Hungarian Gas Storage Limited Company

Natural Gas Storage Licensee

CODE OF BUSINESS CONDUCT

This Code of Business Conduct was approved by

Resolution No. of the Hungarian Energy and Public Utility Regulatory Authority.

Budapest, 2025

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1 GENERAL

1.1 DEFINITIONS

1.1.1 Definitions of the terms used in the Code of Business Conduct

Terms used in the Code of Business Conduct shall be construed as meaning the same as in the governing documents.

Other terms used in the Code of Business Conduct:

Fee List	Price list and service descriptions for basic and optional services based on activities subject to licence regarding natural gas storage service provision, as set out in Section 3.1 of the Code of Business Conduct.
Prepared Gas	Gas extracted from underground storage facilities that has been prepared for transmission via transmission pipelines.
Entry Pressure	The pressure of the gas arriving at the transmission pipeline delivery point of the underground gas storage facility (pipeline zero point) from the transmission pipeline during the injection cycle.
Parties	For the purposes of the Natural Gas Storage Contract: HGS (MFGT) and the System User.
Settlement of Natural Gas/ Energy Quantities and Optional Services	A complex activity, that includes keeping a balance-based record of the gas volumes of System Operators and System Users, as well as preparing the protocols that serve as the basis for payments and as the verification of the performance of trading (basic and optional) services. The content of the protocols is identical to the invoicing SMCS report forming the basis for invoicing.
GGPSSO	Guidelines for Good Third Party Access Practice for Storage System Operators (2 February 2011) by the European Commission.
Authority	Hungarian Energy and Public Utility Regulatory Authority
IT Platform	A system of technical and IT parameters which ensures the delivery and acceptance of all fundamental data to be produced or provided by HGS to the System Users and to the Authority under the Grid Code, in a standardised

	manner and via a secure platform, under continuous supervision. (Otherwise referred to as Storage Management and Commercial System, abbreviated as SMCS)
Exit Pressure	The pressure of the gas arriving at the transmission pipeline delivery point of the underground gas storage facility from storage.
E&P	The Upstream (Exploration and Production) Division of MOL Nyrt, and the technical system thereof
Matching Operator	Checking the correspondence of nomination between the storage company and the transmission company. A contributing organisation that performs its activity related to the operation of the underground gas storage facility under cooperation contracts concluded with HGS.
Cushion Gas	Gas required for the operation of the underground gas storage facility, maintaining storage pressure conditions.
Short-Term Storage Service	Storage service announced for a period shorter than a storage year.
Transmission Company **Transmission System Operator**	Licensee performing natural gas transmission, and the operation, maintenance and development of transmission pipelines. Transmission company appointed by the Authority to perform the representation, management and coordination tasks of the integrated natural gas system.
Tariff Resolution	Applicable HEPURA resolution on fixing the natural gas storage fee for the storage year
Tariff Regulation	HEPURA Decree No. 11/2016 (XI.14.) (Price Application Decree) HEPURA Decree No. 8/2020. (VIII.14.) HEPURA Decree No. 5/2024. (VIII.27.) Tariff Resolution
Storage Licensee	Company that holds a natural gas storage operation licence issued by the Authority under the Gas Act.
Storage Operative Programme	Storage programme prepared by HGS to ensure the accumulation of the target stock scheduled by the System Users for the storage period.

Load Change	The maximum allowable change in capacity in a single time unit during the withdrawal and injection cycles of the Storage Facility.
Fill Status	The ratio of working gas stored in the storage facility and the maximum working gas capacity of the storage facility.
Technological Ratio	Number of withdrawal and injection days ensuring optimal technical operation of storage.

1.1.2 Abbreviations used in the Code of Business Conduct:

Mining Act	Act No. XLVIII of 1993 on mining (Mining Act)
Mining Act Implementation Decree	Gov. Decree No. 203/1998 (XII.19.) on the implementation of Act No. XLVIII of 1993 on mining
Gas Act	Act No. XL of 2008 on natural gas supply
HEPURA	Hungarian Energy and Public Utility Regulatory Authority
HGS (MFGT)	Hungarian Gas Storage Ltd.
MSZ	Hungarian Standard
TOP	Technical Operation Plan
Civil Code	Act No. V of 2013 on the Civil Code
Grid Code	Operational and Trading Code of the Hungarian Natural Gas System
Implementation Decree	Government Decree No. 19/2009. (I.30.) on the implementation of Act No. XL of 2008 on natural gas supply
SZTFH Decree No. 20/2022. (I. 31.)	SZTFH (Supervisory Authority of Regulatory Affairs) Decree No. 20/2022 (I. 31.) on certain rules for the implementation of Act No. XLVIII of 1993 on mining

1.2 OBJECTIVE, SUBJECT MATTER, SCOPE AND STRUCTURE OF THE CODE OF BUSINESS CONDUCT

1.2.1 Objective and Subject Matter of the Code of Business Conduct

Section 113 of the Gas Act requires licensees to produce their code of business conduct specifying general safety, quality, technical, commercial, settlement and payments rules for services provided by the licensees, as well as the terms of meeting supply quality and user demand.

The objective of this Code of Business Conduct is to define the general safety, quality, technical, sales, quantity settlement and payment rules governing the services provided by Hungarian Gas Storage Ltd (hereinafter: HGS or MFGT) – for the market participants it contracts with – along with rules governing the contract terms and the violation of contract, as well as the detailed rules of supply quality and satisfying consumer demand. Additionally, it is intended to provide a clear description of the rights and obligations of the system users, and to lay down the rules that ensure non-discriminatory access to the storage system.

The Code of Business Conduct contains the contract terms for the basic and optional services offered by HGS. This Code of Business Conduct was developed on the basis of the prevailing rules of law and official resolutions (hereinafter: governing documents). HGS strictly adheres to the terms set forth in these documents during its operation whatsoever.

1.2.2 Scope of the Code of Business Conduct

As per Section 113, Subsection (4) of the Gas Act, the Code of Business Conduct shall take effect upon approval by the Authority. The scope of this Code of Business Conduct covers the natural gas storage operations of HGS, the System Users that use the service provided by HGS, the contracts and agreements concluded for natural gas storage services, and the contracting parties.

As per Section 119 Subsection (1) of the Gas Act, the Authority may apply legal sanctions should HGS conduct its activities in violation of this Code of Business Conduct.

As per Section 113 Subsection (4) of the Gas Act, HGS shall make its approved Code of Business Conduct accessible to its customers, both in hard copy and on its website.

HGS may and, in compliance with Section 121, Subsection (1) of the Implementation Decree, shall revise the Code of Business Conduct at least annually. The revision of the Code of Business Conduct shall cover changes to the relevant legal and other regulations, changes arising from the operating practice of the licensee, and the contractual systems. HGS shall make the necessary amendments to the Code of Business Conduct, and submit them to the Authority for approval.

Amendments shall enter into effect on the day specified in the approval resolution of the Authority. HGS will notify its contractual partners of the amendments.

1.2.3 Structure of the Code of Business Conduct

Code of Business Conduct

Annexes

1. Contact information of the customer service office
2. Description of the natural gas storage operation support system (Description of the IT Platform)
3. Financial conditions of storage and contract templates

4. General Terms and Conditions of Contract for natural gas storage services (hereinafter: ÁSZF)
    - 4.1 Short-Term/Annual/Long-Term Contract On Using and Providing Seasonal Basic Natural Gas Storage Service - template
    - 4.2 Short-Term/Annual/Long-Term Contract On Using and Providing Seasonal Basic Natural Gas Storage Service - template (Bundle)
    - 4.3 Contract on Portfolio Management Service
    - 4.4 Contract on Using and Providing Natural Gas Storage Service in Type "I" Public Customs Warehouse - template
    - 4.5 Data Plus Contract
    - 4.6 Contract on Lending and Borrowing Natural Gas
    - 4.7 Contract on Lending and Borrowing Natural Gas with the Related Capacity, on Gas Loan Plus Product (GLP)
    - 4.8 Profitsharing Storage Service Framework Contract
    - 4.9 Test Service
    - 4.10 Statement on the Acceptance of Electronic Invoices
    - 4.11 Procedures for Breach of Contract
    - 4.12 Method of Calculation for Settlement, Parameters
    - 4.13 Terms of Contractual Guarantees
5. Storage Capacity Auction Regulations
6. Account Settlement Procedure for Storage Capacities
7. Rules of Procedure for Storing, Releasing and Replacing Strategic Natural Gas Reserve
8. Description and Technical Parameters of the Storage System Operated by HGS

1.3 HGS COMPANY PROFILE

1.3.1 Official Data

Licensee name:	Hungarian Gas Storage Limited Company
Registered seat:	1138 Budapest, Váci út 144-150.
Mailing address:	1399 Budapest, Pf. 645.
Court registration number:	Cg. 01-10-045043
Court of registration and legal supervision:	Budapest Court as Court of Registration
Statistical Code:	12543317-5210-114-01
Tax number:	12543317-2-44
Bank account number:	HU65 11794008-24027731-00000000
Account-keeping bank:	OTP Bank

1.3.2 HGS's Organisational Structure and Area of Operation

The fundamental rules of organisation pertaining to the operation of HGS are laid down in the Organizational and Operational Rules, the Company Representation Authority Regulations, Regulations on Job-Related, Power of Attorney-Based (Non-Court-Registered) Signatory Rights and the Decision Authority Manual.

HGS performs its natural gas storage activities using its own storage capacities and facilities, within the territory of Hungary.

The operational area of HGS covers the underground gas storage facilities listed in Annex No. 2 of the Natural Gas Storage Operational Licence issued by the Authority (hereinafter jointly referred to as: **unified storage facility**):

- Hajdúszoboszló UGS
- Zsana UGS
- Pusztaederics UGS
- Kardoskút UGS

HGS renders its natural gas storage services for the unified storage facility.

1.3.3 External Relations

The following external relations concern HGS's activities:

a. Supervisory authorities (Authority, Supervisory Authority of Regulatory Affairs, Ministry of Energy, Ministry for National Economy, National Disaster Prevention Directorate and Government Agencies etc.)

b. System Users

c. System Operator related to the natural gas storage facilities

d. Natural gas producer

e. Other organisations (Police, Fire Service)

HGS maintains its external relations in the following manner:

a. Customer Service Office

The customer service office acts as a point of contact for potential customers who require natural gas storage services and contracted System Users in connection with the storage operations. In the customer service office, information is provided directly by HGS experts of the relevant area.

The operating parameters of the customer service office are attached to this Code of Business Conduct in Annex No. 1.

b. 24-hour Storage Dispatching Service

HGS operates a continuous 24-hour Storage Dispatching Team (Dispatcher) to control storage volumes. The purpose of the service is to monitor storage volumes, perform tasks related to nomination and settlement, along with providing information, with special regard to the usage of daily capacities available to System Users. Additionally, the service receives and assesses load change requests from the transmission company, and if necessary, instructs the storage facilities to take the relevant measures. During its daily operation, the Storage Dispatching organisation maintains continuous contact with the System Users, the related system operator and the natural gas producers connecting to the storage facilities.

The contact details of the Storage Dispatching organisation are listed in Annex No. 1 to this Code of Business Conduct.

c. Internet Website

HGS provides System Users with regularly updated and detailed commercial and technical information in both Hungarian and English on its website (www.mfgt.hu). Information is published in compliance with the GGPSSO requirements.

d. IT Platform

The IT Platform supports the operative cooperation between the System Users and HGS. The IT Platform is described in Annex No. 2 to this Code of Business Conduct.

System Users and HGS maintain contact via the IT Platform in the course of requesting and using services. If the IT Platform is inoperable, rendering the System Users unable to comply with their contractual nomination and other data provision obligations, the System Users shall notify the Storage Dispatching organisation with regard to the IT Platform's failure to operate, both in writing and verbally. The Dispatching expert shall

notify the other System Users of the system malfunction. Until the IT Platform is restored, System Users and HGS shall communicate via telephone, e-mail or fax.

2 ACTIVITIES OF HGS AS A NATURAL GAS STORAGE LICENSEE

2.1 NATURAL GAS STORAGE ACTIVITY

HGS performs its activities in compliance with the natural gas storage operational licence No. 1567/2013 issued by the Authority's resolution on 25th July 2013, as amended.

The licence authorises HGS to perform natural gas storage activities and operate the gas storage facilities listed therein.

The activities of HGS are regulated by the prevailing applicable governing documents and regulations. HGS operates, maintains and develops the natural gas storage facilities specified in the licence to the extent required for the continuous and safe performance of its operations. The expected lifespan and technical conditions of the natural gas storage facilities are revised biennially, and the findings are reported to the Authority.

2.2 GENERAL SAFETY RULES

2.2.1 Guarantees for the Security of Supply for System Users

Prior to issuing the natural gas storage licence to HGS, the Authority assessed the availability of technical, economic and personnel prerequisites stipulated by legal regulations. The Authority issued the natural gas storage operational licence in a resolution on the basis of this assessment, providing the exclusive right and obligation to operate the storage systems specified in the licence, and to sell storage capacities.

The natural gas storage operations, the operating conditions and technical standards of HGS are continuously monitored by the Authority and the Supervisory Authority of Regulatory Affairs. HGS continuously develops, maintains and operates its storage facilities in compliance with customer requirements and as approved by the authorities.

HGS continuously updates its maintenance and operational regulations, and analyses the technical conditions of the system and malfunctions. The results of these analyses are evaluated and fed back to the regulated operating procedures.

HGS has a certified Integrated Management System including

- a Quality Management System (QMS) in compliance with MSZ EN ISO 9001:2015 standard,
- an Occupational Health and Safety Management System (OHSMS) in compliance with MSZ ISO 45001:2018 standard,
- an Environmental Management System (EMS) in compliance with MSZ EN ISO 14001:2015 standard,
- an Energy Management System (EnMS) in compliance with MSZ EN ISO 50001:2019 standard,
- an Information Security Management System (ISMS) in compliance with MSZ ISO/IEC 27001:2014 standard,

- an MSZ ISO 37001:2019 Anti-Corruption Management System (ACMS).

The three-year certification and the annual audit of these Systems are carried out by an independent and accredited certification body.

As part of the Integrated Management System, HGS employs qualified internal auditors to perform continuous system checks, covering all internal procedures regulating the natural gas storage activities. The continuous monitoring of the natural gas storage activities is provided in this manner.

In order to ensure the security of supply for the System Users, HGS concludes a cooperation agreement with the relating system operator.

To perform certain tasks related to the natural gas storage activity, HGS uses external contractors with whom it concludes service contracts in each case.

HGS regularly evaluates its contractual suppliers. HGS corrects the detected errors and error risks, and takes preventive action if required.

In its contractual relationships with System Users, HGS monitors, collects and evaluates the requests and comments of the System Users. The necessary steps are then taken in order to improve customer satisfaction. HGS continuously measures and evaluates the quality of the services it provides, and uses these findings to further improve service quality. HGS conducts annual questionnaire surveys to assess customer satisfaction. System Users are also informed of the findings of the survey.

2.2.2 Regulations Ensuring Non-Discriminatory and Transparent Storage Service

In the course of the storage services, HGS will not unlawfully discriminate between requestors or requests for its services. Nor does it offer any additional benefits to its affiliated companies or other companies in order to provide them with a business advantage.

The principle of equal treatment applies both to the purchase and provision of services related to capacities, and to pricing.

In compliance with Section 121 of the Gas Act and Section 138 of the Implementation Decree, HGS prepares a compliance programme to govern non-discrimination and equal treatment procedures. The compliance programme shall be approved by the Authority. HGS shall strictly comply with the terms of the compliance programme and shall have it continuously monitored by an independent Compliance Officer assigned by HGS. HGS's Compliance Officer informs the Authority of HGS's compliance with the programme in annual compliance reports.

HGS compiles a Code of Conduct containing the guidelines for its employees that help them handle in an appropriate and ethical manner any problematic situation arising during everyday work. Furthermore, HGS is committed to fighting corruption and expressly prohibits and opposes all forms of corruption, whereby it provides procedures and a framework in accordance with the relevant standards for the purpose of preventing, detecting and addressing corruption.

2.2.3 Data Protection Guarantees and Securities

In respect of any data or facts HGS may learn in any way in the course of its cooperation with the System Users, pertaining to the other party or to the operations of the other party, HGS shall

refrain from disclosing or making available the same to third parties, and from using the same for other than contractual purposes, without the duly signed written consent of the other party.

During the contractual relationship and afterwards, HGS shall keep all data obtained as confidential with respect to a third party for the period specified for retention by legal regulations and by the internal regulations of HGS. HGS shall store electronic documents on a server computer. After the expiry of the retaining period, paper documents shall be shredded, and electronic documents shall be deleted in such a way that it is impossible to retrieve the original data under any circumstances.

Prevention of unauthorised access to the IT equipment used by HGS (including the IT Platform) and the protection of data of the storage facilities shall be ensured by protection integrated into the operating system, as well as by the compliance of the administrative and storage technology systems with the ISO/IEC 27001 standard and the NIS2 EU cybersecurity requirements.

HGS shall comply with its data provision obligations specified in the Grid Code and the Natural Gas Storage Contract via the IT Platform it operates and its company website. The IT Platform is a system of technical and IT parameters which ensures the delivery and acceptance of all fundamental data to be produced or provided by HGS to the System Users and to the Authority under the Grid Code, in a standardised manner and via a secure platform, under continuous supervision.

The confidentiality obligation of the parties to the cooperation agreements concluded with System Users in relation to natural gas storage activities does not apply to the following:

- information that is publicly available or that becomes publicly available other than through the fault of the receiving party; or
- information that was verifiably known to the receiving party before the effective date of the contract; or
- information that was communicated to the receiving party by a third party that was under no obligation of confidentiality towards the party to which the information pertains; or
- information whose publication or disclosure is required by a legal regulation, a stock exchange rule or a resolution of an authority, to the extent and audience specified; or
- information to the disclosure of which the affected party has consented in writing.

2.2.4 Provisions Applicable to Processing Personal Data

Provisions Applicable to Processing Personal Data

Pursuant to Articles 13 and 14 of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (hereinafter referred to as **GDPR**), HGS as Data Controller shall process the personal data of its

contractual partners, their contact persons and representatives (hereinafter referred to as **Data Subject**) according to the following.

During data processing, HGS shall act in line with the provisions of the GDPR and Act No. CXII of 2011 on the Right of Informational Self-Determination and on Freedom of Information (hereinafter referred to as: **Privacy Act**).

Under the GDPR, "**personal data**" shall mean any information relating to an identified or identifiable natural person (**"data subject"**); an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

"**Recipient**" shall mean a natural or legal person, public authority, agency or another body, to which the personal data are disclosed, whether a third party or not. However, public authorities which may receive personal data in the framework of a particular inquiry in accordance with Union or Member State law shall not be regarded as recipients; the processing of those data by those public authorities shall be in compliance with the applicable data protection rules according to the purposes of the processing.

Pursuant to Section 3, Subsection 9 of the Privacy Act, data controller shall mean a natural or legal person, or organisation without legal personality that - within the framework specified by law or binding legal act of the European Union - alone or jointly with others determines the purpose of data processing, makes decisions relating thereto (including the means used), and implements them or has them implemented by the processor.

Data Processing by HGS

The Data Processing Table on HGS's website extensively specifies:

- the purposes of data processing,
- the list and categories of processed data,
- the period for which data is processed,
- the legal basis for data processing,
- the source of processed data,
- recipients and purpose of disclosure

with regard to data processing by HGS. Should there be any Legitimate interest, is shall also be specified in the Data Processing Table.

Processing personal data shall be lawful only if one of the following grounds applies:

- Data Subject has given consent to the processing of their personal data for one or more specific purposes (Article 6, Section 1 a) of the GDPR);

- processing is necessary for the performance of a contract to which the Data Subject is party or in order to take steps at the request of the Data Subject prior to entering into a contract (Article 6, Section 1 b) of the GDPR);
- processing is necessary for compliance with a legal obligation to which the controller is subject (Article 6, Section 1 c) of the GDPR);
- processing is necessary for the purposes of the legitimate interests pursued by a controller or a third party, except where such interests are overridden by the interests or fundamental rights and freedoms of the data subject which require protection of personal data, in particular where the data subject is a child (Article 6, Section 1 f) of the GDPR).

Ways of Providing Personal Data

If the legal basis for data processing is the consent granted by the Data Subject, as a matter of principle, the provision of personal data specified in the Data Processing Table is at the option of the Data Subject.

If the provision of personal data is based on legislation or contractual obligation or is a precondition to the conclusion of contract, or if it is required for enforcing a legitimate interest, Data Subject shall provide the personal data specified in the Data Processing Table, failing which the following legal implication may apply:

- data request to fulfil a legal obligation: compliance with such legal obligation becomes impossible
- data request for the purpose of concluding a contract: no conclusion of contract
- data request for the purpose of using a service: refusal to provide service
- data request for security reasons: restriction or refusal of entry.

HGS Employees Participating in Data Processing

In principle, personal data of the Data Subject can be accessed by the employees of HGS for the purpose of performing their duties. Therefore HGS employees responsible for filing for the purpose of administration or sales staff members for the purpose of preparing the contract for using storage services can access the personal (contact) data of the data subject.

HGS may disclose the data subject's personal information to other state agencies in exceptional cases only and in line with GDPR and the Privacy Act. Hence, for example if a court proceeding is initiated in an ongoing legal dispute between HGS and the Data Subject, and the competent court requires the disclosure of documents containing the Data Subject's personal data, or if HGS is requested by the police authority to disclose personal data of the Data Subject for the purposes of an investigation. Furthermore, for example, personal data may also be disclosed to HGS's legal counsel providing legal representation in case of a legal dispute between HGS and the data subject.

Data Security Measures

HGS stores the personal data provided by the Data Subject at its registered seat or branch. HGS uses the services of the data processor indicated in the Data Processing Table for processing the personal data of the Data Subject.

HGS takes the required information security measures to protect the Data Subject's data inter alia from unauthorized access or from unauthorized alteration. Hence, for example, any access to data stored on the servers are logged, based on which it can be checked at any time who and when accessed what kind of personal data. HGS takes the required organizational measures to prevent the disclosure of personal data to an unauthorized third parties.

Data Subject Rights

Under article 15 of GDPR, Data Subjects may request access to their personal data as follows:

(1) The Data Subject shall have the right to *obtain from the Controller confirmation* as to whether or not personal data concerning him or her are being processed, and, where that is the case, *access to the personal data and the following information*:

a) the purposes of the processing;

b) the categories of personal data concerned;

c) the recipients or categories of recipients to whom personal data have been or will be disclosed, in particular recipients in third countries or international organizations;

d) where possible, the envisaged period for which personal data will be stored, or, if not possible, the criteria used to determine that period;

e) the existence of the right to request from the Controller rectification or erasure of personal data or restriction of processing of personal data concerning the data subject or to object to such processing;

f) the right to lodge a complaint with a supervisory authority;

g) where the personal data are not collected from the data subject, any available information as to their source;

h) the existence of automated decision-making, including profiling, and, at least in those cases, meaningful information about the logic involved, as well as the significance and the envisaged consequences of such processing for the data subject.

2) Data Controller shall make available to the Data Subject a copy of the personal data subject to data processing. Further copies requested by the Data Subject may be provided by the Data Controller for a reasonable fee based on administrative costs. In as far as the Data Subject submitted the request by electronic means, information shall be provided in a commonly used electronic format, except if otherwise requested by the Data Subject. The right to request copies shall not adversely affect the rights and freedoms of others.

Under Article 16 of GDPR, Data Subjects may request rectification of their personal data from the Data Controller.

If so requested by the Data Subject, Data Controller shall without undue delay *rectify* inaccurate personal data relating to the Data Subject. Taking into account the purpose of processing, data subject shall have the right to have incomplete personal data completed, inter alia by means of providing a supplementary statement.

Under Article 17 of GDPR, data subjects may request the erasure of their personal data from the Data Controller as follows:

(1) Data Subject shall have the right *to obtain* from the Data Controller the *erasure* of personal data concerning him or her without undue delay and the Data Controller shall have the obligation to erase personal data without undue delay where one of the following grounds applies:

a) the personal data are no longer necessary in relation to the purposes for which they were collected or otherwise processed;

b) the data subject withdraws consent on which the processing is based, and there is no other legal ground for the processing;

c) the data subject objects to the processing for the purposes of public interest, or exercising official authority or in the legitimate interest of the data controller (third party) and there are no overriding legitimate grounds for the processing, or the data subject objects to the processing for the purposes of direct marketing;

d) the personal data have been unlawfully processed;

e) the personal data have to be erased for compliance with a legal obligation in Union or Member State law (*Hungarian law*) to which the Data Controller is subject;

f) the personal data have been collected in relation to the offer of information society services.

(2) Where the Controller has made the personal data public and is obliged pursuant to paragraph 1 to erase the personal data, the controller, taking account of available technology and the cost of implementation, shall take reasonable steps, including technical measures, *to inform controllers which are processing the personal data* that the Data Subject has requested the erasure by such controllers of any links to, or copy or replication of, those personal data.

(3) *Restriction of the Data Subject's right to erasure* may apply in cases of exceptions specified in the GDPR, that is even if the above grounds apply, retaining data shall be lawful:

a) for exercising the right of freedom of expression and information; or

b) for compliance with a legal obligation, or

c) for the performance of a task carried out in the public interest, or

d) in the exercise of official authority vested in the data controller, or

e) for reasons of public interest in the area of public health,

f) for archiving purposes in the public interest, or

g) for scientific or historical research purposes or statistical purposes, or

h) for the establishment, exercise or defense of legal claims.

Under article 18 of GDPR Data Subjects may request restriction of processing of their personal data from the Data Controller as follows:

(1) Data Subject shall have the right *to obtain from the Data Controller restriction* of processing where one of the following applies:

a) the accuracy of personal data is contested by the data subject, in which case restriction applies for a period enabling the Data Controller to verify the accuracy of the personal data;

b) data processing is unlawful and the data subject opposes the erasure of the personal data and requests the restriction of their use instead;

c) the Data Controller no longer needs the personal data for the purposes of the processing, but they are required by the data subject for the establishment, exercise or defence of legal claims; or

c) the data subject has objected to the processing for the purposes of public interest, or exercising official authority or in the legitimate interest of the data controller (third party); in which case restriction applies for a period until it is established whether the legitimate grounds of the Data Controller override those of the data subject.

(2) Where processing has been restricted as per the above, such personal data shall, with the exception of storage, only be processed with the Data Subject's consent or for the establishment, exercise or defence of legal claims or for the protection of the rights of another natural or legal person or for reasons of important public interest of the Union or of a Member State.

(3) Data Subject who has obtained restriction of processing pursuant to Section 1 shall be *informed in advance* by the Data Controller before the restriction of processing is lifted.

Under article 21 of GDPR, Data Subjects have the right to object against the processing of their personal data to the Controller as follows:

(1) Data Subjects shall have the right to object, on grounds relating to their particular situation, at any time to processing of personal data concerning him or her for the purposes of public interest, or exercising official authority or in the legitimate interest of the data controller (third party), including profiling based thereon. In this case, Data controller shall no longer process the personal data unless the Data Controller demonstrates compelling legitimate grounds for the processing which override the interests, rights and freedoms of the Data Subject or for the establishment, exercise or defence of legal claims.

(2) Where personal data are processed *for direct marketing purposes*, the Data Subject shall have the right to object at any time to the processing of personal data concerning him or her for such purposes, which includes profiling to the extent that it is related to such direct marketing. Where the Data Subject objects to processing for direct marketing purposes, the personal data shall no longer be processed for such purposes.

(3) At the latest at the time of the first communication with the Data Subject, the right to object shall be explicitly brought to the attention of the Data Subject and shall be presented clearly and separately from any other information.

(4) In the context of the use of information society services, and notwithstanding Directive 2002/58/EC, Data Subjects may exercise their right to object by automated means using technical specifications.

(5) If personal data processing is required for scientific or historical research purposes or statistical purposes, data subjects shall be entitled to object to the processing of their personal data on grounds relating to their particular situation, except if data processing is required for the performance of a task carried out in the public interest.

Under article 20 of GDPR Data Subjects have the right to the portability of their personal data as follows:

(1) Data Subjects shall have the right to receive the personal data concerning them, which they have provided to a data controller, in a structured, commonly used and machine-readable format and have the right to transmit those data to another data controller without hindrance from the data controller to which personal data have been provided, where:

b) the processing is based on consent by the Data Subject or on a contract concluded with the Data Subject

c) and data processing is automated.

(2) In exercising their right to data portability, Data Subjects shall have the right to have the personal data transmitted directly from one data controller to another, where technically feasible.

(3) The exercise of the right to portability shall be without prejudice to erasure. Right to portability shall not apply if processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the controller.

(4) The right to portability shall not adversely affect the rights and freedoms of others.

Under Article 7 (3) of GDPR, Data Subjects have the right to withdraw their consent for processing their personal data at any time as follows:

Data Subjects shall have the right to withdraw their consent at any time. The withdrawal of consent shall not affect the lawfulness of processing based on consent before its withdrawal. It shall be as easy to withdraw as to grant consent.

The right of Data Subjects for remedy in court and to lodge complaints with a supervisory authority

If Data Subjects find out about unauthorized data processing, they may initiate civil procedure against the Data Controller. This procedure falls within the scope of regional courts. The civil procedure – depending on the choice of the Data Subject – may be initiated at the regional court competent where the Data Subject is domiciled (see the list and contact information of the regional courts via: http://birosag.hu/torvenyszekek)

Without prejudice to other forms of administrational or court remedies, every Data Subject is entitled to lodge complaints with a supervisory authority – especially in the member state of residence, workplace or where the suspected breach took place – if the data subject considers that the processing of their personal data is in violation of the GDPR.

Hungarian National Authority for Data Protection and Freedom of Information (HNADPFI)

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The Information Leaflet on Data Processing (Privacy Notice) and the Data Processing Table for contact persons and representatives of former and current contractual partners can be accessed via:

http://www.mfgt.hu/-/media/MFGT/Adatvedelem/NY-03-MFGT-T-Contract.pdf?la=hu-HU

2.2.5 Environmental Issues

In the framework of its Integrated Management System, HGS operates an Environmental Management System that complies with standard ISO 14001:2015 (MSZ EN ISO 14001:2015) and is certified by an independent certification organisation.

HGS performs its storage operations in compliance with Act No. LIII of 1995 on the General Rules of Environment Protection. In its activities, HGS is committed to the protection of the environment, human life and health. Therefore:

- it produces a preliminary environmental impact study before commencing operations that affect the environment, and also a detailed study later on;
- it performs the required environmental assessments;
- keeps its emissions within the relevant air pollution limit values;
- manages waste and hazardous waste in compliance with the relevant regulations;
- endeavours to protect surface and underground waters;
- keeps noise levels and vibration pollution below the relevant limit values.

All contracted cooperating partners and contractors of HGS shall accept a contractual obligation to comply with the relevant environmental regulations. Should HGS receive verified information to the effect that one of its partners failed to comply with its statutory environmental obligations, HGS will be entitled to and, in cases specified by law, shall request a modification or termination of the contract.

2.3 QUALITY REQUIREMENTS OF SERVICES PROVIDED BY HGS

2.3.1 Quality Parameters of the Licensee's Activity

The quality parameters of HGS's natural gas storage activity are defined in terms of the following:

- compliance with statutory and contractual requirements;
- quality of service, its measurement and feedback to System Users;
- accuracy of data and information provided in connection with natural gas storage activity.

2.3.2 Requirements for the Quality of Stored Natural Gas, Procedure of Verification

For the purposes of this Code of Business Conduct, HGS defines the quality parameters of natural gas as the pressure and quality parameters of natural gas received (injected) into and dispatched (withdrawn) from the gas storage facility.

The required pressure values as quality parameters are specified in the cooperation agreement made between HGS and the relating system operator. These pressure values per delivery point shall be used in the natural gas storage contracts concluded between HGS and the System Users.

The quality of natural gas handed over at the delivery points for storage or withdrawn from the gas storage facilities, shall comply with Annex No. 11 of the Implementation Decree. In

compliance with the Grid Code, HGS provides the System Users with verification and settlement data regarding the quality of natural gas.

The relating system operator shall make available to HGS on a daily basis all measurement data in accordance with the gas quality metering procedure of the Grid Code and the cooperation agreement concluded between HGS and the system operator, for settlement purposes.

The daily verified data are included in the monthly delivery and acceptance protocol made between HGS and the relating system operator or the natural gas producer.

Where there is no connection to the transmission pipeline during injection or withdrawal, quality parameters of the delivered natural gas are measured by the relevant natural gas producer, as per the relevant cooperation agreement.

System User may inspect the quality data of the withdrawn and injected natural gas and the documents verifying the accuracy of the measurements at any time, which shall be accessible on the IT Platform or otherwise accessed by the System User after having notified the relevant HGS contact person of this request..

The detailed rules of procedure of measuring natural gas quality is regulated by the Grid Code.

2.4 TECHNICAL REQUIREMENTS OF SERVICES PROVIDED BY HGS

2.4.1 Operational Control of the Storage System

HGS performs the business management, technical and economic control tasks in relation to the activity.

2.4.2 Requirements to be Observed due to the Technical Characteristics of the Storage Facilities (Boundary Conditions for Capacity Management)

The main technical parameters of the storage facilities are detailed in the annexes of the Natural Gas Storage Operational Licence issued by the Authority, in Annex No. 8 of the Code of Business Conduct and on the website. HGS shall continuously review and update the annexes. The review is based on the Technical Operational Plan (TOP), specifying the available capacities (per storage facility), as well as the storage developments to be expected. As per Section 27 of the Mining Act, TOP is the document HGS shall submit for approval to the Mining Office, pursuant to which HGS shall be obliged to perform its mining (natural gas storage) activity.

HGS shall apply the following regulation to the unified storage facility:

Capacities defined as per the TOP to be offered for commercial purposes shall be offered by HGS pursuant to the Grid Code. The capacities available to the System Users during the storage year and the information pertaining to capacity booking are continuously available on the HGS website.

a. Storage Cycle Time Schedule

Injection period starts on 1st April and ends on 30th September, while withdrawal period starts on 1st October and ends on 31st March. HGS may extend the withdrawal and injection periods – where permitted by law or required for supply reasons.

b. Rules for Starting up Storage Facilities

Following their startup, storage facilities shall be run on no load, for a duration that varies from one storage facility to another. The storage activity is commenced gradually, as each storage facility is started up. As a result, the available maximum and minimum capacities change gradually, and at different rates.

Given the above, HGS applies strict nomination rules with regard to starting injection and withdrawal, which are specified in Section 3.2.1 of this Code of Business Conduct.

c. Rules for Shutting down Storage Facilities within a Storage Cycle

During the storage year, HGS may shut down any of its storage facilities in response to changes in demand, resulting in possible capacity limitations. However, this may not result in the failure to comply with the obligations assumed by HGS.

d. Withdrawal and Injection Capacity of the Unified Storage Facility

System Users can check the aggregate quantity of customer stocks stored in the unified storage facility on the HGS website. This value changes constantly during injection and withdrawal. The withdrawal and injection capacities of the storage facilities change depending on the current fill level.

HGS shall determine the capacity available to the System Users on a given gas day on the basis of the injection and withdrawal plans submitted by the System Users – for the unified storage facility. System Users shall update the plan on a weekly basis, therefore available capacities vary depending on the submitted requests. Before each gas day, System Users may check on the HGS IT Platform the minimum and maximum available capacities with regard to the unified storage facility on the given gas day.

System Users can also use the HGS IT Platform to monitor the maximum capacities that they may nominate for. The rules of nomination are specified in Section 3.2.1 of the Code of Business Conduct.

2.4.2.1 Maintenance Rules for Storage Facilities

HGS uses regular maintenance to ensure the availability of the storage system and its components. These activities guarantee that all components of the storage system comply with a constant level of reliability requirements from commissioning to the end of service life.

HGS performs its maintenance activities partly through contractors and partly using own resources. HGS shall schedule large-scale maintenance work between the injection and withdrawal cycles.

As per Section 94 of the Implementation Decree, HGS shall notify the transmission company of the scheduled storage maintenance dates, based on which the transmission company shall schedule the dates of planned shutdowns for the transmission line.

The transmission company shall harmonise the submitted maintenance schedules, and publish the same on its website by 15 January. At the same time, HGS shall inform the System Users of the maintenance schedule affecting its storage facilities through its website. If necessary, HGS may deviate from the maintenance schedule, providing 15 days' notice to the System Users.

2.4.2.2 Breakdown and Recovery Rules for Storage Facilities

In order to ensure secure supply for System Users, HGS has personnel available on a continuous work schedule, capable of coordinating breakdown-recovery, restrictions and emergencies.

HGS shall continuously update the rules developed on the basis of the Mining Act and the related legal regulations, and shall communicate and make available the same to the employees working on the technology of the storage facilities. It shall comply and ensure compliance with these rules, and shall perform the required checks.

HGS shall ensure the operation of blowout prevention service at its storage facilities by employing - in the framework of a contractual relationship - a contractor that complies with the requirements specified in Section 33 Subsection (6) of SZTFH Decree No. 20/2022. (I. 31.).

HGS has a disaster recovery plan which covers incidents caused by fire, explosion and malfunction potentially jeopardizing human life, valuable property, the environment or the security of supply.

3 SERVICES PROVIDED BY HGS

3.1 DESCRIPTION OF SERVICES

HGS shall be responsible for providing System Users with access to the storage capacities and other services required for the storage of natural gas.

HGS shall perform its obligations applying the principle of least cost, in a transparent and non-discriminatory manner, with utmost emphasis on operational safety, the protection of environment and health.

System Users may use the services of HGS in compliance with the Code of Business Conduct and the relevant legal regulations, in all cases subject to having a valid and effective contract and under the terms thereof.

Access to HGS's working gas and peak storage capacities shall be offered in a regulated way, while if exemption is granted pursuant to Section 74, Subsection (2) of the Gas Act, in a negotiated (non-regulated) way. The resolution granting exemption shall be published on the HGS website. HGS shall determine and publish on its website the prices of services provided via negotiation and the detailed rules of their access, observing the principle of equal treatment.

Services provided by HGS within the scope of activities subject to licence as are as follows:

1. **Basic Services**

2. **Optional Services**

Services specified in Section 1.3 h) of the Grid Code for capacities provided by HGS via regulated access may be used by the System Users as basic services pursuant to the stipulations of the relating section.

The description, features and regulation of the Test Service are contained in Annex No. 4.9 of this Code of Business Conduct. Given that the nature of this service cannot be specified in advance, it is not structurally included in the exhaustive list and description of services provided by HGS. The description and specification of a given, specific Test Service shall be available on the HGS website – during the test period.

