

**ANNUAL/LONG-TERM CONTRACT ON USING AND PROVIDING BUNDLED SEASONAL BASIC NATURAL
GAS STORAGE SERVICE, INTERRUPTIBLE INJECTION AND WITHDRAWAL CAPACITY AND STORAGE
PLUS SERVICE – STORAGE COMPACT**

(Contract No.:)

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:

1138 Budapest, Váci út 144-150.

mailing address:

1399 Budapest, Pf. 645.

account-keeping bank:

OTP Bank

bank account No.:

HU65 11794008-24027731-00000000

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 (HGS)**

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

PREAMBLE

On __ __ 20__, MFGT publicly announced an open auction for every system user under the title of “Capacity Auction No. 20_/__” 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 the System User’s bid. The bid constitutes Annex 1 to this Contract. Based on the Bid, Parties shall conclude the following contract on booking for the storage year(s) 20__/20__.

I SUBJECT AND DURATION OF CONTRACT

1. The subject of this Contract on Using and Providing Bundled Seasonal Basic Natural Gas Storage Service, Interruptible Injection and Withdrawal Capacity and Storage Plus Service (hereinafter referred to as Contract) (CPA No.: 521012) shall be:
 - a) The storage of natural gas owned by the System User, along with its firm or interruptible 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. Conditions as per the Fee List available on MFGT’s website and the announcement notice, as well as this contract shall apply to the service.
 - b) During daily nomination and re-nomination, System User may modify between each hour its hourly nominations for the rest of the day, for a fee, in excess of the tolerance range as per the Intra Gas Day Storage Flexibility (Intraday Nomination Plus) Customized Service. Conditions as per the Fee List available on MFGT’s website shall apply to the service. Along with
 - c) providing withdrawal opportunity in the injection cycle, and injection opportunity in the withdrawal cycle for the System User via Storage Plus Customized Service. Conditions as per the Fee List available on MFGT’s website and the announcement notice published for the Auction, as well as this contract shall apply to the service. Along with
 - d) providing further injection and/or withdrawal capacity (Daily Peak Plus Customized Service) in addition to the System User's booked working gas, withdrawal and injection capacities specified as the subject herein. Conditions as per the Fee List available on MFGT’s website shall apply to the service. Along with
 - e) providing 100% Available Flat Curves Injection and Withdrawal Capacity Service in addition to the System User’s booked working gas, withdrawal and injection capacities specified as the subject herein, for an additional fee. Conditions as per the Fee List available on MFGT’s website shall apply to the service.
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 Storage Plus Customized Service and/or Interruptible Capacity Service and/or Daily Peak Plus Customized Service and/or Intraday Nomination Plus Customized Service and/or 100% Available Flat Curves Injection and Withdrawal Capacity Service based on the System User' corresponding request confirmed by MFGT.

3. The contract shall be concluded upon signature by both parties, however MFGT shall be obliged to provide the service **for a fixed period of time** (service period) **from 06:00 on 01 April 20__ to 06:00 on 01 April 20__**.
4. Parties contract for using and providing a seasonal basic service and – based on the System User' corresponding request confirmed by MFGT – Storage Plus Customized Service and/or Interruptible Capacity Service and/or Daily Peak Plus Customized Service and/or Intraday Nomination Plus Customized Service and/or 100% Available Flat Curves Injection and Withdrawal Capacity Service. The contractual injection cycle starts in the respective year at 06:00 on 1st April ..., and shall end at 06:00 1st October The contractual withdrawal cycle shall start in the respective year at 06:00 1st October ..., and shall end at 06:00 on 1st April Storage Plus Customized Service and/or Interruptible Capacity Service and/or Daily Peak Plus Customized Service and/or Intraday Nomination Plus Customized Service and/or 100% Available Flat Curves Injection and Withdrawal Capacity Service can also be used in this period.
5. System User can use the Interruptible Capacity Service by injecting and withdrawing the natural gas taken over for the purpose of natural gas storage during the period as per Section I.4, with interruptible capacity.
6. System User can use the Intraday Nomination Plus Customized Service if during the hourly nomination, the sum of the absolute value of deviations between subsequent hourly nominations exceeds the percentage published in the applicable Fee List (tolerance range) on the basis of its first non-zero hourly nomination of the relevant gas day.
7. System User can use Storage Plus Customized Service if it requests gas movement opposite to the actual physical flow of the storage facility and/or the storage periods as per Section I.4.
8. System User can use Daily Peak Plus Customized Service if MFGT has in advance announced the duration of the service and the available capacities on its website and the System User has recorded on MFGT's IT Platform (SMCS) 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 the Fee List published on MFGT's website.
9. System User can use 100% Available Flat Curves Injection and Withdrawal Capacity Service if MFGT has in advance announced the duration of the service and the available capacities on its website and the System User has recorded on MFGT's IT Platform (SMCS) its booking request for flat curves capacities for the relevant gas days. If the System User's request is accepted by MFGT, a specific contract on using 100% Available Flat Curves Injection and Withdrawal Capacity Service is concluded by and between the Parties for the relevant day. Other terms and conditions of using the service shall be contained in the Fee List published on MFGT's website.

