

NATURAL GAS STORAGE CAPACITY CONTRACT ON 100% AVAILABLE, FLAT CURVES INJECTION CAPACITY AND WITHDRAWAL CAPACITY

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

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:

I Subject and Duration of Contract

1. The subject of this Natural Gas Storage Capacity Contract on 100% Available, Flat Curves Injection Capacity and Withdrawal Capacity (hereinafter referred to as Contract) shall be using the 100% available flat curves non-USP injection and withdrawal and working gas capacity by the System User in the Hungarian underground gas storage facility owned and operated by MFGT pursuant to the terms and conditions described in the chapters below.
2. MFGT aims at providing 100% available flat curves injection and withdrawal capacities to the System Users within the range of the set minimum and maximum parameters. Quantity of contracted capacities:
 - a) Injection capacity: _____ kWh/day
 - b) Working Gas Capacity: _____ kWh
 - c) Withdrawal capacity: _____ kWh/day
3. This Contract shall be concluded for a definite period until 06:00 hours on 01 April 201...
4. The contractual storage cycle shall start at 06:00 on 01 April 201_ and shall end at 06:00 on 01. April 201_.

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 this Contract, the 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 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.
4. The document of the announcement shall form part of this contract as an annex hereto.

III Conditions of Using 100% Available Flat Curves Injection and Withdrawal Capacities

1. Each year, after the annual storage capacity booking, MFGT decides whether to announce 100% available flat curves injection and withdrawal capacities. The

purchased capacity shall be available at all times regardless of the storage parameters, yet in each case, it may be used within the range of minimum and maximum values. Capacities shall be published for offer in the period pursuant to the announcement, and MFGT shall guarantee their availability within the range of minimum and maximum values, not allowing any nomination exceeding the capacity maximum. Below the minimum level, MFGT tries to accept the nomination, but acceptance cannot be guaranteed.

2. The amount of offered capacities shall depend on the capacity booking requests submitted until the first Monday of March each year during the first round of the annual storage capacity booking. MFGT shall separately determine at the beginning of each storage year the extent of 100% available, flat curves injection and withdrawal capacities, along with the related working gas capacity quantity.
3. It is a precondition for using the service that the System User has storage booking at the storage licensee for seasonal storage provided as basic service.
4. MFGT shall announce the maintenance period, and the availability of capacities shall be according to the prevailing announcement.
5. Requests for capacity demand shall be submitted until the deadline determined by MFGT.
6. In case of capacity overbooking, MFGT holds an auction.

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 Service Fee

1. Service fee: ... HUF/kWh/year.
2. MFGT shall offer 100% available injection and withdrawal capacities in bundles.
3. The price of a bundle includes the capacity fee, but excludes the VAT and the volume fees.
4. Capacity bidders may request an integer number of bundles.
5. Bundled capacities have an annual fee and payment conditions shall be specified according to the announced terms. Customized service fees shall not depend on the fees set forth by any prevailing legislation and Office resolution.
6. As for working gas capacities, injection capacities and withdrawal capacities booked during the storage year, the System User shall pay the full annual capacity pursuant to the Code of Business Conduct of MFGT. System User shall pay the monthly fee for the month of contract conclusion together with the fee for the months already elapsed in the storage year in a lump sum, and 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). The date of issuing the invoice shall be the date the contract takes effect. The capacity fee for every month of the rest of the storage year shall be paid in equal instalments.
7. Parties shall agree in a settlement for a fixed term.
8. The transmission fee shall be invoiced with the fees pursuant to the prevailing Tariff Decrees – excluding VAT – until the 10th working day following the base month.
9. The payment deadline shall be the 30th calendar day from the date of invoice issue, or if it is a holiday, it shall be the following banking day.

10. System User agrees that in case of payment default on the service fees payable as per this contract in relation to the capacity booking contract concluded on 201_ on natural gas storage for storage year 201_/201_, MFGT may call in from the financial guarantee (bank guarantee) or from the payment guarantee (injected natural gas) offered by the System User an amount which covers the invoiced but unpaid service fees, or may sell from the injected natural gas energy quantity an amount the purchase price of which covers the invoiced but unpaid fees. The relating rules of procedure and the specific details are contained in Annex No. 7 of MFGT's Code of Business Conduct.

VIII Governing Law, Settlement of Disputes

1. The provisions of Hungarian law shall apply to the contract, to any arising disputes and to the settlement thereof.
2. Parties shall agree to settle the disputes relating to the Natural Gas Storage Contract primarily via amicable negotiation.
3. 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.

IX Entry into Force

This contract shall be concluded and effective upon signature.

X Miscellaneous Provisions

1. Contact Persons

In issues related to the Contract:

On behalf of MFGT:

Phone:

Fax:

email:

In issues of daily operative contact:

On behalf of the System User:

Phone:

Fax:

email:

On behalf of MFGT: Storage Dispatching Service

Phone: 52/362-574

Fax: 52/558-044

email: dispatcher@mfgt.hu

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

Budapest,

Hungarian Gas Storage Ltd.

System User

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