

## Contract on Using Express Services for 2 Storage Years

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: CITIBANK

bank account No.: 10800007-00000000-13714002

invoicing address: 1138 Budapest, Váci út 144-150.

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 published an announcement notice on its website ([www.mfgt.hu](http://www.mfgt.hu)) on "Using Express Services" publicly available under the same conditions to any System User that is subject to Act No. XL of 2008 on natural gas supply (Gas Act) and the related Government Decree No. 19/2009 (I.30.) on the implementation of Act No. XL of 2008 on natural gas supply (Implementation Decree) exclusively.

Under the conditions specified in the announcement notice, System Users subject exclusively to the Gas Act and the Implementation Decree become eligible for concluding the contract on *Express*

Services if they have working gas capacity booking (and the relating injection capacity and withdrawal capacity, hereinafter Capacity Booking) of at least 1 000 000 kWh/storage year for the storage years 2019/2020 and 2020/2021 until the conclusion of this contract.

Having implemented a Capacity Booking belonging to ... kWh working gas capacity booking on ..... 201\_, System User meets the conditions of requesting services (services and fees jointly: “Express Services”) listed in Annex No. 1 and available for the fees set out in Annex No. 1, hence Parties conclude the following contract.

Upon paying HUF ..... +VAT service fee (Service Fee), System Users meeting the announcement conditions shall be entitled to a budget limit (hereinafter Budget Limit) of HUF ..... + VAT for each Capacity Booking belonging to 1 000 000 kWh working gas capacity booking, which budget limit can be spent on using Express Services.

## I SUBJECT AND DURATION OF CONTRACT

### 1. Subject of the Contract on Using Express Services (hereinafter referred to as Contract):

- a) upon paying the fee specified in Section V.1, for its Capacity Booking belonging to ..... kWh working gas capacity booking in total, System User shall be entitled to a Budget Limit of HUF..... + VAT, that is ..... Hungarian forints + VAT to be used for Express Services per storage year.
- b) System User can use the *Express Services* provided by MFGT as per Annex No. 1 under the conditions set forth herein, during the storage years 2019/2020 and 2020/2021, until the Budget Limit specified in the above item “a” is spent.
- c) method of using Express Services:
  - i. System User declares what kind of quantity it intends to use from which Express Service
  - ii. if the capacity amount requested by the System User is available from the Express Service specified by the System User, Parties conclude a contract on the specified Express Service – on the basis of this contract and under the conditions set forth by the contract on the specified Express Service and by the ÁSZF (e.g.: nomination, allocation etc.).

In the event of capacity congestion, MFGT shall satisfy earlier bookings up to the extent of the available capacity quantity.
  - iii. methods of using further quantities:

by paying the Service Fee specified in the “Preamble”, following any further Capacity Booking belonging to 1 000 000 kWh working gas capacity booking. (The Budget Limit belonging to the new Capacity Booking will be added to the Budget Limit of the previous booking relating to storage years 2019/2020 and/or 2020/2021.)

2. This Contract shall be concluded for a definite period until 1st April 2021 at 06:00 hours. System User shall be entitled to spend up to 50% of the Budget Limit - unless the Budget Limit has already been spent - in the storage year 2021/2022 as specified in Section III.3.
3. Parties shall contract for using and providing Express Services specified in Annex No. 1 for the fees set out in Annex No. 1. The contractual injection cycle shall start at 06:00 on 1st April, and shall end at 06:00 1st October each storage year. The contractual withdrawal cycle shall start at 06:00 on 1st October and shall end at 06:00 1st April each storage year. Regarding Express Services, Storage Plus Optional Service and/or Daily Peak Plus Optional Service and/or Intraday Nomination Plus Optional Service can also be used in this period.
4. The detailed conditions of using Express Services shall be specified in the contract template – on storage capacity booking – concluded upon application and in the ÁSZF. (Template contracts and the ÁSZF can be accessed on the MFGT website.)
5. Express Services used under this contract cannot be subject to secondary trading.
6. Rights and/or obligations arising from this contract cannot be assigned or transferred unless a prior written consent is granted by MFGT.