Fee List - basic and optional services offered by HGS:

Service	Duration	Type	Description	Net Fee
Firm Seasonal Storage Service	1 year, Long term (>1 year) short term (<1 year)	Basic service	Working gas capacity, withdrawal and injection capacities required for the gas stock, along with injection and withdrawal services	Fee item specified by the Tariff Resolution
Bundled Storage Service	1 year, Long term (>1 year) short term (<1 year)	Basic service	Bundling of capacities (withdrawal, injection and working gas capacities) sold, as specified by HGS	Price established at auction
Portfolio Management Service	1 year	Optional service	Facilitates the division of a buyer stock into portfolio parts and the tracking of their development	HUF 1 500 000 /portfolio part/ storage year
Public Customs Warehouse	1 year	Optional service	Customs warehouse service for gas arriving from outside the EU	Storage capacity fees (Fee item specified by Tariff Regulation) + HUF12 000 000 / storage year service fee
Storage Plus	Occasional	Optional service	Fulfilling injection and withdrawal requests at any time of the year on an interruptible basis in the direction opposite to the direction of flow announced for the period.	0.325 HUF/kWh
Intra Gas Day Storage Flexibility (Intraday Nomination Plus)	Occasional	Optional service	Possibility to modify between each hour the hourly nominations for the rest of the day, for a fee, in excess of the specified tolerance range, during intraday nomination.	0.325 HUF/kWh
Peak Plus	Occasional	Optional service	Purchasing additional firm withdrawal or injection capacity, for those with storage contract.	0.325 HUF/kWh/day

Service	Duration	Type	Description	Net Fee
Interruptible Injection and Withdrawal Capacity Service	Occasional	Optional service	Using additional interruptible withdrawal or injection capacity, for those with storage contract.	0.176 HUF/kWh
100% Available Flat Curves Injection and Withdrawal Capacity Storage Service	Occasional	Optional service	Full availability of the injection and withdrawal capacity, regardless of the fill level.	1.3 HUF/kWh
Data Plus Service	Short term (<1 year) 1 year Long term (>1 year)	Optional service	Reporting fundamental data (daily stock level) to ACER	30 000 HUF/month
Gas Loan Service	Short term (<1 year) 1 year Long term (>1 year)	Optional service	System User uses stored gas owned by HGS under a loan contract for a specified period.	Price established at auction
Gas Loan Plus Service	Short term (<1 year) 1 year Long term (>1 year)	Optional service	System User uses stored gas owned by HGS under a loan contract for a specified period, with the related mandatory capacity/capacities.	Price established at auction
Profitsharing Storage Service	Short term (<1 year)	Optional service	Following the conclusion of the Framework Contract, System Users shall be entitled to submit a specific transaction request, in which they may specify their working gas, injection and withdrawal capacity request and the bid price, subject to the parameters set out in advance.	Price specified in the Bid

The fee of basic services provided in relation to capacities with regulated access shall be determined by the prevailing Tariff Resolution, hence **the consideration for basic services shall be included in the system usage fee**. The capacities sold in the bundle can be accessed through the capacity auction announced by HGS. The minimum bid price established at the capacity auction shall be determined by the HGS and, pursuant to Section 104 (7) of the Gas Act, the

auction fee of booked capacities may exceed the regulated price in the case of natural gas storage capacity bookings via auction.

Terms and fees relating to optional services are contained in this Code of Business Conduct. The fees of optional services are to be approved by the Authority as per Section 150 of the Implementation Decree during the official procedure of adopting the Code of Business Conduct.

Sections 3.1.1 and 3.1.2 of the Code of Business Conduct set out basic and optional services, and specify the general conditions of using these services, based on the categorisation provided. The detailed contractual terms relating to the basic and optional services not regulated in specific contracts are specified in Annex No. 4 to the Code of Business Conduct (General Terms and Conditions (**ÁSZF**) of Using Natural Gas Storage Services).

3.1.1 Basic Services and Rules of Access

HGS provides basic services as per the contract templates attached to this Code of Business Conduct as Annex No. 4 under the following conditions:

3.1.1.1 Firm Seasonal Storage Service

a) Firm seasonal service – annual

In the contracted storage year(s), HGS shall provide to the System Users the seasonal storage service by rendering the basic services specified in Section 1.3.h of the Grid Code. This includes the working gas capacity, withdrawal and injection capacities, and injection and withdrawal services related to the gas stock to be stored.

The offering and booking of capacities are performed in compliance with Section 2.1.4 of the Grid Code.

The conclusion of the Natural Gas Storage Contract shall be subject to the condition that System User fully delivers to HGS all data reports and documents specified in the Grid Code and the Code of Business Conduct, via HGS's IT Platform and on paper, and in the absence of HGS's IT Platform, on paper only.

HGS shall publish via announcement notices the templates of documents to be submitted.

The deadline for receiving the requests by HGS shall be the first Monday of March. Received requests shall be examined by HGS and capacity booking requests submitted in a complete form are to be confirmed on a first-come, first-served basis.

If during the annual capacity booking, the capacity requirements of the System Users exceed the available storage capacities, then in order to ensure non-discriminatory access, and in compliance with Section 2.1.4.3.1 (i) of the Grid Code, HGS shall organise an auction for the available capacities. The process of the auction shall be governed by Annex No. 5.1 – Storage Capacity Auction Regulation I – to this Code of Business Conduct.

Following the deadline above, HGS will confirm incoming, but formally accepted capacity booking requests on a first-come, first-served basis, depending on whether they can be fulfilled, that is subject to available free storage capacities.

HGS will only accept capacity nominations from and conclude natural gas storage contracts with System Users that have a sufficient financial and/or payment securities for the performance of their contractual obligations. Provisions on financial and/or payment securities are contained in Annex No. 4.13 to this Code of Business Conduct.

Upon submitting a capacity request, the System User makes a binding – duly signed – nomination expressing its intent to purchase the capacity specified in the nomination. Pursuant to Section 2.1.4.3.1 (m) of the Grid Code, System User shall, to the extent of the capacities specified in the nomination, enter into a Natural Gas Storage Contract on the nominated capacities confirmed by HGS. Should the System User fail to comply with this obligation, they lose their capacity booking right, and thus HGS shall be entitled to sell such unbooked capacities to another System User, however HGS may seek legal remedy for the damage incurred as a result of the delayed sale.

Upon nomination, System User shall upload to HGS's IT Platform its annual gas volume (gas flow) plan broken down by month. Based on submitted gas volume plans, HGS will allocate the gas volume plans submitted for the unified storage facility to physical storage sites. System Users shall update their own gas volume plans on a weekly basis, also considering any capacity and stock changes, and HGS shall in turn continuously update the allocation of gas volume plan per physical storage sites accordingly. Prior to the gas day, the gas volume plan shall become a nomination according to the nomination rules, provided there is no contradicting nomination.

HGS shall be entitled to reject nominations that deviate from the gas volume plan, and to request a new nomination.

In the event that the injection or the withdrawal period is extended, after having it consulted with the Authority, HGS shall notify its customers and the market participants in a notice published on its website.

System User shall comply with the prevailing Tariff Regulation when paying the price of the service, and scheduling payment. The terms of payment are detailed in Annex No. 4 to this Code of Business Conduct.

b) Firm seasonal service – short-term

Within-the-year firm capacities are available to the System Users unless all firm withdrawal, injection and working gas capacities have been sold. HGS shall fulfil valid requests in the order received and shall conclude natural gas storage contract with requestors, subject to the annual capacity booking fee specified in the applicable HEPURA resolution on fixing natural gas storage tariffs.

The consideration for the service and the terms of payment are specified in Annex No. 4.1. of this Code of Business Conduct.

c) Firm seasonal service – long-term

This service concerns capacity bookings of more than one storage year, with a duration of several years, and – apart from the duration – is otherwise identical to the annual service described in

Section 3.1.1.1 a). Annex No. 4.1 hereto specifies the detailed contractual terms and conditions for firm long-term seasonal service.

The firm seasonal services detailed above may also include optional storage services, as agreed by the parties.

3.1.1.2 Bundled Services

In general, this service means the bundling of capacities (withdrawal, injection and working capacities) sold as part of the Basic Services, under a short-term, annual or long-term contract, as specified by HGS. In case of offering optional bundled service, HGS shall be entitled to announce an auction for the available capacities. The process of this auction shall be governed by Annex No. 5.2 and 5.3 – Storage Capacity Auction Regulation II/A and II/B – to this Code of Business Conduct.

In case of capacity booking shorter than one storage year, HGS shall conclude a natural gas storage contract subject to the annual capacity booking fee. The fees of the service and the terms of payment are specified in Annex No. 4.2 of this Code of Business Conduct.

Optional storage services may be included in the bundled service as agreed by the parties.

3.1.1.3 Storage Capacity Transfer Transactions upon System User Switch(Primary Storage Capacity Transfer)

Where there has been a material change in the System User's activity (if for example its activity is cancelled or significantly reorganized), upon the System User's written request, HGS authorises the implementation of primary capacity transfer transaction resulting from system user switch, informing the Authority thereof. Primary storage capacity transfer is provided by HGS free of charge.

Performing this service requires that system users releasing and system users accepting capacities shall notify HGS of the capacity transfer. Both Parties shall do so via the HGS IT Platform in any case. The transaction will only be accepted and recorded if the amount of capacity released by transferor is accepted by the transferee on the IT Platform, by the deadline applicable to submitting the nominations for the gas day on the business day preceding the effective date of the transaction.

The IT Platform operated by HGS ensures that System Users can use a so called *simplified procedure* as per Section 1 of Annex No. 6 of the Code of Business Conduct with regard to the contract amendment resulting from the transaction.

If there is no agreement between the System Users on the transferred quantity, the contracts of the System Users remain unchanged.

The contracted capacities of the System User transferring the capacity shall be reduced by the same amount that is added to the contracted capacities of the System User accepting the capacity. The aggregate storage capacities of the system users shall not decrease as a result of the transaction.

Account settlements related to storage capacities supplying consumers are contained in Annex No. 6 of the Code of Business Conduct.

3.1.1.4 Secondary Capacity Trading Transactions[1]

Unless otherwise provided by law or contract, System Users may sell and purchase their booked capacities between each other. Nominated capacities may also be sold in part on the secondary capacity market.

In the course of providing this service, HGS shall proceed as per Section 2.1.7.4 of the Grid Code.

In any case, both system users shall indicate on HGS's IT Platform the secondary capacity transfer transaction on the day preceding the transfer.

The secondary capacity transfer can be effectively registered if the storage company's examination finds that there are no objections to performing the transaction. HGS will not register the capacity transfer if the system user buying the capacity does not have a valid storage contract or if the capacity offered by the system user exceed its owned capacity, or if the capacities offered and to be taken are not of identical quantity.

Capacity fees shall remain payable to HGS by the System User selling the capacity. Volume fees shall be paid by the recipient of the capacity to HGS, unless otherwise provided by the contract concluded by the System Users.

Secondary account settlements related to storage capacities supplying consumers are contained in Annex No. 6 of the Code of Business Conduct.

Secondary storage capacity transfer is provided by HGS free of charge.

3.1.1.5 Providing Technical Support for the Sale of Stored Working Gas, Registering Transactions

In the course of providing this service, HGS handles working gas transfer transactions between System Users, as provided in this chapter.

In the transaction, System User sells stored working gas to another System User under a sale and purchase contract. This shall be recorded by both parties on the HGS IT Platform. As a next step, both System Users shall submit their injection or withdrawal schedules following the transaction. HGS may, on the basis of its own operative programme, revise these schedules, and initiate negotiations.

The purchasing System User shall inform HGS as to whether it has sufficient storage working gas capacities. The purchasing System User may only obtain working gas without working gas capacity if it also verifiably purchases the required capacity.

Based on the report from the System Users, HGS shall perform the required contract amendments, and update its registry system.

HGS may refuse to register the sale and purchase of working gas in the following cases:

[1]The storage company offers secondary capacity trading provided the basic service is used.

- if the working gas of the selling System User decreases after the transaction to such an extent that the working gas quantity offered as collateral would no longer be available. In this case, the selling System User shall provide HGS with a contractual guarantee.
- System User purchasing the working gas does not have a valid natural gas storage contract with HGS.
- System User purchasing the working gas does not have sufficient working gas capacities for the storage of the purchased gas.
- if the working gas transaction prevents the buyer from reaching its target stock, thus defaulting on the injection schedule.
- if the working gas stock is related to supplying consumers eligible for universal service and the buyer does not intend to use it or register it for universal service.
- if the working gas stock is not for supplying consumers eligible for universal service and the recipient intends to use it or register it for universal service.

Account settlements related to storage capacities supplying system users are contained in Annex No. 6 of the Code of Business Conduct.

3.1.2 Optional Services and the Rules of Access

Services related to the activities subject to licence and specified in this chapter are provided by HGS as optional services. The service fees shall be specified by HEPURA via resolution. Contract templates for the services (by type of service) are attached to this Code of Business Conduct in Annex No. 4. In issues not regulated by specific contract, the provisions of ÁSZF shall apply.

Common guarantee rules for Optional Services:

In the event of using optional services and failing to pay the service fee(s) due, System User agrees, by signing the contract for the optional service, that in relation to the applicable storage year capacity booking contract/contracts on natural gas storage, HGS 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 unpaid service fees invoiced for the optional services, or may sell from the injected natural gas energy quantity a quantity the purchase price of which covers the invoiced but unpaid fees of the optional service.

The relating rules of procedure and the specific details are contained in Annex No. 4 of HGS's Code of Business Conduct.

3.1.2.1 Portfolio Management Service

Portfolio Management service facilitates the division of a buyer stock into portfolio parts and the tracking of their development. This service is available to Buyers with Natural Gas Storage contract and storage capacity booking for the given storage year. HGS facilitates it for the Buyer to divide their booked capacities and stored stock into portfolio parts. Portfolio Management Service does not affect or in any way influence daily storage operation (nomination, allocation,

capacities), as this is an administrative service beyond daily operation, facilitating an easier determination of buyer portfolios for users. HGS shall send a monthly report on capacity and volume data of portfolio parts. System User shall monthly submit to HGS the storage transactions within the portfolio parts (withdrawal, injection, stock transfer, capacity transfer). The daily volume, stock transfer and capacity balance of the service per portfolio shall equal to the daily storage volume stock change and capacity balance of the service user.

3.1.2.2 Public Customs Warehouse Service

Public Customs Warehouse Service allows the System User to use, i.e. inject into and withdraw from, the unified storage facility as a Public Customs Warehouse, and HGS shall keep the injected gas in the Public Customs Warehouse. The prevailing customs regulations pertaining to Public Customs Warehouse shall apply during the provision of the service.

3.1.2.3 Storage Plus Service

This service was introduced to support system users' trading activities, offering a greater degree of flexibility in optimising supply and consumption any time during the storage year. Storage Plus Service allows the System Users to move gas on an interruptible basis in the direction opposite to the direction of flow announced for the relevant period. This means that they will be able to inject during the withdrawal cycle, and withdraw during the injection cycle.

Conditions of Use:

- System User shall have storage booking at HGS under a relating Natural Gas Storage Contract on seasonal storage provided as a basic service.
- System user shall submit its nominations for Storage Plus quantities on the nomination interface of HGS's IT Platform
- The service can be used as interruptible capacity at HGS on every day of the year,
- The requested Storage Plus quantity shall be announced by the system user prior to the gas day, during nomination.
- The requested quantity may be modified by the user via a 2-hour forward nomination.

Service Availability:

Prior to each storage year, HGS publishes it on its website for the relevant storage year.

Service Fee, Settlement:

HGS shall publish a monthly protocol on the use of the Storage Plus Service on the IT Platform following the end of the respective gas month and issue an invoice to the System User based on the protocol. The payment deadline of the invoice shall be 30 calendar days from the date of issue.

The basis for the settlement shall be the allocated quantity indicated in the protocol.

The service fee shall be specified in the applicable fee list. Volume fees are not included in the service fee.

3.1.2.4 Intraday Nomination Plus Service

Intra Gas Day Storage Flexibility service allows the System User during daily nomination and re-nomination to modify between each hour its hourly nominations, for a fee, in excess of the specified tolerance range.

Tolerance range: 20% of the first non-zero hourly nomination of the gas day, which is free of charge as to the service on the gas day.

Calculation of the quantity subject to fee payment: sum of the absolute value of deviations on the gas day compared to the previous hour, regarding the hour and each and every hour following the first non-zero hourly nomination of the relevant gas day. If this value exceeds the value of the tolerance range specified by HGS, the quantity of the service above the tolerance range shall be subject to fee payment.

The storage service fee for Intra Gas Day Storage Flexibility service shall be according to the fee list.

If the absolute value of deviation between the first non-zero hourly nomination and the subsequent hourly nominations does not exceed the tolerance range, Intra Gas Day Storage Flexibility service shall be: free of charge.

HGS shall be entitled to interrupt the Intraday Storage Flexibility service.

The financial settlement and invoicing of the Intra Gas Day Storage Flexibility Service shall be performed posteriorly at the beginning of the month following the reference month, based on the daily value of the absolute deviation between the daily hourly nominated quantities submitted on HGS's IT Platform, in excess of the tolerance range.

In the event that the System User incurs a fee obligation because its nomination has been cut back, the storage facility will not charge a fee. In the event that the System User submits a nomination that is subject to a fee in respect of the storage flexibility service and it is subsequently cut back, the System User shall be liable to pay a fee up to the amount of the confirmed nomination, if it exceeds the tolerance range rules.

A statement and an invoice based on the statement shall be sent by HGS to the System User on the fees related to using the Intra Gas Day Storage Flexibility Service on a monthly basis. The payment deadline of the invoice shall be 30 calendar days from the date of issue.

3.1.2.5 Peak Plus Service

Within the Peak Plus withdrawal/injection service, the System User can purchase additional daily firm withdrawal/injection capacity to complement its already existing withdrawal/injection capacity. Daily withdrawal/injection peak capacity thus booked facilitates the faster use of the already existing working gas capacity earlier contracted for by the System User pursuant to the natural gas storage contract (master contract).

Conditions of Use:

- Actually available additional daily withdrawal/injection capacity exists.
- There are no technical obstacles preventing the provision of additional daily withdrawal/injection capacities.
- System User must have working gas capacity booking at the storage licensee,
- HGS has published in advance on its website the quantity and direction of available Peak Plus capacities and the duration of the service.
- System User has recorded on the HGS IT Platform (SMCS) its Peak Plus capacity demand (kWh/day) for the relevant gas days.
- The requested daily capacity must be divisible by the number of hours in the gas day and must be the same quantity per hour. This is calculated by the interface for Peak Plus capacity booking.
- Only the contact person(s) registered on the HGS IT Platform shall be entitled to nominate Peak Plus capacities.
- System User does not have overdue debts of any kind to HGS.

If the System User's nomination is accepted by HGS, a specific contract on using Peak Plus service is concluded for the relevant day.

HGS shall not be obliged to provide withdrawal/injection capacities exceeding the peak capacities offered.

Capacities booked via Peak Plus cannot be subject to primary or secondary trading.

Direction and Extent of Service:

In any case, HGS will publish the quantity and direction of available additional firm withdrawal/injection capacities on its website. The amount of Peak Plus withdrawal/injection peak capacities booked by the System User shall depend on capacity bookings requested by the System User – and accepted by HGS.

Service Fee, Settlement:

HGS shall publish a monthly protocol on the use of the Peak Plus Service on the IT Platform following the respective gas month and issue an invoice to the System User based on the protocol. The payment deadline of the invoice shall be 30 calendar days from the date of issue.

The basis of settlement shall be the amount of Peak Plus capacities accepted by HGS. In the event that the Peak Plus Service is booked within the relevant gas day, the quantity nominated for the remaining hours shall be invoiced for the whole gas day, i.e. unused Peak Plus capacity for hours already elapsed shall also be charged.

The service fee shall be specified in the applicable fee list. Volume fees are not included in the service fee.

3.1.2.6 Interruptible injection and withdrawal

Interruptible Injection and Withdrawal Capacity Service allows the System User to use additional interruptible injection and withdrawal capacities in the relevant injection (1 April, 06:00 - 1 October, 06:00) and withdrawal period (1 October, 06:00 - 1 April, 06:00), thus facilitating the

faster use of the existing working gas capacity already contracted for by the System User under the natural gas storage contract (master contract).

Conditions of Use:

System Users are eligible to use the Interruptible Injection and Withdrawal Capacity Service only if they have firm injection and withdrawal capacities in the period for which the service is announced.

The request shall be indicated on the nomination platform by submitting the nomination.

In case of interruption, HGS will interrupt the simultaneously used interruptible capacities of the Service based on the nominations submitted, applying the pro rata principle.

Capacities used via the Interruptible Injection and Withdrawal Capacity Service cannot be subject to primary or secondary trading.

Direction and Extent of Service:

Prior to each storage year, HGS publishes on its website the extent of the service for the relevant storage year, always in the direction corresponding to the announced period (injection/withdrawal period).

