

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

(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 Private Company Limited by Shares**

seat: 1138 Budapest, Váci út 144-150.

mailing address: 1399 Budapest, Pf. 645.

account keeping bank: OTPBANK

bank account No.: HU65 1179 4008 2402 7731 0000 0000

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) (CPA number: 521012) shall be:
  - 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) 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 shall apply to the service. Along with
  - d) providing further injection and/or withdrawal capacity (Daily Peak Plus Customized Service) in addition to the 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.
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 Daily Peak Plus Customized Service and/or Intraday Nomination Plus Customized Service based on the relating instructions of the System User.
3. This Contract shall be concluded for a definite period until 1<sup>st</sup> April 20\_\_ at 06:00 hours.
4. Parties contract for using and providing a seasonal basic service and – as instructed by the System User and based on MFGT's performance – Storage Plus Customized Service and/or Daily Peak Plus Customized Service and/or Intraday Nomination Plus Customized Service. The contractual injection cycle starts at 06:00 on 1<sup>st</sup> April 20\_\_, and shall end at 06:00 1<sup>st</sup> October 20\_\_. The contractual withdrawal cycle starts at 06:00 on 1<sup>st</sup> October 20\_\_, and shall end at 06:00 1<sup>st</sup> April 20\_\_. Storage Plus Customized Service and/or Daily Peak Plus Customized Service and/or Intraday Nomination Plus Customized Service can also be used in this period.
5. 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.

6. 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.
7. 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 accepted 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.

## 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, 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](http://www.magyarfoldgaztarolo.hu)) – and considers it to be the part of the 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:	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 39 of HEPURA Decree No. 11/2016 (XI.14.).
5. If required by the System User, further storage services are provided by MFGT for the System Users via optional and customized services, for which Parties shall conclude a separate contract.
6. 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 User shall submit also to MFGT the storage demand forecast with the content as per Section 3.3.3.2 and date as per Section 3.3.3.1 of the Grid Code.
10. 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.

#### **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 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 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 CUSTOMIZED 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 the Tariff Resolution. Capacity fees shall be invoiced according to the Tariff Resolution 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 Resolution 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 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 Resolution 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. Description of the Storage Plus Customized Service and Daily Peak Plus Customized Service and Intraday Nomination Plus Customized Service shall be contained in the applicable Fee List. For the avoidance of

doubt, Parties agree that in case of Storage Plus Customized Service and/or Daily Peak Plus Customized Service and/or Intraday Nomination Plus Customized Service, only the actual use of such services shall generate 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 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

Contact Persons

### In issues related to the Contract:

On behalf of MFGT:

Phone: +36

Fax: +36

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: +36 52 362 574

Fax: +36 52 558 048

e-mail: [dispatcher@mfgt.hu](mailto: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: Capacity fees payable by the System User

Annex No. 2: Declaration/Bank Guarantee

Annex No. 2:

## DECLARATION OFFERING INJECTED GAS AS COLLATERAL

### Contract No.:

System User as a system user using natural gas storage service represents that as contractual guarantee, 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 20\_\_/20\_\_.

In order to have zero kWh working gas energy quantity on 31 March 20\_\_, System User undertakes to pay all payable storage fees in advance until 01 March 20\_\_. 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 deduct the fees payable until 31st March from the revenue of such sale.

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.

By signing this declaration, 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. 4.10 of the Code of Business Conduct - a quantity the purchase price of which covers the invoiced but unpaid fees.

In the event that the booked storage capacity of the System User increases during the storage year, System User shall be obliged to provide further storage working gas energy quantity covering the increased storage fees or a contractual guarantee corresponding to the difference as a collateral. Should the System User fail to provide collateral, 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. 4.10 of the Code of Business Conduct, and deduct the storage fee from the revenue of such sale.

System User understands and undertakes that mortgage may only be registered on the injected gas offered as collateral upon 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 guarantee for the storage fees.



System User understands that the injected gas offered as collateral 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 energy quantity 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, \_\_\_20\_\_\_

System User:

.....  
(System User)

.....  
(System User)

I accept the declaration:

.....

Name

Position

Hungarian Gas Storage Ltd.

.....

Name

Position

Hungarian Gas Storage Ltd.

**POWER OF ATTORNEY FOR THE SALE OF GAS INJECTED AS COLLATERAL**

**Contract No.:**

I, the undersigned ..... (authorized signatory representative) and ..... (authorized signatory representative), as ..... (seat: ....., tax number: ....., court registration number: ..... (hereinafter referred to as System User) ..... (position) and ..... (position) hereby

a u t h o r i z e

Hungarian Gas Storage Private Company Limited by Shares (seat: 1138 Budapest, Váci út 144-150, Tax number: 12543317-2-44, Court registration number: Cg.: 01-10-045043), (hereinafter referred to as MFGT) to sell the natural gas energy quantity injected into 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, ..... 20\_\_

System User:

.....  
(System User)

.....  
(System User)

I accept the power of attorney:

.....

Name

.....

Name

Position

Position

Hungarian Gas Storage Ltd.

Hungarian Gas Storage Ltd.

Annex No. 2:

**Letter of Guarantee (Bank Guarantee) – Independent**

Name of Beneficiary: **Hungarian Gas Storage Private Company Limited by Shares**  
Address: **1138 Budapest, Váci út 144-150.**

Guarantee No.:  
Contract No.:

We are aware of the fact that ..... (address .....,.....) - hereinafter referred to as System User – concluded a ..... contract with the Beneficiary – in the subject of Natural Gas Storage Contract (hereinafter referred to as: Contract).

Pursuant to the Contract concluded – as a precondition thereto – a Bank Guarantee letter shall be submitted on behalf of the System User in favour of the Beneficiary, to ensure that the System User fully meet its payment obligations stipulated in the Contract. In any event when System User fails to fulfil any payment obligation as per the contract in due time, following the unsuccessful expiry of the extended deadline for remedy, Beneficiary shall be entitled 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 System User in the maximum amount of

**HUF/EURO**  
**(that is ..... forints/euro)**

to the Beneficiary within 5 (five) 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 their payment obligation stipulated in the Contract.

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 1<sup>st</sup> April 20\_\_ until 30<sup>th</sup> April 20\_\_ +1 year.

The Bank's obligations under this letter of guarantee shall be terminated only if the Beneficiary declares in a duly signed statement that they waive their rights under this bank guarantee, and will no longer require a bank guarantee, and releases the Bank from its obligations under the bank guarantee.

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, except for Section 6:436 Subsection (2) b) and c) of the Civil Code, given that the Bank shall not investigate the legal relationship between the System User and the Beneficiary.

..... 20\_\_.

.....  
Name:  
Position:  
Bank: