and to deduct the fees payable until 31st March from the revenue of such sale.

Parties shall specify the details of the procedure in the Storage contract they conclude. System User understands and undertakes that mortgage may only be registered on the injected gas offered as security on the prior written consent of MFGT, and only to an extent that the unencumbered gas volume shall still be of suitable quantity to serve as financial security for the storage fees.

System User understands that the injected gas offered as security may only be sold on the prior written consent of MFGT, provided that the Buyer undertakes that the gas remains to serve as coverage for the fees of MFGT storage services.

System User represents that it accepts the transfer of the proprietary rights over the natural gas to the Buyer – as per Section 27 of Act No. XL of 2008 on natural gas supply, the Code of Business Conduct of MFGT and this Declaration – along with the purchase price specified, and shall not contest it on any legal grounds.

Budapest, 201...

.....

Hungarian Gas Storage Ltd

.....

System User

POWER OF ATTORNEY

I, the undersigned _____(name), as _____ (seat:
_____, tax number: _____, court registration number:
_____) (hereinafter referred to as System User) hereby

a u t h o r i z e

Hungarian Gas Storage Private Company Limited by Shares (seat: 1051 Budapest, Széchenyi István tér 7-8., Tax number: 12543317-2-44, Court registration number: Cg.: 01-10-045043), (hereinafter referred to as MFGT) to sell the natural gas injected into the MFGT's gas storage facilities by the System User pursuant to the stipulations of Section 27 of Act No. XL of 2008 on natural gas supply and the Code of Business Conduct of MFGT, to perform all the (e.g.: administrative) activities related to such sale and to deduct the unpaid storage fees from the revenue of such sale.

This power of attorney may not be revoked and shall remain effective until the System User pays the storage fees to MFGT in full.

Budapest, 201...

System User:

.....

System User

I accept the power of attorney:

.....
Hungarian Gas Storage
Private Company Limited by Shares

.....
Hungarian Gas Storage
Private Company Limited by Shares

DECLARATION

_____ (hereinafter referred to as System User) and Hungarian Gas Storage Ltd (hereinafter referred to as MFGT) concluded a capacity booking contract on natural gas storage on _____. To guarantee its contractual obligations, System User issued a declaration on _____ to the effect that instead of the bank guarantee it offers the gas it injected into MFGT's underground natural gas storage facilities to cover the contractual fees relating to the storage year of 201 /201 .

By signing this declaration, System User agrees that in case of payment default on the fees payable upon the contract concluded on _____ beyond the capacity booking contract on natural gas storage for storage year 201 /201 concluded on _____, MFGT may sell from its injected natural gas a quantity the purchase price of which also covers the invoiced but unpaid fees for using the service. The relating rules of procedure and the specific details are contained in Annex No. 8 of MFGT's Code of Business Conduct.

System User as a system user using natural gas storage service represents that this declaration shall be construed as the extension of its declaration issued on _____, that is it shall fully guarantee both contractual obligations.

Furthermore, System User represents that its declaration issued on _____ shall be effective with unchanged content independently and separately from this extension, and that the rules specified in that declaration shall form part of this declaration with equivalent effect.

Budapest, 201...

.....

Hungarian Gas Storage Ltd

.....

System User

8 Procedure for Breach of Contract

In the event that the Parties are in breach of the provisions of the storage contract, they shall compensate the other Party for any resulting damage.

I Procedure for Breach of Contract by the System User

Breach of contract by the System User:

- a. System User commits a breach of contract if it injects non-standard-quality natural gas into the Storage system. In this case, MFGT may claim damages. MFGT shall inform the System User without delay of the damage incurred after becoming aware thereof, and shall submit a duly justified claim for damages. Should the System User dispute the fact of damage or the liability, it shall initiate negotiations with MFGT within 15 calendar days.
- b. System User commits a breach of contract if it fails to pay or fully pay the fees due to MFGT as per the storage contract until the payment deadline.
- c. System User commits a breach of contract if it violates any other obligation as per the storage contract. In this case, MFGT may claim damages.

In case of the System User's breach of contract, System User shall compensate for any damage it caused.

System User commits a breach of contract if it fails to pay or fully pay the invoiced fees of services used until the payment deadline. In this case - as a general rule - MFGT shall be entitled at any time following the due date to sell the blocked gas covering the storage fees (the energy quantity, as payment guarantee) and to legally refuse the injection or withdrawal of gas stock beyond the blocked gas stock (energy quantity) until the System User pays its debt. In addition, MFGT takes the following measures:

1. 8th business day after the due date
In the event that payment is not received until the eighth business day following the due date, MFGT shall send the first notice to the client.
2. 14th business day after the due date
Another six business days later, MFGT shall send another notice to the System User.
3. 21st and 22nd business days after the due date
On the 21st business day following the due date, MFGT shall send the third payment notice.
4. the System User fails to pay its debt until the deadline specified in the third payment notice, and unless the System User and MFGT simultaneously agree on payment, MFGT may legally refuse to inject or withdraw the gas stock (energy quantity) beyond the blocked gas stock (energy quantity) and:
 - if the System User offered a bank guarantee as a financial collateral, following the extended payment deadline specified in the third payment notice, MFGT exercises its claim from the bank guarantee, or

- if the System User offered working gas as a collateral as per Section 27 of the Gas Act, and fails to pay the consideration for the service within the payment deadline indicated on the invoice, following the payment deadline, MGFT sells the gas (required energy quantity) blocked on the IT Platform as collateral for the storage fees, and uses the amounts received from such sale to satisfy its claim. In the middle of each month in the storage year, MFGT shall review if the injected gas (energy quantity) in the storage facility still covers the fee of the service.
5. In order to recover unpaid storage fees, MFGT offers for sale the stored working gas offered by the System User on a forum at its own discretion (e.g.: on its own website), and sell it based on the bids received. MFGT undertakes to offer the natural gas for sale for the first time at the TTF spot price as a minimum. Insofar as there are no bids received at this price, MFGT shall be entitled to re-offer the natural gas at a price other than the TTF spot price and/or sell it without any further offering to the buyer submitting the highest bid. MFGT shall be entitled to sell a quantity of injected natural gas the price of which calculated according to the above is sufficient to cover the invoiced overdue and unpaid fees. MFGT shall deduct its receivables from the revenue of the sale, and shall transfer the remainder to the System User's bank account within 10 business days from receiving the purchase price.
 6. System User irrevocably understands that in case of storage fee payment default, MFGT shall be entitled to sell the injected and offered gas according to the above, and to deduct the storage fee from the revenue of such sale. System User also irrevocably understands that if there are no purchase bids received at the TTF spot price first offered by MFGT, MFGT shall be entitled - at its own discretion - to re-offer the natural gas at a price other than the TTF spot price and/or to sell it without any further offering to the buyer submitting the highest bid. System User shall do whatever is necessary (including the issuance of the required statements) for the successful sale. System User irrevocably understands the transfer of the proprietary rights over the natural gas to the buyer as per Section 27 of the Gas Act and the declaration contained in Annex 7.2 of this Code of Business Conduct and this Declaration, along with the purchase price specified, and shall not contest these on any legal grounds.
 7. The declaration regarding the sale of the natural gas offered by the System User and the power of attorney for MFGT shall be contained in Annex No. 7.2 attached hereto.
 8. MFGT shall issue its charge letters on interests for default monthly, on the basis of the invoice payment delays occurred until the last day of the previous month. The due date for paying interest for default shall be the 10th day after sending. In case of payment default, MFGT shall charge interest for default pursuant to the Civil Code so that interests are charged for the period between the due date and the day when the payment is made.

II Procedure for Breach of Contract by MFGT

1. MFGT commits a breach of contract if it fails to perform the injection and withdrawal tasks required (contracted) by the System User.

In as far as MFGT fails to perform the withdrawal or injection of the quantities contractually nominated by the System User, MFGT shall reimburse the surcharges and balancing costs incurred by the System User due to the breach of contract. In addition to the reimbursement of surcharges and balancing costs, MFGT shall not have any further liability for damages.

2. MFGT will not be deemed to have committed a breach of contract – and will not reimburse incurred surcharges and balancing costs – if it rejects the nomination of the System User in full or in part because the nominated quantity to be injected or withdrawn fails to reach even together with the other buyer requests the technological minimum for injection or withdrawal. It shall neither qualify as a breach of contract if MFGT is unable to perform accepted nominations due to an emergency.
- 3 MFGT will not be deemed to have committed a breach of contract if it fails to fulfil the injection/withdrawal tasks required (contracted) by the System User since the same was not performed due to a cause attributable for the contracted partner of the System User (Natural gas transmission licensee).
4. MFGT shall be responsible neither for any capacity decrease occurring due to a technical reason generated by Force Majeure, nor for any direct or indirect damage arising therefrom if the malfunctioning storage equipment was properly operated and maintained as often and in a way as required by the general practice of the industry, also providing that it has applied its best efforts to urgently recover the technical problem already occurred.
5. MFGT commits a breach of contract if the accepted natural gas is lost or destroyed, and shall be responsible for any damage thus caused.

In the event that the natural gas taken over as per contract is lost or destroyed, damage in lost or destroyed natural gas – resulting from the capacity decrease as referred to in Section 4 – shall be compensated by MFGT up to the extent of the relevant annual storage fee (capacity fee and volume fees) paid by the System User for the lost or destroyed natural gas until the date of loss or destruction.

If the natural gas quantity taken over is fully or partially destroyed, MFGT shall not be entitled to claim the fees or their proportionate part in relation to the destroyed natural gas quantity.

6. For the purposes of this for the purposes Code of Business Conduct, “Force Majeure” shall be applicable to any external and unavoidable reason or state preventing either Party in performing their obligations, or delaying performance beyond the control of the relevant Party.

Force Majeure reasons and states particularly include the following events (without prejudice to the generality of these terms):

- uncontrollable natural disasters or third party actions or defaults affecting the normal operation of the relevant Party or the reservoir, or the natural gas well

(such as well blowouts, earthquakes, fire, floods, strikes, disturbances, armed conflicts, acts of terror, war).

In as far as either Party becomes aware of a Force Majeure event that results or may result in the non-performance or late performance of obligations, the relevant Party shall notify and inform the other Party regarding the expected duration of non-performance or delay.

System User shall inform MFGT without delay of the damage incurred after becoming aware thereof, and shall submit a duly justified claim for damages. Should the MFGT dispute the fact of damage or the liability, it shall initiate negotiations with the System User within 15 calendar days.

III MISCELLANEOUS PROVISIONS

- 1 Neither Party shall be liable for any indirect damage arising from the breach of their obligations (including cancelled profit, loss of business or profit, or any damage to the other Party's assets other than the subject of the service if caused by the other Party during the performance of the contract).
2. None of the provisions in this section shall be construed as excluding or restricting either Contracting Party's liability for a breach of contract that is intentional or damages life, physical well-being or health.

9 STORAGE CAPACITY AUCTION REGULATION

9.1 STORAGE CAPACITY AUCTION REGULATION I

HUNGARIAN GAS STORAGE LTD

STORAGE CAPACITY AUCTION REGULATION I

IN CASE OF CAPACITY OVERBOOKING DURING ANNUAL CAPACITY OFFERING

STORAGE CAPACITY AUCTION REGULATION I

in case of capacity overbooking during annual capacity offering

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1. INTRODUCTION AND OBJECTIVE OF REGULATION

Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC sets forth that access to natural gas storage facilities shall be provided on the basis of objective, transparent and non-discriminatory criteria. Particular importance will be attached to the above mentioned requirement in case of congestions in storage capacity requests.

With regard to storage capacity booking, Act No. XL of 2008 on natural gas supply (Gas Act) and Government Decree No. 19/2009 (I.30.) on the implementation of the Gas Act (Implementation Decree), the Operational and Trading Code (Grid Code) and the Code of Business Conduct of Hungarian Gas Storage Ltd natural gas licensee (hereinafter referred to as MFGT) shall also apply. MFGT shall ensure the distribution of the available free capacities between the bidders pursuant to these provisions.

If following the evaluation of the capacity requests, the conditions specified in Section 8.11.1.3 (f) iii exist, that is the capacity requests submitted by the system users exceed the available capacities, MFGT shall announce an auction for the available free capacities within 15 business days from receiving capacity requests in order to ensure non-discriminatory access.

The objective of this auction regulation (hereinafter referred to as: Regulation) is to specify the annual capacity auction procedure, the framework conditions of participation and the rules of capacity auctions announced and planned to be carried out by MFGT.

2. SUBJECT AND SCOPE OF THE REGULATION

This regulation provides information on the scope of auction participants, the product constituting the subject of the auction, as well as the process of carrying out the auction. Following a successful auction, MFGT as the Auctioneer (Auctioneer) and the Bidder submitting the successful bid shall conclude the Natural Gas Storage Contract specifying the general contractual terms and conditions of trading, settlement and payment, along with the rights and obligations of the contracting parties. The Natural Gas Storage Contract shall be annexed to the applicable auction notice.

The scope of the Regulation shall cover:

- the Bidders intending to participate in the annual auction, specified in the Regulation and, as well as their representatives acting on their behalf;
- the Auctioneer announcing and carrying out the annual capacity auction and offering the product at the auction, the representatives acting on its behalf, along with those involved in carrying out the capacity auction.

3. REFERENCES

- Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009
- Act No. CXII of 2011 on the Freedom of Information

- Act No. XL. of 2008 on Natural Gas Supply (Gas Act)
- Government Decree No. 19/2009 (I.30.) on the implementation of certain provisions of the Act (Implementation Decree)
- Operational and Trading Code (Grid Code)

4. DEFINITIONS

The objective of this section is to clarify for every stakeholder the interpretation of the concepts referred to herein. As for financial definitions, this chapter shall only specify the explanation of concepts closely related to the auction.

Bid: Capacity booking request submitted by Bidders in an auction round at the capacity auction at the Bid Price relevant for the given round.

Bid Price: determined by the Auctioneer in the given round for capacity bundles offered during the given auction round.

Bid Bond: Financial security which can be defined by the Auctioneer – exercising its discretionary powers – in the form of a bond, the amount of which can be determined by the Auctioneer in the announcement notice. If the Auctioneer prescribes a bond, the Bidder shall pay the amount of the bond to MFGT's bank account prior to 12:00 hours on the business day preceding the auction. Failure to pay the bid bond in due time shall exclude participation in the auction. The bid bond shall serve as a security for paying the earnest money as defined hereunder. The Bidder shall pay earnest money in the amount of the bid bond if in the first Auction Round as per Section 4.4 of this Regulation, the Bidder makes a Bid for a capacity request less than the Bidder's Nomination. The Bidder submitting the successful Bid shall also pay earnest money in the amount of the bid bond in the event the Bidder fails to sign the Natural Gas Storage Contract within 5 business days from the auction. Following the procedure, the amount of the bid bond shall be reimbursed within 5 business days from the signing the contract to Bidders having submitted Bids for capacities in conformity with their Nominations in the first Auction Round, as well as to Bidders who conclude the Natural Gas Storage Contract after having submitted a successful Bid.

Bid Period: Period of using storage capacities offered at the auction, commencing at 6:00 hours in the morning on the day when the capacities become available and terminating at 6:00 hours in the morning on 1 April at the end of the storage year. The Auctioneer specifies the availability date of the capacities in the auction notice.

Bid Sheet:	Document submitted by the Bidder in the course of bidding in the given auction round, containing the number of the Auction Round, along with the number of bundles the Bidder intends to purchase at the Bid Price of the ongoing Auction Round.
Bid Quantity:	Capacity quantity (number of capacity bundles) for the booking of which the Bidder makes a bid at the Bid Price of the ongoing auction round.
Bidder:	Legal person as per the Gas Act, having submitted a capacity request (Nomination) in line with the Grid Code and meeting the formal requirements to the natural gas storage licensee prior to the announcement of the auction, and then has successfully registered itself according to the auction notice.
Undersubscription:	Quantity – capacity booking request – failing to reach the unit capacity (minimum number of bundles) offered by the Auctioneer.
Auction Round:	The following processes shall belong to one Auction Round at the auction: submitting the Bids until the deadline defined for the capacity bundles, then processing and evaluating the received Bids and announcing the evaluation result to the Bidders. Each Auction Round consists of three parts: Submission of Bids, Evaluation and Announcement of Results.
Auction Statement:	Statement to be filled in during the registration procedure of the capacity auction (Annex No. 2), in which the party indicating its intent to participate makes a statement to the effect of accepting the terms and conditions in relation to the auction.
Unsuccessful Bid:	A Bid that is not accepted by the Auctioneer during the evaluation.
Natural Gas Storage Contract:	Contract entered into by and between the awarded Bidder(s) and the Auctioneer on booking the capacity bundles sold at the auction, which shall in any case be attached as annex to the capacity auction notice.
Starting Price:	The starting price of a capacity bundles in the first auction round, determined as per the applicable Tariff Decree.
Nomination:	Request submitted by the Bidder to the natural gas storage licensee for the offered available storage capacities. Nominations shall be submitted following the available storage capacity is offered on the website of the natural gas storage licensee.

Lack of Subscription:	No valid bid is received in the given Auction Round of the capacity auction for the amount of capacity offered in the given auction round.
Auctioneer:	Magyar Földgáztároló Zrt. (seat: 1051 Budapest, Széchenyi István tér. 7-8., Trade Registry No.: 01-10-015043) as natural gas storage licensee.
Exact Subscription:	Bidders' aggregate capacity request in the given Auction Round, which equals to the capacity quantity offered by the Auctioneer.
Registration Datasheet:	The form required for registration as per Annex No. 1.
Registration Code:	Code used to identify the Bidder during the capacity auction.
Oversubscription:	Bidders' aggregate bid quantity in the given Auction Round exceeds the amount of capacities offered by the Auctioneer in the given Auction Round.

5. Auction Procedure

5.1. Auction Announcement

Auctioneer shall publish on its website the available free capacities offered for sale. In the event that Nominations for announced free capacities exceed the announced quantity, the Auctioneer announces a capacity auction pursuant to this Regulation.

System Users will be notified of the capacity auction if their capacity booking request could not be fulfilled in part or in full by the natural gas storage licensee without organising an auction.

The capacity auction shall be announced by e-mail and by telephone to the capacity bidders having submitted Nominations for free capacities. The Auctioneer shall also confirm this notice in a letter not later than within two business days.

The auction notice shall be published on the website of the natural gas storage licensee with the proviso that only the above specified system users may participate.

The Auctioneer sends this Regulation, together with the auction notice and the Natural Gas Storage Contract template to all the parties concerned in an electronic form and also publishes the same on its website (www.magyarfoldgazarolo.hu).

The Auctioneer provides the following information in the auction notice:

- Name, availability details and submission deadline of the documentation required for registration;
- Type and amount of the security to be specified by the Auctioneer and the Auctioneer's bank account number;
- Size and quantity of capacity bundles offered;

- Starting price of a capacity bundle;
- Exact place and date of the capacity auction;
- Detailed rules of conducting the auction;
- Natural Gas Storage Contract template which stipulates the general, trading, settlement and payment terms and conditions as well as the rights and obligations of the contracting parties.
- Name and contact details of the contact person;

Following the announcement of the auction, the contact person designated by the Auctioneer shall be entitled to answer any further questions in relation to the auction and to supply information. The Auctioneer shall send questions received and answers to all the participants.

The Auctioneer shall proceed in compliance with Section 4 of Act No. CXII of 2011 on the Right of Informational Self-Determination and on Freedom of Information.

5. 2. Registration Process

The first steps of participating in the capacity auction are indicating the intent to participate, adopting the auction regulation by filling in the auction statement and sending the required documents to the Auctioneer.

At the capacity auction, bids can be made by only those capacity bidders that are eligible for storage access and have submitted a Nomination in the required form to MFGT prior to the announcement of the auction.

Documents required for registration:

- Duly signed registration Datasheet (Annex No. 1)
- Duly signed Auction Statement (Annex No. 2), by the signature of which the Bidder verifies its intent to take part and the acceptance of the Auction Regulation and the Natural Gas Storage contract template.
- Original certificate of incorporation not older than 30 days in case of business organisations registered in Hungary and abroad, and its translated copy in Hungarian or in English (certified translation is not required in case of companies registered in Hungary, the online version by the Hungarian Ministry of Justice is accepted) in case of business organisations registered abroad.
- In case of business organisations registered in Hungary: copy of the notarised specimen signature(s) (or sample signature(s) countersigned by an attorney-at-law) of the authorised signatory (signatories) signing the bid.
- In case of business organisations registered abroad: copy and translated English or Hungarian copy of the notarised specimen signature(s) (or sample signature(s) countersigned by an attorney-at-law) of the authorised signatory (signatories) signing the bid; or the original copy and translated English or Hungarian copy of their sample signature signed in manuscript in the presence of two witnesses, and in the latter case: a Hungarian or English copy of the signed side of a personal document belonging to the signatory (by mail or e-mail).

- Furthermore, in the event that said documents are signed by an attorney-in-fact, a copy of the signed side of a personal document belonging to the attorney-in-fact is also required, in compliance with the above rules applicable to the authorised signatory acting as principal. The power of attorney shall clearly indicate that the attorney-in-fact is entitled to represent the capacity bidder during registration and/or bidding.
- Optionally, depending on the auction announcement:
A credible proof of crediting the Bid Bond to the Auctioneer's bank account.

Bidder shall specify its representative's data on the Registration Datasheet. Bidder may be represented by its officer authorised to represent the Bidder and entitled to act as its signatory, or by a person authorized in writing by such an officer (in the event of joint signatories: officers) of the Bidder.

These documents shall be submitted to the Auctioneer prior to the registration date stated in the capacity auction announcement notice, but not later than 16:00 hours on the business day preceding the capacity auction date. Auctioneer shall confirm the registration to the applicant.

During registration, in the event of late or incomplete delivery of documents, the Auctioneer may require deficiency correction from the Bidder along with setting an extended deadline, defaulting on which has the legal implication of invalidating the registration. In case of a valid registration, the Auctioneer confirms the fact of registration to the Bidder by e-mail.

Acceptance of the registration by MFGT is also conditional on the full and complete submission of the above documents required for nomination by mail or by email, however, in the latter case, the original documents shall also be submitted together with the bid, in the absence of which the registration is rendered invalid, and thus the bid cannot be evaluated.

During registration, Auctioneer shall be obliged to treat data submitted to the auction in a confidential manner and will not disclose them to any third party.

5. 3. General Rules of Auction

Bidders shall be responsible for the confidential handling of their Registration Code. Each Bidder shall participate in the auction anonymously – by using their Registration Code – and shall not attempt to violate the anonymity of other Bidders. Registered Bidders shall pursue open market behaviour during the auction. They shall not initiate any background agreement infringing the capacity auction participation and interests of the Auctioneer and other Bidders or providing undue advantages. Bidders shall undertake neither to conclude, nor to have concluded any contract or agreement with any other party which would confer any advantage in relation to the auction (e.g.: with regard to the coordination of bidding intention/behaviour, strategy or Bid Prices).

Bidders shall agree to the content of the auction regulation, and understand that breaching the content thereof results in the Bidder's immediate exclusion.

Bidders can participate in the auction by bidding in person.

The Bidder's representative can take part in the auction after cross-checking the submitted registration sheet data and the personal identification card data, and after having the representative's authorization duly verified. The Bidder's representative shall report at the contact person specified in the notice at least half an hour prior to the scheduled time of the auction, at the place of the auction, where they shall sign in. Each Bidder may participate in the auction with maximum one representative and one more person.

The auction shall be carried out and controlled by the auction committee. The auction committee shall consist of the Auctioneer's representatives. Auctioneer may invite the representative of the Office to the auction. Auctioneer reserves the right to involve further employees and legal or business advisors in the auction for the purposes of monitoring or cooperation.

Auctioneer shall provide the room and the resources required for carrying out the auction.

The Auctioneer offers storage capacities at the auction in bundles of
withdrawal capacity [kWh/day],
injection capacity [kWh/day],
working gas capacity [kWh]
for sale. Any capacity element can be 0 when bundles are created. Auctioneer is to decide this in view of the available free capacities.

The Auctioneer creates capacity bundles in which working gas capacity is almost equal to the lowest working gas capacity of the preliminarily submitted requests, and which working gas capacity can be established by dividing the remaining working gas capacity with an integer number. Withdrawal and injection capacities of the bundles shall be determined by dividing the remaining capacities of the same type with the same number. The Bid Price of capacity bundles shall not be lower than the price determined pursuant to the prevailing Tariff Decree.

The Bid Price shall not include the volume (withdrawal, injection) fees. Injection and withdrawal volume fees shall be determined in line with the prevailing Tariff Decree. Auctioneer shall publish the Starting Price of capacity bundles in the auction notice.

5. 4. Conducting the Capacity Auction

The capacity auction shall be carried out at the place provided by MFGT. Auctioneer follows the ascending price method when auctioning capacity bundles. The Bid Price of the first round shall be the Starting Price.

In the course of the auction, the Auctioneer increases the Bid Price in each round. In each Auction Round, Bidders can bid for the bid quantity, at the price valid in the given round.

The auction consists of Auction Rounds. The auction continues unless there is “Undersubscription”, “Lack of Subscription” or “Exact Subscription”.

Each auction round has three well distinguishable stages: Submission of Bids, Evaluation and Announcement of Results.

1) Making a Bid

Each auction rounds starts with making the bids. At the beginning of Auction Rounds the auction manager delegated by the Auctioneer announces the starting Bid Price of the relevant capacity bundles in the given round, then invites the Bidders to make their bids. Bidders can only make bids for an integer number of capacity bundle/bundles.

Bidders submit their bids in each Auction Round on a separate bid sheet in an envelope provided by the Auctioneer. Only the Bidder’s Registration Code can be indicated on the envelope. The number of the Auction Round shall be indicated on the Bid Sheet, along with the number of bundles the Bidder intends to purchase at the price of the ongoing Auction Round.

In the first Auction Round, Bidders shall indicate the quantity previously specified in their Nomination. Failing this, Earnest Money shall be paid to the Auctioneer. In subsequent rounds, if the Bidder does not intend to make a bid in the given Auction Round, the bid sheet is to be submitted with zero bid quantity. Bidders may submit their bid for a quantity not exceeding their Nomination.

The time limit for making bids in the given Auction Round shall be specified (minutes) prior to each Auction Round. Bidders shall have the above specified time to consider and make their bids separately from each other. In the event that all the participants of the auction submit their Bid within this time limit, the auction manager declares the given round closed. Following the time limit specified, the Auctioneer will not accept any Bid for the given round.

2) Evaluation

The auction committee shall sum up and evaluate the Bids submitted. In the course of evaluation, the total capacity demand for the given round is determined. Bidders cannot modify or withdraw their Bid after submission during bidding. Incomplete or incorrectly compiled Bids shall be considered as invalid in the given round. The Auctioneer shall inform the Bidders thereof – indicating the reasons for invalidity.

Quantities awarded to the Bidders in function of the valid bidding quantities (demand) are as follows:

- Bidders’ aggregate capacity request in the given Auction Round, which equals to the capacity quantity offered by the Auctioneer (Exact Subscription). In this case, all the valid Bids shall be deemed as successful,

that is valid and successful Bids shall qualify as quantities awarded to the Bidder in the given Auction Round. In this case, the auction shall be closed.

- The aggregate bid quantity submitted by the Bidders is lower than the quantity offered by the Auctioneer in any Auction Round following the first one (Undersubscription). In this case, all the Bids submitted in the given Auction Round shall be accepted and satisfied at the Bidding Price valid in the given Auction Round. Quantities specified in their Bid shall be awarded to the Bidders. In this case, the auction shall be closed.
- In the event that the aggregate bid quantity exceeds the offered quantity in any Auction Round, Oversubscription occurs. In this case the Auctioneer may, at its own discretion, choose to:
 - successfully close the auction and determine the quantities awarded to the Bidders according to the bid price and bid quantities of the (most recent) oversubscribed Auction Round, by means of proportional distribution.
 - close the given Auction Round (announcing “Oversubscription” as the Auction Round result) and continue the Auction by launching the subsequent Auction Round with an increased Bid Price. In this case, the bid quantity shall not change in the subsequent round. Auction rounds may continue unless there is “Undersubscription”, “Lack of Subscription” or “Exact Subscription”.
- No valid Bid is received in any Auction Round following the first one (Lack of Subscription). In this case, the Auctioneer may either declare the auction unsuccessful, or announce a subsequent Auction Round.

3) Announcement of Results

Evaluation shall be followed by announcing the results - regarding given auction round. During the announcement of results, the following information shall be released about the relevant round: number of the relevant Auction Round, the Bid Price valid in the relevant round, the quantities awarded and the fact of “Undersubscription”, “Exact Subscription”, “Oversubscription” or “Lack of Subscription”.

5.5. Final Result Announcement

Following a successful auction, the Auctioneer records the results of the auction in a protocol per each Bidder (sold storage capacities, price established at the auction). The Auctioneer instructs the awarded Bidder(s) whom to contact in relation to concluding the contract.

All the awarded Bidders and the other, non-awarded Bidders shall receive from the Auctioneer information relevant only to them.

Storage capacities remaining due to undersubscription shall be announced and sold to candidates at the closing price of the relevant auction, on a first come, first served basis.

In as far as the Auctioneer accepts the Bidder's bid in the final result announcement, the Bidder shall be bound by the obligation to conclude a contract on the bundles according to the bid under the exclusive contractual terms set forth in the annex of this Regulation – and adopted by the Bidder in the auction statement –, defaulting on which so shall entitle the Auctioneer to use the Bid bond.

Following the auction the Auctioneer and the awarded Bidders shall conclude the "Natural Gas Storage Contracts" on the awarded quantities within 5 business days from the auction.

The Natural Gas Storage contract template specifies the payment conditions for the capacity quantities awarded to the Bidder.

5. 6. Invalid Auction

The Auctioneer shall be entitled to declare the auction invalid if:

- during the auction, unforeseeable technical problems arise which the Auctioneer is unable to control. In this case, the auction will be held at a later announced date. The Auctioneer publishes information on its website regarding the rules of such auction.
- any of the Bidders acts improperly at the auction, or gains or makes an attempt to gain undue advantage by applying demonstrably unfair methods damaging the interests of other participants. In this case, the auction is to be held at a later announced date, excluding the Bidder rendering the auction invalid. The Auctioneer publishes information on its website regarding the rules of such auction.

The Auctioneer reserves the right to suspend the auction or revoke the auction notice without any justification at any time during the auction. In the event of revocation, the Auctioneer shall return by transfer the bid bond within 8 days, but shall not pay any damages or cost reimbursement whatsoever.

In case of an invalid auction, the Auctioneer shall announce a new auction within 3 business days.

6. ANNEXES

Annex No. 1: Registration Datasheet

Annex No. 2: Auction Statement

Annex No. 1

Registration Datasheet

Registration Datasheet for Capacity Auction by Magyar Földgáztároló Zrt

For successful registration, all the fields must be filled in with the exception of the Registration Code, of which the Applicant is informed following a successful registration.

Registration Code (to be provided by the Auctioneer simultaneously with registration):

Company data:

Company name

Country

Town

Street/square

Zip code

Data of the representative participating in the auction:

Representative's name:

Personal ID / passport no.:

Date of birth year/month/day:

E-mail:

Telephone/mobile

Fax

Dated:

.....

corporate signature

Annex No. 2

Auction Statement

On accepting the participation conditions of the auction to be held at **Magyar Földgáztároló Zrt** (MFGT headquarters, 1051 Budapest, Széchenyi István tér 7-8).

The undersigned: _____ seat: _____

Tax No. / Tax identification No.: _____

Bank account number: _____

as a Bidder makes a statement on accepting the following conditions:

1. Bidder states that it agrees with the regulation governing the **capacity auction to be held at MFGT** (MFGT Headquarters, 1051 Budapest, Széchenyi István tér 7-8). Bidder agrees to be bound by the content thereof during the auction and the preceding registration procedure.
2. Bidder accepts that the "Natural Gas Storage Contract(s)" attached to the auction notice – together with the contractual provisions thereof unchanged – and the Code of Business Conduct of MFGT shall be applicable to concluding the contract after a successful bidding.

Dated:.....

Bidder's corporate signature

9.2 STORAGE CAPACITY AUCTION REGULATION II

HUNGARIAN GAS STORAGE LTD

STORAGE CAPACITY AUCTION REGULATION II

IN CASE OF OPTIONAL CAPACITY AUCTIONS

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1. INTRODUCTION AND OBJECTIVE OF REGULATION

Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC sets forth that access to natural gas storage facilities shall be provided on the basis of objective, transparent and non-discriminatory criteria.