Service Fee, Settlement:

HGS shall publish a monthly protocol on the use of the Interruptible Injection and Withdrawal Service on the IT Platform following the end of the respective gas month and issue an invoice to the System User based on the protocol. The payment deadline of the invoice shall be 30 calendar days from the date of issue.

The basis for the settlement shall be the allocated quantity indicated in the protocol.

The service fee shall be specified in the applicable fee list. Volume fees are not included in the service fee.

3.1.2.7 100% Available Flat Curves Injection and Withdrawal Capacity Storage Service

HGS aims to provide additional (above the existing injection and withdrawal capacity) flat curves, 100% available injection and withdrawal capacities for the System Users, i.e. purchased flat curves capacities are always available regardless of storage parameters, thus making the scheduling of injection easier, the storage target stock simpler to access and withdrawal easier to plan.

Conditions of Use:

- Actually available additional flat curves daily withdrawal/injection capacity exists.
- There are no technical obstacles preventing the provision of additional flat curves daily withdrawal/injection capacities.
- System User must have working gas capacity booking at the storage licensee.

- HGS has published in advance on its website the quantity and direction of available flat curves capacities and the duration of the service.
- The System User has recorded on the HGS IT Platform (SMCS) its flat curves capacity demand (kWh/day) for the relevant gas days,
- The requested daily capacity must be divisible by the number of hours in the gas day and must be the same quantity per hour. This is calculated by the interface for flat curves capacity booking.
- Only the contact person(s) registered on the HGS IT Platform shall be entitled to nominate flat curves capacities.
- System User does not have overdue debts of any kind to HGS.

If the System User's nomination is accepted by HGS, a specific contract on using 100% available flat curves injection/withdrawal capacity service is concluded for the relevant day.

HGS shall not be obliged to provide withdrawal/injection capacities exceeding the flat curves injection and withdrawal capacities offered.

Capacities booked via 100% available flat curves injection and withdrawal capacity storage service cannot be subject to primary or secondary trading.

Direction and Extent of Service:

In any case, HGS will publish on its website the quantity and direction of available flat curves injection and withdrawal capacities. The amount of flat curves withdrawal/injection capacities booked by the System User shall depend on capacity bookings requested by the System User – and accepted by HGS.

Service Fee, Settlement:

HGS shall publish a monthly protocol on the use of the 100% available flat curves injection and withdrawal capacity storage service on the IT Platform following the respective gas month and issue an invoice to the System User based on the protocol. The payment deadline of the invoice shall be 30 calendar days from the date of issue.

The basis of settlement shall be the amount of flat curves capacities accepted by HGS. In case of booking within the relevant gas day, the quantity nominated for the remaining hours shall be invoiced for the whole gas day.

The service fee shall be specified in the applicable fee list. Volume fees are not included in the service fee.

3.1.2.8 Data Plus Service

According to the agreement concluded with the System User, HGS forwards the storage stock level pertaining to the System User on a Gas Day basis for each Gas Day to ACER. The service can be used if the requesting System User has at least one binding contract with HGS on using and providing natural gas storage. The contract covers the period specified by the System User, from 06:00 to 06:00. The service can be requested for full months only, partial monthly invoicing shall not be possible.

3.1.2.9 Gas Loan Service

As provided for in HEPURA Resolution No. 1567/2013 (HGS operational licence) as amended by Resolution No. 615/2015 of the Hungarian Energy and Public Utility Regulatory Authority (HEPURA), and also in Section 141/G of Act No. XL of 2008 on natural gas supply, HGS owns 120 million m3 (15 ºC)* working gas, for the lending of which – under specified conditions – it has a permit from HEPURA. *As of 01.10.2015, kWh (GCV, 0 ºC) based settlement is required, the Gas Quantity specified in the auction announcement notice shall be offered.

Subject of Contract

Borrower is entitled to borrow a contractually specified part of the reclassified working gas (hereinafter referred to as Gas Quantity) for its own use, for a gas lending fee, while providing the required collateral (bank guarantee, gas guarantee). The loan fee does not include consideration for the working gas, injection and withdrawal capacities related to the borrowed Gas Quantity nor the relevant volume fees.

After the entry into force of the contract, Borrower shall pay the total loan fee, following which Borrower shall take over the total Gas Quantity in the unified storage facility on the Gas Day specified in the announcement notice, and shall return the total Gas Quantity to HGS not later than until the specified in the announcement notice.

A precondition for the transaction shall be the acceptance that after lending, upon notification from the Hungarian Energy and Public Utility Regulatory Authority (HEPURA) or upon a ministerial decree pursuant to Section 141/G (3) of the Gas Act (hereinafter referred to as Mandatory Return), the total Gas Quantity borrowed shall be replaced within the deadline specified in the notification sent by HGS. In the event of Mandatory Return, if the return deadline as per the relating notification or decree precedes 31 March 20__, parties shall pro-rata settle with each other (on the basis of the gas days used), and if it falls after the specified date, HGS will not make any refund from the loan fee.

Neither primary, nor secondary trading of the gas loan product is possible.

3.1.2.10 Gas Loan Plus Service (GLP)

As provided for in HEPURA Resolution No. 1567/2013 (HGS operational licence) as amended by Resolution No. 615/2015 of the Hungarian Energy and Public Utility Regulatory Authority (HEPURA), and also in Section 141/G of Act No. XL of 2008 on natural gas supply, HGS owns 120 million m3 (15 ºC)* working gas, for the lending of which – under specified conditions – it has a permit from HEPURA.

*As of 01.10.2015, kWh (GCV, 0 ºC) based settlement is required, the Gas Quantity specified in the auction announcement notice shall be offered.

Subject of Contract

The Gas quantity to be offered and the related working gas, injection and withdrawal capacities are offered by HGS in bundle(s), and will be sold via auction on HGS's IT platform. Borrower is entitled to borrow a contractually specified part of the reclassified working gas (hereinafter referred to as Gas Quantity), for a service fee, while providing the required collateral (bank guarantee, gas guarantee). Working gas, injection and withdrawal capacities shall mandatorily belong to the borrowed Gas Quantity.

As the GLP product consists of two services, two contracts are concluded:

- *Contract on Lending and Borrowing Natural Gas* with regard to the Gas quantity,
- *Contract on Using And Providing Bundled Seasonal Basic Natural Gas Storage Service* with regard to the mandatorily related working gas, injection and withdrawal capacities.

3.1.2.11 Profitsharing Storage Service

In order to maximise the utilisation of available storage capacities, HGS offers the Profitsharing Storage Service, under which System Users will be entitled to book working gas, injection and withdrawal capacities based on parameters provided in their specific transaction request.

Following the conclusion of the Framework Contract, System Users shall be entitled to submit a specific transaction request (Annex 1 to the Framework Agreement), in which they may specify their working gas (kWh), injection and withdrawal capacity (kWh/day) request and the bid price, subject to the following parameters:

- the injection period shall not exceed seven gas days,
- the withdrawal period shall not be shorter than one gas month,

- the bid price shall be
  (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 this shall also cover the costs incurred by HGS in meeting the request. When assessing the cost calculation, HGS takes into account the power, gas and other costs (e.g. RHD) associated with the injection and withdrawal of 1 MWh of gas energy.

HGS shall examine the submitted requests on the basis of technical and economic criteria, and shall inform the System User of the results of the examination no later than by 16:00 on the business day following the receipt of the request.

If 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) and the price meets the above conditions of the " bid price", HGS will confirm the request.

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

3.1.3 Basic Service Nomination Rules

3.1.3.1 Nominating Firm Storage Capacities

In addition to the terms of Section 2.2 of the Grid Code, HGS specifies the following nomination rules applicable to firm storage capacities:

- Start-up of storage facilities

The unified storage facility can only be started gradually, and if the specified minimum demand exists. Therefore System Users shall understand that HGS accepts requests related to the starting of injection and withdrawal only if such request – combined with the requests submitted by other System Users – is sufficient for starting up the injection or withdrawal programme. In any case, HGS shall be entitled to determine at its own discretion the sequence of starting up the storage facilities within the unified storage facility, taking into account the physical characteristics and the level of preparedness of the storage facilities.

For the protection of the storage facilities, when starting injection or withdrawal, the storage activity shall be performed at an even pace up to the first five days, and only then may the volumes be modified. We can accept nominations only in accordance with this rule in the storage facility start-up period.

If, based on forecasts, HGS deems that requests during the no-load period will not ensure the quantities necessary for the safe operation of storage facilities, it may decide to fulfil requests for injection or withdrawal in the order of receipt, pursuant to the paragraph above. Nominations submitted in a given period shall qualify as commitment for the full no-load period, hence nominated volumes shall also be nominated by the customers at the Transmission Company. The natural gas storage company reserves the right to claim damages from any non-complying system user that fails fulfil its nomination in the respective period.

Start-up of storage facilities becomes more predictable if System Users strictly comply with the daily injection and withdrawal schedules submitted after the execution of the contract.

- Capacity Breakdown

At the beginning and at the end of each storage period, System Users shall count on using less firm injection and withdrawal capacities than the contracted maximum capacity due to the operational characteristics of storage facilities. System Users shall consider this when preparing or updating (weekly) the daily storage schedule submitted. HGS shall publish on its website the available firm capacities (as a % of booked capacities).

In the period affected by capacity breakdown, available firm capacities shall be determined in proportion to the contracted capacities of the System Users (including capacities purchased on the secondary market). These firm capacities will then be published by HGS on its website. When determining available capacities, HGS considers customers' forecasts and nominations

submitted in advance. HGS does not assume any responsibility for the accuracy of the available capacity data, as these depend on user forecasts/nominations.

- Miscellaneous rules of nomination:

  a. System Users may submit nominations that will be deducted from firm capacities.

  b. System Users that take natural gas from the natural gas production system for injection through the delivery point of the gas production system (direct injection), or that intend to deliver gas to the exit point of the natural gas production system, shall nominate these quantities. These delivery points shall be listed in the contracts concluded between HGS and the natural gas producer.

  c. During nomination, HGS shall also apply the "shipper-pair" transaction system used in the system of the transmission licensee. In this case, the System User shall also use the "shipper codes" used in the Transmission System. Nominations shall be in any case checked on the IT Platform when the nomination between HGS and the transmission company is verified as per Section 2.2.4 of the Grid Code. The rules governing aggregate nominations for own use and for shipper pairs are the same as the general nomination rules.

  d. Regarding system users with several natural gas storage capacity booking contracts, HGS manages the contracted capacities and the stored working gas quantities on an aggregate basis, and provides aggregate nomination for the System User. Upon the customer's request or in other special cases (e.g. when using portfolio services), it is possible to manage contracts separately/nominate by contract.

  e. As for daily nominations, the storage company accepts nominations for the gas day until 14:00 hours on the day preceding the gas day. Submitted nominations can be recorded as daily (kWh/day) or 24-hour (kWh/day) quantities. In as far as the storage customer submits a daily quantity, the storage company divides it into 24 equal parts. If the quantity cannot be divided into 24 integer parts without a remainder, a rounded value is to be allocated for the hours between 1-23 of the gas day, while for the 24th hour of the gas day, the difference between the daily nominated quantity and the already allocated quantity shall be recorded as the hourly nomination.

     The storage company facilitates the modification of the daily nomination on the IT Platform (in the absence of which via email or fax), prior to the gas day from 16:00 hours until the remainder of the gas day or on an hourly basis. The modification can be accepted if there is at least two full hours until the relevant time.

  f. Received requests shall be matched by the storage company with the transmission company (matching process), following which the transmission company evaluates the submitted nominations based on the lesser rule. The matching result can be viewed as a valid nomination on both the storage and transmission systems.

  g. The storage company may restrict the submitted nominations to preserve the geological characteristics of the underground gas storage sites and the mechanical qualities of the reservoir, and also for the sake of the well system's physical protection. Where the total quantity of nominations submitted by the system users

exceeds the quantity the storage company can fulfil, nominations shall be allocated per capacity type pro rata between the system users submitting the nominations. HGS shall inform the system user on the full or partial acceptance of hourly nominations received, following the relevant hour's gate closure.

h. The storage company will not allow overnomination by system users.

- Nomination rules applicable in case of deviation from the schedule specified by the System User:

System Users shall submit an annual gas volume plan prior to the storage year (contract period). A daily user forecast is automatically generated from the accepted gas volume plan. The user forecast thus generated shall be updated by the System User on a weekly basis. System Users can update their schedules on the HGS IT Platform. The user forecast becomes a nomination at 6:00 a.m. on the day preceding the gas day, unless a nomination has been submitted earlier for the given gas day.

a. According to the user forecast weekly updated by the System Users, HGS shall develop its operative plan on carrying out System User requests (specifying the storage facility to be used).

b. HGS accepts the System User's nomination unless the System User deviates more than +/- 10% from the weekly updated schedule approved by HGS. If the total nomination of the System Users exceeds the daily available capacity, yet each nomination is still within the allowed range, HGS shall provide the available capacity in proportion to the System Users' nomination.

c. Should the System User deviate more than +/- 10% from the weekly updated schedule approved by HGS, the nomination may be refused by HGS and a re-nomination may be required from the System User.

d. By fully exploiting the technical capabilities, HGS shall do its utmost to accept the daily nominations submitted by the System Users, thus providing the most flexible conditions for the System Users, and only if inevitable, may act as per the above items in case of System Users deviating by over 10%.

3.1.3.2 Nominating Storage Capacity Transfers in the case of Switching System Users

From the effective date of the transaction, System Users may submit nominations based on the new capacities. Nomination requirements shall be checked on the HGS IT Platform on the basis of the modified values.

3.1.3.3 Nomination Rules for Withdrawal and Injection

Prior to each gas day, System Users shall record on the HGS IT Platform the quantities requested for the given gas day in such a way that it does not exceed the total capacity booked by the System User, which condition shall be verified by the IT Platform upon submission of the nomination and, in the event of an error, the System User shall be notified.

3.1.3.4 Conducting and Nominating Secondary Capacity Trading Transactions

Nominations for the transferred capacity shall be made by the System User taking over the capacity. It may do so from the effective date of the transaction. System User taking the capacity may submit nominations for the capacities obtained on the secondary market in combination with previously booked capacities. Nomination requirements shall be checked on the HGS IT Platform on the basis of the modified values.

3.1.3.5 Single Sided Nomination

HGS will not allow single sided by system users. The same nominations shall be submitted to HGS's IT Platform and to the natural gas transmission company.

3.1.3.6 Overnomination for Storage Point

HGS will not allow overnomination by system users.

3.1.3.7 Intraday Flexibility Affecting Daily Nomination and Re-Nomination

During daily nomination and re-nomination, System User may modify between each hour its hourly nominations for the rest of the day, for a fee, in excess of the tolerance range as per the Intra Gas Day Storage Flexibility Intraday Nomination Plus Optional service. Conditions as per the Fee List contained in Section 3.1 of HGS's Code of Business Conduct shall apply to the service.

3.1.4 Operative Rules for Optional Services

3.1.4.1 Using Portfolio Management Capacity Service

The rules for using Portfolio Management Capacity Service are set forth in Annex No. 4.3 of the Code of Business Conduct.

3.1.4.2 Public Customs Warehouse Service

The rules for using Public Customs Warehouse service are set forth in Annex No. 4.4 of the Code of Business Conduct.

3.1.4.3 Storage Plus Service

The rules for using Storage Plus Service are set forth in the template contracts (Annex No. 4.1 and 4.2 of the Code of Business Conduct) and Section 3.1.2.3 of the Code of Business Conduct.

3.1.4.4 Intraday Nomination Plus Service

The rules for using Intraday Nomination Plus Service are set forth in the template contracts (Annex No. 4.1 and 4.2 of the Code of Business Conduct) and Section 3.1.2.4 of the Code of Business Conduct.

3.1.4.5 Peak Plus Service

The rules for using Peak Plus Service are set forth in the template contracts (Annex No. 4.1 and 4.2 of the Code of Business Conduct) and Section 3.1.2.5 of the Code of Business Conduct.

3.1.4.6 Interruptible Injection and Withdrawal Service

The rules for using Interruptible Injection and Withdrawal Capacity Service are set forth in the template contracts (Annex No. 4.1 and 4.2 of the Code of Business Conduct) and Section 3.1.2.6 of the Code of Business Conduct.

3.1.4.7 100% Available Flat Curves Injection and Withdrawal Capacity Storage Service

The rules for using 100% Available Flat Curves Injection and Withdrawal Capacity Storage Service are set forth in the template contracts (Annex No. 4.1 and 4.2 of the Code of Business Conduct) and Section 3.1.2.7 of the Code of Business Conduct.

3.1.4.8 Data Plus Service

The rules for using Data Plus Service are set forth in the template contracts (Annex No. 4.5 of the Code of Business Conduct) and Section 3.1.2.8 of the Code of Business Conduct.

3.1.4.9 *Gas Loan Service*

The rules for using Gas Loan Service are set forth in the template contracts (Annex No. 4.6 of the Code of Business Conduct) and Section 3.1.2.9 of the Code of Business Conduct.

3.1.4.10 *Gas Loan Plus Service*

The rules for using Gas Loan Plus Service are set forth in the template contracts (Annex No. 4.7 of the Code of Business Conduct) and Section 3.1.2.10 of the Code of Business Conduct.

3.1.4.11 *Profitsharing Service*

The rules for using Profitsharing Service are set forth in the template contracts (Annex No. 4.8 of the Code of Business Conduct) and Section 3.1.2.11 of the Code of Business Conduct.

3.2 DELIVERY AND ACCEPTANCE OF STORED NATURAL GAS DURING NATURAL GAS STORAGE SERVICE

3.2.1 Delivery Points

When booking and nominating capacities, HGS shall manage the storage sites in a unified manner as described in Section 1.3.2 of the Code of Business Conduct.

3.2.1.1 Transmission System Entry and Exit Points (Zero Points) for the Purposes of Natural Gas Storage

The injection of natural gas from the transmission pipeline and the withdrawal of natural gas into the transmission pipeline shall be performed at the delivery points. The quality and quantity of gas shall be measured at all transmission zero points, using the metering appliances operated by the transmission licensee.

Natural gas withdrawn from storage facilities shall be delivered to the System User at the delivery points. System User then has the transmission company deliver natural gas from the delivery points under a relevant service agreement.

Due to the technological characteristics of the Kardoskút UGS, withdrawn gas and gas produced in Hungary may exit simultaneously at the storage zero point during the withdrawal period. The impact of this on allocation and volume settlement shall be managed by both the transmission licensee and HGS in their own systems.

3.2.1.2 Delivery Points for Gas Produced in Hungary

In the case of Kardoskút UGS, it is possible to feed natural gas directly from the Hungarian producers through the E&P system into the natural gas storage system. The quantity and quality of natural gas shall be measured at this delivery point by E&P, in compliance with the cooperation agreement made between HGS and E&P.

3.2.2 Metering Delivered Natural Gas

HGS shall take over natural gas at the transmission pipeline zero points of the storage facilities from the transmission licensee acting on behalf of the System User, and delivers natural gas owned by the System User to the transmission licensee at the zero points.

As for produced gas that are arriving to the storage facility not from the direction of the transmission pipeline zero point, quantity and quality measurements shall be also performed at the delivery points of the natural gas production system.

Measurement data collected at the delivery points shall be electronically delivered to HGS by the natural gas producer and the transmission company on a daily basis pursuant to the Grid Code, along with the 24-hour aggregate quantity figures.

3.2.3 Registering Delivered Natural Gas Quantities

HGS shall keep a daily balance sheet on its IT Platform regarding the stock stored by system users, in kWh, based on gross calorific value at 25/0 °C reference temperature. The balance sheet shall contain with regard to the gas day the opening stock, the injection and withdrawal quantity allocated at the storage zero point, the quantity injected for the working gas stock, the quantity withdrawn from the working gas stock, and the closing value for the gas day. In as far as HGS purchases from the system user the gas quantity required to recover technological use and loss, and the extracted cushion gas, and sells the extracted cushion gas to them, its gas balance shall contain the quantity of technological use and loss related to daily injection and withdrawal, the quantity settled to recover the extracted cushion gas and the delivered and withdrawn cushion gas.