## **II. GENERAL TERMS**

1. In issues not regulated by this Contract, the provisions of the template contracts relating to the services (Express Services) used under this contract and 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.magyarfoldgaztaro.hu](http://www.magyarfoldgaztaro.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 BUDGET LIMIT AVAILABE TO THE SYSTEM USER**

1. The Budget Limit specified in Section I.1.a) shall be available to the System User to use Express Services. System User can use the Budget Limit pursuant to the conditions herein – depending on the available capacities – at its own discretion.
2. In the event that System User does not spend 50% of the Budget Limit for storage year 2019/2020 during the storage year 2019/2020, the difference between 50% of the Budget Limit for storage year 2019/2020 and the Budget Limit for storage year 2019/2020 spent cannot be used after storage year 2019/2020, will not be refunded by MFGT, and therefore shall be settled as “Take or Pay” TOP obligation.

In the event that System User does not spend 50% of the Budget Limit for storage year 2020/2021 during the storage year 2020/2021, the difference between 50% of the Budget Limit for storage year 2020/2021 and the Budget Limit for storage year 2020/2021 spent cannot be used after

storage year 2020/2021, will not be refunded by MFGT, and therefore shall be settled as “Take or Pay” TOP obligation.

3. System User shall be entitled to spend up to 50% of the Budget Limit specified for the relevant storage year – if not already spent – in the subsequent storage year, for the fee announced in the prevailing Code of Business Conduct as per Section VI for the storage service offered by MFGT.
4. MFGT cannot be obliged to provide any Express Service if the Budget Limit currently available to the System User fails to cover the fee of the requested quantity.

#### **IV. FLOW OF INFORMATION**

1. MFGT shall send a statement to the System User on the Express Services used in the relevant month, on the sum of services purchased against it and on the current balance of the Budget Limit, each month, for the last day of the calendar month as the reporting date.
2. Following the storage years 2019/2020 and 2020/2021, MFGT shall inform the System User using a balance statement format with regard to the extent of the unspent Budget Limit for the reporting dates of 31.03.2020 and 31.03.2021.
3. 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 facilitate smooth communication via consultation opportunities and proper dataflow.
4. Information and data flow between the Parties shall be governed by the Grid Code and the ÁSZF.

#### **V SERVICE FEE, PAYMENT METHOD, MONTHLY SETTLEMENT**

1. The Budget Limit fee specified in I.1.a) – that is the Service Fee payable for using Express Services – shall be: HUF ..... + VAT/storage year.
2. The Service Fee shall be paid per storage year in one instalment.

The Service Fee for storage year 2019/2020 shall be payable within 15 calendar days from signing this contract.

The Service Fee for storage year 2020/2021 shall be payable until 1 April 2020.

3. Upon the conclusion of the “Express Service” contract, MFGT issues a periodic settlement invoice for the period until the end of the storage period.
4. Throughout the duration of the contract, MFGT shall issue an accounting document on the actual monthly service use, thus specifying the still available budget limit pursuant to Section IV.1 and IV.2 herein.
5. In case of using Daily Peak Plus and Storage Plus and Intraday Nomination Plus services, the consideration for such services shall be deducted from the System User’s Budget Limit until it is spent in full. System User shall be entitled to use the Express Services pursuant to Annex No. 1 up to the Budget Limit.

6. MFGT undertakes that except for the “Only Working Gas” service, the scope of the Express Services and the unit prices included shall not be modified during the term of this contract.
7. The unit price (HUF/kWh/year) of the “Only Working Gas” service shall be revised in case of each storage tariff change. If with regard to the subsequent period – even within the storage year – the regulated unit price as per the tariff formula for the storage product calculated with injection and withdrawal capacities pursuant to the Capacity Booking contract decreases below the capacity fee (HUF/kWh/year) as per the Capacity Booking contract, the unit price (HUF/kWh/year) of the “Only Working Gas” service shall be increased by the nominal difference between the contractual capacity fee (HUF/kWh/year) and the capacity fee calculated using the tariff formula after the tariff change.

MFGT shall issue a document to be treated as an invoice regarding the Service Fee payable in relation to the Budget Limit as per Section V.1, for the remaining months of the contractual period, based on the following calculation:

“Only Working Gas” service quantity (kWh) \* (contractual capacity fee (HUF/kWh/year) - capacity fee calculated using the tariff formula after the tariff change (HUF/kWh/year))/12\*number of remaining months

The written notification on the increase of the Service Fee above and the document to be treated as an invoice shall be sent by MFGT to the System User within 5 business days from the public announcement of the tariff change.

The Service Fee shall be payable in one instalment within 15 calendar days from issuing the invoice.