The objective of this auction regulation (hereinafter referred to as Regulation) is to specify the procedure, the framework conditions of participation and the framework rules of optional capacity auctions announced and planned to be carried out by the Hungarian Gas Storage Ltd (hereinafter referred to as MFGT).

2. SUBJECT AND SCOPE OF THE REGULATION

This regulation provides information on the scope of auction participants, the product constituting the subject of the auction, as well as the process of carrying out the auction. Following a valid and successful auction, MFGT as the auctioneer (Auctioneer) and the Bidder of the awarded bid shall conclude the Natural Gas Storage Contract specifying the general contractual terms and conditions of trading, settlement and payment, along with the rights and obligations of the contracting parties. The Natural Gas Storage Contract shall be annexed to the applicable auction notice.

The scope of the regulation shall cover

- the Bidders intending to participate in the auction, specified in the Regulation and, as well as their representatives acting on their behalf;
- the Auctioneer announcing and carrying out the optional capacity auction and offering the product at the auction, the representative acting on its behalf, along with those involved in carrying out the capacity auction.

3. REFERENCES

Act No. CXII of 2011 on the Freedom of Information

Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009

4. DEFINITIONS

The objective of this section is to clarify for every stakeholder the interpretation of the concepts referred to herein. As for financial definitions, this chapter shall only specify the explanation of concepts closely related to the auction.

Bid: Bid Price and related capacity booking request submitted by Bidders at the capacity auction.

Bid Price: Price offered by the Bidder for capacity bundles offered during the action.

Bid Bond:	Financial security which can be defined by the Auctioneer – exercising its discretionary powers – in the form of a bond, the amount of which can be determined by the Auctioneer in the announcement notice. If the Auctioneer prescribes a bond, the Bidder shall pay the amount of the bond to MFGT's account prior to 12:00 hours on the business day preceding the auction. Failure to pay the bid bond in due time shall exclude participation in the auction. The bid bond shall serve as a security for paying the earnest money as defined hereunder. The Bidder shall pay earnest money in the amount of the bid bond in the event the Bidder fails to sign the natural gas storage contract within 5 business days from the auction. Following the conclusion of the procedure, the amount of the bid bond shall be reimbursed within 5 business days from signing the contract to Bidders entitled to conclude the natural gas storage contract.
Bid Period:	Period of using storage capacities offered at the auction, commencing at 06:00 hours in the morning on the day when the capacities become available and terminating at 06:00 hours in the morning on 1 April at the end of the storage year. The Auctioneer specifies the availability date of the capacities in the auction notice.
Bid Quantity:	Capacity quantity (number of capacity bundles) for the booking of which the Bidder makes a bid at the Bid Price.
Bidder:	Any company with a Hungarian natural gas trading license, submitting a bid in conformity with the auction notice.
Undersubscription:	Quantity – capacity booking request – failing to reach the unit capacity (minimum number of bundles) offered by the Auctioneer.
Auction Round:	The following processes shall belong to one Auction Round at the auction: submitting the Bids until the deadline defined for the capacity bundles, then processing and evaluating the received Bids and announcing the auction result to the Bidders.
Auction Statement:	Statement to be filled in during the registration procedure of the capacity auction (see Annex No. 2), in which the participant makes a statement to the effect of accepting the terms and conditions in relation to the auction.
Unsuccessful Bid:	A bid that is not accepted by the Auctioneer during the evaluation.

Natural Gas Storage Contract:	Contract entered into by and between the awarded Bidder(s) and the Auctioneer on booking the capacity bundles sold at the auction, which shall in any case be attached as annex to the public capacity auction notice.
Starting Price:	the price according to the non-universal service price formula as per the Tariff Decree.
Lack of Subscription:	No valid bid is received for the capacity bundles offered at the auction.
Auctioneer:	Magyar Földgáztároló Zrt. (seat: 1051 Budapest, Széchenyi István tér. 7-8., Trade Registry No.: 01-10-015043) as natural gas storage licensee.
Minimum Price:	The lowest unit price (HUF/energy quantity) set forth by the Auctioneer below which the bid price renders the relevant bid unsuccessful. The Auctioneer determines the Minimum Price until the bidding deadline expires, without making it public. The Auctioneer shall record the Minimum Price in a protocol in the presence of a public notary following the expiry of the bidding deadline, but before the received bids are known – that is prior to opening the closed envelopes.
MFGT:	The abbreviated name of Hungarian Gas Storage Ltd; the Auctioneer.
Exact Subscription:	Bidders' aggregate capacity request, which equals to the capacity quantity offered by the Auctioneer.
Registration Datasheet:	The form required for registration as per Annex No. 1.
Oversubscription:	Bidders' aggregate capacity request, which exceeds the amount of capacity offered by the Auctioneer.

5. Auction Procedure

5. 1. Auction Announcement

The capacity auction shall be publicly announced on the MFGT website and by e-mail to all the companies with natural gas trading license in Hungary.

The Auctioneer publishes the auction regulation governing the relevant auction, together with the auction notice and the natural gas storage contract template on its website (www.magyarfoldgazarolo.hu).

The Auctioneer provides the following information in the auction notice:

- Name, availability details and submission deadline of the documentation required for registration;
- Size and quantity of capacity bundles announced;

- Starting Price of capacity bundle/bundles;
- In case optional auctions, the exact specification of the Bid period;
- Exact place and date of the capacity auction;
- Deadline for receiving the bids;
- Validity requirements for bids
- Detailed rules of carrying out the auction;
- Name and contact details of the contact person;
- Type and amount of the security to be specified by the Auctioneer;
- The auction notice also contains the Natural Gas Storage Contract which stipulates the general, trading, settlement and payment terms and conditions as well as the rights and obligations of the contracting parties.

Following the announcement of the auction, the contact person designated by the Auctioneer shall be entitled to answer any further questions in relation to the auction and to supply information.

The Auctioneer shall handle data obtained during the procedure in compliance with the provisions of Act No. CXII of 2011 on the Right of Informational Self-Determination and on Freedom of Information.

5. 2. Registration Process

The first steps of participating in the capacity auction are indicating the intent to participate, adopting the auction regulation by filling in the auction statement and sending the required documents to the Auctioneer.

At the capacity auction, bids can be made by only those capacity bidders that are eligible for storage access.

The documents required for the registration are as follows:

- Duly signed Registration Datasheet (attached).
- Duly signed Auction Statement (attached), by the signature of which the Bidder verifies its intent to participate and the acceptance of the Auction Regulation and the Natural Gas Storage Contract template.
- Original certificate of incorporation not older than 30 days in case of business organisations registered in Hungary and abroad, and its translated copy in Hungarian or in English (certified translation is not required in case of companies registered in Hungary, the online version by the Hungarian Ministry of Justice is accepted) in case of business organisations registered abroad.

- In case of business organisations registered in Hungary: *copy* of the notarised specimen signature(s) (or sample signature(s) countersigned by an attorney-at-law) of the authorised signatory (signatories) signing the bid.
- In case of business organisations registered abroad: *copy* and translated English or Hungarian copy of the notarised specimen signature(s) (or sample signature(s) countersigned by an attorney-at-law) of the authorised signatory (signatories) signing the bid; or the *original copy* and translated English or Hungarian copy of their sample signature signed in manuscript in the presence of two witnesses, and in the latter case: a Hungarian or English copy of the signed side of a personal document belonging to the signatory (by mail or e-mail).
- Furthermore, in the event that said documents are signed by an attorney-in-fact, a copy of the signed side of a personal document belonging to the attorney-in-fact is also required, in compliance with the above rules applicable to the authorised signatory acting as principal. The power of attorney shall clearly indicate that the attorney-in-fact is entitled to represent the capacity bidder during *registration and/or bidding*.

The **Bidder may be represented** by its officer authorised to represent the Bidder and entitled to act as its signatory, or by a person authorized in writing by such an officer (in the event of joint signatories: officers) of the Bidder.

These documents shall be submitted to the Auctioneer prior to the registration date stated in the capacity auction announcement notice, but not later than 16:00 hours on the business day preceding the capacity auction date. Auctioneer shall confirm the registration to the applicant.

During **registration**, in the event of late or incomplete delivery of documents, the Auctioneer may require deficiency correction from the Bidder along with setting a deadline, defaulting on which has the legal implication of invalidating the registration.

Acceptance of the registration by MFGT is also conditional on the full and complete submission of the above *documents required for nomination* by mail or by email, however, in the latter case, the *original* documents shall also be submitted together with the bid, in the absence of which the registration is rendered invalid, and thus the bid cannot be evaluated.

In case of a valid registration, the Auctioneer confirms the fact of registration to the Bidder by e-mail.

During registration, Auctioneer shall be obliged to treat data submitted to the auction in a confidential manner and will not disclose them to any third party.

5.3. General Rules of Auction

Registered Bidders shall pursue open market behaviour during the auction, therefore they shall not initiate any background agreement infringing the capacity auction participation and interests of the Auctioneer and other Bidders or providing

unjustified advantages. The Bidder shall agree and declare neither to conclude, nor to have concluded any contract or agreement with any other party which would confer any undue advantage in relation to the given auction (e.g.: with regard to the coordination of bidding intention/behaviour, strategy or Bid Prices).

Bidders shall agree to the content of the auction regulation, and understand that breaching the content thereof results in the Bidder's immediate exclusion.

Auctioneer shall provide the room and the resources required for carrying out the auction.

The Auctioneer offers storage capacities at the auction in bundles of

- withdrawal capacity [kWh/day],
- injection capacity [kWh/day],
- working gas capacities [kWh]
- and any other potential service elements

for sale. Any capacity element can be 0 when bundles are created. The Auctioneer is to decide this in view of the available free capacities.

The Auctioneer publishes the Starting Price of capacity bundles in the auction notice.

5. 4. Conducting the Capacity Auction

The capacity auction shall be carried out at the place specified by MFGT.

The capacity auction shall have one auction stage:

Bidders can make a Bid for the bundles offered by the Auctioneer in the auction round set forth by the Auction Notice.

The quantity of capacity bundles offered – as the Bid Quantity – and the Starting Price shall be announced prior to the auction round.

5. 4. 1. Auction

1. Making a Bid

The Auctioneer announces the capacity bundles offered and a bundle Starting Price. The Starting Price is fixed. Bids can be made for one bundle or for the integral multiple of a bundle at a Bid Price below the Starting Price.

The bid shall contain the capacity booking request of the Bidder (in bundles) and the Bid Price.

2. Evaluation

The bid shall be valid if it meets the conditions set out in the Auction Notice regarding the bid.

During bidding, Bidders cannot modify or withdraw a recorded bid after submission.

Bidders shall be committed to their submitted Bids for 15 business days.

Submitted bids shall be opened by the Auctioneer in the presence of a public notary and / or the representative of the Hungarian Energy and Public Utility Regulatory Authority. Further to this, the opening of bids shall not be public.