3.3 SETTLEMENT, PRICES AND TERMS OF PAYMENT OF SERVICES PROVIDED BY HGS

The settlement of services provided by HGS, the verification of the performance of the Natural Gas Storage Contract and the related monthly settlement shall be based on the protocol issued by HGS. The protocol shall be based on gas balance data compiled using certified measurement figures received on a daily basis. Other rules concerning the settlement, service fees, the pricing method and the payment terms of the service are specified in Annex No. 4 of this Code of Business Conduct.

3.4 COMPLAINT MANAGEMENT IN RELATION TO NATURAL GAS STORAGE SERVICE

In order that complaints and notices submitted by the System User in connection with the operations of HGS are investigated promptly and in a standardised way, and so that the causes of these complaints can be eliminated, HGS shall strictly regulate the procedure of complaint management within the Integrated Management System. According to this procedure, all complaints and notices received from the System Users shall be investigated and recorded by HGS. HGS keeps record of these. Records shall be stored for 3 years after closing the complaint. Considering the time demand of investigating complaints, HGS shall, in all cases, notify System Users within 5 business days of the time required for the investigation and elimination of the reported problem. Complaints received by HGS shall be addressed in writing within 10 business days from receipt.

Following the investigation of a complaint, HGS shall notify the System User of the findings of the investigation and the measures taken. In the event that the complaint turns out to be unfounded, its rejection shall be accompanied by a detailed and clear explanation.

3.5 SERVICE-RELATED MISCELLANEOUS TERMS OF THE CODE OF BUSINESS CONDUCT

Following the receipt and confirmation of requests for natural gas storage services from the System Users (in the case of capacity oversubscription, following the confirmation of quantities awarded at the auction), HGS shall enter into the natural gas storage contracts. The contractual relationship between HGS and the System User, the terms of calling capacities (nominations), as well as the terms of allocation, settlement and payment, are specified in Annex No. 4 of this Code of Business Conduct and in the contract templates included therein.

Terms set forth in the ÁSZF and the contract templates shall govern the contractual relationship in a complementary way, binding the contracting parties. The definitions specified in the Code of Business Conduct shall automatically form a part of the ÁSZF, as well.

Hungarian Gas Storage Ltd.

……	……
Ákos Kriston	Hajnalka Horváth
CEO	Head of Sales, Marketing and Regulation

Annexes

1 Contact information of HGS's Customer Service Office

HGS's Sales, Marketing and Regulation organization provides customer services for HGS in conformity with the following system of regulations.

Seat of the Customer Service Office

1138 Budapest, 13th District
Váci út 144-150.

Mail address:

Magyar Földgáztároló Zrt.
Ügyfélszolgálati iroda
1399 Budapest
Pf. 645.

Telephone/fax/e-mail

Phone: +36 1/354-7050
Fax: +36 1/354-7045
E-mail: info@mfgt.hu

Customer Service Office opening hours

Weekdays 9:00 – 12:00
14:00 – 15:30

System Users can contact the Storage Dispatching Service colleagues on duty 24 hours a day in issues concerning daily operative issues.

Contact information of the Storage Dispatching Service

Phone: 52/362-574, 20/411-3368
Fax: 52/558-048
E-mail: dispatcher@mfgt.hu

In the event the contact data or opening hours of the Customer Service Centre changes, HGS shall publish the modified data on its website.

2 Description of the System Supporting the Operative Functioning of the Natural Gas Storage Activity (hereinafter referred to as IT Platform or Storage Management and Commercial System, abbreviated as SMCS)

HGS has introduced an IT Platform for the support of the natural gas storage activity to facilitate the operative functioning of the following fields concerning the system users.

General description

The Informational Platform of HGS is an interactive system ensuring the performance of the implemented administrative and trading activities in real time. It helps users in entering only relevant data while performing certain functions in conformity with the integrated control mechanisms. The objective of the system is allowing customers to electronically use storage facilities, to nominate, book, sell and buy capacities, and to trade working gas. Instead of the former solution based on sending in Excel files, it provides an integrated solution supporting the daily course of business by means of authenticated and time-stamped transactions. System users have access to a tool with which former transaction data can be queried retrospectively.

The system stores data in an auditable way. Transactions are performed immediately, in real time, and the consequences and results thereof are forthwith recorded in the system. Users can always get a customized view and query of information they require.

The Informational Platform of HGS is a WEB-based application. System users can connect to the application through a secure server data link. The installation of a Flash plug-in is required on the client side to access the system. The user functions of the application appear on a WEB interface, where navigation is by means of menu items.

HGS sets a so-called 'buyer admin' rights user account for each system user when they start using the application. Logging in on the system requires a username and a password, and no chip card or any other digital hardware identification is necessary. The 'buyer admin' of each client is entitled to add further users within his or her organisation, giving them a user ID and first password for logging in and assigning them authorisation.

The system is capable of managing messages, which users can receive not only within the system, but also via email, provided that the necessary notification settings have been configured in the application. The system ensures the use of the functions in Hungarian and English for all the users.

The application has several interfaces allowing an immediate B2B data link to other systems. One of these is the interface developed with the transmission licensee, due to which we can constantly provide information on the available capacity of the storage facilities corresponding to the actual conditions on the basis of measured and other (e.g.: matching) data.

The application is available in 7x24 hours for HGS partners. Data are saved each day. Data and the system can be restored in case of any system downtime. The system has a distributed architecture and redundant network connections. A security group provides 7x24 supervision and protection for the application servers and databases, also protecting operational firewalls and other supporting devices. The operability of new functions and error correction is verified on two independent test systems using different test methods prior to final installation.

Major functions:

1. Natural gas storage capacity announcement and booking

HGS offers the available capacities for the given storage year on its website and simultaneously on its IT Platform. This can be viewed by any system user having registered for the current storage year. In the event a new party requires capacity, HGS provides access to the IT Platform. During annual capacity booking, system users are entitled to specify their annual capacity demand within the time frame available in conformity with the provisions of the Grid Code. In addition to this, the documents stipulated as the precondition for capacity booking can also be electronically uploaded on the IT Platform.

2. Primary and secondary trade

According to the rule of law, system users may trade their booked capacities with each other. System users may trade their surplus capacities on the IT Platform with other system users in line with the Code of Business Conduct. The fact of capacity transfer can be electronically administered under the "Transactions" menu item.

3. Working gas trade

System users are entitled to trade the working gas in the storage facility through the IT Platform - in conformity with the terms and conditions stipulated in the Code of Business Conduct.

4. Concluding a natural gas storage contract

The data of all the concluded contracts can be stored electronically. System users can view the data in relation to their applicable contract/contracts under the Contracts menu item.

5. Nomination, Renomination

Nominations can be submitted on a Web interface from time to time for one or several gas days, in addition to which, the system also facilitates uploading from a fixed format Excel file.

6. Balance

The application automatically records and stores the most recent data required for the balance of each system user's working gas stock, including stock changes, natural gas quality metering data etc. As a result, system users can view their applicable balance on the natural gas storage services in the system.

7. Planning

In order to ensure that contracted quantities are served in the injection cycle as planned, system users can make their plan in for the cycle. In the injection cycle, by allowing the customers to specify their own injection plans and by considering the injection schedule prepared by HGS for the unified storage facility, the system ensures scheduled and timely access to the system users' working gas target stock.

8. Matching

After closing the nomination window, HGS forwards received, verified and approved nominations to the transmission licensee via an electronic interface for data coordination - pursuant to the provisions of the Grid Code -, of the results of which the transmission company informs HGS.

9. Gas Quality

Pursuant to the provisions of the Grid Code and the Code of Business Conduct, the system stores the data of the natural gas quality measurement performed by the system operators, the quality related information, as well as the resulting quality certificate, providing daily access thereto for the system users.

10. Protocols

System Users can access and download protocols confirming the performance of natural gas/energy quantities, as well as optional services and contracts in PDF format on the IT Platform.

3 Financial Conditions of Storage and Contract Templates

For capacity requests HGS asks the System User to present

- the contractual (financial/payment) guarantee and
- the document demonstrating the financial conditions specified by HGS.

Annex No. 4.13 specifies the terms and conditions of providing documents demonstrating financial conditions and includes the document template.

Section 2 on “Terms of Payment” of Annex No. 4 (ÁSZF) of the Code of Business Conduct includes payment terms for storage fees and surcharges.

4 General Terms and Conditions of Contract for Natural Gas Storage Services (ÁSZF)

General Terms and Conditions of Contract (ÁSZF) for Using Natural Gas Storage Services

Definitions

In addition to definitions described in the applicable legal provisions, Section 1.1.1 of the Code of Business Conduct describes the definitions and the interpretation thereof specified in the General Contractual Terms and Conditions (hereinafter referred to as **ÁSZF**) and all contracts (hereinafter referred to as **Contract**) concluded pursuant to ÁSZF.

General Provisions for the Terms and Conditions of Contract

1 General Terms and Conditions of Contract

The ÁSZF specified in this Annex of the Code of Business Conduct regulate the basic principles of the legal relationships between HGS and the System Users, therefore any contractual relationship concluded between the parties shall be governed by them. The ÁSZF and the Contract shall constitute a uniform contract and shall be managed together at all times. The ÁSZF shall contain the mandatory elements of each Contract concluded.

In the event that there is a contradiction between certain provision of the ÁSZF and the Contract, the provisions of the Contract shall apply [Section 6:80 of the Civil Code], with the proviso that if HGS agrees with any System User on providing a service beyond the stipulations of the ÁSZF or offers conditions that are more favourable than those described in the contract templates of the relating annex to the Code of Business Conduct, HGS shall also offer the same option to all other System Users.

During the application of this ÁSZF, the relevant provisions of the Civil Code shall prevail as underlying rules.

2 Entering into Contract, Capacity Booking and Requesting Services

System User may utilise services provided by HGS only if a Contract has been concluded, in line with the provisions of the relevant laws and regulations.

Simultaneously with concluding the Contract, HGS authorizes the System User to gain access to its IT Platform, and this authorization enables the Parties to accomplish administrative and trading activities according to the Contract. The IT Platform User's Manual available on HGS's website specifies the rules for gaining access to the system.

System Users may book capacities published on HGS's website (www.mfgt.hu) or on the IT Platform with regard to the capacities specified for the unified storage point as per Section 1.3.2 of the Code of Business Conduct.

The Parties shall conclude a Contract for capacity quantities specified in normal volume [at 101.325

Pa pressure and 25/0ºC reference value] [kWh/storage year, kWh/day]. The registration of the quantity of natural gas accepted and delivered from the storage site and the settlement between the Parties shall be based on energy quantity [GCV based kWh]. Settlement between the Parties shall be based solely on energy quantity [kWh].

When concluding the Contract on using storage service, the System User shall submit its injection schedule and update it during the injection cycle on a weekly basis.

Rules for Using Seasonal Basic Services with Regard to Natural Gas Storage Capacities Supplied by HGS via Regulated Access

Section 3.2.1 of the Code of Business Conduct stipulates nomination rules. In addition to the provisions therein described, HGS specifies the following rules:

- System Users shall understand that injection or withdrawal requests can only be performed if injection or withdrawal requests received reach or exceed the technological minimum quantity that can be injected or withdrawn at the unified storage facility. If the injection or withdrawal capacity of available on the HGS IT Platform is zero, System Users shall be obliged to inform the HGS Storage Dispatching (Dispatcher) Service in writing via e-mail about their injection or withdrawal demand until 21:00 hours of the day preceding the gas day. HGS shall publish the development of requests for starting injection or withdrawal on its IT Platform. If – in this event – HGS is unable to perform the System User's withdrawal and injection nomination, HGS shall not be responsible for any resulting losses and cannot be obliged to reimburse the fee.
- System Users shall understand that as storage pressure increases in the injection period, the maximum possible injection capacity decreases as part of normal operation. HGS publishes the estimated availability percentage of injection capacity on its website, calculated on the basis of forecasts from customers.
- System Users shall understand that as storage pressure decreases in the withdrawal period, the maximum possible withdrawal capacity decreases as part of normal operation. HGS publishes the estimated availability percentage of the withdrawal capacity on its website, calculated on the basis of forecasts from customers.
- If HGS fails to perform the System User's confirmed withdrawal nomination, HGS shall refund to the System User the withdrawal capacity related, time proportional and decreased capacity proportional part of the capacity fee paid by the System User. The amount of the fee to be paid back is one 365th part of the fee paid by the System User for the withdrawal capacity involved in non-fulfilment for each day when HGS fails to perform the nomination. In addition to the obligation to refund the fee, HGS shall not be obliged to pay any additional compensation for damages.
- If HGS fails to perform the System User's confirmed injection nomination, HGS shall refund to the System User the injection capacity related, time proportional and (non-performed) capacity proportional part of the fee paid by the System User. The amount of the fee to be paid back is one 365th part of the fee paid by the System User for the injection capacity involved in non-fulfilment for each day when HGS fails to perform the nomination. In addition to the obligation to refund the fee, HGS shall not be obliged to pay any additional compensation for damages.

Natural Gas Delivery

1 Delivery Points

When booking and nominating capacities, HGS shall manage the storage sites in a unified manner as described in Section 1.3.2 of the Code of Business Conduct.

2 Pressure of the Natural Gas Delivered and Accepted

The cooperation agreement between HGS and the transmission company specifies the entry pressures which facilitate the implementation of the injection program and are appropriate for HGS, along with the exit pressure levels which are expected by the transmission company and facilitate the transmission of the withdrawn gas.

The natural gas shall be regarded as suitable for storage if it reaches the required entry and exit pressures at the delivery points as per Contract.

In the contract concluded with the transmission company, System User shall specify the pressure values required at the storage site delivery points.

HGS will only perform the System User's nomination if the pressure of the incoming natural gas complies with the level specified in the Contract. If, due to any reason, the transmission company is unable to transport natural gas to the storage sites at the required pressure level, and hence the System User's nomination cannot be fulfilled, HGS shall not be liable towards or obliged to pay compensation to the System User.

3 Quality of Natural Gas Delivered

HGS shall undertake to inject natural gas only if it complies with the quality parameters as per Annex No. 11 of the Implementation Decree.

If the quality of the gas withdrawn and prepared fails to meet the requirements specified in Annex No. 11 of the Implementation Decree and hence the transmission company refuses to receive such gas, HGS shall be liable for the resulting consequences.

The delivering party (the transmission company acting on behalf of the System User during injection, HGS during withdrawal) shall measure the gas quality, or have it measured, at the delivery points by using methods specified in various standards applied in the industry and shall register and document the gas quality in accordance with the provisions of the Grid Code.

Account Settlement of Natural Gas Storage Service

1 Metering Delivered Natural Gas

When injecting natural gas, the volume of natural gas accepted at the delivery point and the volume of the delivered gas in case of withdrawal shall be measured by the transmission licensee and the natural gas producer with the calibrated measuring equipment operated by them, in accordance with the cooperation agreement concluded with HGS. Withdrawal and injection volume fees shall be settled on the basis of these quantity measurements.

The transmission licensee shall enter daily zero point volume data considered to be final settlement data in a protocol for HGS after performing an on-site reading once a month.

In the metering systems, the conversion of natural gas quantity to normal state (at 0°C temperature and at 101.325 kPa pressure) shall be performed by calculator equipment.

2 Allocation Rules

Allocation shall take place according to the rules specified by Chapter 2.4 of the Grid Code with the following additions.

- During the allocation process, System Users will get the quantities nominated for the gas day.
- HGS shall assume liability only for nominations submitted and accepted on the HGS IT Platform.

3 Settlement of Delivered Natural Gas

Annex No. 4.12 of the Code of Business Conduct includes a detailed regulation for settlement.

4 Procedure for Calculating Cushion Gas Mixed with Working Gas

Due to the special characteristics of the Zsana UGS, it is inevitable in the natural gas storage activity performed by HGS to extract cushion gas with the withdrawn working gas in the withdrawal cycle. The settlement methodology for inevitable cushion gas extraction shall be in line with the requirements of the Supervisory Authority of Regulatory Affairs. Due to this inevitable extraction, the quantity of cushion gas required for the safe operation of storage facilities decreases. Therefore HGS shall recover the extracted cushion gas. Recovering this amount shall be continuously carried out by HGS from the working gas stored in the facility by purchasing working gas from a System User. This System User shall be selected via tender, in a transparent way pursuant to the specifications of Section 82 of the Implementation Decree.

The quantity of the cushion gas inevitably extracted can be determined by calculation. The calculation steps are as follows:

- Using the condensate (liquid m^3) extracted from the Zsana UGS, the quantity of the extracted cushion gas (m^3) shall be determined, for which the average gas/condensate ratio (liquid m^3/m^3) of the production history is applied.
- From the production history, the average calorific value of the storage site's original gas (dry cushion gas) is available, thus the energy quantity of the extracted dry cushion gas can be determined.
- The calorific value and the volume of the mixed gas delivered into the transmission pipeline is continuously registered during withdrawal. (Registration shall be performed by the chromatographs measuring quality at the transmission pipeline zero point.)
- By using the equation system developed for the energy quantity and volume of the mixed gas, the quantity of the components can be calculated (working gas and dry cushion gas).
- Steam capacity is calculated from the measured quantity of the gas condensate separated only from the cushion gas during preparation – by using the steam capacity conversion factor determined upon laboratory measurement.
- The net dry cushion gas and the condensate's steam capacity add up to the gross quantity of cushion gas extracted on the well head.

The recovery of the extracted cushion gas is settled monthly between the natural gas storage company and the selected System User.

5 Other Settlements Related to Natural Gas Storage

Unless otherwise required by law, if the technical calculations underlying production and storage indicate that the available cushion gas quantity exceeds the technologically required amount, and if the extraction of this difference does not compromise storage operation – or hence the available storage capacities -, HGS re-qualifies such difference or part thereof as working gas and then sells it in commercial trade at its own discretion – while simultaneously informing the Authority thereof.

Should HGS decide to liquidate a natural gas storage facility for economic or technical reasons, then after withdrawing the working gas and meeting the mining annuity payment obligations - provided that the mining annuity for the relevant quantity has already been paid -, HGS sells the free gas used for cushion gas purposes in commercial trade at its own discretion – while simultaneously informing the Authority thereof.

Fees and Payment Terms For Seasonal Basic Services Related To Natural Gas Storage Capacities Supplied by HGS via Regulated Access

The applicable Tariff Regulation on setting the natural gas system usage fees shall specify storage tariffs, annual capacity fees, volume fees, surcharges and the frequency of fee payments – excluding the fees of optional services and sales at capacity auctions.

The modifications of the fee items specified in the Tariff Resolution issued by the Authority shall become part of the Contract simultaneously with their coming into force; therefore the Parties shall apply the modifications as of the regulation's effective date.

HGS shall invoice each fee rounded to the nearest whole Forint to the System User. Fees and surcharges determined as per this chapter shall be net amounts, and HGS shall charge VAT in the invoices in accordance with the applicable regulations.

Parties agree to settle the fees arising from the contract(s) periodically, in equal monthly instalments pursuant to Section 58 of Act No. CXXVII of 2007 on Value Added Tax (VAT Act).

HGS shall issue invoices on the basis of the monthly protocols issued by HGS, the performance certificate and the relating contractual agreement. From 1 July 2025, invoices may only be issued electronically pursuant to Section 115/E (1a) of the Gas Act Implementation Decree. HGS shall send the issued electronic invoices together with their attachments to the email address(es) specified in the contract. In the event of a change in the e-mail address(es) specified in the contract, System User shall notify HGS of the change by submitting the statement template included in Annex 4.10 of the Code of Business Conduct.

1 Fees

Basic Service Fees

a) *Storage capacity fee*

It is an annual capacity fee to be paid by the System User pursuant to the prevailing Tariff Regulation in advance in each month based on the booked capacity of the storage site, the working gas capacity, the booked injection and the booked withdrawal capacity. As for working gas capacities, injection capacities and withdrawal capacities booked during the storage year, the System User shall pay the full annual capacity fee for the remaining period of the storage year in equal monthly instalments. System User shall pay the fee difference in a lump sum for the period already passed. The annual capacity fee and the already invoiced capacity fees shall be calculated for the new capacity portfolio. Due to fees incurred in relation to the additional capacities, they shall either be complemented with new invoices issued or corrected by a document to be treated as an invoice if required.

b) *Withdrawal fee*

It means the volume fee to be paid by the System User for the energy quantity of the withdrawn natural gas.

The withdrawal fees to be monthly paid by the System User shall be determined as the product of the monthly energy quantity withdrawn for the System User and the withdrawal fee as per the prevailing Tariff Resolution.

If, based on legal provisions, there is no longer a valid Tariff Resolution, HGS shall determine the withdrawal fee for the storage year following the expiry of the resolution based on the expected prices of natural gas, electricity and CO_2 quotas, the expected withdrawal volumes and the specific withdrawal rates. It shall review, on a retrospective basis, whether the withdrawal fees for the previous storage year covered the withdrawal energy and CO2 costs and, where this is not the case, it may adjust the withdrawal fees for the following storage year by the amount of the shortfall.

c) *Injection fee*

It means the volume fee to be paid by the System User for the energy quantity of the natural gas injected into the storage facility.

The injection fees to be paid by the System User shall be determined as the product of the monthly energy quantity injected for the System User and the injection fee as per the prevailing Tariff Resolution.

If, based on legal provisions, there is no longer a valid Tariff Resolution, HGS shall determine the injection fee for the storage year following the expiry of the resolution based on the expected prices of natural gas, electricity and CO_2 quotas, the expected injection volumes and the specific injection rates. It shall review, on a retrospective basis, whether the injection fees for the previous storage year covered the injection energy and CO2 costs and, where this is not the case, it may adjust the injection fees for the following storage year by the amount of the shortfall.

d) *Fee of bundled capacity booking services (annual, long and short term)*

The fee of bundled services is specified in the contract based on Annex No. 4.2 of the Code of Business Conduct.

e) *Fee of Optional Services*

The fee of the services is specified in Section 3.1 of the Code of Business Conduct (Fee List).

2 Terms of Payment

Having contractually performed the specified obligations, HGS shall be entitled to submit an invoice.

A document evidencing performance (protocol, performance certificate or contract annex) shall constitute an attachment of the invoice.

If the invoice fails to comply with the stipulations of the Contract, or any preconditions for payment specified in the Contract are not met, the System User shall request HGS in writing to provide corrections. In this case, the contractual payment deadline shall start on the day of full completion.

2.1 1. Payment Terms for Storage Capacity Fee

HGS shall issue an invoice once a month on the capacity fees and on the instalment of the annual capacity fee for the given month not later than the 8th day of the month preceding the base month. The due date of any invoice shall be the first day of using the services in the reference month. If the due date falls on a holiday, the following business day after the holiday shall be the due date. System User shall transfer the invoiced amount to HGS's bank account so that it is credited before the expiry of the due date. Failing to do so entitles HGS to suspend the natural gas storage service, of which the System User is notified (pursuant to Annex No. 4.11 of the Code of Business Conduct).

If during the month concerned, System User's capacity booking is modified (due to capacity transfer, etc.), the invoice already submitted and paid shall be supplemented with a document to be treated as an invoice or with an invoice to be issued by HGS not later than until the 8th day of the month following the reference month. System User shall transfer the invoiced amount to HGS's bank account so that it is credited before the expiry of the due date. Failing to do so entitles HGS to suspend the natural gas storage service, of which the System User is notified.

As for working gas capacities, injection capacities and withdrawal capacities booked during the storage year, the System User shall pay the full annual capacity fee, which shall be paid in one instalment for the storage year period already passed, and in equal monthly instalments for the remaining period of the storage year.

The annual capacity fee and the already invoiced capacity fees shall be calculated for the new capacity portfolio. Due to fees incurred in relation to the additional capacities, they shall either be complemented with new invoices issued or corrected by a document to be treated as an invoice if required.

Where due to the conclusion or amendment of the contract, the invoice cannot be issued until the 8th day preceding the relevant month, the payment deadline of the invoices and the document to be treated as invoice shall be 15 calendar days from issuing the invoice, but not earlier than the first day of using the service. In the event that the 15th calendar day is a holiday (or weekend), the payment deadline shall be the first banking day following the 15th day.

2.2 Payment Terms for Injection and Withdrawal Storage Fees

HGS shall issue the invoice on injection and withdrawal fees once a month to the System User on the basis of data included in the protocol issued by HGS. The protocol shall always include, in addition to injection and/or withdrawal fees, the part of withdrawn and injected quantities cumulated for the given month, which are calculated in a balance-based manner for the unified storage facility on a daily basis and allocated to the System User in energy quantity [kWh].

The 30th calendar day following the date of invoice issue shall be the due date. If the due date falls on a holiday or a Sunday, the following business day after the holiday or Sunday shall be the due date. System User shall transfer the invoiced amount to HGS's bank account so that it is credited before the expiry of the due date. Failing to do so entitles HGS to suspend the natural gas storage service, of which the System User is notified (pursuant to Annex No. 4.11 of the Code of Business Conduct).

Where measurement data are available, HGS shall issue and send the invoice to the System User not later than on the 8th day following the reference month, enclosing the monthly protocol and the following data:

- daily natural gas volume delivered or taken in monthly total [kWh],
- calculation of surcharges and the documents underlying the calculations,
- monthly closing stock in energy quantity [kWh].

2.3 Payment Terms for Bundled Storage Services

The payment terms for bundled services are specified in Annex No. 4.2 of the Code of Business Conduct.

2.4 Prepayment Conditions

2.4.1 For contracts as per Annex No. 4.1

If the Parties agree on prepayment, Section VII.1-2 and Section IX of the contract as per Annex No. 4.1 shall be amended as follows:

VII STORAGE FEE, FEE OF OPTIONAL SERVICES

1. Capacity booking and volume fees payable by the System User shall be determined by HGS pursuant to the fee items set forth in the prevailing Tariff Resolution. Parties agree to settle the (capacity and volume) fees arising from herein for the period between 1 April 20__, 06:00 hours and 1 April 20__, 06:00 hours in advance, in a lump sum pursuant to Section 58 of Act No. CXXVII of 2007 on Value Added Tax (VAT Act), according to the following.

   HGS shall invoice the annual capacity fee in advance for the contract period. HGS shall be entitled to request an advance payment of the expected volume fees.

   HGS shall issue the capacity fee invoice and the advance payment request for volume fees no later than until 1 March 20__, and System User shall pay the fees to HGS's bank account no later than until 1 April 20__. HGS will then issue an advance payment invoice on the payment of the advance. Regarding the volume fee, HGS shall issue an invoice on the actual monthly consumption, based on the protocol, taking into account the advance payment. If the System User fails to pay the advance payment by the specified deadline, HGS may terminate the contract with immediate effect and claim compensation for any damage incurred in connection with the termination.

Capacity fees specified in the Tariff Resolution shall be determined upon the costs generated in connection with providing the seasonal basic service, while the specific fees shall be calculated on assuming a one year contractual period. Therefore, in the event that the duration of the contract is less than a storage year, Parties agree to settle the fees arising from herein periodically, in equal monthly instalments pursuant to Section 58 of Act No. CXXVII of 2007 on Value Added Tax (VAT Act).

2. The modifications of the fees specified in the Tariff Resolution will become part of the Natural Gas Storage Contract simultaneously with their coming into force; therefore the Parties shall apply the modifications as of the Decree's effective date. In the event of changes to the fees, HGS shall be entitled to request advance payment.

IX. ENTRY INTO FORCE

This contract shall be concluded and take effect upon signature. If the System User fails to pay the advance payment by the specified deadline, HGS may terminate the contract with immediate effect and claim compensation for any damage incurred in connection with the termination.

2.4.2 For contracts as per Annex No. 4.2

If the Parties agree on prepayment, Section VII.1-2 and Section IX of the contract as per Annex No. 4.2 shall be amended as follows:

VII STORAGE FEE, FEE OF OPTIONAL SERVICES

1. System User purchased the capacities booked in Section III.1 in bundle.

   One bundle contains:

   - working gas capacity: kWh
   - injection capacity: kWh/day
   - withdrawal capacity: kWh/day

   System User purchased bundles.

   The total price of purchased bundles is HUF +VAT.

2. The bundle fee contains the storage capacity fee, excluding the injection volume fee and the withdrawal volume fee, which shall be paid by the System User according to the prevailing Tariff Resolution, based on the monthly volume, also excluding the fees of optional services used.

   Parties agree to settle the (capacity and volume) fees arising from herein for the period between 1 April 20__, 06:00 hours and 1 April 20__, 06:00 hours in advance, in a lump sum pursuant to Section 58 of Act No. CXXVII of 2007 on Value Added Tax (VAT Act), according to the following.

   HGS shall invoice the annual capacity fee in advance for the contract period. HGS shall be entitled to request an advance payment of the expected volume fees.

   HGS shall issue the capacity fee invoice and the advance payment request for volume fees no later than until 1 March 20__, and System User shall pay the fees to HGS's bank account no later than

until 1 April 20__. HGS will then issue an advance payment invoice on the payment of the advance. Regarding the volume fee, HGS shall issue an invoice on the actual monthly consumption, based on the protocol, taking into account the advance payment. If the System User fails to pay the advance payment by the specified deadline, HGS may terminate the contract with immediate effect and claim compensation for any damage incurred in connection with the termination.

IX. ENTRY INTO FORCE

This contract shall be concluded and effective upon signature. If the System User fails to pay the advance payment by the specified deadline, HGS may terminate the contract with immediate effect and claim compensation for any damage incurred in connection with the termination.

3 Invoicing Procedure

The invoice dispatched by HGS shall be considered as properly submitted:

- upon the certified date of delivery if delivered in person,
- upon the certified date of delivery if delivered by courier service,
- on the 3rd business day after mailing in case of letters sent by registered mail
- in the case of e-invoices, on the date of issuing the invoice.

Any legal debates regarding due date of invoices or invoice delivery and any default in payment shall be governed by the provisions of the Civil Code.

HGS shall issue the invoice in an amount rounded to the nearest whole forint, determined on the basis of the tariffs described in this Chapter, in Section 1 “Fees”.

System User shall fulfil its payment obligations via transfer to HGS’s bank account specified in the Contract. Any payments to HGS shall be made in Hungarian Forint.

4 Payment, Payment Default

In case of payment default, Parties shall pay interest for default pursuant to the Civil Code in a way that the interests are charged for the period between the due date and the day when the payment is made.

Parties shall issue the charge letters regarding interest for default once a month on the basis of the invoice payment delays occurred until the last day of the previous month. The due date for paying interest for default shall be the 10th calendar day after sending.

If HGS grants some allowance from the interests that can be charged for default in payment or disputed settlements, HGS shall publish this on its IT Platform and grant that such allowance to every System User.

In the event of non-performance, HGS shall act according to Annex No. 4.11 of the Code of Business Conduct.

5 Settling Invoice Complaints

HGS shall follow the relevant regulations when issuing an invoice.

Any System User may make a complaint or objection in writing in connection with HGS's invoicing within 5 business days of receiving the disputed invoice. The complaint shall specify the disputed data, the amount and the reason for the dispute.

If the invoice is disputed, the System User shall pay the invoiced amount with rights reserved.

Within 2 business days after the complaint has been communicated, the Parties shall negotiate about the disputed item. If the complaint is approved, HGS shall send a correction settlement/data supply to the System User within 5 business days from receiving the complaint.

If the complaint is rejected, HGS shall send a written explanation of the refusal to the System User within 5 business days.

Following the investigation of the invoice, the Parties shall make a settlement on the basis of the modification of the invoice:

a. in case of overpayment, the party that issued the invoice shall refund the difference plus default interest rate pursuant to the Civil Code for the period between the fulfilment date and refund date to the party receiving the invoice,

b. in case of underpayment, the party receiving the invoice shall transfer the difference to the party issuing the invoice, without delay.

Any partial payment of an amount included in the invoice shall be considered a non-payment.

6. Contractual Guarantee

HGS accepts the following financial and payment guarantees as contractual guarantee from the System User:

- bank guarantee
- insurer's guarantee, insurer's bond
- prepayment
- natural gas owned by the System User and stored by HGS (gas guarantee)
- gas guarantee provided by another system user

The rules for the above listed guarantees as contractual guarantee are specified by Annex No. 4.13 of the Code of Business Conduct.

7 Rights and Obligations

7.1 System User's Rights and Obligations

Rights

- System User shall be entitled to inject the natural gas owned by it into the Storage Site owned by HGS, store it there and withdraw it in accordance with the capacities defined in the Contract and other contractual terms and conditions.
- To nominate injection and withdrawal capacities up to the capacities defined in the Contract.
- To sell natural gas storage capacities to other System Users in compliance with the relevant terms and conditions of the Contract.
- System User shall be entitled to sell to other parties, partially or wholly, any stored working gas owned by the System User. HGS shall register the ownership change only if HGS receives the financial and/or payment guarantee relating to the storage fees of the gas sold.
- To issue on its own booked capacities commissioned capacity sale assignments to HGS.
- System User shall be entitled to receive information in relation to its storage stock, storage volumes and its available storage capacities.
- System User shall be entitled to exercise its rights arising from a breach of contract committed by HGS, if HGS fails to fulfil any of its contractual obligations.

Obligations

- System User shall have the natural gas they intend to inject transmitted and delivered to the Storage Site (zero point of the transmission line) – in the quality as per the Contract –, and shall also accept the natural gas withdrawn from the Storage Site and have it transported from there.
- In the event of contractual performance, System User shall pay the fees specified in the Contract to HGS.
- System User shall provide a contractual guarantee for HGS.
- The System User shall use the IT Platform operated by HGS to fulfil its contractual obligations. Should the System User have any problems with using the IT Platform, they shall inform the HGS in writing.
- System User shall keep contact with HGS via its contact persons specified in the Contract, cooperate with HGS and provide data supply and all relevant information to HGS.

7.2 HGS's Rights and Obligations

Rights

- In justified cases and in accordance with the provisions of the Contract, HGS shall be entitled to refuse or restrict fulfilment toward the System User and shall inform the System User thereof in writing in advance.
- In case of force majeure or breakdown, HGS is entitled to interrupt the provision of firm storage services to an extent and for a period as necessary and sufficient.
- HGS is entitled to refuse any injection that exceeds the injection capacity specified in the Contract, or any withdrawal that exceeds the withdrawal capacity, any natural gas storage that

exceeds working gas capacity or any withdrawal of natural gas volumes that exceeds the quantity injected by the System User.

- HGS is entitled to refuse System User's nomination if the sum of nominations does not exceed the minimum level required by the Storage Site.
- HGS is entitled to refuse System User's demand for injection if the volume of the natural gas to be injected does not meet the natural gas quality requirements as per Annex No. 11 of the Implementation Decree
- In case of a breach of contract by the System User, HGS is entitled to call in the financial collateral or sell the gas being stored – after the unsuccessful expiry of the extended deadline for remedy.
- HGS is entitled to request information from the System Users as required for the safe operation of the storage facilities and for the contractual fulfilment of the nominations.
- In addition to the above said key rights, HGS is entitled to exercise its rights arising from a breach of contract committed by the System User, if System User fails to fulfil any of its contractual obligations whatsoever.

Obligations

- Based on the System User's nomination, natural gas owned by the System User shall be injected into, stored in and withdrawn from the Storage Site by HGS in accordance with the capacities specified in the Contract and in line with other contractual terms and conditions.
- HGS shall take over the natural gas volume to be injected at the zero points of the transmission line, from the Transmission Company acting on behalf of the System User, in accordance with the provisions of the Contract, then shall keep the gas in the Storage Site and shall deliver the requested withdrawn gas to the Transmission Company acting on behalf of the System User at the zero points of the transmission line - in a quality meeting the requirements of the Contract and Annex No. 11 of Implementation Decree.
- HGS shall operate the IT Platform and provide access thereto for the System User.
- HGS shall perform the contract amendments related to primary capacity sale transactions and switching of system users.
- HGS shall keep contact and cooperate with the System Users, investigate their complaints, provide data supply and shall share all relevant information with them.

Breach of Contract and Consequences

1. Cases of Breach of Contract

Except for the legitimate deviations as per HGS's Code of Business Conduct, it shall constitute a breach of Contract whenever any of the Parties violates any of their obligations set out in the ÁSZF or the Contract, with special regard but not limited to the following:

On behalf of the System User, it shall qualify as breach of contract:

- Failure to pay the compensation for services by the deadline specified on the invoice;

- In case of prepayment, failure to pay the advance payment by the deadline specified on the invoice;
- The quality of the injected natural gas fails to meet the requirements specified in the Contract.

On behalf of HGS, it shall qualify as breach of contract:

- For reasons constituting a breach of contract, non-fulfilment of accepted injection or withdrawal tasks required by the System User;
- The received natural gas is lost or destroyed;
- The quality of the withdrawn natural gas fails to meet the provisions of the Contract.

2 Consequences of Breach of Contract, Damages

Annex No. 4.11 of the ÁSZF specifies the consequences and rules of procedure in case of a breach of contract.

Force Majeure

It shall not qualify as a breach of Contract if either Party fails to meet its contractual obligations through no fault of either Party (force majeure). Force majeure circumstances include particularly but not exclusively unforeseeable circumstances affecting the respective Party (inter alia its normal operation or the reservoir, natural gas well) that may not be prevented by the contracting parties (e.g.: natural disaster, war, national strike, earthquake, flood, fire, act of terrorism etc.), which are beyond the control of the Parties and directly prevent the Party concerned from meeting its contractual obligations.

The Party announcing the force majeure event shall notify the other Party as soon as reasonably possible if:

- the force majeure event has ceased, or
- the force majeure event has ceased to affect the performance of the announcing Party.

Neither Party shall be exempt from fulfilling their contractual obligations until the affected Party announces the force majeure event.

The Party affected by force majeure:

- shall use reasonable endeavours to avoid, prevent, stop or mitigate the effects of the Force Majeure event, including the procurement of services, products, equipment and materials from other resources, and payment of reasonable amounts;
- shall use reasonable endeavours to continue the performance of the Contract immediately after the force majeure event has ceased; and
- shall inform the other Party, on the reasonable request of the other Party, about the type and causes of the force majeure event, the actions taken to avoid, cease or mitigate the force majeure event and the expected duration thereof.

Except as otherwise agreed by the Parties in writing, the contractual deadlines shall be prolonged in proportion to the duration of the force majeure event.

If the event that the force majeure period exceeds 90 days, either Party is entitled to terminate the contract in writing by giving a 30-day notice without any detrimental legal implications, even if the Contract does not allow the Party to do so.

Contracting Parties shall immediately inform each other in writing on any pending force majeure, the occurrence of force majeure and the probable duration thereof. The Party responsible for delay in providing information on a pending or occurring force majeure shall be accountable for any losses arising from such late notification.

Emergency, Breakdown

Emergency and breakdown are events or operating conditions that deviate from normal, planned operation of the connected transmission system, the underground storage and gas production facilities, and occur due to reasons beyond the control of the relevant transmission companies, and may result in a decrease in the security of supply, serious pollution or public danger, and gas supply to the System User becomes restricted, and generating operating parameters other than normal operation at the delivery points of the storage site.

In the event of emergency, the Party that becomes aware thereof shall immediately inform the other Party in writing if the emergency affects compliance with the contractual conditions, and the Parties shall negotiate on a continuation of the fulfilment of the Contract as soon as possible, and agree on issues deemed important by any of the Parties.

Under the Gas Act, in case of a breakdown, HGS shall proceed as follows:

- Takes immediate measures for the sake of breakdown-recovery,
- Restores service as soon as possible after breakdown-recovery.