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. 4 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.mfgt.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 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

Interruptible storage capacities of booked bundles available to the System User are as follows:

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

Backhaul interruptible storage capacities (Storage Plus) of booked bundles available to 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. The primary trading of contracted capacities is possible only in cases specified in the MFGT Code of Business Conduct. The secondary trading of the interruptible and backhaul (Storage Plus) capacities is not possible.
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 39 of HEPURA Decree No. 11/2016 (XI.14.).
6. If required by the System User, further storage services are provided by MFGT for the System Users via optional and customized services, for which the Parties shall conclude a separate contract.

7. System User may also use interruptible capacities in excess of the capacity specified herein, 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 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 energy 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 energy quantity.
11. 9. System User shall submit also to MFGT the storage demand forecast with the date as per Section 3.3.3.2 and content as per Section 3.3.3.1 of the Grid Code.
12. Special rules for interruptible capacities:
 - a) In case of capacity interruption, natural gas cannot be injected into or withdrawn from storage against interrupted capacities.
 - b) System User shall understand that the actually available injection and withdrawal capacity may vary according to the nominations submitted by other System Users.
 - c) In case of interruption, MFGT will interrupt the simultaneously used interruptible capacities of the Service based on the nominations submitted, applying the pro rata principle.
 - d) The natural gas storage licensee shall inform the system user on the fact of interruption indicating the date of interruption and the extent of capacity required to be interrupted (kWh/hour).
 - e) MFGT shall not be obliged to provide interruptible injection and withdrawal capacities exceeding the peak capacity stipulated by Section III.1 of the Service Contract, nor to inject more working gas capacity.
 - f) MFGT shall be entitled to interrupt the injection or withdrawal at any time – with no obligation whatsoever to state reasons, indemnify or provide fee discounts.

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 (Implementation Decree).

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 not assume any obligation to inject and withdraw the nominated quantities allocated for the relevant storage facilities, and in case of non-performance, MFGT shall not cover any 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:

- firm working gas capacity:	kWh
- firm injection capacity:	kWh/day
- firm withdrawal capacity:	kWh/day
- interruptible injection capacity:	kWh/day
- interruptible withdrawal capacity:	kWh/day
- backhaul interruptible injection capacity (Storage Plus):	kWh/day
- backhaul interruptible withdrawal capacity (Storage Plus):	kWh/day

System User purchased piece(s) of bundles.

The **total price of the purchased bundles is HUF + VAT**, which includes the fee for firm working gas capacities, injection and withdrawal capacities; interruptible injection and withdrawal capacities; and backhaul injection and withdrawal capacities belonging to the bundles.

2. Parties agree to settle the fees arising from herein periodically, in equal monthly instalments pursuant to Section 58 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 Resolution, based on the monthly volume, also excluding the fees of customized services used.
3. MFGT shall be entitled to modify the price of the bundles each storage year **(from 1 April 2028 for the first time)** by increasing the bundle price for the previous storage year by the average annual consumer price index (%) for the year preceding the current year.

$$K_n = K_{n-1} * Ind_{n-1}$$

where

K_n : shall be the bundle fee for the respective storage year

K_{n-1} : shall be the bundle fee for the storage year preceding the respective storage year

Ind_{n-1} : shall be the consumer price index for the calendar year preceding the respective storage year: the value in the "Total column" of the recent (latest) "Consumer price index by main consumption groups and the pensioner consumer price index [previous year = 100.0%]" published by the Central Statistical Office (https://www.ksh.hu/stadat_files/ara/hu/ara0002.html)

(example: $K_{28/29} = K_{27/28} * Ind_{27}$)

MFGT shall send a notification on the indexed bundle price to the System User.