Bids received late or incomplete bids are deemed invalid.

If the bid price of valid bids received fail to reach the Minimum Price, the auction shall be valid, but unsuccessful and no Natural Gas Storage Contract is concluded. In this case the given bid is considered as a valid, but unsuccessful bid.

If at least one submitted valid bid (offer price) reaches the Minimum Price, the auction shall be successful and the Auctioneer concludes a Natural Gas Storage Contract with the relevant (successful) Bidder.

If several submitted valid bids contain a bid price reaching the Minimum Price and the bid prices are different, the Auctioneer concludes the Natural Gas Storage Contract with the awarded Bidder submitting the highest bid price first, then with the awarded Bidder submitting the second highest price up to the extent of the offered capacity bundles. In this case it may occur that an awarded Bidder's capacity request is partially or not at all satisfied by MFGT.

In case of oversubscription if several submitted valid bids contain a bid price reaching the Minimum Price and the bid prices are the same, MFGT distributes the still available capacity bundles pro rata in accordance with capacity bundles requested by the awarded Bidders.

5.5. Announcement of the Results

Following the auction, the public notary shall record the results of the auction in a protocol per each Bidder (bid price, requested and sold capacity bundles, along with the bid period) or the fact of an unsuccessful auction. The protocol shall not be public. Auctioneer notifies the awarded Bidder with regard to the result of the auction (valid / invalid, successful / unsuccessful) relevant to the given Bidder, together with information on whom to contact in relation to concluding the contract.

All the awarded Bidders and the other, non-awarded Bidders shall receive from the Auctioneer information relevant only to them.

In as far as the Bidder's bid is successful, the Bidder shall be bound by the obligation to conclude a contract on the bundles according to the bid under the exclusive contractual terms set forth in the appendix of this Regulation – and adopted by the Bidder in the auction statement –, defaulting on which so shall entitle the Auctioneer to use the Bid bond.

Following the auction – provided the Bidder submitted a valid and successful bid –, the Auctioneer and the awarded Bidder shall conclude the "Natural Gas Storage

Contract” contained in the annex to the Auction notice on the awarded quantity within 5 business days from the auction.

The Natural Gas Storage Contract specifies the payment conditions for the capacity quantities awarded to the awarded Bidder.

5. 6. Invalid Auction

Auctioneer shall be entitled to declare the capacity auction invalid if:

- during the auction, unforeseeable technical problems arise which the Auctioneer is unable to control. In this case, the auction will be held at a later announced date. Auctioneer publishes information on its website regarding the rules of such auction.
- any of the Bidders acts improperly at the auction, or gains or makes an attempt to gain undue advantage by applying demonstrably unfair methods damaging the interests of other participants. In this case, the auction is to be held at a later announced date, excluding the Bidder rendering the auction invalid. Auctioneer publishes information on its website regarding the rules of such auction.

Auctioneer reserves the right to suspend the auction or revoke the capacity auction notice without any justification at any time during the auction. In the event of revocation, the Auctioneer shall return by transfer the bid bond within 8 days, but shall not pay any damages or cost reimbursement whatsoever.

Auctioneer reserves the right to announce auctions from time to time under conditions other than those set out in this auction regulation.

6. ANNEXES

Annex No. 1: Registration Datasheet

Annex No. 2: Auction Statement

Annex No. 1

Registration Datasheet

Registration Datasheet for Optional Capacity Auction by Magyar Földgáztároló Zrt

For valid registration, all the fields must be filled in.

Company data:

Company name

Country

Town

Street/square

Zip code

Data of the representative signing the auction bid:

Representative's name:

Personal ID / passport no.:

Date of birth year/month/day:

E-mail:

Telephone/mobile

Fax

Dated:

.....
Bidder's corporate signature

Annex No. 2

Auction Statement

On accepting the participation conditions of the auction to be held at **Magyar Földgáztároló Zrt** (1051 Budapest, Széchenyi István tér 7-8).

The undersigned: _____ seat:

Tax No. / Tax identification No.: _____

Bank account number: _____

as a Bidder makes a statement on accepting the following conditions:

3. The Bidder states that it agrees with the regulation governing the **capacity auction to be held at MFGT** (MFGT Headquarters, 1051 Budapest, Széchenyi István tér 7-8). Bidder agrees to be bound by the content thereof during the auction and the preceding registration procedure.
4. The Bidder accepts that the “Natural Gas Storage Contract(s)” attached to the regulation – together with the contractual provisions thereof unchanged – and the Code of Business Conduct of MFGT shall be applicable to concluding the contract after the successful bidding procedure and the acceptance of its bid.

Dated:.....

Bidder's corporate signature

10 Description of Storage Plus Service (Service Offering Additional Storage Flexibility)

This product was introduced to support system users' trading activities, offering a greater degree of flexibility in optimising supply and consumption any time during the gas year.

Storage Plus Service allows the System Users to move gas in the direction opposite to the actual physical flow at the storage facility and/or the direction of flow announced for the relevant period. This means that they will be able to perform injection during the withdrawal cycle, and withdrawal during the injection cycle, regardless of the actual physical direction of flow at the storage facility.

This is possible in two ways:

- either by opposite direction supply at the zero point of the unified storage facility (in which case Backhaul (BH) capacity shall be booked with the FGSZ Natural Gas Transmission Company (FGSZ) for using the service)
- or by starting up a storage facility in the flow direction opposite to that of the announced storage cycle.

The table below indicates any and all possible scenarios:

Storage Period	Storage flow direction announced by MFGT	Physical storage flow direction	Theoretically possible storage flow directions, services used	Required capacity booking	
				MFGT	FGSZ
1 April - 30 September	Injection	injection	injection	Basic	Basic
		withdrawal	withdrawal	Storage Plus	Basic
		withdrawal	virtual injection	Storage Plus	Backhaul withdrawal
		injection	virtual withdrawal	Storage Plus	Backhaul injection
1 October - 31 March	Withdrawal	injection	injection	Storage Plus	Basic
		withdrawal	withdrawal	Basic	Basic
		withdrawal	virtual injection	Storage Plus	Backhaul withdrawal
		injection	virtual withdrawal	Storage Plus	Backhaul injection

Announced storage flow direction defines what is considered as the basic service for the unified storage facility in the given period. Physical storage flow direction means physical injection or withdrawal, regardless of the cycle. The column labelled as required capacity booking specifies the type of required capacity booking. Accordingly, system users shall pay an additional fee for Storage Plus service bookings.

Conditions of Use:

It is an indispensable precondition for using the product that the System User has storage booking at the storage licensee for seasonal storage provided as a basic service under a relating Natural Gas Storage Contract or a valid annual framework contract authorising the use of Storage Plus service. System user shall submit its nomination for Storage Plus quantities on the nomination interface of MFGT's IT Platform pursuant to its Natural Gas Storage Contract (or Framework Contract). Prior to each gas day, MFGT shall inform the System Users on its official website regarding the physical mode of the unified storage facility, and nominations shall be submitted accordingly.

The financial settlement and invoicing of the Storage Plus storage service shall be carried out posteriorly, based on the quantities actually allocated.

Storage Plus service is provided to system users by MFGT on the following terms:

- The product can be used as interruptible capacity at the storage licensee on every day of the year,
- System users requesting the product may not use an option for Storage Plus service during the nomination of Storage Plus quantities, when storage takes place virtually (by means of reducing the actual physical quantity).
- The requested Storage Plus quantity shall be announced by the system user prior to the gas day, during nomination.
- The requested quantity may be modified by the user of the service within half a day and, in the case of renomination, subject to the storage licensee's approval,
- The fee charged for the Storage Plus Service is 0.325 HUF/kWh/day.

The table below indicates the nominations required for using the storage service:

Storage flow direction announced by MFGT		Physical storage flow direction	Theoretically possible storage flow directions, services used	User's storage request	Required nominations	
					MFGT	FGSZ
Injection	1.	injection	injection	injection	Injection nom	NOM
	2.	withdrawal	withdrawal	withdrawal	Withdrawal nom	NOM
	3.	withdrawal	virtual injection	injection	Withdrawal virt	BH withdrawal
	4.	injection	virtual withdrawal	withdrawal	Injection virt	BH injection
Withdrawal	5.	injection	injection	injection	Injection nom	NOM
	6.	withdrawal	withdrawal	withdrawal	Withdrawal nom	NOM
	7.	withdrawal	virtual injection	injection	Withdrawal virt	BH withdrawal
	8.	injection	virtual withdrawal	withdrawal	Injection virt	BH injection

During the Injection Period

1. If the unified storage facility is in injection mode, or if – based on the quantity requested – the system user is able to independently start up a storage facility reported ready for injection, and the system user has an injection requirement, system user nominates at MFGT the quantity for injection at the base fee. ***This service is in line with the officially announced mode of operation of the unified storage facility, therefore it shall be charged at the base fee.*** Simultaneously, transmission shall be registered with FGSZ by submitting a NOM type nomination for the capacity booked for the “Unified Injection” point.
2. If, during the injection period, the unified storage facility continues to operate in withdrawal mode based on the requirements of the system users, and the system user requires withdrawal, it nominates the quantity at MFGT for withdrawal at the base fee. ***This service allows the system user to move gas in the direction opposite to the officially announced mode of operation of the unified storage facility, which***

shall qualify as Storage Plus service. Simultaneously, transmission shall be registered with FGSZ by submitting a NOM type nomination for the capacity booked for the “Unified Withdrawal” point.

3. If, during the injection period, the unified storage facility operates in withdrawal mode based on the requirements of the system users, and the system user requires injection without being able to start up a storage facility reported to be ready for injection, but the request can be satisfied by backhaul at the unified storage facility, it nominates virtual quantity at MFGT for withdrawal. ***This service allows the system user to move gas in the direction opposite to the physical mode of operation of the unified storage facility, which shall qualify as Storage Plus service.*** Simultaneously, transmission shall be registered with FGSZ by submitting a BH type nomination for BH capacity booked for the “Unified Withdrawal” point.
4. If the unified storage facility is in the injection mode and the system user requires withdrawal that can be satisfied by backhaul at the unified storage facility, the system user nominates virtual quantity at MFGT for injection. ***This service allows the system user to move gas in the direction opposite to the physical mode of operation of the unified storage facility, which shall qualify as Storage Plus service.*** Simultaneously, transmission shall be registered with FGSZ by submitting a BH type nomination for BH capacity booked for the “Unified Injection” point.

