

**CONTRACT ON LENDING AND BORROWING NATURAL GAS WITH RELATING CAPACITY, ON  
THE GAS LOAN PLUS PRODUCT (GLP)**

concluded by and **between**

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

e-mail address(es)\*:

tax No.:

Court of Registration and Reg. No.:

hereinafter referred to as **Borrower**

**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 **Lender**, or as **HGS (MFGT)**

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

*\*Following 1 July 2025, HGS will only issue electronic invoices to System Users pursuant to Section 115/E of the Gas Act Implementation Decree.*

## ANTECEDENTS

By Resolution No. 1567/2013 amended by Resolution 615/2015, the Hungarian Energy and Public Utility Regulatory Authority (HEPURA) authorised HGS 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 Authority. Natural gas lending performed by the Licensee pursuant to this section shall not qualify as natural gas trade activity. Licensee shall inform the Authority regarding natural gas lending performed pursuant to this section within 5 business days from the conclusion of the contract.”

Subject to the provisions of the HEPURA resolution above, Lender developed gas loan (hereinafter referred to as Gas Loan) services. Conditions of using the Gas Loan Plus product shall be specified in this Contract.

The Borrower’s bid submitted for ..... pieces of bundles out of the ..... pieces of bundles offered by HGS at the auction of ..... 20.. on the Gas Loan Plus product has been accepted by HGS, and Borrower became entitled to conclude this contract, thereby becoming eligible for using the Gas Loan Plus service.

Subject to the provisions of the HEPURA resolution above, Section 141/G (3) of the Gas Act and the stipulations of the Parties in this contract on Gas Loan, Lender and Borrower shall conclude the following contract on lending and borrowing natural gas (hereinafter referred to as Contract). (CPA number 52.10.02.

## I. USE OF TERMS

Definitions:

Notification	Notice sent by HGS to the Borrower by electronic means and/or by mail or courier in case of a recovery requirement/resolution/decreed from HEPURA or the any minister entitled to order the recovery of reclassified own working gas or any administrative body – following the communication of the requirement/resolution/decreed to HGS. The notification shall be deemed delivered by the electronic message confirming the delivery of the electronic mail, while in case of doubt, the notice of receipt of the certified mail or the document proof of receipt handed over to the courier.
Gas Balance	Gas stock registry kept by HGS per system user.
Entry into Force	Day of fulfilling the conditions specified in Section II/3 of the Contract.
Natural Gas Lent	The energy quantity awarded to the Borrower at the auction, specified in Chapter VI.
Mandatory Return	If the Hungarian Energy and Public Utility Regulatory Authority (HEPURA) notifies HGS to replace the Natural Gas Lent within 30 days,

or if HGS is required to comply with its obligation under Section 141/G (3) of the Gas Act, on the basis of a requirement/resolution/decreed by any competent minister or administrative body pursuant to Section 141/G (3) of the Gas Act, the total Natural Gas Quantity Lent shall be returned by the Borrower within the deadline specified in the Notification sent by HGS.

**Making Available** Transferring the Natural Gas Lent in HGS's IT system to the Borrower's name following the entry into force, in the event that the total Loan Fee has been paid by the Borrower, the – earliest – date of which shall be .....20. The transfer shall simultaneously be a condition for starting the withdrawal of the Natural Gas Lent or for transferring it to own stock in the Borrower's gas balance.

**Schedule** Start and end date of borrowing and recovering the energy quantity as per this Gas Loan Contract in the storage site. The start date of the Schedule – following the entry into force of the contract – shall be ..... 20 at the earliest, being the date on which the gas is Made Available. The end date of the Schedule shall be the day the Natural Gas Lent is fully Returned to HGS.

**Returning** Transferring a stock equivalent to the quantity of the Natural Gas Lent to HGS's name, into HGS's Gas Balance, in HGS's IT system from the Borrower's stock in the storage facility – basically upon the initiative of the Borrower.

For the purpose of this Contract, Natural Gas lending and borrowing (hereinafter referred to as Loan) shall be a loan transaction based on which from its own working gas (energy quantity) reclassified from cushion gas (hereinafter referred to as "Natural Gas"), HGS shall commit to make available to the Borrower:

- a) the energy quantity specified in Chapter VI as a fungible asset,
- b) at the Delivery Point specified in Chapter V,
- c) from the date specified in Chapter VII, Section 1,
- d) for the period specified in Chapter II, Section 4,
- e) for the loan fee specified in Chapter XII, Section 1.1,

and shall transfer to the Borrower the energy quantity of the Natural Gas Lent in the Gas Balance following the entry into force of this contract.

Borrower shall commit with regard to the Natural gas to

- a) pay the loan fee specified in Chapter XII, Section 1.1, then
- b) its full quantity specified in Chapter VI

- c) from the date specified in Chapter VII, Section 1, shall be mandatorily withdrawn or transferred to its own stock, then
- d) starting from the date specified in Chapter VII, Section 2 or Chapter VII, Section 3,
- e) by the date specified in Chapter VII, Section 2 or Chapter VII, Section 3, but
- f) not later than until the date specified in Chapter II, Section 6, Subsection 2,
- g) at the Delivery Point specified in Chapter V,

shall be returned to the disposal of HGS.

Parties agree that the quantity of Natural Gas Lent shall be deemed as Returned when the Natural Gas Energy Quantity Lent is re-transferred in the Gas Balance to HGS.

Pursuant to Fixed-Term Contract on Using and Providing Bundled Natural Gas Storage Service between Storage Years, which is a part of the Gas Loan Plus product, HGS shall provide to the Borrower the capacities required for handing over and returning in the storage facility, and withdrawing and injecting the Natural Gas Energy Quantity Lent.

## II. SUBJECT, CONCLUSION AND DURATION OF CONTRACT

1. By concluding this Contract, HGS shall lend the Natural Gas Energy Quantity Lent specified in Chapter VI to the Borrower for the period set out in Chapter II, Section 4, and the Borrower shall borrow the Natural Gas Lent and shall return it to HGS until the date specified in Chapter VII, Section 2 or Chapter VII, Section 3.
2. The fee payable by the Borrower to HGS shall be specified in Chapter XII, and the method of its settlement shall be set forth in Chapter XIII.
3. The Contract shall be effectively concluded for a definite period when signed by both parties and shall enter into force when all of the following conditions are met:
  - a) HGS accepts the gas or bank guarantee specified in Section XVI.1 presented by the Borrower or the full amount of the security deposit offered as collateral by the Borrower is received in the bank account of HGS and/or;
  - b) if Borrower offers injected gas guarantee (as well), the relating statement is submitted to HGS;
  - c) parties sign the Fixed-Term Contract on Using and Providing Bundled Natural Gas Storage Service between Storage Years.
4. The duration of this Contract shall start upon its entry into force and shall end upon Returning the natural gas borrowed to HGS.

Accordingly, the duration of this contract – assuming that the energy quantity of the Natural Gas Lent is Returned as per contract – may be

- a) from the date of entry into force until ..... 20..,
- b) from the date of entry into force until a date earlier than the above as specified by the Borrower,
- c) or in case of Mandatory Return, until the date set forth in the Notification.

5. Borrower shall be entitled to initiate the Making Available of the Natural Gas Lent as of ..... 20.. at the earliest in as far as it has paid the Loan Fee in full to HGS.

Unless the full Loan Fee is credited to HGS's bank account, HGS is not bound by the obligation of Making Available.

6. Withdrawal and Injection Schedule

The start date of withdrawing the Natural Gas Lent: the gas quantity is transferred to the Borrower by ..... 20.. at the earliest in the Gas Balance, provided the Loan Fee is credited to HGS's account. Nomination is possible only as of the following gas day. In other respects, the schedule of withdrawing the Natural Gas Lent shall be determined by the Borrower, based on the available withdrawal capacities.

The closing day of injecting the last part of the Natural Gas Lent for HGS shall be - pursuant to Section II.4 - ..... 20.. at the latest. In other respects, the schedule of injecting the Natural Gas Lent shall be determined by the Borrower, based on the available injection capacities.

Closing day of injection in case of Mandatory Return: In the event of Mandatory Return, the closing day of Returning the total Natural Gas Lent shall be the deadline specified in the Notification issued by HGS (observing the earlier date of the HEPURA notification and ministerial decree in case of doubt).

### III. GENERAL TERMS

1. In issues not regulated by the Contract, the provisions of HGS'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 HGS web page ([www.mfgt.hu](http://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 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 HGS, return the Natural Gas Lent according to the deadline and pay the related loan fee pursuant to this Contract.
2. Borrower shall be entitled to the capacities required for keeping withdrawing and injecting the Natural Gas Lent in the storage facility pursuant to the Fixed-Term Contract on Using and Providing Bundled Natural Gas Storage Service between Storage Years concluded simultaneously with this Contract. Borrower understands that withdrawal and injection shall be governed by the Fixed-Term Contract on Using and Providing Bundled Natural Gas Storage Service between Storage Years and HGS's ÁSZF, that is HGS can guarantee the withdrawal and

injection of the Natural Gas Lent only under the stipulations of the Fixed-Term Contract on Using and Providing Bundled Natural Gas Storage Service between Storage Years and the ÁSZF.

3. Borrower shall have full financial liability to return to HGS natural gas in an energy quantity equal to the Natural Gas Lent and in a quality specified in Chapter X, according to the Schedule as per Chapter VII. If any part of this section, with particular regard to the deadline specified for Returning the Natural Gas Lent, is violated, it shall qualify as a material breach of contract, and shall imply that the bank guarantee is promptly called and/or the amount of the security deposit is applied and/or the injected natural gas offered as collateral is transferred to or sold by HGS.
4. HGS shall not be obliged to lend any natural gas below or above the energy quantity of the Natural Gas Lent specified in Chapter VI herein, or to deviate from the Schedule.
5. HGS may refuse to make available and/or withdraw gas if Borrower has not paid the total Loan Fee to HGS or 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 or the Loan Fee is not credited to HGS's bank account until 15th day from the date of issuing the invoice.

In the event that any of the above deficiencies are not recovered within 3 business days from receiving HGS's relating notification, HGS shall be entitled to cancel this contract – without any further legal implications.

#### **V. DELIVERY POINT, RETURN POINT, TRANSFERRING THE RIGHT OF DISPOSAL**

*Delivery and Return Point:* the delivery point of the Natural Gas is within the unified natural gas storage.

*Transferring the Right of Disposal:* Right of disposal and risks shall be transferred to the Borrower upon Making the Natural Gas Lent Available, or to HGS upon the Return thereof.

#### **VI. QUANTITY AND VALUE 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 by and returned by the Borrower to HGS shall be:

\_\_\_\_\_ kWh

From HGS's point of view, upon lending and Returning, the value of the Natural Gas Lent shall equal to its book value recorded in the Lender's books.

**VII. SCHEDULE FOR WITHDRAWING (REMOVING) AND INJECTING (RETURNING) NATURAL GAS LENT FROM AND INTO STORAGE**

1. Withdrawal

Withdrawal	energy quantity (kWh/day) (min – max)*	date
via transfer into own stock within storage or physical withdrawal	based on available working gas and withdrawal capacities	[to be filled in upon contracting]

\*The (energy) quantity of the daily withdrawal capacity of Natural Gas Lent shall be determined in the context of the requisition received and its technical feasibility (pursuant to the provisions of HGS's Code of Business Conduct).

2. Injection

Injection	energy quantity (kWh/day) (min – max)**	date***
via transfer from own stock within storage or physical injection	based on the available injection capacities	[to be filled in upon contracting]

\*\*The (energy) quantity of the daily injection capacity of Natural Gas Lent shall be determined in the context of the requisition received, its technical feasibility (pursuant to the provisions of HGS's Code of Business Conduct) and the deadline of Returning the loan.

\*\*\*The deadline of injecting (and Returning) the total quantity of Natural Gas Lent shall not be later than .....20...

3. In the event that Borrower fails to initiate the transfer of its stock in the storage facility, offered as collateral, equivalent to the quantity of the Natural Gas Lent, to HGS's name, HGS will automatically transfer such gas quantity to its own stock on .....20..

By signing this Contract, Borrower expressly grants consent to the automatic transfer as per the above items.

4. Returning from loan shall mean the whole of the \_\_\_\_\_ kWh 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 also apply to the total quantity.

5. Returning the Natural Gas Lent in case of Notification issued on the basis of Mandatory Return

HGS was authorised to provide “gas loan” service – subject to the stipulations of Section 141/G (3) of the Gas Act and HGS’s operational licence – under the condition that in case of Mandatory Return, it shall replace the full amount of the Natural Gas Lent until the deadline specified in the Notification. Having regard to this, Borrower shall return to HGS the energy quantity equal to the total of the Natural Gas Lent within the deadline specified in the Notification. Parties shall urgently agree on the schedule in case of Mandatory Return, but the Mandatory Return shall be completed by the date specified in the Notification. In as far as parties fail to agree on the schedule, the energy quantity equal to the Natural Gas Lent shall be replaced in equal instalments – calculated for the gas days specified for the Mandatory Return, or at HGS’s own discretion – if Borrower has a stock equivalent to the Natural Gas Lent available in HGS’s unified storage facility –, HGS will automatically transfer such gas quantity to its own stock.

**VIII. DOCUMENTING NATURAL GAS DELIVERY/ACCEPTANCE**

The delivery/acceptance of the Natural Gas Lent shall be documented on HGS’s IT platform, according to Annex No. 2 of the Code of Business Conduct.

**IX. OPERATIVE FLOW OF INFORMATION**

The Scheduled days of the Natural Gas Lent withdrawn from and Returned in the storage site shall be agreed on by the parties in Chapter VII. Actual daily nomination shall take place as per HGS’s Code of Business Conduct. The contact details of the Storage Dispatching Service shall be contained in Chapter XVIII.

**X. QUALITY OF NATURAL GAS LENT**

HGS shall lend Natural Gas meeting the quality parameter specifications stipulated in Annex No. 11 of the Gas Act Implementation Decree, 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 call the bank guarantee and/or apply the security deposit.

**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**

### **1. Fees payable by the Borrower**

- a. Loan Fee: shall be the fee payable by the Borrower for the period from Making the Natural Gas Lent Available to the Borrower until the Return thereof. Its amount shall be the product of the quantity of Natural Gas Lent (kWh) and the fee remaining after deducting the capacity fee from the Service Fee offered at the auction (HUF/kWh + VAT). The Loan period (the number of gas days between the day on which the gas was Made Available and the day it was Returned) shall not affect the Loan Fee.
- b. The Loan Fee shall contain the fee of borrowing the Gas Quantity Lent in the period from the effective date of the contract and ..... 20...
- c. In addition to the Loan Fee, other fees shall also be payable in relation to usage pursuant to the Fixed-Term Contract on Using and Providing Bundled Natural Gas Storage Service between Storage Years and HGS's Code of Business Conduct.

## **XIII. PAYMENT CONDITIONS**

The invoice on the Loan Fee shall be issued within 5 days from the date this contract takes effect, with a payment deadline of 15 days from issuance.

Method of issuing the invoice:

The Loan Fee shall be determined and invoiced on the basis of the product of the quantity of Natural Gas Borrowed (kWh) and the unit price of borrowing (... HUF/kWh + VAT).

The loan fee shall be invoiced in a single sum, according to the periodic invoicing rules as per Section 58 of Act No. CXXVII of 2007 (VAT Act).

Volume and other service fees shall be invoiced according to the usual monthly routine, based on periodic invoicing as per Section 58 of Act No. CXXVII of 2007 (VAT Act).

In the event that the return takes place, upon the Borrower's decision, prior to gas day .....20.. – excluding the case of Mandatory Return –, HGS will not make any refund from the loan fee.

In case of Mandatory Return, parties shall settle with each other pro rata for the period until the end of the gas day specified in the notification.

## **XIV. COLLATERAL**

As a collateral for the Return of the Natural Gas Lent, Borrower shall provide – at its own discretion – bank guarantee, injected gas guarantee, cash security deposit (security deposit) or a combination of these three collateral forms to HGS.

### **1. Bank guarantee**

Borrower shall provide to HGS a valid, unconditional and irrevocable bank guarantee for payment issued by a certified credit institution accepted by HGS, of which:

- *the exclusive beneficiary shall be HGS, and which*

- shall be in the amount: covering the market value of the Natural Gas Lent, that is EUR ....., that is ..... euros.

which shall be calculated using the following formula:

CEGH (EUR/MWh)\* Quantity Lent (MWh)

where:

CEGH: Market price on which the bank guarantee is based, being the higher value of the following:

- (i) 60 EUR/MWh;
- (ii) 150% of the daily "Settlement Price" published on the day HGS 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 day HGS 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, 150% of the last daily "Settlement Price" published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month.

<https://www.cegh.at/en/exchange-market/market-data/?product=monthly&market=AT>.

In as far as the Borrower uses other storage service(s) and offered a bank guarantee as a payment collateral, the bank guarantee securing the fee of other storage services may not be set off from the bank guarantee amount due pursuant to this contract.

a) The bank guarantee shall be valid and effective at least until .....20...

If Borrower fails to return the Natural Gas Lent according to the Schedule set forth in Chapter VII, Section 2 or Chapter VII, Section 3 – that is until .....20.., or until the date specified in the Notification sent by HGS in case of Mandatory Return –, or if the Borrower commits any other material breach of contract as per Section XV of this Contract, HGS shall become entitled to call upon the full amount of the bank guarantee following it becomes aware of (i) even the slightest deviation from the schedule, or (ii) the material breach of contract. After the settlement of the amount required for procuring the missing gas quantity and the arising costs, the remaining part of the amount called shall be re-transferred to the Borrower.

b) Any fee or cost related to the bank guarantee shall be borne by the Borrower.

c) The early termination or the inappropriate modification of the bank guarantee shall qualify as material breach of contract.

d) If under the duration of the contract, 150% of the daily "Settlement Price" published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base

month as specified in Section XIV.1 is on 5 consecutive business days 10% higher than the 150% of the daily “Settlement Price” published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month and this is higher than 60 EUR/MWh, the Borrower shall - up to the extent of the increase - raise 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 a 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 daily “Settlement Price” published in the "CEGH AT VTP Front Month Single Day Select” section for the month following the base month as specified in Section XIV.1 decreases by at least 20% under the duration of the contract, and this decrease persists for at least 5 consecutive business days, parties shall jointly review the extent of the collateral provided by the Borrower.

- e) In other respects, the stipulations of HGS’s Code of Business Conduct shall apply to the bank guarantee.

## 2. Injected Gas Guarantee

- a) Borrower may offer gas injected under this contract or otherwise (e.g. gas already injected as per storage contract) as collateral. This means that the whole of the gas energy quantity in the storage facility injected as collateral shall cover the energy quantity of the Natural Gas Lent and other borrower liabilities (e.g.: storage capacity fee payment) (in kWh).
- b) The energy quantity of the injected gas offered as collateral may not fall below the Natural Gas Energy Quantity Lent during the term of this contract.
- c) If based on the Borrower’s nomination, it is clear in advance that the energy quantity of the injected gas offered as collateral will no more cover the Natural Gas Energy Quantity Lent, Borrower shall replenish the collateral with offered gas up to the extent of the Natural Gas Energy Quantity Lent. Unless this is implemented, HGS shall be entitled to refuse the Borrower’s withdrawal nomination.
- d) If Borrower (i) fails to return the Natural Gas Lent according to the schedule set forth in Chapter VII, Section 2 or Chapter VII, Section 3 – that is until ..... 20.. or until the date specified in the Notification sent by HGS in case of Mandatory Return –, or (ii) if Borrower commits any other material breach of contract as per Section XV of this Contract, HGS shall become entitled to use the gas injected as collateral by the Borrower and re-transfer it to its own name in the Gas Balance, following it becomes aware of (i) even the slightest deviation from the schedule, or (ii) the material breach of contract.
- e) The “DECLARATION OFFERING PREVIOUSLY INJECTED GAS AS COLLATERAL RELATING TO GAS LOAN CONTRACT” containing the above shall form an inseparable annex to this contract.

In other respects, the stipulations of HGS's Code of Business Conduct shall apply to the injected gas collateral.

### 3. Combined Bank Guarantee and Injected Gas Guarantee

- a) As a collateral to guarantee the Return of the Natural Gas Lent, Borrower shall be entitled to provide – at its own discretion – bank guarantee in part and injected gas guarantee in part. This means that the gas energy quantity injected as collateral in the storage facility and the value of the bank guarantee (calculation thereof according to Section XIV.1) provided to HGS shall in total cover the value of the energy quantity of the Natural Gas Lent.
- b) In this case, the sum of the energy quantity of the injected gas offered as collateral and the energy quantity that can be purchased from the bank guarantee under Section XIV.1 may not fall below the Natural Gas Energy Quantity Lent.
- c) If based on the Borrower's nomination, it is clear in advance that the energy quantity of the injected gas offered as collateral will no more cover the Natural Gas Energy Quantity Lent, Borrower shall replenish the collateral – at its own discretion – with bank guarantee or with gas offered as collateral up to the extent of the Natural Gas Energy Quantity Lent. Unless this is implemented, HGS shall be entitled to refuse the Borrower's withdrawal nomination.
- d) If Borrower (i) fails to return the Natural Gas Lent according to the schedule set forth in Chapter VII, Section 2 or Chapter VII, Section 3 – that is until ..... 20.. or until the date specified in the Notification sent by HGS in case of Mandatory Return –, or (ii) if Borrower commits any other material breach of contract as per Section XV of this Contract, HGS shall become entitled to use the gas injected as collateral by the Borrower, and therefore re-transfer it to its own name in the Gas Balance and / or call the bank guarantee, following it becomes aware of (i) even the slightest deviation from the schedule, or (ii) the material breach of contract.
- e) In order to ensure that all the collaterals offered by the Borrower – under this contract or otherwise – are applied by the parties uniformly covering the obligations under any and all contracts between them, Borrower makes a "Declaration Offering Injected Gas as Collateral – for Gas Loan and Storage Services". The declaration shall be annexed to this contract.

### 4. Cash security deposit (Security Deposit)

- a) The amount of the security deposit shall be determined based on the same calculation as the amount of the bank guarantee set out in Section XIV.1 hereof.
- b) Any possible increase/reduction of the cash security deposit shall be initiated by the Parties in the same cases as the bank guarantee, as set out in Section XIV.1 hereof.

- c) Borrower may submit a bank guarantee and a security deposit or injected gas and security deposit together. Where security deposit is submitted as contractual collateral in combination with injected gas, the same procedure shall apply as set forth in Section XIV.3 hereof.
- d) The security deposit shall be paid, at HGS's option, in euro or in forint to a bank account specified by HGS.
- e) Borrower shall provide the amount set forth in Section XIV.1 as security deposit to the Storage Company subject to Section 5:95 of the Civil Code. Borrower shall establish the security deposit in favour of HGS as a collateral for the return of the Natural Gas Lent.
- f) HGS shall not be obliged to keep the amount of the Cash Security Deposit in a separate account.
- g) HGS shall not pay interest on the amount provided as security deposit.
- h) Other terms and conditions applicable to the security deposit are specified in Annex 4.13 of the HGS Code of Business Conduct.

## **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:

- a) Borrower defaults on the deadline for taking into own stock as specified in Chapter VII, Section 1;
- b) Borrower defaults on the return deadline specified in Chapter VII, Section 2 or Chapter VII, Section 3 or 5;
- c) Borrower returns Natural Gas with energy quantity equal to that of the Natural Gas Lent deviating from the quality parameters prescribed by Annex No. 11 of the Gas Act Implementation Decree;
- d) the value or enforceability of any collateral is terminated or significantly decreased, which the Borrower fails to supplement upon HGS's request;
- e) the daily "Settlement Price" published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month as specified in Section XIV.1 increases by 10% under the duration of the contract, and the Borrower fails to accordingly increase the amount of the bank guarantee and/or security deposit offered as collateral;
- f) 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"\*Quantity Lent\*Exchange Rate), that is HUF.....

where:

CEGH: market price, being the higher value of the following:

- (i) 60 EUR/MWh;
- (ii) the daily "Settlement Price" published on the day HGS 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 150%, rounded to 3 decimal digits in EUR/MWh. If on the day HGS 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, 150% of the last daily "Settlement Price" published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month.

<https://www.cegh.at/en/exchange-market/market-data/?product=monthly&market=AT>.

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 total borrowed natural gas quantity to HGS, or HGS re-enters it into its own stock as per Section VII.3 – except for the cases of termination due to breach of contract or cancellation specified in Section XVI.4.
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) HGS may terminate this contract with immediate effect if
    - Borrower defaults on the deadline for taking into own stock as specified in Chapter VII, Section 1;
    - Borrower defaults on any date or condition of the return Schedule specified in Chapter VII, Section 2 or Chapter VII, Section 3 or 5, or
    - Borrower returns Natural Gas with energy quantity equal to that of the Natural Gas Lent, deviating from the quality parameters prescribed by Annex No. 11 of the Gas Act Implementation Decree; or

- - HGS finds that a material unfavourable change has occurred in the Borrower's conditions, and the Borrower fails to provide a due collateral to HGS upon request, 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 any collateral is terminated or significantly decreased, which the Borrower fails to supplement upon HGS's request, or
  - - Borrower fails to fulfil its obligations to increase the bank guarantee and/ or security deposit as set out in Chapter XIV, Section 1 on Guarantee, Subsection 2, or
  - - Borrower delays the fulfilment of any other payment obligation as per the loan contract, and fails to remedy such default when notified, or
  - - if a competent court orders a non-binding 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 HGS as a material breach.
- c) Either Party may terminate this contract with immediate effect if
- - if deceived by the other Party, and this affected the conclusion or the content of the contract.
  - - the Fixed-Term Contract on Using and Providing Bundled Natural Gas Storage Service between Storage Years is terminated for reasons not attributable to the either party, unless the parties conclude a new Fixed-Term Contract on Using and Providing Bundled Natural Gas Storage Service between Storage Years within 48 hours of termination, under the same terms and conditions as the previous contract.

### 3. Settlement in the event of Termination and Mandatory Return

#### 3.1. In the event of termination, Parties shall settle with each other.

- a) In the event of extraordinary termination and in the case specified in the second paragraph of Section XVI 2c), the loan automatically expires and Borrower shall return the full amount of the Natural Gas Lent to HGS until the gas day specified in HGS's termination notice, or in the case of the second paragraph of Section XVI 2c), until the date specified by HGS. If the Borrower fails to return to HGS the full amount of Natural Gas with energy quantity equal to that of the Natural Gas Lent within this period, HGS shall become entitled to use the collaterals specified in Chapter XIV.
- b) In the event of termination due to Mandatory Return, (i) if it occurs before ..... 20..., Parties shall pro-rata temporis settle with each other (on the basis of calendar days),

- c) In case of extraordinary termination pursuant to Section XVI.2.b, HGS shall re-transfer the Natural Gas Quantity Lent to its own name – provided it is in the storage facility. In such cases, HGS shall neither refund the Loan Fee, nor pay any other damages, compensation, cost to the Borrower.

3.2. In the event of Mandatory Return, Parties shall settle with each other

- a) in the event of termination due to Mandatory Return, (i) if it occurs before ..... 20..., Parties shall pro-rata temporis settle with each other (on the basis of calendar days), This means that HGS shall reimburse the following amount in respect of the capacity fee and the loan fee:

amount to be returned = sum (capacity fee and loan fee)/ contractual period (days)\* number of days between the date of Mandatory Return and the last day of the contractual period.

- b) In the event of a Mandatory Return, HGS shall not reimburse any additional fees, costs or in any form whatsoever any direct and/or consequential damages incurred by the Borrower, particularly but not exclusively the loss of profit. Borrower expressly understands that Mandatory Return constitutes a business risk for the Borrower that cannot be calculated in advance and that all risks arising from the occurrence thereof shall be borne by the Borrower.

In the event of termination of this Contract, HGS shall be entitled, without any further obligation to notify, to use the collaterals available to it as specified in Chapter XIV to replace the quantity of Natural Gas Lent that has not been returned and/or to compensate for any damage incurred on its part.

4. Termination of contract by cancellation

In cases specified in Section IV.5, HGS shall be entitled to terminate this contract by cancellation – without any further legal implications.

5. 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 HGS due to the delay in or the failure of fulfilling the replacement obligation prescribed by HEPURA.
6. Parties shall settle with each other when the contract is terminated.

**XVII. GOVERNING LAW, SETTLEMENT OF DISPUTES, LANGUAGE OF CONTRACT**

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 the Contract and any arising disputes, along with the settlement of disputes.

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

To settle 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 (applied without the provisions of the Sub-Rules of Expedited Proceedings). The number of arbitrator(s) 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.

This contract has been executed by the Parties in Hungarian and English. In case of any dispute over the interpretation, the Hungarian version shall prevail.

## XVIII. MISCELLANEOUS PROVISIONS

### 1. Contact Persons

#### In issues related to the Contract:

On behalf of HGS:

Phone:

Fax:

e-mail:

On behalf of the System User:

Phone: +36

Fax: +36

e-mail:

#### In issues of daily operative contact:

On behalf of the System User:

Phone: +36

Fax: +36

e-mail:

On behalf of HGS: Storage Dispatching Service

Phone: +36 52 362 574

Fax: + 36 52 558 048

e-mail: [dispatcher@mfgt.hu](mailto:dispatcher@mfgt.hu)

### 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

**4. Exclusion of Liability**

HGS excludes any liability for financial, accounting or taxation implications related to the Gas Loan on behalf of the Borrower.

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

Budapest, \_\_.\_\_\_\_.20\_\_

Hungarian Gas Storage Ltd.	System User
.....	.....
Name	Name
Position	Position
.....	.....
Name	Name
Position	Position

Annexes:

Annex No. 1: Declaration Offering Previously Injected Gas as Collateral Relating to Bank Guarantee/Gas Loan Contract