

**PROFITSHARING STORAGE SERVICE FRAMEWORK CONTRACT**  
(Contract No.: )

concluded by and between

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

tax No.:

Court of Registration and Reg. No.:

hereinafter referred to as **System User**

and

**Hungarian Gas Storage Limited Company**

seat:

1138 Budapest, Váci út 144-150.

mailing address:

1399 Budapest, Pf. 645.

account keeping bank:

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:

## PREAMBLE

In order to maximise the utilisation of available storage capacities, MFGT offered in its applicable Fee List the Profitsharing Storage Service, under which System Users will be entitled to book working gas, injection and withdrawal capacities via a specific transaction, based on parameters provided in the request they submitted.

## I SUBJECT AND DURATION OF CONTRACT

1. Subject of this Profitsharing Storage Service Framework Contract (hereinafter referred to as Framework Contract) (CPA No.: 521012):  
  
the storage of natural gas owned by the System User, the ensuring thereof, along with its firm injection into and withdrawal from the Hungarian underground gas storage facilities owned and operated by MFGT with respect to the quantity and period specified in the System User's specific transaction request and accepted by MFGT, and according to the quality parameters as per Chapter IV.
2. Pursuant to this Framework Contract, MFGT shall – in conformity with the parameters set out in the System User's specific transaction request – inject the natural gas taken over for the purpose of natural gas storage, shall keep it in its storage facilities and shall withdraw it in the period also set out in the specific transaction request.
3. The Framework Contract shall be concluded for a definite period from 06:00 on 1 April 20\_\_ until 06:00 on 1 April 20\_\_.

## 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 the 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 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 Office to be the same as the usual contracting practice.
3. Special conditions not stipulated in the ÁSZF shall be specified in this Contract.

## III CONDITIONS OF USING PROFITSHARING STORAGE SERVICE

1. During the term of this Framework Agreement, the System User's Contact Persons may submit specific transaction request by e-mail and on paper (Annex No. 1), which request(s) shall form an integral part of this Framework Agreement.
2. The conditions to fulfil the specific transaction request require that the bid for the minimum price shall meet the conditions as per Section 2.1 and the conditions of technical feasibility as per Section 2.2 shall be simultaneously met:
  - 2.1. Minimum bid price:

- (EUR/MWh) higher than the storage tariff calculated at the applicable technological ratio but at least [(withdrawal period VTP price - injection period VTP price) - transmission costs]/2
- (where the VTP price is determined on the basis of the prices published on the website: <https://www.cegh.at/en/exchange-market/market-data/?p=2>) and simultaneously
- the above shall also cover the costs incurred by MFGT in fulfilling the request. (When assessing the cost calculation, MFGT takes into account the power, gas and other costs (e.g. RHD) associated with the injection and withdrawal of 1 MWh of gas energy.)

2.2. The request is technically feasible (having also considered System User forecasts, the capacities specified in the request are still available, and there are no other technical reasons preventing performance).

3. MFGT shall confirm the submitted request no later than by 16:00 on the business day following the receipt thereof, to the e-mail address(es) specified in Section X, by duly signing the document as per Annex No.1, provided that the request is technically feasible as per Section 2.2 and meets the conditions of the minimum price as specified in Section 2.1.

If the above conditions are not met in full or in part, MFGT shall reject the application received.

4. Nominations for the Profitsharing Storage Service may be submitted after the entry into force of this contract and following MFGT's confirmation of the relevant specific transaction request.
5. System User shall submit the schedule for injection and withdrawal on the IT Platform under the menu item Nomination/Gas Volume Plan, in line with the parameters set out in the specific transaction request.
6. Contracted capacities shall be booked for non-universal service purposes only, and can be subject to neither secondary, nor primary trading either.
7. Only specific transaction requests confirmed and accepted by MFGT shall form an integral part of the Framework Contract, and MFGT shall only undertake to fulfil such specific transaction requests.

#### **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 distribute the gas quantity to be injected or withdrawn to the relevant underground gas storage facilities. MFGT shall undertake to deliver the nominated quantities it verified for the unified storage facility, 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 Company and the Transmission Operator to fulfil its obligations towards the System User.
2. Parties ensure that besides the regular contacts specified in this Contract, they shall notify each other of all incidents which may have an effect on their cooperation, and they facilitate smooth communication via consultation opportunities and proper dataflow.
3. Information and data flow between the Parties shall be governed by the Grid Code and the ÁSZF.

