

Contract on Using Discount Price Storage Services (“Express Services”)

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) on “Using Discount Price Storage Services” (*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 *Discount Price Storage Services (Express Services)* if they have storage capacity booking (including: injection capacity – working gas capacity – withdrawal capacity, hereinafter Capacity Booking) belonging to an energy quantity of at least 1 000 000 kWh for the storage year 2018/2019 until the conclusion of this contract.

Upon paying HUF +VAT service fee, System Users meeting the announcement conditions shall be entitled to a budget limit of HUF + VAT for each Capacity Booking belonging to 1 000 000 kWh energy quantity, which budget limit can be spent on using Discount Price Storage Services (Express Services).

Having taken a Capacity Booking belonging to ... kWh energy quantity on 201., System User meets the conditions of requesting *Discount Price Storage Services (Express Services)* listed in Annex No. 1 and available for the fees set out in Annex No. 1, hence Parties conclude the following contract.

I SUBJECT AND DURATION OF CONTRACT

1. Subject of the Contract on Using Discount Price Storage Services (“Express Services”) listed in Annex No. 1 and available for the fees set out in Annex No. 1 (hereinafter referred to as Contract):

- a) upon paying the fee specified in Section VII.1, for its Capacity Booking belonging to kWh energy quantity in total, System User shall be entitled to a budget limit (“Budget Limit”) of HUF..... + VAT, that is Hungarian forints +VAT to be used for Discount Price Storage Services.
- b) System User can use the *Express Services* provided by MFGT and listed in Annex No. 1 for a discount fee specified in the same annex, under the conditions set forth herein, during the storage year 2018/2019, until the Budget Limit specified in item “a” is spent.
- c) method of using Express Services specified in Annex No. 1:
 - i. System User declares what kind of quantity it intends to use from which Express Service
 - ii. 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.).
 - iii. methods of using further quantities:
 1. as specified in Section III.2, or
 2. by paying the service fee following a new Capacity Booking for at least 1 000 000 kWh. (The Budget Limit belonging to the new booking will be added to the Budget Limit of the previous booking.)

2. This Contract shall be concluded for a definite period until 1st April 2019 at 06:00 hours with the proviso that pursuant to Section I.3, MFGT undertakes to offer the possibility of using Express Services exclusively for the storage year 2018/2019. System User shall be entitled to spend up to 50% of the Budget Limit - unless it has already been spent - in the storage year 2019/2020 as specified in Section III.4.
3. Parties shall contract for using and providing Express Services specified in Annex No. 1 for the discount fees set out in Annex No. 1. The contractual injection cycle shall start at 06:00 on 1st April 2018, and shall end at 06:00 on 1st October 2018. The contractual withdrawal cycle shall start at 06:00 on 1st October 2018, and shall end at 06:00 on 1st April 2019. Regarding Express Services, Flex Plus Optional Service and/or 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 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.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 BUDGET LIMIT AVAILABE TO THE SYSTEM USER

1. HUF + VAT Budget Limit shall be available to the System User to use Express Services. System User can use the Budget Limit pursuant to the conditions herein at its own discretion.
2. System User shall be entitled to raise the Budget Limit according to the following. In case of depositing maximum 50% of the Budget Limit specified in Section III.1, the amount of the Budget Limit increases in the ratio of the deposit payment. Throughout the term of this contract, the Budget Limit may be raised twice with the proviso that it may be increased in each case by maximum 50%, hence the increased budget limit maximum can be the double of the budget limit

specified in subsection 1). Parties shall sign a contract amendment on such raise, and the extent thereof shall be added to the Budget Limit.

3. In the event that System User does not spend 50% of the Budget Limit during storage year 2018/2019, the difference between 50% of the Budget Limit and the Budget Limit spent cannot be used after storage year 2018/2019, and will not be refunded by MFGT.
4. System User shall be entitled to spend up to 50% of the Budget Limit amount in the storage year 2019/2020 – if not already spent –, for the fee announced in the prevailing Code of Business Conduct for the storage service offered by MFGT. The Budget Limit unspent until the end of storage year 2019/2020 cannot be used after storage year 2019/2020.
5. 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.
6. MFGT undertakes that the fees and list of Express Services shall not be modified during the term of this contract.