During the Withdrawal Period

5. If, during the withdrawal period, the unified storage facility operates in injection mode based on the requirements of the system users, and the system user requires injection, it nominates the quantity at MFGT for injection at the base fee. ***This service allows the system user to move gas in the direction opposite to the officially announced mode of operation of the unified storage facility, which shall qualify as Storage Plus service.*** Simultaneously, transmission shall be registered with FGSZ by submitting a NOM type nomination for the capacity booked for the “Unified Injection” point.
6. If the unified storage facility is in withdrawal mode, or if – based on the quantity requested – the system user is able to independently start up a storage facility reported ready for withdrawal, and the system user has a withdrawal requirement, system user nominates at MFGT the quantity for withdrawal at the base fee. ***This service is in line with the officially announced mode of operation of the unified storage facility, therefore it shall be charged at the base fee.*** Simultaneously, transmission shall be registered with FGSZ by submitting a NOM type nomination for the capacity booked for the “Unified Withdrawal” point.
7. If the unified storage facility is in the withdrawal mode and the system user requires injection that can be satisfied by backhaul at the unified storage facility, the system user nominates virtual quantity at MFGT for withdrawal. ***This service allows the***

system user to move gas in the direction opposite to the physical mode of operation of the unified storage facility, which shall qualify as Storage Plus service.

Simultaneously, transmission shall be registered with FGSZ by submitting a BH type nomination for BH capacity booked for the “Unified Withdrawal” point.

8. If, during the withdrawal period, the unified storage facility operates in injection mode based on the requirements of the system users, and the system user requires withdrawal without being able to start up a storage facility reported to be ready for withdrawal, but the request can be satisfied by backhaul at the unified storage facility, it nominates virtual quantity at MFGT for injection. ***This service allows the system user to move gas in the direction opposite to the physical mode of operation of the unified storage facility, which shall qualify as Storage Plus service.*** Simultaneously, transmission shall be registered with FGSZ by submitting a BH type nomination for BH capacity booked for the “Unified Injection” point.

FGSZ conditions for using Storage Plus Service:

Capacity booking:

FGSZ provides the injection and withdrawal capacities specified in the annual KFSZRI (Capacity Booking, Natural Gas Transmission, Odourisation and System Operation) agreements to system users throughout the gas year, depending on the schedule of operating modes specified by MFGT.

If the storage facility also provides actual physical injection during the withdrawal cycle, or if it provides actual physical withdrawal during the injection cycle, or if both injection and withdrawal are available, system users can use their booked capacities. That is, when the storage facility operates in both directions (and measurement is active), FGSZ offers nomination to traders at the base capacity.

System users intending to use the storage service in the opposite direction (that is not physically carried out) on the natural gas transmission system, shall book Backhaul type interruptible capacities for the unified storage point.

Backhaul contracts may be of the following types:

- annual, monthly, or daily for a specific period and for a specific capacity.
In this case, the capacity fee for the contracted capacity shall be paid in advance.
- daily framework agreement.
In this case, the capacity fee payable shall be calculated based on MFGT's allocation, according to the actual usage by taking weekly protocols.

Other conditions:

- volume fees shall be payable for the quantity allocated to entry BH capacity,
- no volume fees shall be payable for the quantity allocated to exit BH capacity,
- when booking entry and exit BH capacities, fee calculation shall be based on Section 10 (3) *d*) of the Tariff Decree, in case of delivery points as per Section 2 (1) *a) ac) aca) acb)* it shall be calculated using the capacity fee specified for entry point as per Section 2 (1) *a) ac) acb)*.

Nomination:

System users shall submit nominations for the unified storage point of the natural gas transmission system, in accordance with their agreement with the storage company. FGSZ and MFGT shall cross-reference submitted nominations. Should MFGT reject a nomination request on the basis that the nomination was not in compliance with the availability of the relevant capacity, system user receives a mismatch notification, and shall settle its storage request by submitting a renomination. The nomination will remain rejected until a nomination that complies with the actually available capacities is received from the system user.

(E.g.: System user nominates for injection capacity during withdrawal cycle. If the nominated quantity is insufficient for MFGT to perform the physical injection, or if it has not been approved by MFGT, physical injection will not be commenced at a storage facility, and therefore the nomination will need to be resubmitted by the system user for withdrawal BH capacity, after receiving the mismatch notification.)

Allocation:

During allocation, the quantity of virtual storage shall be equal to the nominated quantity.

11 ACCOUNT SETTLEMENT PROCEDURE FOR UNIVERSAL SERVICE RELATED STORAGE CAPACITIES

The prevailing Office resolution adopted in the subject: *“specifying the extent of annual storage capacity booking required to supply users eligible for universal service”* shall apply to the settlement of storage capacities required to supply users eligible for universal service. For each customer of the storage licensee, the resolution specifies the capacities required by the relevant system user in order to supply its users eligible for universal service. Following a preliminary consultation with the Office, the storage licensee prepared the following settlement procedure for guidance in cases not stipulated in the resolution – such as the settlement of capacity transfers related to switching traders, secondary capacity trading and new, intra storage year bookings.

In cases covered by the rules of procedure, the basis of settlement with system users shall be the capacity data requested from the system users for 1st April of the relevant year in kWh or kWh/day with regard to users eligible for universal service, as specified by the applicable Office Resolution. The basis of settlement shall be the capacities required to supply users eligible for universal service, as stipulated by the Office Resolution, reflecting the status before the capacity transfers regarding the relevant gas year.

The amount of capacities required to supply consumers eligible for universal service shall be determined per buyer pursuant to the applicable Office Resolution at the beginning of the storage year. Capacity ratio calculations for April shall also be based on figures specified by the applicable resolution. In the event that the Office adopts a new resolution, MFGT shall comply therewith when settling accounts with its customers.

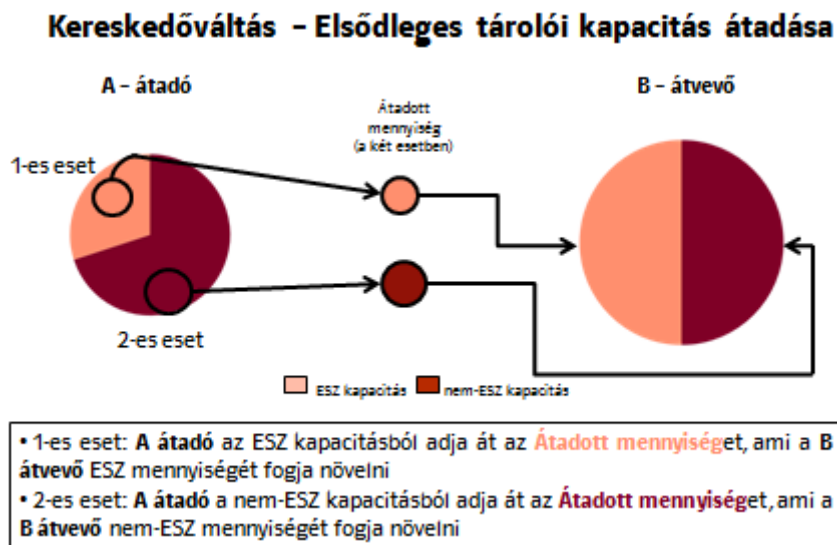
1. Settlement of Capacity Transfers Related to Switching Traders

1.1 MFGT applies the following procedure in case of primary storage capacity transfers resulting from switching traders

At present, capacity transfers related to switching traders shall be carried out on MFGT’s IT Platform. When traders are switched by a user, system users agree on the amount of working gas, injection and withdrawal capacities to be transferred, and MFGT approves the capacity transfer if capacities submitted on its IT Platform are in concordance. Resulting from the introduction of the double tariff system, MFGT shall keep record of transferred capacities as to whether they are to supply users eligible for universal service or open market users. Due to the introduction of the double tariff settlement, the record-keeping system is modified on the IT Platform according to the following:

- Capacity transfers related to supplying users eligible and non-eligible for universal service shall be recorded on the IT Platform.

1.2 System Users A and B agree on the quantity of storage capacity transferred



“System User A” hands over capacities on the IT Platform with regard to its users eligible for universal service. KWh or kWh/day capacities transferred shall be deducted from System User A’s capacity portfolio of users eligible for universal service, and added to System User B’s capacity portfolio of users eligible for universal service.

“System User A” hands over capacities on the IT Platform with regard to its users not eligible for universal service. KWh or kWh/day capacities transferred shall be deducted from System User A’s capacity portfolio of users not eligible for universal service, and added to System User B’s capacity portfolio of users not eligible for universal service.

1.3 System Users A and B do not agree on the transfer of storage capacities

In this case, MFGT does not modify the booked storage capacities of System User A and B, and no contract amendment is carried out. For capacities not taken, System User A shall remain obliged to pay the capacity fee to MFGT pursuant to its contract. The disputed quantity will modify the portfolio of neither System User.

1.4 Capacities to be handed over by System User A only partially correspond to the capacities to be taken over by System User B

If the capacities submitted on the IT Platform by System User A for transfer are not equal to the capacities entered into the IT Platform by System User B for takeover, the two system users shall agree on the quantity of capacities to be transferred, and then both shall register the corresponding quantities on the IT Platform. Following this, MFGT accepts the capacity transfer and enters the relevant modifications into the relevant system users' portfolio pursuant to Section 1.2.

2. Secondary Capacity Trade

2.1 The rules of procedure for secondary capacity trade are not modified; system users transfer storage capacities and injected gas quantities between each other via the T Platform.

2.2 On common understanding developed with the Office, the secondary transfer of capacities related to supplying users eligible for universal service is excluded. In case of transferring capacities related to supplying users eligible for universal service, from the moment of the transfer, transferred capacities shall be deemed as capacities supplying users not eligible for universal service.

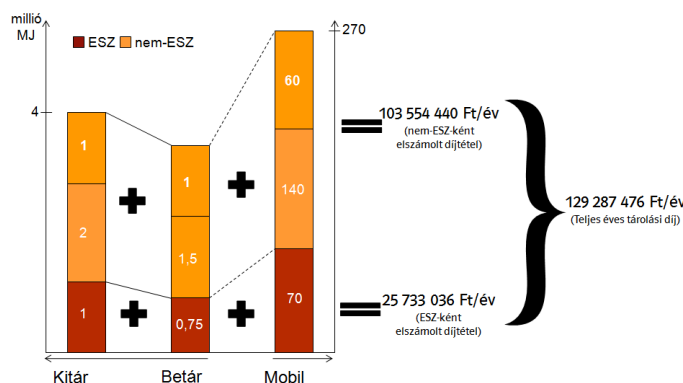
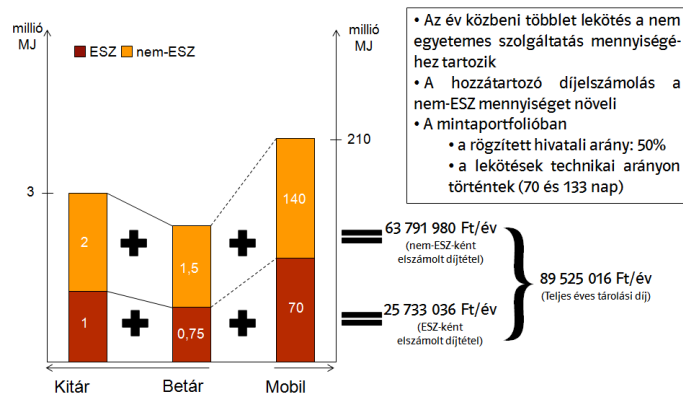
2.3 In line with the request of the Office, MFGT continuously keeps track of the secondary storage capacity trade, and reserves the right to inform the Office of any transaction if abuse is suspected.

