

CONTRACT ON PROVIDING INTERRUPTIBLE FORWARDHAUL INJECTION CAPACITY SERVICE

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:

CITIBANK

bank account No.:

10800007-00000000-13714002

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

MFGT published an announcement notice on Providing Interruptible Forwardhaul Injection Capacity Service (hereinafter referred to as Service) on __.____.20__ for System Users with booked working gas capacity.

On __.____.20__, System User concluded a Contract on Using and Providing (Bundled) Natural Gas Storage Service with MFGT, entitling the System User to use __ kWh working gas capacity, __ kWh firm injection capacity in total.

I SUBJECT AND DURATION OF CONTRACT

1. The subject matter of this Contract on Providing Interruptible Forwardhaul Injection Capacity Service (hereinafter referred to as Contract):

Interruptible injection of the natural gas owned by the System User into the Hungarian underground gas storage facilities owned and operated by MFGT according to the quantity parameters as per Chapter III and quality parameters as per Chapter IV.

2. Pursuant to this Contract, MFGT shall – upon the contractual instruction of the System User – inject the natural gas taken over for the purpose of natural gas storage during the period as per Section I.4 with firm and interruptible capacity.
3. The Contract shall be concluded for a definite period until 1st October 20__ at 6:00 hours.
4. The contractual injection cycle starts at 6:00 on 1st April 20__ and shall end at 6:00 1st October 20__.

II. GENERAL TERMS

1. In issues not regulated by the Contract, provisions set forth in the General Terms and Conditions (hereinafter referred to as ÁSZF), in Annex No. 4 of the Code of Business Conduct and in the Fee List shall apply. In cases not regulated by this Contract, the relevant regulations of the Contract on Using and Providing (Bundled) Natural Gas Storage Service as referenced in the Preamble shall apply *mutatis mutandis*.
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 website (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 the Hungarian Energy and Public Utility Regulatory Authority (Office) to be the same as the usual contracting practice.
3. Special conditions not stipulated in the ÁSZF shall be specified in this Contract, the announcement notice and the applicable Fee List.

III. RULES OF USING THE SERVICE

- a) In case of capacity interruption, natural gas cannot be injected into storage against interrupted capacities.
- b) The Service can be used as interruptible capacity until 6:00 on 1st October 2019.
- c) System User shall understand that the actually available injection capacity may vary according to the nominations submitted by other System Users.

IV. PROVISION OF INTERRUPTIBLE INJECTION CAPACITIES

1. Interruptible injection capacities available to the System User:
interruptible injection (peak) capacity: kWh/day
2. Contracted capacities cannot be subject to primary or secondary trading either.
3. In the event of interruption, in any case, the contracted capacity (Service) related to the shortest time period will be interrupted, while if there are equal periods, the capacity (Service) related to the smallest unit price will be interrupted in the first round. In case of further interruptions, the same principle shall apply to evaluating the capacities and services with regard to the order of interruption. Capacities sold as interruptible capacities can be interrupted.
4. In case of interruption, MFGT will interrupt the simultaneously used interruptible capacities of the Service based on the nominations submitted, applying the pro rata principle.
5. The natural gas storage licensee shall inform the system user on the fact of interruption indicating the date of interruption and the extent of capacity required to be interrupted (kWh/hour).
6. MFGT shall not be obliged to provide injection capacities exceeding the peak capacity stipulated by Section III.1 of the Contract, nor to inject more working gas capacity.

IV INJECTION GAS QUALITY

MFGT shall undertake to inject natural gas only if it meets the quality parameters prescribed by Annex No. 11 of Government Decree No. 19/2009 (I.30.) on the implementation of Act No. XL of 2008 on Natural Gas Supply (Implementation Decree).

V NATURAL GAS DELIVERY AND ACCEPTANCE, MEASUREMENT, SETTLEMENT

According to Section 1.3.2 of the Code of Business Conduct, MFGT manages the storage facilities as a unified whole. Based on the daily nomination submitted by the System User for the unified storage facility, MFGT shall allocate the gas quantity to be injected to the relevant underground gas storage facilities. MFGT shall not undertake to inject the nominated quantities allocated for the relevant storage facilities, and in case of non-performance, MFGT shall not cover any 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 fee for the Interruptible Forwardhaul Injection Capacity Service shall be specified in the applicable Fee List published on the MFGT website (<http://mfgt.hu/>).
2. The service fee shall be paid in case of using the Interruptible Forwardhaul Injection Capacity Service, on the basis of the actual quantities so injected (kWh/day).
3. The financial settlement and invoicing of the Interruptible Forwardhaul Injection Capacity Service shall be carried out posteriorly and monthly, based on the accepted daily allocated value.
4. System User shall pay the volume fee related to using the Interruptible Forwardhaul Injection Capacity Service at the fee calculated pursuant to the prevailing Tariff Decrees. Parties agree to settle the fees arising from herein periodically, in equal monthly instalments pursuant to Section 58, Subsection (1) of Act No. CXXVII of 2007 on Value Added Tax (VAT Act).

VIII GOVERNING LAW, SETTLEMENT OF DISPUTES

Parties shall agree to settle the disputes between each other in relation to the Natural Gas Storage Contract primarily via amicable negotiation.

Failing such settlement in any dispute arising from or relating to this contract, with particular regard to its breach, termination, validity or interpretation, parties hereby exclude the state court procedure and agree to subject themselves to the exclusive and final jurisdiction of the Permanent Court of Arbitration (Commercial Arbitration Court Budapest) operating at the Hungarian Chamber of Commerce and Industry, provided that the Court of Arbitration proceeds according to its own Rules of Procedure (supplemented with the provisions of the Sub-Rules of Expedited Proceedings). The number of arbitrators shall be three and the language of procedure shall be Hungarian. Parties exclude the possibility of the retrial of the proceedings as regulated by Chapter IX of Act No. LX of 2017 on Arbitration. In order to settle the legal dispute the Hungarian substantive law shall apply, excluding its private international law rules. The language of procedure shall be Hungarian.

IX ENTRY INTO FORCE

This contract shall be concluded and effective upon signature.

X MISCELLANEOUS PROVISIONS

Contact persons in issues related to the Contract:

On behalf of MFGT:

Phone:

Fax:

e-mail:

On behalf of the System User:

Phone:

Fax:

e-mail:

Budapest,

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Hungarian Gas Storage Ltd

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System User