With regard to volume fees, the stipulations of the MFGT Code of Business Conduct shall apply.

4. The fee for the Daily Peak Plus Customized Service, 100% Available Flat Curves Injection and Withdrawal Capacity Service and Intraday Nomination Plus Customized Service shall be contained in the applicable Fee List.

To avoid any confusion, Parties agree that fee payment obligation arises for the System User:

- in case of Storage Plus Customized Service, only when use **exceeds** the capacity specified in Section III.1. of this Contract,
- in case of Interruptible Injection and Withdrawal Capacity Service, only when use **exceeds** the capacity specified in Section III.1. of this Contract, (settlement of the Service shall be carried out posteriorly and monthly, on the basis of the accepted daily allocated value based on hourly capacity use),

- only by the actual use of the service in the case of Intraday Nomination Plus Customized Service,
- by booking on MFGT's IT Platform (SMCS) in the case of Daily Peak Plus Customized Service,
- by booking on MFGT's IT Platform (SMCS) in the case of 100% Available Flat Curves Injection and Withdrawal Capacity Service.

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 between each other in relation to the Natural Gas Storage Contract primarily via amicable negotiation.

Failing such settlement in any dispute arising from or relating to this contract, with particular regard to its breach, termination, validity or interpretation, parties hereby exclude the state court procedure and agree to subject themselves to the exclusive and final jurisdiction of the Permanent Court of Arbitration (Commercial Arbitration Court Budapest) operating at the Hungarian Chamber of Commerce and Industry, provided that the Court of Arbitration proceeds according to its own Rules of Procedure (supplemented with the provisions of the Sub-Rules of Expedited Proceedings). The number of arbitrators shall be three and the language of procedure shall be Hungarian. Parties exclude the possibility of the retrial of the proceedings as regulated by Chapter IX of Act No. LX of 2017 on Arbitration. In order to settle the legal dispute, the Hungarian substantive law shall apply, excluding its private international law rules. The language of procedure shall be Hungarian.

IX ENTRY INTO FORCE

This contract shall be concluded and effective upon signature.

X MISCELLANEOUS PROVISIONS

1. 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: Storage Dispatching Service

Phone: 0036 52 362-574

Fax: 0036 52 558-048

e-mail: dispatcher@mfgt.hu

2. Mandatory filling

System User shall undertake to fill the awarded working gas capacity up to **at least 50%** in each storage year during the contract period **until the end of the injection period**. If the System User fails to fill the mandatory level in any given year, MFGT shall be entitled to invoice **as a penalty an additional one month capacity fee** at the (indexed) unit price applicable in the respective storage year.

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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Annexes:

Annex No. 1: Capacity fees payable by the System Users

Annex No. 2: Declaration

Annex No. 2									
Customer Name									
Name	Contract Period	Consumer Price Index*	Injection (B)	Working Gas Capacity	Withdrawal (K)	Capacity fee	Injection fee	Withdrawal fee	Capacity fee
			peak	peak	peak				
			kWh/day	kWh	kWh/day				
		%				HUF/kWh/year	HUF/MWh	HUF/MWh	HUF/year
capacity - successful bid price	2027/2028						specified by the HEPURA Tariff Resolution	specified by the HEPURA Tariff Resolution	
capacity - indexation 1	2028/2029								
capacity - indexation 2	2029/2030								
01.04.2027-31.03.2030									
Annual capacity fee:	-	HUF							
Monthly capacity fee:	-	HUF/month							
*the consumer price index for the calendar year preceding the respective storage year: The value in the "Total column" of the recent (latest) "Consumer price index by main consumption groups and the pensioner consumer price index [previous year = 100.0%]" published by the Central Statistical Office (https://www.ksh.hu/stadat_files/ara/hu/ara0002.html)									