3. Additional storage capacity booking during the storage year

Additional storage capacities requested during the year will be accounted for by the storage licensee to the system users as capacities related to users not eligible for universal service, unless the Office determines capacities different from the capacities specified by its resolution applicable at the date of booking. If in connection with the additional capacity booking, any consumer eligible for universal service is identified by the Office, MFGT shall accordingly modify the storage capacity booking contracts of the system users. In any given storage year, MFGT will accept such requests until 01 April each year, as negotiated with the Office.

Hungarian Gas Storage Limited Company Annex No. 11: Settlement Procedure for Universal Service Related Storage Capacities

Év közbeni többlet tárolói kapacitás lekötése



The double tariff system renders the use of discount price capacities conditional on supplying user eligible for universal service. Hence by signing the storage contract, the system user undertakes that capacities dedicated to universal service will not be used for supplying non-universal consumers, and non-universal capacities will not be used for supplying consumers eligible for universal service. In as far as there is a risk that the system user violates the above rule, the storage company reserves the right to report this to the Office, and request compensation for the possible damage. The storage system user shall be obliged to compensate for the loss determined by the Office.

12 Rules of Procedure for Storing, Releasing and Replacing Strategic Natural Gas Reserve

1. Objective of the Rules of Procedure

MFGT prepared these rules for storing, releasing and replacing the strategic natural gas reserve, including provisions on withdrawal and settlement, along with the procedure of complaint management, in line with Act No. XL of 2008 on natural gas supply (hereinafter referred to as Gas Act), Act No. XXVI of 2006 on strategic storage of natural gas (hereinafter referred to as Strategic Storage Act), Government Decree No. 19/2009. (I.30.) on the implementation of Act No. XL of 2008 on natural gas supply (hereinafter referred to as Gas Act Implementation Decree), Government Decree No. 265/2009 (XII.1.) on the restriction of natural gas offtake, the usage of the natural gas strategic reserve, and other measures required in case of a natural gas supply crisis (hereinafter referred to as Gov. Decree 265/2009) and the Operational and Trading Code (hereinafter referred to as Grid Code) establishing the regulatory background and with Resolution No. 1567/2013 of the Hungarian Energy and Public Utility Regulatory Authority (hereinafter referred to as Office).

2. Rules for Accessing Strategic Natural Gas Storage

Pursuant to Section 12.1 of the Grid Code, system operators shall notify the president of the Office with regard to information – indicating an expected natural gas supply crisis – without delay after becoming aware thereof. Having regard to Section 97, Subsection (3) of the Gas Act, the president of the Office shall inform the minister responsible for energy policy, and shall initiate the classification of the natural gas supply crisis by proposing a level rating, based on available information. The minister shall decide on the existence, level and end of the natural gas supply crisis in a resolution.

Based on the authorisation as per Section 132, Subsection 32 of the Gas Act and pursuant to Section 98 (2), the Government shall specify it in a decree² that in the course of preparing the resolution on the existence and level of natural gas supply crisis, the Natural Gas Supply Crisis Committee (hereinafter referred to as Committee) shall provide assistance to the minister by making proposals.

The transmission system operator shall notify the system operators within 2 hours from the publication of the ministerial resolution on the existence and level of the crisis in natural gas supply, and shall orally and by fax inform the central organisation of the official disaster management, who shall in turn have 2 hours to notify orally and by fax the system users they are in contractual relationship with.

MFGT shall notify the System Users they have a contractual relationship with within 2 hours from becoming aware of the existence of the natural gas supply crisis.

Pursuant to Section 5 (1) of the Strategic Storage Act, upon the initiation of the Committee established for the natural gas supply crisis, the minister in charge of energy policy authorises in a decree the release of the strategic natural gas reserve, specifying the reason and objective thereof, also determining the quantity of natural gas to be released and the procedure for replacing such used reserves.

²Government Decree No. 265/2009

Following the ministerial decree on the utilization of the strategic natural gas reserve is issued – in case of a *level I natural gas crisis* – the Office shall issue a resolution on releasing the strategic natural gas reserve and on the eligible natural gas traders (hereinafter referred to as Beneficiaries) in line with the Strategic Storage Act and the legislation issued on the basis thereof. The Office shall distribute the strategic natural gas reserve and the related withdrawal capacity between the Beneficiaries withdrawing the strategic reserve. The Hungarian Stockpiling Association (hereinafter referred to as Association) shall conclude a natural gas sale contract with the Beneficiaries. The Association shall notify the CEO of MFGT and the MFGT Dispatcher Service with regard to the contracted Beneficiaries, along with the strategic natural gas reserve and the withdrawal capacities they are eligible for.

In case of a level II natural gas supply crisis, the transmission system operator shall have disposal over the released strategic natural gas reserve, as well. The Association is only to conclude a natural gas sale contract with the transmission system operator, of which it shall notify MFGT.

Pursuant to Section 97/C (1), in the event of a level II natural gas supply crisis, the minister may adopt a decree to regulate the following until the end of the natural gas supply crisis:

- suspension of performance of contracts on supplying customers,
- restriction of the supply of natural gas to customers, in particular the conditions of imposing, maintaining and lifting the restriction;
- rights and obligations of licensees,
- the maximum price, whether regulated or not, of all products and services relating to the supply of natural gas.

Following the balance of the integrated natural gas system is restored, the transmission system operator revokes the imposition of restrictions.

Upon the initiation of the Office, the minister issues a resolution declaring the end of the crisis.

3. Storing and Releasing Strategic Natural Gas Reserve

Pursuant to Section 4 (1) of the Strategic Storage Act, in the event that the decree issued by the minister responsible for energy policy assigns MFGT to store strategic reserves, the following MFGT storage facilities can be used as strategic storage facilities with the capacity limits specified in the table:

Name of underground gas storage facility	Working gas capacity (Million m ³)	Injection capacity (Million m ³ /day)	Withdrawal capacity (Million m ³ /day)
Hajdúszoboszló	1200	10	20
Zsana	1200	10	20

During the withdrawal of the strategic natural gas reserve, the Grid Code and the Code of Business Conduct of MFGT shall prevail.

MFGT shall conclude a storage capacity booking contract with the Association on the storage of strategic natural gas reserve.

MFGT shall confer to the Association all the rights and obligations that the storage capacity contract, the Grid Code and the MFGT Code of Business Conduct specify for the system users, and shall act in accordance with the procedure set out in those.

MFGT shall treat the Association as if it were a system user. During the term of the relating contract between the Association and MFGT, the Association shall be exclusively entitled to have firm access to the storage capacities of the strategic natural gas reserve stored in the storage facilities indicated in the table.

The owner of the strategic natural gas reserve shall be the Association. MFGT may release the natural gas quantity owned by the Association only to those entitled by the decree of the minister responsible for energy policy, up to the quantity and daily peak capacity therein specified.

When withdrawing the strategic natural gas reserve, MFGT shall provide a 24-hour enhanced breakdown-recovery emergency service in accordance with the emergency rules of procedure and instruction, ensuring increased control over operation (Rules of Procedure for Breakdowns, Crises or Restrictions in Natural Gas Supply).

4. Nomination for Strategic Natural Gas Reserve

Pursuant to Section 19 (2) of the Gas Act Implementation Decree, the Association shall be exclusively entitled to have firm access to the storage capacities of the strategic natural gas reserve – during the term of the relating contract.

Following the publication of the ministerial decree on releasing the strategic natural gas reserve, and following the notification of the Association, nominations for the strategic natural gas reserve may be submitted. In as far as these conditions are met, upon the instructions of MFGT's CEO, the Dispatcher Service of MFGT shall facilitate that Beneficiaries designated for withdrawing strategic reserve can nominate for the strategic natural gas reserve from the date specified in the decree.

In the event that the strategic natural gas reserve is to be released within the gas day, in coordination with the transmission system operator, MFGT shall immediately open the IT Platform for renomination. MFGT shall also coordinate the closing date of the nomination time window with the transmission system operator.

Thereafter, nomination shall take place according to normal operation under non-crisis conditions, pursuant to Section 3.2 of the Code of Business Conduct.

MFGT shall accept nominations from the Beneficiaries to the extent of the strategic natural gas reserve approved for them, or until the minister responsible for energy policy adopts a resolution declaring the end of the crisis. Upon the initiation of the Office, the minister responsible for energy policy issues a resolution declaring the end of the crisis and informs the transmission system operator and the related system operators thereof.

When releasing the strategic natural gas reserve, commercial stocks are not to be blocked, hence it is possible to nominate for both the commercial stock and the strategic natural gas

reserves on the IT Platform, except if the transmission system operator or the CEO of MFGT provides otherwise in the event of a level II crisis.

MFGT loads and unloads the storage facilities only on the basis of instructions received from the transmission system operator, according to the values provided therein.

5. Provisions for Settlement

Pursuant to Section 19 of the Implementation Decree, regarding the withdrawal of the strategic natural gas reserve, the natural gas storage company shall establish a settlement system which ensures that the natural gas is taken only by those who are entitled to use it by separate legislation, to an extent thereby specified.

Pursuant to Section 19 (4) of the Implementation Decree, the general rules of access shall not be applicable to the strategic natural gas reserve stored in the strategic storage facilities and it shall not fall within the scope of price regulation.

MFGT shall settle the accounts with the Beneficiaries pursuant to Section 15.3 of the Grid Code and the settlement procedure specified in the Code of Business Conduct. The daily settlement of withdrawing the strategic natural gas reserve shall be based on the protocol signed jointly by the contracting parties.

MFGT shall settle and manage the strategic reserve separately from the commercial stock with regard to the Beneficiaries withdrawing gas.

The daily heat quantity turnover of each Beneficiary shall be determined on the basis of the gas turnover volume using the daily average calorific value according to the following:

Following the gas day, MFGT shall allocate the gas quantity turned over on the given gas day to the Beneficiaries on the basis of the quantity and quality measurement data received from the transmission system operator. Allocation shall be based on the nominations submitted by the Beneficiaries for the given gas day.

MFGT shall not assign the Beneficiaries' stored stock to a specific storage facility as it is registered cumulatively, at a "unified storage facility" level only. The zero delivery point volume shall be determined on the transmission company's IT Platform for each Beneficiary. MFGT's Dispatcher Service shall perform the allocation. The value determined in the allocation process shall be the actual volume at the zero point of the storage facility.

The Beneficiary withdrawing strategic natural gas reserve can obtain information on MFGT's IT Platform with regard to current stock and daily volume data. MFGT's Dispatcher Service shall submit to the Association the daily volume data and the closing stock of the preceding day by email until 12:00 hours each day.

Based on the allocated volume protocols prepared by the transmission system operator, the Association shall settle the withdrawal fees with the Beneficiaries using the strategic reserve at the price and in a way specified by the contract between them. MFGT shall receive the fee for withdrawing the strategic natural gas reserve from the association according to the protocolling and settlement procedure set out in the contract existing between them.