## **VI SETTLEMENT OF BUDGET LIMIT REMAINING AT STORAGE YEAR END**

In case of not using 50% of the Budget Limit (Section III.3), Parties shall settle with each other according to the following:

1. At the beginning of April 2020 and at the beginning of April 2021, MFGT shall send by email to the System User’s contact person as per Section IV.2 herein a balance statement on the HUF value of the Budget Limit unused at the end of the gas day 31 March 2020 and gas day 31 March 2021.
2. If based on the balance statement it can be established that at least 50% of the total Budget Limit is not used until the end of the gas day of 31 March of the relevant storage year, Section III.2 herein shall take effect in relation to the difference between 50% of the Budget Limit and the Budget Limit used.
3. Concerning maximum 50% of the Budget Limit not affected by TOP as per Section III.2 herein, MFGT shall proceed according to the following:
  - a) At the beginning of April following the relevant storage year, it issues a credit invoice on the Budget Limit unused at the end of the gas day 31 March of the relevant storage year.
  - b) Following this, it consolidates the unused Budget Limit with the first debit invoice issued to the System User, and thereafter keeps record of the difference only, as a receivable amount in relation to this first debit invoice.

The amount resulting from the consolidation of the unused Budget Limit and the first debit invoice issued to the System User may only be used for the following services:

- i. for the capacity fee regarding the universal service provision booked by the System User, or
  - ii. for the capacity fee regarding the non-universal service provision booked by the System User, or
  - iii. for volume fee type items resulting from the gas turnover relating to the two above types of bookings, or
  - iv. for any other service offered in the Fee List by MFGT for the period affected by the relevant contract, at the service fee specified in the Fee List.
- c) If the unused Budget Limit specified above cannot be fully credited from the first debit invoice, in case of the subsequent monthly debit invoice or debit invoices, the same procedure shall continue until the unused Budget Limit to be credited is used or until the end of the storage year following the relevant storage year comes to an end and the unused budget limit is settled as TOP as per Section III.3 herein.

## **VII 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 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 enters into force on condition that the Service Fee for storage year 2019/2020 is credited to MFGT's bank account.

## **IX MISCELLANEOUS PROVISIONS**

### **1. 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: +36

Fax: +36

e-mail:

2. In the event that System User fails to pay the Service Fee for the storage year 2020/2021, upon the relating invoice until 1 April 2020, MFGT shall be entitled to terminate this contract with immediate effect without justification.
3. This contract was drawn up in 4 copies. In the event of any difference between the Hungarian and the English version or dispute over their interpretation, the contract in Hungarian shall prevail.
4. This Contract shall be valid together with the attached annexes, which shall form an inseparable part thereof.

In witness whereof, the parties have duly executed this Agreement in full accordance with their will.

Budapest, \_\_\_20\_\_

Hungarian Gas Storage Ltd

System User

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Annexes:

Annex No. 1 – Express Services to be used against the Budget Limit and their fees:

Serial No.	Name	Content	Effect on Budget Limit	Net Price
1	"Only Working Gas" Capacity Booking	Booking is possible up to 72% of the budget limit. Working gas capacity thus booked can be filled or withdrawn by using the withdrawal and injection capacities provided for in the System User's other contracts, and in the event that MFGT offers Daily Peak Plus capacity for	Reduction	0.0907 HUF/kWh/year*

		booking on its website, conditions set out in item 4 of this chart shall apply, or if the System User has no available Budget Limit, at the Daily Peak Plus list price.		
2	Budget Limit Shift	Budget limit that can be shifted to the subsequent storage year, but can be spent only on non-"Express" products.	Maximum 50% of the budget limit can be shifted	-
4	Injection and Withdrawal Capacity Increase	Up to the value of the Budget Limit, Daily Peak Plus firm injection and withdrawal peak capacity service can be used at a fee discount. System User may use discount price injection and withdrawal peak capacities up to 100% of its firm capacities available for the relevant gas day.	Reduction	0.0176 HUF/kWh
5	Backhaul Storage	Up to the value of the Budget Limit, Storage Plus service - facilitating backhaul storage activities in a direction opposite to the injection/withdrawal cycle - can be used at an 88% fee discount.	Reduction	0.039 HUF/kWh
6	Hourly Nomination Modification Beyond Tolerance Range	Up to the value of the Budget Limit, Intra Gas Day Storage Flexibility (Intraday Nomination Plus) service facilitating renomination beyond the tolerance range from the first nomination of the gas day.	Reduction	0.325 HUF/kWh
7	Gas Loan Service	In the event that MFGT offers Gas Loan Service, which the System User uses, the fees of the Gas Loan Service can be paid from the budget limit.	Reduction	The price of the gas loan service contract shall apply.

\*fee amount may change according to Section V.7.