## VII STORAGE FEE

1. The specific transaction request shall contain the service fee based on the following formula:

$$P = P_U * V$$

where

P = service fee (EUR)

$P_U$  = unit price provided by the System User in the specific transaction request (EUR/MWh)

V = working gas capacity required by the System User in the specific transaction request (MWh)

The service fee price does not include the volume fee or the VAT.

2. The specific transaction request shall be confirmed only if the price indicated in the specific transaction request is accepted by MFGT.
3. The service fee for the specific transaction shall be invoiced in one lump sum in EUR within 5 business days after the confirmation of the request by MFGT, with a 15-day payment deadline. Parties agree to settle with each other the service fees arising from herein pursuant to Section 58 of Act No. CXXVII of 2007 on Value Added Tax (VAT Act) for the period contained in the relevant request, in one lump sum.
4. The service fee does not include volume fees, for which MFGT is entitled to issue a pro forma invoice in HUF simultaneously with issuing the service fee, with a 15-day payment deadline. Pursuant to Section 58 of Act No. CXXVII of 2007 on Value Added Tax (VAT Act), MFGT shall send a monthly settlement invoice based on the protocols issued by MFGT with a 15-day payment deadline.

## VIII FINANCIAL AND PAYMENT GUARANTEE

MFGT accepts injected gas as payment guarantee from the System User. Relating declarations and powers of attorney shall be annexed to the Framework Contract as Annex No. 2.

Extent of payment guarantee:

$$(\text{Service Fee [EUR]} + \text{related volume fees [HUF]} + \text{VAT}) / 60\% \text{ of CEGH* [EUR/MWh]}$$

\*CEGH: "Settlement Price" published on the day of confirming the specific transaction request in the CEGH AT VTP "First Front Month" section for the following month, rounded to 3 decimal digits in EUR/MWh.

Volume fees (HUF/MWh) shall always be converted into euros using the average exchange rate of MNB (Central Bank of Hungary) applicable at the date of confirming the specific transaction request (<https://mnb.hu/arfolyamok>).

After the service fee as set out in Section VII and the pro forma invoice on the volume fees have been paid, the block on injected gas offered as payment guarantee shall be released.

## **IX SETTLEMENT OF LEGAL 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 ENRTY INTO FORCE**

This contract shall be concluded and take effect upon signature.

## **X 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:

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: 52/362-574

Fax: 52/558-048

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

**Contact Person(s) authorised to submit/confirm specific transactions:**

On behalf of the System User:

Phone:

Fax:

e-mail:

On behalf of MFGT:

Phone:

Fax:

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:

Annex No. 1: Specific Transaction Request

Annex No. 2: Declaration Offering Injected Gas as Collateral

Annex No. 1.:

**SPECIFIC TRANSACTION REQUEST**  
(Serial No.: shipper\_code\_date)

<b>System User</b>	
<b>Seat</b>	
<b>Shipper Code</b>	
<b>Requested working gas capacity (MWh)</b>	
<b>Period</b>	
<b>Requested injection capacity (MWh/day)</b>	
<b>Period</b>	
<b>Requested withdrawal capacity (MWh/day)</b>	
<b>Period</b>	
<b>Unit Price (EUR/MWh)</b>	
<b>Service Fee (EUR)</b>	+ VAT

Dated:

.....

Name  
Position  
Company name

We hereby confirm the specific transaction request.

Dated:

.....

Name  
Position  
Hungarian Gas Storage Ltd.

.....

Name  
Position  
Hungarian Gas Storage Ltd.

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 period \_\_.\_\_.20\_\_ - \_\_.\_\_.20\_\_.

In order to have zero kWh working gas energy quantity at the end of the withdrawal period set out in the specific transaction, System User undertakes to pay the service fee not later than until the beginning of the withdrawal period set out in the specific transaction. 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 service and volume fees from the revenues of such sale.

By signing this declaration, System User agrees that in case of payment default on the fees payable upon the Framework Contract, MFGT may sell from the injected natural gas it injected - 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.

To cover covering every confirmed specific transaction request, System User shall be obliged to provide further storage working gas energy quantity or a contractual guarantee corresponding to the difference as a collateral. Should the System User fail to provide collateral, MFGT is not obliged to fulfil further specific transaction requests.

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 service and volume fees 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\_\_

.....  
 Name  
 Position  
 Company name

.....  
 Name  
 Position  
 Company name

I accept the power of attorney:

.....  
 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 the 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 service and volume 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 service and volume fees to MFGT in full.

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

.....	.....
Name	Name
Position	Position
Company name	Company name

I accept the power of attorney:

.....	.....
Name	Name
Position	Position
Hungarian Gas Storage Ltd.	Hungarian Gas Storage Ltd.