In the event of a level II crisis, the Beneficiary in the above subsections shall be replaced by the transmission system operator.

6. Replacing the Strategic Natural Gas Reserve

In order to raise a strategic natural gas reserve as prescribed by the applicable ministerial decree on the volume, sale and replacement of the strategic natural gas reserve, the Association shall replace the natural gas in the strategic storage facility until the deadline set out in the decree.

MFGT shall give utmost priority to the replacement and injection of the strategic natural gas reserve as per the Strategic Storage Act. MFGT shall accept injection nominations from the Beneficiary for the replacement of the strategic natural gas reserve to the extent and in the period specified in the official document sent out by the Association. During replacement, any costs related to transmission and injection shall be borne by the Beneficiary.

Nomination rules shall be the rules set out in MFGT's Code of Business Conduct. If there are opposite nominations for the replacement of the strategic natural gas reserve and for the withdrawal of the commercial stock, MFGT shall net off the nominations and perform the net physical operation only. Settlement shall take place according to the nominations, pursuant to the allocation rules of MFGT.

7. Complaint Management

MFGT shall urgently investigate complaints in relation to using the strategic natural gas reserve within 1 day from becoming aware thereof, and shall inform the concerned parties with regard to the period of time it deems necessary for the investigation and the settlement thereof. MFGT shall keep record of the complaints received and shall store the documents for 3 years after closing the complaint.

Following the investigation of a complaint, MFGT shall notify the Beneficiary of the findings of the investigation and the measures taken. In the event that the complaint turns out to be unfounded, its rejection shall be accompanied by a detailed and clear explanation.

8. Keeping Record of Extraordinary Events

Any and all extraordinary events, natural gas crises shall be fully documented. The documentation shall contain:

- the date of convening the Supply Crisis Management Team and the protocols taken during its operation
- a detailed description of the natural gas supply disruption,
- every instruction, communication, nomination sent out to cooperating organisations, Buyers or the media, time stamped,
- instructions from external parties in relation to controlling the incident, and the documentation of their implementation,
- every internal instruction or measure taken for crisis recovery.

9. REVIR, Personal Conditions

Information supporting decision-making are quickly, efficiently and professionally forwarded to the competent manager pursuant to the "Rules of Procedure for Disruptions, Crises and Restrictions in the Natural Gas Supply" in the Executive Information System of Extraordinary Events (REVIR).

10. Communication

During crisis, communication in relation to the strategic natural gas reserve shall take place

- through the CEO when contacting the media,
- through the contact persons specified in the sale contracts and as per contract when contacting the Buyers,
- through the contact persons specified in the procurement contracts and as per contract when contacting the suppliers,
- through the contact persons specified in the system operation contracts and as per the contracts when contacting the system operators and the transmission system operator,,
- through the CEO when contacting the Ministry and the Office.

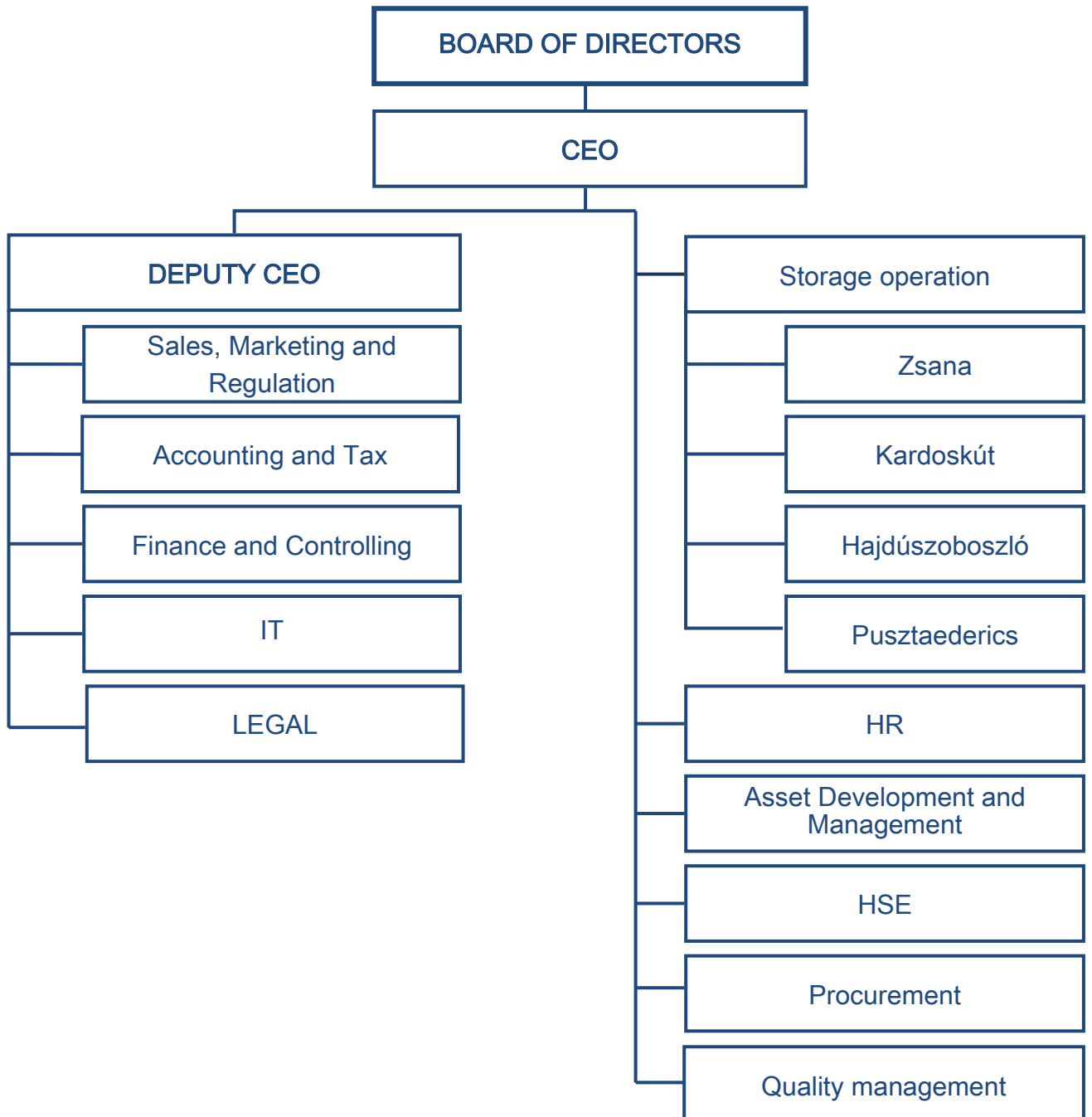
Following the end of the crisis, MFGT shall inform the Buyers without delay.

Pursuant to Section 2.6.2 of its operational licence No. 1567/2013, MFGT shall prepare and submit to the Office the analysis of its experience in relation to the withdrawal activity performed as per the ministerial decree within 8 business days from the end of withdrawal.

Appendices

1 Organisational Chart of MFGT

HUNGARIAN GAS STORAGE LTD
ORGANISATIONAL CHART



2 Key European and Hungarian Legislation and Regulations Concerning the Gas Market

EUROPEAN UNION REGULATIONS

1. Directive 2009/73/EC concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC

LAWS

1. Act No. XL of 2008 on natural gas supply (hereinafter referred to as Gas Act)
2. Act No. XXVI of 2006 on strategic storage of natural gas
3. Act No. LIII of 1995 on general rules of environmental protection and its amendments (hereinafter referred to as Environmental Protection Act)
4. Act No. XLVIII of 1993 on mining (hereinafter referred to as Mining Act)
5. Act No. XLV of 1991 on metrology and its amendments (hereinafter referred to as Metrology Act)
6. Act No. V of 2013 on the Civil Code (hereinafter referred to as Civil Code)
7. Act No. CXXVII of 2007 on Value Added Tax (hereinafter referred to as VAT Act)

GOVERNMENT DECREES

1. Government Decree No. 19/2009. (I.30.) on the implementation of Act No. XL of 2008 on natural gas supply (hereinafter referred to as Implementation Decree)
2. Gov. Decree No. 203/1998 (XII.19.) on the implementation of Act No. XLVIII of 1993 on mining (hereinafter referred to as Mining Act Implementation Decree)
3. Government Decree No. 265/2009 (XII.1.) on the restriction of natural gas off-take, the use of the strategic natural gas reserve, and other measures required in case of a natural gas supply crisis
4. Other Government Decrees issued as prescribed by the relating section of the Gas Act

MINISTERIAL DECREES

1. GKM Decree No. 86/2003. (XII. 16.) on the data supply obligation of certain natural gas sector undertakings
2. KHEM Decree No. 74/2009 (XII.7.) on the price regulation framework of natural gas system usage

DECREES AND RESOLUTIONS BY THE HUNGARIAN ENERGY AND PUBLIC UTILITY REGULATORY AUTHORITY

1. HEPURA Decree No. 1/2013 (VII.11.) on the natural gas system usage fees, the rules of stimulating the quality of service provided by the system operator through system usage fees, the system usage fees applicable according to the quality of service provided, and the terms of applying system usage fees (hereinafter referred to as Tariff Decree)
2. HEPURA Resolution No. 1567/2013, natural gas storage operational licence for MFGT
3. HEPURA Resolution No. 2045/2013, amendment No. I of the natural gas storage operational licence for MFGT (due to name change)

Key European and Hungarian Legislation and Regulations Concerning the Gas Market

4. HEPURA Resolution No. 615/2015, amendment No. II of the natural gas storage operational licence for MFGT

RULES

1. Operational and Trading Code of the Hungarian Natural Gas System (hereinafter referred to as Grid Code)
2. Guidelines for Good Practice for Storage System Operators (hereinafter referred to as GGSSO)

3 Organisations Representing System User Interests

INDUSTRIAL ENERGY CONSUMERS FORUM

1137 Budapest, Jászai Mari tér 6. II/14.

Phone: 1 359-6440

Website: <http://www.ief.hu>

E-mail: office@ief.hu

HUNGARIAN ENERGY CONSUMERS' ASSOCIATION

1091 Budapest, Üllői út 25.

Phone: 1 210-7116, 30 919-2064

Website: www.energiafogyasztok.hu

E-mail: mesz.iroda@freemail.hu

NATIONAL ASSOCIATION FOR CONSUMER PROTECTION

1012 Budapest, Logodi u. 22-24.

Phone: 1 201-4102

Website: www.ofe.hu

E-mail: ofe@ofe.hu

HUNGARIAN ENERGY AND PUBLIC UTILITY REGULATORY AUTHORITY DIRECTORATE FOR CONSUMER PROTECTION

1054 Budapest, Bajcsy-Zsilinszky út 52.

Phone: 1 459-7777

Fax: 1 459-7766

Website: www.mekh.hu

E-mail: mekh@mekh.hu