Government Decree No. 399/2023 (VII.24.), the Gas Act and the Implementation Decree provide for the restriction of natural gas consumption, the use of the natural gas strategic reserve, and other measures required in case of a crisis in natural gas supply.

AMENDMENT OF THE CONTRACT

Contracting Parties may modify the Contract in writing by mutual agreement, signed by the authorised signatories. The date when the amendment comes into force shall be specified.

Any mandatorily applicable changes in the relating legislation during the term of the Contract shall be applied as of the effective date set forth by the legislation. The necessary amendments shall also be reflected in the ÁSZF. In the event that changes lead to the considerable modification of the conditions, and the Contracting Parties cannot be expected to maintain the Contract with such altered content, either Contracting Party may initiate the amendment of the Contract.

Any change in the entity of the Contracting Parties shall be considered as a contract amendment which shall not interfere with Parties' interests, neither in providing services, nor in paying compensation. Where either Party's interests so require, guarantee in a reasonable amount and form can be required.

It does not qualify as contract amendment if the court registry data of the Parties, particularly the seat, the representatives or the bank account number change or if the data of the organization or contact persons proceeding in connection with the conclusion and performance of this contract change. The relevant Party shall notify the other Party with regard to these changes in writing 10 days in advance, but not later than on the 10th following the (registry of the) change.

AMENDMENT OF ÁSZF

HGS shall reserve the right to unilaterally amend the ÁSZF applicable to the prevailing contracts, under the legal framework, subject to the approval of the Authority. HGS shall publish on its website the amended ÁSZF as approved by the Authority, and shall simultaneously send a notice on the amendment of the ÁSZF to the System User's contact person to the address specified in the contract.

HGS shall separately notify the System User on the amended general condition of contract that materially derogates from the law or the usual contracting practice, except if it is in line with the practice the parties have been applying. System User shall also be separately notified on any general condition of contract that differs from the condition the parties previously applied (hereinafter referred to as: **materially different condition**).

Following the ÁSZF amendment takes effect, the modified provisions of the ÁSZF shall apply to the legal relationship between the parties, where the amendment does not contain any materially different condition. A materially different condition shall only become part of the contract if System User has explicitly accepted it, having received a separate information thereon.

Where the amended ÁSZF does not contain any materially different condition, the amended ÁSZF shall be applied to the parties' legal relationship, regardless of the system user's opinion.

Where the amended ÁSZF contains any materially different condition, and the System User refuses to accept it, the provision as per the original ÁSZF shall remain in force between the Parties.

TERMINATION OF THE CONTRACT

The Natural Gas Storage Contract shall be terminated in the following cases:

- either Party is dissolved without a legal successor,
- the contract is terminated by the Parties, by mutual agreement,
- either Party terminates the Contract with immediate effect by extraordinary termination in the following cases
    - the Authority revokes either Party's operational licence,
    - if System User becomes insolvent or subject to bankruptcy, liquidation or winding-up procedure,
    - if a force majeure period exceeds 108 days,
- either Party may terminate the Contract following a written notice, if the other Party repeatedly breaches the Contract as specified in the chapter on Breach of Contract and Consequences, or if the other party's breach of contract is deemed material by the other party, – in the event of payment default, if the procedure set out in the chapter on

Procedures for Breach of Contract in Annex No. 4 to the Code of Business Conduct is unsuccessful – with immediate effect,

- the term of the Contract has expired.

The Natural Gas Storage Contract may not be terminated by ordinary notice.

Miscellaneous Provisions

System User is entitled to entrust another entity (hereinafter "Agent") with nomination on its behalf, which assignment shall be notarized or laid down in a private document providing full evidence if so required by HGS. HGS shall provide the Agent with all the opportunities (e.g. access to the nomination system) required for performing nomination process instead of the System User. System User shall pay any costs incurred in connection with this assignment.

In the case of electronic signatures, electronic signatures based on qualified certificate issued in an EU Member State are accepted, which constitute a qualified electronic signature pursuant to Article 3(12) of Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC.

If any Party is reorganized or wound up with a legal successor, obligations and rights arising from the Contract with regard to the Party concerned shall be transferred to the legal successor.

Either Party may transfer any right, obligation or claim – except for claims on money – arising from the Natural Gas Storage Contract only with prior written approval from the other Party.

During the term of the Contract either Party may propose the renegotiation of the Natural Gas Storage Contract.

1 Confidentiality

Any data, facts, especially but not exclusively, the existence and content of the Contract which came to the attention of the Parties in any way in connection with the conclusion and performance of the Contract with regard to the other Party and the activities thereof shall be deemed to be a trade secret as per of Act No. LIV of 2018 on the Protection of Trade Secrets (hereinafter: Trade Secrets Act.) Parties shall not disclose such information to third parties, nor make it available or use it for any purpose other than the performance of this Contract.

Parties are entitled to disclose data, facts or information specified in the previous paragraph to a third party that provides financial-accounting-legal services for the Parties under Contract, on condition that the Parties ensure that any partner providing financial, accounting or legal services for the Party under a contract for work and services shall treat any data, facts or information regarding the Natural Gas Storage Contract as confidential, in accordance with the Parties' financial interests, without publishing or disclosing them to third parties. Failing to do so, the defaulting Party shall fully compensate the adversely affected Party for any damage arising therefrom.

Pursuant to the Trade Secrets Act, trade secret shall include in relation to the economic activity any and all fact, information, other data and the compilation thereof, which is confidential – not generally

known or easily accessible by persons pursuing the relevant economic activity, as a body or in the assembly of its components – where for the sake of maintaining its confidentiality, the owners of the secret shall conduct themselves as generally expected in the relevant situation. Pursuant to the Trade Secrets Act, protected knowledge (know-how) means any technical, economic or organisational knowledge, solution, experience or the assembly thereof, classified as trade secret and recorded in an identifiable manner. Trade secret and protected knowledge shall be hereinafter jointly referred to as: trade secret.

The acquisition of a trade secret shall not qualify as the infringement of the right in the trade secret if it is obtained by any of the following means:

- development, discovery or creation independent from the trade secret holder,
- observation, study or testing of a publicly available or lawfully acquired product or of a lawfully used service, provided that the acquirer of the trade secret was free from any duty to limit the acquisition or keeping of the trade secret, in particular from an obligation of confidentiality,
- exercise of the right of workers or workers' representatives to information and consultation for the purpose specified in this section, to the extent necessary, with the exception of technical knowledge and solutions within the scope of protected knowledge, or
- any other conduct which is in conformity with the requirement of good faith and fair dealing and is generally expected under the given circumstances. (the acquisition of a trade secret from a third person at the market in good faith against consideration shall qualify as acquisition according to this item).

The following shall not qualify as infringement of the right in the trade secret:

- disclosure of a lawfully acquired trade secret by workers to the workers' representatives, provided that such disclosure aimed to facilitate the exercise of the right of workers or their representatives to information and consultation, to the extent necessary for that exercise,
- acquisition of a trade secret or its disclosure to the competent authority with a view to preventing or avoiding the violation of the law or a conduct violating the general requirements of business integrity, or eliminating or mitigating the consequences of thereof, if it is carried out for the purpose of protecting the public interest and to the extent justified by the desired purpose,
- acquisition, use or disclosure of a trade secret required or allowed by a directly applicable legal act of the European Union or an act.

The following information shall not fall within the scope of confidentiality obligation:

- information that is publicly available or that becomes publicly available other than through the fault of the receiving party; or
- information that was verifiably known to the receiving party before the effective date of the contract; or
- information that was communicated to the receiving party by a third party that was under no obligation of confidentiality towards the party to which the information pertains; or

- information whose publication or disclosure is required by a legal regulation, a stock exchange rule or a resolution of an authority, to the extent and audience specified.
- information, the disclosure of which has been approved by the other Party.

2 Risk-Taking

HGS shall be responsible for keeping the quantity of the natural gas handed over for storage and maintaining the quality of the natural gas injected with a quality as per Annex No. 11 of the Implementation Decree and returning it to the System User.

3 Governing Law, Settlement of Disputes

The provisions of Hungarian law shall apply to the contract, to any arising disputes and to the settlement thereof.

Parties shall settle the disputes arising in relation to the Contract primarily via amicable negotiation.

Failing such settlement, to deliver judgement in any dispute arising from or relating to the 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.

ANNEXES

4.1 SHORT/ANNUAL/LONG-TERM CONTRACT ON USING AND PROVIDING SEASONAL BASIC NATURAL GAS STORAGE SERVICE

4.2 SHORT/ANNUAL/LONG-TERM CONTRACT ON USING AND PROVIDING BUNDLED SEASONAL BASIC NATURAL GAS STORAGE SERVICE

4.3 CONTRACT ON PORTFOLIO MANAGEMENT SERVICE

4.4 CONTRACT ON USING AND PROVIDING NATURAL GAS STORAGE SERVICE IN TYPE "I." PUBLIC CUSTOMS WAREHOUSE

4.5 DATA PLUS CONTRACT

4.6 CONTRACT ON LENDING AND BORROWING NATURAL GAS

4.7 CONTRACT ON LENDING AND BORROWING NATURAL GAS WITH THE RELATED CAPACITY, ON GAS LOAN PLUS PRODUCT (GLP)

4.8 PROFITSHARING STORAGE SERVICE FRAMEWORK CONTRACT

4.9 TEST SERVICE

4.10 STATEMENT ON THE ACCEPTANCE OF ELECTRONIC INVOICES

4.11 PROCEDURES FOR BREACH OF CONTRACT

4.12 METHOD OF CALCULATION FOR SETTLEMENT, PARAMETERS

4.13 TERMS OF CONTRACTUAL GUARANTEES

4.1 SHORT-TERM/ANNUAL/LONG-TERM CONTRACT ON USING AND PROVIDING SEASONAL BASIC NATURAL GAS STORAGE SERVICE(Contract No.:)

concluded by and **between**

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

e-mail address(es)*:

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:	OTP Bank
bank account No.:	HU65 11794008-24027731-00000000
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 HGS (MFGT)

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

**Following 1 July 2025, HGS will only issue electronic invoices to System Users pursuant to Section 115/E of the Gas Act Implementation Decree.*

I SUBJECT AND DURATION OF CONTRACT

1. The subject of this Contract on Using and Providing Seasonal Basic Natural Gas Storage Service (hereinafter referred to as Contract) (CPA No.: 521012) covers:

    a) the storage of natural gas owned by the System User, along with its firm injection into and withdrawal from the Hungarian underground gas storage facilities owned and operated by HGS according to the quantity parameters as per Chapter III and quality parameters as per Chapter IV. and

    b) during daily nomination and re-nomination, System User may modify between each hour its hourly nominations for the rest of the day, for a fee, in excess of the tolerance range as per the Intra Gas Day Storage Flexibility (Intraday Nomination Plus) optional service. Conditions as per the Fee List contained in Section 3.1 of HGS's Code of Business Conduct shall apply to the service. Along with

    c) providing withdrawal opportunity in the injection cycle, and injection opportunity in the withdrawal cycle for the System User via Storage Plus optional service. Conditions as per the Fee List contained in Section 3.1 of HGS's Code of Business Conduct shall apply to the service. Along with

    d) providing further injection and/or withdrawal capacity (Daily Peak Plus optional service) in addition to the System User's booked working gas, withdrawal and injection capacities specified as the subject herein. Conditions as per the Fee List contained in Section 3.1 of HGS's Code of Business Conduct shall apply to the service. Along with

    e) providing additional interruptible injection and/or withdrawal capacity (Interruptible Injection and Withdrawal Capacity optional service) in addition to the System User's booked working gas, withdrawal and injection capacities specified as the subject herein. Conditions as per the Fee List contained in Section 3.1 of HGS's Code of Business Conduct shall apply to the service. Along with

    f) providing 100% Available Flat Curves Injection and Withdrawal Capacity optional service in addition to the System User's booked working gas, withdrawal and injection capacities specified as the subject herein, for an additional fee. Conditions as per the Fee List contained in Section 3.1 of HGS's Code of Business Conduct shall apply to the service.

2. Pursuant to this Contract, HGS 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, shall keep it in its storage facilities and shall withdraw it in the period as per Section I.4, and shall provide Storage Plus Service and/or Peak Plus Service and/or Intraday Nomination Plus Service and/or Interruptible Injection and Withdrawal Capacity Service and/or 100% Available Flat Curves Injection and Withdrawal Capacity Service based on the System User' corresponding request confirmed by HGS.

3. This Contract shall be concluded for a definite period from __.__.20__ at 6:00 hours until 1st April 20__ at 06:00 hours.

4. Parties contract for using and providing a seasonal basic service and – based on the System User' corresponding request confirmed by HGS – Storage Plus Service and/or Daily Peak Plus Service and/or Intraday Nomination Plus Service and/or Interruptible Injection and Withdrawal Capacity Service and/or

100% Available Flat Curves Injection and Withdrawal Capacity Service. The contractual injection cycle starts in the respective storage year at 06:00 on 1st April …, and shall end at 06:00 1st October ….. The contractual withdrawal cycle shall start in the respective storage year at 06:00 1st October and shall end at 06:00 on 1st April. Storage Plus Service and/or Peak Plus Service and/or Intraday Nomination Plus Service and/or Interruptible Injection and Withdrawal Capacity Service and/or 100% Available Flat Curves Injection and Withdrawal Capacity Service can also be used in this period.

5. System User can use the Intraday Nomination Plus Service if during the hourly nomination, the sum of the absolute value of deviations between subsequent hourly nominations exceeds the percentage published in the applicable Fee List (tolerance range) on the basis of its first non-zero hourly nomination of the relevant gas day. Other terms and conditions of using the service shall be contained in the Fee List published in Section 3.1 of the Code of Business Conduct.

6. System User can use Storage Plus Service if it requests gas volume flow opposite to the actual physical flow of the storage facility and/or the storage periods as per Section I.4. The maximum available extent of the service is published on the HGS website prior to the relevant storage year. Other terms and conditions of using the service shall be contained in the Fee List published in Section 3.1 of the Code of Business Conduct.

7. System User can use Peak Plus Service if HGS has in advance announced the duration of the service and the available capacities on its website and the System User has recorded on HGS's IT Platform (SMCS) its additional booking request for the relevant gas days. If the System User's request is confirmed by HGS, a specific contract on using Peak Plus injection/withdrawal peak capacities is concluded by and between the Parties for that given day. Other terms and conditions of using the service shall be contained in the Fee List published in Section 3.1 of the Code of Business Conduct.

8. System User can use Interruptible Injection and Withdrawal Capacity Service if it requests gas volume flow corresponding to the storage periods as per Section I.4. The maximum available extent of the service is published on the HGS website prior to the relevant storage year. Other terms and conditions of using the service shall be contained in the Fee List published in Section 3.1 of the Code of Business Conduct.

9. System User can use 100% Available Flat Curves Injection and Withdrawal Capacity Service if HGS has in advance announced the duration of the service and the available capacities on its website and the System User has recorded on HGS's IT Platform (SMCS) its booking request for flat curves capacities for the relevant gas days. If the System User's request is accepted by HGS, a specific contract on using 100% Available Flat Curves Injection and Withdrawal Capacity Service is concluded by and between the Parties for the relevant day. Other terms and conditions of using the service shall be contained in the Fee List published in Section 3.1 of the Code of Business Conduct.

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, System User shall acknowledge to have fully read and understood the content of ÁSZF herein mentioned – as available on the HGS web page (www.mfgt.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 PROVISION OF STORAGE CAPACITIES

1. Firm storage capacities available for the System User regarding the contractual storage cycles as per Section I.4 (in case of selling in bundles, capacities within booked bundles):

   For supplying users eligible for universal service (USP)

   storage working gas capacity: kWh

   injection (peak) capacity: kWh/day

   withdrawal (peak) capacity: kWh/day

   For supplying users not eligible for universal service (Non-USP)

   storage working gas capacity: kWh

   injection (peak) capacity: kWh/day

   withdrawal (peak) capacity: kWh/day

2. System User shall submit the contracted monthly schedule for injection and withdrawal on the IT Platform under the menu item Nomination/Gas Volume Plan.
3. System User understands that the actual injection and withdrawal capacity may vary according to the working gas stocks and to other, inevitably changing parameters and boundary conditions. The availability of capacities and the minimum and maximum injection and withdrawal capacity values are published by HGS on its IT Platform for the System Users.
4. In case of a positive closing stock for the System User, HGS shall be entitled to act according to Section 39 of HEPURA Decree No. 11/2016 (XI.14.).
5. If required by the System User, further storage services are provided by HGS for the System Users via optional services, for which the Parties shall conclude a separate contract.
6. The System User may also use interruptible backhaul (Storage Plus Service) and interruptible injection and withdrawal capacity service, subject to the following rules:
   a) in case of capacity interruption, natural gas cannot be injected into or withdrawn from storage against interrupted capacities.
   b) system User shall understand that the actually available injection and withdrawal capacity may vary according to the nominations submitted by other System Users.
   c) in case of interruption, HGS will interrupt the simultaneously used interruptible capacities of the Service based on the nominations submitted, applying the pro rata principle.
   d) 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).

e) HGS shall not be obliged to provide interruptible injection and withdrawal capacities exceeding the interruptible peak capacity determined prior to the relevant storage year and published on its website.

f) HGS shall be entitled to interrupt the injection or withdrawal at any time – with no obligation whatsoever to state reasons, indemnify or provide fee discounts.

7. System User shall weekly submit the planned injection and withdrawal quantities for the following week on HGS's IT Platform until 12:00 Friday of the preceding week. This is required for planning the operation of the storage facilities, yet this is not equal to the weekly nomination. However, if the System User's nomination submitted for the given day deviates by more than 10% from the planned schedule, and thus endangers service provision to those System Users who use the storage services according to their forecast, HGS reserves the right to refuse the nomination in full or in part. Furthermore, by fully exploiting the technical capabilities, HGS shall do its utmost to accept the daily nominations submitted by the System Users, thus providing the most flexible conditions for the System Users, and only if inevitable, may sanction towards System Users deviating by over 10%.
8. HGS shall not be obliged to ensure injection and withdrawal capacities exceeding the peak capacity values stipulated by Section III.1 of the Contract, nor to ensure more working gas capacity, or to conduct withdrawal activities exceeding the actually injected working gas energy quantity.
9. System User shall submit also to HGS the storage demand forecast with the date as per Section 3.3.3.2 and content as per Section 3.3.3.1 of the Grid Code.
10. Pursuant to the Code of Business Conduct, HGS shall be financially responsible for preserving the energy quantity of the actually injected gas, for its settlement and for the injection and withdrawal thereof according to Section III.1 herein.

IV STORAGE GAS QUALITY

HGS 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, HGS manages the storage facilities as a unified whole. Based on the daily nomination submitted by the System User for the unified storage facility, HGS shall allocate the gas quantity to be injected or withdrawn to the relevant underground gas storage facilities. HGS shall undertake to deliver the nominated quantities allocated for the relevant storage facilities, and in case of non-performance, HGS 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, HGS shall cooperate with the transmission system operator licensee performing transmission system operation 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, INDEXATION, VOLUME FEE, FEE OF OPTIONAL SERVICES

1. Capacity booking and volume fees payable by the System User shall be determined by HGS pursuant to the fee items set forth in the Tariff Resolution. Capacity fees shall be invoiced according to the Tariff Resolution in advance in equal monthly instalments, while volume fees shall be invoiced ex post and monthly, based on the actual monthly volume.

   Capacity fees specified in the Tariff Resolution shall be determined upon the costs generated in connection with providing the seasonal basic service, while the specific fees shall be calculated on assuming a one year contractual period. Therefore, in the event that the duration of the contract is less than a storage year, Parties agree to settle the fees arising from herein periodically, in equal monthly instalments pursuant to Section 58 of Act No. CXXVII of 2007 on Value Added Tax (VAT Act).

2. The modifications of the fees specified in the Tariff Resolution will become part of the Natural Gas Storage Contract simultaneously with their coming into force; therefore the Parties shall apply the modifications as of the Decree's effective date.