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, using the last day of the calendar month as the reporting date.
2. MFGT shall inform the System User using a balance statement format with regard to the extent of the unspent Budget Limit, where the reporting date shall be 31.12.2018, or 31.03.2019 after the storage year 2018/2019.
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 they 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 Section III.1 – that is the fee payable for using Express Services – shall be: HUF + VAT (“Budget Limit Fee”).
2. The Budget Limit Fee shall be payable in one instalment within 15 calendar days from signing this contract.
3. Upon the conclusion of the “Express Service Bundle” contract, MFGT issues a periodic settlement invoice for the period until the end of the storage cycle. The conclusion of the contract shall be subject to the condition that the invoiced amount is paid in full.
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 increasing the Budget Limit as per Section III.2 – following the contract amendment –, a new periodic settlement invoice shall be issued for the period until the end of the storage cycle.

The conclusion of the contract amendment shall be subject to the condition that the amount invoiced in relation to the increase is paid in full and in one instalment.

6. In case of using Daily Peak Plus, 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 for the fees set out in Annex No. 1 up to the Budget Limit.
7. In relation to the budget limit of the "Express Service" bundle, System User has a 50% "Take or Pay" (TOP) obligation on the last day of storage year 2018/2019. At the end of the storage year 2018/2019, the unspent amount remaining from 50% of the Budget Limit shall be settled as "Take or Pay" (TOP) obligation, which will not be refunded by MFGT.
8. The remaining 50% of the Budget Limit can be transferred (shifted) to storage year 2019/2020, and spent on using the services then required at the then applicable prices.
9. At the end of the storage year 2019/2020, the amount remaining from the Budget Limit shift shall be settled as a "Take or Pay" (TOP) obligation, and will no longer be refunded by MFGT.

VI GOVERNING LAW, SETTLEMENT OF DISPUTES

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

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

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

VII ENTRY INTO FORCE

This contract and the Budget Limit increase as per Section III.3 shall enter into force on condition that the Budget Limit fee, or in case of an increase, the fee for increasing the Budget Limit is credited to MFGT's bank account.

VIII MISCELLANEOUS PROVISIONS

Contact Persons

In issues related to the Contract:

On behalf of MFGT:

Phone:

Fax:

e-mail:

On behalf of the System User:

Phone: +36

Fax: +36

e-mail:

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:

Appendix No. 3 – “Express Services” to be used against the Budget Limit, with fees:

| Serial No. | Name | Content | Effect on Budget Limit | Price |
|------------|---|--|---------------------------------|--|
| 1 | <p style="text-align: center;">“Only Working Gas” Capacity Booking</p> | <p>Booking is possible up to 85% 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 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.</p> | Reduction | <p style="text-align: center;">0.1905 HUF/kWh</p> |
| 2 | Budget Limit Shift | <p>Budget limit that can be shifted to the subsequent storage year, but can be spent only on non-“Express” products.</p> | Maximum 50% of the budget limit | - |
| 3 | Capacity Shift (capacity profiling) | <p>Within the storage year, System User may modify (increase or decrease) the extent (kWh/day) of their daily injection and withdrawal capacities by not more than 10% broken down into maximum three periods per cycle so that at the end of the relevant storage cycle, the average of the modified capacities per cycle shall be equal to the daily capacity originally booked and affected by the contract. (For the feasibility of representation in the IT system, Parties accept that the total quantity to be injected/withdrawn may be modified within the range of +/- 10 kWh due to</p> | No reduction | - |

| | | | | |
|---|--|--|-----------|--|
| | | <p>the shift.)</p> <p>The three periods of preference and the extent of modification shall be specified until 06:00 hours on 1 April 2018. Following the service is requested, MFGT checks and then confirms the acceptance of the request.</p> <p>In as far as the System User fails to submit their request until the specified date, MFGT cannot provide the service.</p> <p>The service can be used only as part of the Discount Price Storage Services ("Express Services") bundle.</p> | | |
| 4 | Injection and Withdrawal Capacity Increase | <p>Up to the value of the Budget Limit, Daily Peak Plus firm injection and withdrawal peak capacity service can be used at a 88% fee discount. System User may use discount price injection and withdrawal peak capacities up to 500% of its firm capacities available for the relevant gas day.</p> | Reduction | 0.039 HUF/kWh |
| 5 | Backhaul Storage | <p>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 a 88% fee discount.</p> | Reduction | 0.039 HUF/kWh |
| 6 | Gas Loan Service | <p>In the event that MFGT offers Gas Loan Service, which the System User uses, the fees of the Gas Loan Service (One-Off Availability Fee, Loan Fee and Administrative Fee) can be paid from the budget limit.</p> | Reduction | The price of the gas loan service contract shall apply. |