3. If, during the term of the contract, the Tariff Resolution cease to apply to storage services, then:
   a) HGS shall be entitled to determine the capacity fees for the storage year following the repealing of the Tariff Resolution, at the beginning of the storage year (on 1 April), according to the following:
      i. for the first storage year following the expiry of the Tariff Resolution, the capacity fee established pursuant to the Tariff Resolution for the storage year 2024/2025 shall be adjusted on a rolling basis using the annual consumer price indices (%) for the relevant year and the period beginning with 2024, and invoiced for the following one-year period.

         $K_n = K_{24/25}$ …*Ind_{n-1}

         where
         K_n: capacity fee for the first storage year following the expiry of the Tariff Resolution

         $K_{24/25}$: capacity fee determined pursuant to the Tariff Resolution for the storage year 2024/2025

         Ind_{n-1}: consumer price index for the calendar year preceding the first storage year following the expiry of the Tariff Resolution (the value in the "Total column" of the recent (latest) "Consumer price index by main consumption groups and the pensioner consumer price index [previous year = 100.0%]" published by the Central Statistical Office. https://www.ksh.hu/stadat_files/ara/hu/ara0002.htmlfor year 2023 being: 117.6).

         (example: $K_{26/27}=K_{24/25}*Ind_{24}*Ind_{25}$)

      ii. For the subsequent storage years, the capacity fee for the storage year preceding the current year shall always be adjusted by the average annual consumer price index (%) for the year preceding the current year and invoiced for the following one-year period (storage year).

$$K_n = K_{n-1} * Ind_{n-1}$$

where
K_n: shall be the capacity fee for the respective storage year

K_{n-1}: shall be the capacity fee for the storage year preceding the respective storage year

Ind_{n-1}: the value in the "Total column" of consumer price index by main consumption groups and the pensioner consumer price index [previous year = 100.0%]" relevant for the calendar year preceding the respective storage year (https://www.ksh.hu/stadat_files/ara/hu/ara0002.html)

(example: $K_{27/28}=K_{26/27}*Ind_{26}$)

b) With regard to volume fees, the stipulations of the HGS Code of Business Conduct shall apply.

4. Fee of Optional Services

Description of the Storage Plus Service, Peak Plus Service, Interruptible Injection and Withdrawal Capacity Service and 100% Available Flat Curves Injection and Withdrawal Capacity Service and Intraday Nomination Plus Service shall be contained in the applicable Fee List under Section 3.1 of the Code of Business Conduct.

To avoid any confusion, Parties agree that fee payment obligation arises for the System User:

- only by the actual use of the service in the case of Storage Plus Service,
- only by the actual use of the service in the case of Interruptible Injection and Withdrawal Capacity Service,
- only by the actual use of the service in the case of Intraday Nomination Plus Service,
- by booking on HGS's IT Platform (SMCS) in the case of Peak Plus Service,
- by booking on HGS's IT Platform (SMCS) in the case of 100% Available Flat Curves Injection and Withdrawal Capacity Service.

VIII 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 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 take effect upon signature.

X MISCELLANEOUS PROVISIONS

Contact Persons

In issues related to the Contract:

On behalf of HGS:

Phone:

Fax:

e-mail:

On behalf of the System User:

Phone: +36

Fax: +36

e-mail:

In issues of daily operative contact:

On behalf of the System User:

Phone: +36

Fax: +36

e-mail:

On behalf of HGS: Storage Dispatching Service

Phone.: +36 52 362 574

Fax: + 36 52 558 048

e-mail: 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

....

Name	Name
Position	Position
.....	.....
Name	Name
Position	Position

Annexes:

Annex No. 1: Capacity fees payable by the System Users

Annex No. 2: Declaration

1. Annex No. 1

Capacity fees payable by the System Users

<cégnév> 20__/20__:
TM: tárolói kapacitásdíj (Ft/kWh/év)

$$TM = cons * \left[MAX\left(1; 133{,}33 * \frac{B}{M}; 70{,}31 * \frac{K}{M}\right) + \frac{133{,}33}{MIN\left(133{,}33; \frac{M}{B}\right)} + \frac{70{,}31}{MIN\left(70{,}31; \frac{M}{K}\right)} \right]$$

**cons: MEKH Tarifahatározatban meghatározott*

Ahol a változók értéke a következő:

Megnevezés	Szerződéses időszak	betárolási (B) csúcs kWh/nap	mobil kapacitás (M) kWh	kitárolási (K) csúcs kWh/nap	Tárolói kapacitás díj (Ft/év) Ft/év	betárolási díj Ft/MWh	kitárolási díj Ft/MWh
Szezonális	20__.04.01-20__.03.31					MEKH Tarifahatározatban meghatározott	MEKH Tarifahatározatban meghatározott

20__/20__ díjak

Kapacitás díj - Ft/hó - Ft/év

4.2 SHORT-TERM/ANNUAL/LONG-TERM CONTRACT ON USING AND PROVIDING BUNDLED SEASONAL BASIC NATURAL GAS STORAGE SERVICE (Contract No.:)

concluded by and **between**

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

e-mail address(es)*:

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:	OTP Bank
bank account No.:	HU65 11794008-24027731-00000000
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 HGS (MFGT)

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

**HGS will only issue electronic invoices to System Users pursuant to Section 115/E (1a) of the Gas Act Implementation Decree.*

PREAMBLE

On __ ____ 20_, HGS publicly announced an open auction for every system user under the title of "Capacity Auction No. 20_/__" to book available storage capacities via open auction (hereinafter referred to as Auction). During the auction a successful bid was submitted by the System User. HGS accepted the System User's bid. The bid constitutes Annex 1 to this Contract. Based on the Bid, Parties shall conclude the following contract on booking for the storage year(s) 20__/20__.

I SUBJECT AND DURATION OF CONTRACT

1. The subject of this Contract on Using and Providing Bundled Seasonal Basic Natural Gas Storage Service (hereinafter referred to as Contract) shall be: (CPA number: 521012):

   a) The storage of natural gas owned by the System User, along with its firm injection into and withdrawal from the Hungarian underground gas storage facilities owned and operated by HGS – with regard to bundling the capacity bundles awarded at the auction – according to the quantity parameters as per Chapter III and quality parameters as per Chapter IV. and

   b) during daily nomination and re-nomination, System User may modify between each hour its hourly nominations for the rest of the day, for a fee, in excess of the tolerance range as per the Intra Gas Day Storage Flexibility (Intraday Nomination Plus) optional service. Conditions as per the Fee List contained in Section 3.1 of HGS's Code of Business Conduct shall apply to the service. Along with

   c) providing withdrawal opportunity in the injection cycle, and injection opportunity in the withdrawal cycle for the System User via Storage Plus optional service. Conditions as per the Fee List contained in Section 3.1 of HGS's Code of Business Conduct shall apply to the service. Along with

   d) providing further injection and/or withdrawal capacity (Daily Peak Plus optional service) in addition to the System User's booked working gas, withdrawal and injection capacities specified as the subject herein. Conditions as per the Fee List contained in Section 3.1 of HGS's Code of Business Conduct shall apply to the service. Along with

   e) providing additional interruptible injection and/or withdrawal capacity (Interruptible Injection and Withdrawal Capacity optional service) in addition to the System User's booked working gas, withdrawal and injection capacities specified as the subject herein. Conditions as per the Fee List contained in Section 3.1 of HGS's Code of Business Conduct shall apply to the service. Along with

   f) providing 100% Available Flat Curves Injection and Withdrawal Capacity Service in addition to the System User's booked working gas, withdrawal and injection capacities specified as the subject herein, for an additional fee. Conditions as per the Fee List contained in Section 3.1 of HGS's Code of Business Conduct shall apply to the service.

2. Pursuant to this Contract, HGS 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, shall keep it in its storage facilities and shall withdraw it in the

period as per Section I.4, and shall provide Storage Plus Service and/or Daily Peak Plus Service and/or Intraday Nomination Plus Service and/or Interruptible Injection and Withdrawal Capacity Service and/or 100% Available Flat Curves Injection and Withdrawal Capacity Service based on the System User' corresponding request confirmed by HGS.

3. The contract shall be concluded for a definite period 1 April 20__ at 06:00 hours until 1 April 20__ at 6:00 hours.

4. Parties contract for using and providing a seasonal basic service and – based on the System User' corresponding request confirmed by HGS – Storage Plus Service and/or Daily Peak Plus Service and/or Intraday Nomination Plus Service and/or Interruptible Injection and Withdrawal Capacity Service and/or 100% Available Flat Curves Injection and Withdrawal Capacity Service. The contractual injection cycle starts in the respective storage year at 06:00 on 1st April …, and shall end at 06:00 1st October ….. The contractual withdrawal cycle shall start in the respective storage year at 06:00 1st October and shall end at 06:00 on 1st April. Storage Plus Service and/or Daily Peak Plus Service and/or Intraday Nomination Plus Service and/or Interruptible Injection and Withdrawal Capacity Service and/or 100% Available Flat Curves Injection and Withdrawal Capacity Service can also be used in this period.

5. System User can use the Intraday Nomination Plus Service if during the hourly nomination, the sum of the absolute value of deviations between subsequent hourly nominations exceeds the percentage published in the applicable Fee List (tolerance range) on the basis of its first non-zero hourly nomination of the relevant gas day. Other terms and conditions of using the service shall be contained in the Fee List published in Section 3.1 of the Code of Business Conduct.

6. System User can use Storage Plus Service if it requests gas volume flow opposite to the actual physical flow of the storage facility and/or the storage periods as per Section I.4. The maximum available extent of the service is published on the HGS website prior to the relevant storage year. Other terms and conditions of using the service shall be contained in the Fee List published in Section 3.1 of the Code of Business Conduct.

7. System User can use Daily Peak Plus Service if HGS has in advance announced the duration of the service and the available capacities on its website and the System User has recorded on HGS's IT Platform (SMCS) its additional booking request for the relevant gas days. If the System User's request is confirmed by HGS, a specific contract on using Daily Peak Plus injection/withdrawal peak capacities is concluded by and between the Parties for that given day. Other terms and conditions of using the service shall be contained in the Fee List published in Section 3.1 of the Code of Business Conduct.

8. System User can use Interruptible Injection and Withdrawal Capacity Service if it requests gas volume flow corresponding to the storage periods as per Section I.4. The maximum available extent of the service is published on the HGS website prior to the relevant storage year. Other terms and conditions of using the service shall be contained in the Fee List published in Section 3.1 of the Code of Business Conduct.

9.

10. System User can use 100% Available Flat Curves Injection and Withdrawal Capacity Service if HGS has in advance announced the duration of the service and the available capacities on its website and the System User has recorded on HGS's IT Platform (SMCS) its booking request for

flat curves capacities for the relevant gas days. If the System User's request is accepted by HGS, a specific contract on using 100% Available Flat Curves Injection and Withdrawal Capacity Service is concluded by and between the Parties for the relevant day. Other terms and conditions of using the service shall be contained in the Fee List published on HGS's website.

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 HGS web page (www.mfgt.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 (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 PROVISION OF STORAGE CAPACITIES

1. Firm storage capacities available to the System User in the booked bundles are as follows:

   storage working gas capacity: kWh

   injection (peak) capacity: kWh/day

   withdrawal (peak) capacity: kWh/day

2. System User shall submit the contracted monthly schedule for injection and withdrawal on the IT Platform under the menu item Nomination/Gas Volume Plan.
3. Contracted capacities shall be booked for non-universal service purposes only, and cannot be subject to primary trading.
4. System User understands that the actual injection and withdrawal capacity may vary according to the working gas stocks and to other, inevitably changing parameters and boundary conditions. The availability of capacities and the minimum and maximum injection and withdrawal capacity values are published by HGS on its website for the System Users.
5. In case of a positive closing stock for the System User, HGS shall be entitled to act according to Section 39 of HEPURA Decree No. 11/2016 (XI.14.).
6. The System User may also use interruptible backhaul (Storage Plus Service) and interruptible injection and withdrawal capacity service, subject to the following rules:

   a) in case of capacity interruption, natural gas cannot be injected into or withdrawn from storage against interrupted capacities.

   b) system User shall understand that the actually available injection and withdrawal capacity may vary according to the nominations submitted by other System Users.

   c) in case of interruption, HGS will interrupt the simultaneously used interruptible capacities of the Service based on the nominations submitted, applying the pro rata principle.

d) 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).

e) HGS shall not be obliged to provide interruptible injection and withdrawal capacities exceeding the peak capacity determined prior to the relevant storage year and published on its website.

f) HGS shall be entitled to interrupt the injection or withdrawal at any time – with no obligation whatsoever to state reasons, indemnify or provide fee discounts.

.

7. System User shall weekly submit the planned injection and withdrawal quantities for the following week on HGS's IT Platform until 12:00 Friday of the preceding week. This is required for planning the operation of the storage facilities, yet this is not equal to the weekly nomination. However, if the System User's nomination submitted for the given day deviates by more than 10% from the planned schedule, and thus endangers service provision to those System Users who use the storage services according to their forecast, HGS reserves the right to refuse the nomination in full or in part. Furthermore, by fully exploiting the technical capabilities, HGS shall do its utmost to accept the daily nominations submitted by the System Users, thus providing the most flexible conditions for the System Users, and only if inevitable, may sanction towards System Users deviating by over 10%.
8. Pursuant to the Code of Business Conduct, HGS shall be financially responsible for preserving the energy quantity of the actually injected gas, for its settlement and for the injection and withdrawal thereof according to Section III.1 herein.
9. HGS shall not be obliged to ensure injection and withdrawal capacities exceeding the peak capacity values stipulated by Section III.1 of the Contract, nor to ensure more working gas capacity, or to conduct withdrawal activities exceeding the actually injected working gas energy quantity.
10. 9. System User shall submit also to HGS the storage demand forecast with the date as per Section 3.3.3.2 and content as per Section 3.3.3.1 of the Grid Code.

IV STORAGE GAS QUALITY

HGS 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, HGS manages the storage facilities as a unified whole. Based on the daily nomination submitted by the System User for the unified storage facility, HGS shall allocate the gas quantity to be injected or withdrawn to the relevant underground gas storage facilities. HGS shall undertake to deliver the nominated quantities allocated for the relevant storage facilities, and in case of non-performance, HGS 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, HGS shall cooperate with the Natural Gas Transmission System Operator licensee 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, INDEXATION, VOLUME FEE, FEE OF OPTIONAL SERVICES

1. System User purchased the capacities booked in Section III.1 in bundle.

   One bundle contains:

   - working gas capacity: kWh
   - injection capacity: kWh/day
   - withdrawal capacity: kWh/day

   System User purchased bundles.

   The total price of purchased bundles is HUF +VAT.

2. Parties agree to settle the fees arising from herein periodically, in equal monthly instalments pursuant to Section 58 of Act No. CXXVII of 2007 on Value Added Tax (VAT Act). The bundle fee contains the storage capacity fee, excluding the injection volume fee and the withdrawal volume fee, which shall be paid by the System User according to the prevailing Tariff Resolution, based on the monthly volume, also excluding the fees of optional services used.
3. HGS shall be entitled to modify the price of the bundles each storage year (from 1 April) from the start of the second storage year, by increasing the bundle price for the previous storage year by the average annual consumer price index (%) for the year preceding the current year.

   $K_n=K_{n-1}*Ind_{n-1}$

   where

   K_n: shall be the bundle fee for the respective storage year starting from the second storage year

   K_{n-1}: shall be the bundle fee for the storage year preceding the respective storage year

   Ind_{n-1}: shall be the consumer price index for the calendar year preceding the respective storage year: the value in the "Total column" of the recent (latest) "Consumer price index by main consumption groups and the pensioner consumer price index [previous year = 100.0%]" published by the Central Statistical Office (https://www.ksh.hu/stadat_files/ara/hu/ara0002.html)

   (example: $K_{26/27}=K_{25/26}*Ind_{25}$)

With regard to volume fees, the stipulations of the HGS Code of Business Conduct shall apply.

4. Fee of Optional Services

Description of the Storage Plus Service, Peak Plus Service, Interruptible Injection and Withdrawal Capacity Service and 100% Available Flat Curves Injection and Withdrawal Capacity Service and Intraday Nomination Plus Service shall be contained in the applicable Fee List under Section 3.1 of the Code of Business Conduct.

To avoid any confusion, Parties agree that fee payment obligation arises for the System User:

- only by the actual use of the service in the case of Storage Plus Service,
- only by the actual use of the service in the case of Interruptible Injection and Withdrawal Capacity Service,
- only by the actual use of the service in the case of Intraday Nomination Plus Service,
- by booking on HGS's IT Platform (SMCS) in the case of Daily Peak Plus Service,
- by booking on HGS's IT Platform (SMCS) in the case of 100% Available Flat Curves Injection and Withdrawal Capacity Service.

VIII 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 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 HGS:

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 HGS: Storage Dispatching Service

Phone: 0036 52 362-574

Fax: 0036 52 558-048

e-mail: 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
.....	.....
Name	Name
Position	Position
.....	.....
Name	Name
Position	Position

Annexes:

Annex No. 1: Capacity fees payable by the System Users

Annex No. 2: Declaration

Annex No. 2

Capacity fees payable by the System Users

<cégnév>

Megnevezés	Szerződéses időszak	Mobilkapacitás csúcs	betárolási (B) csúcs	kitárolási (K) csúcs	kapacitás díj	betárolási díj	kitárolási díj	Kapacitás díj
		kWh	kWh/nap	kWh/nap	Ft/kWh/év	Ft/MWh	Ft/MWh	Ft/év
Kapacitás	20__.04.01-20__.03.31					MEKH Tarifarendeletben meghatározott	MEKH Tarifarendeletben meghatározott	

20__/20__:

Éves kapacitás díj: **Ft**

Havi kapacitás díj: **Ft/hó**

4.3 CONTRACT ON PORTFOLIO MANAGEMENT SERVICE(Contract No.:)

concluded **by and between**

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

e-mail address(es)*:

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:	OTP Bank
bank account No.:	HU65 11794008-24027731-00000000
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 HGS (MFGT)

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

**HGS will only issue electronic invoices to System Users pursuant to Section 115/E (1a) of the Gas Act Implementation Decree.*

I Subject of Contract

1. System User and HGS has concluded a capacity booking contract effective for the storage year 20_/20_.
2. Pursuant to this "Contract on Portfolio Management Service" (hereinafter referred to as Contract) HGS facilitates it for the System Users to divide their booked capacities into portfolio parts (hereinafter referred to as portfolio parts) under the conditions set forth herein. (CPA number: 521012):

II. General Terms

1. In issues not regulated by the Contract, the provisions of HGS's General Terms and Conditions (hereinafter referred to as ÁSZF), attached as Annex No. 4 to 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 HGS web page (www.mfgt.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 (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 FEATURES AND CONDITIONS OF PORTFOLIO MANAGEMENT SERVICE

1. This service is available to System Users with Natural Gas Storage Contract and storage capacity booking for the storage year 20_/20_.
2. As part of the Portfolio Management Service, System Users are entitled to divide their booked capacities into portfolio parts.
3. HGS shall send a monthly protocol to the System User on the volume data of the portfolio part.
4. Portfolio Management Service does not affect or in any way influence daily storage operation (thus has no effect on issues of nomination, allocation or capacities). This service is independent from daily operation and it facilitates for the System User an easier demonstration of portfolio parts of customers belonging to the System User.
5. HGS does not consider the actual gas movement and capacity changes between the portfolio parts belonging to the customers of the System User.

IV Nomination, Allocation

1. HGS performs allocation for the portfolio parts using factual data and enables the System User to monitor the balance of the portfolio part(s) on a daily basis. The daily volume, stock transfer

and capacity balance of the service per portfolio part shall equal to the daily storage volume stock change and capacity balance of the System User.

V PORTFOLIO MANAGEMENT SERVICE Fee

System User shall pay an annual fixed fee for Portfolio Management Service. The storage year administrative fee per portfolio part shall be 1 500 000 HUF/storage year + VAT annually, which shall be paid in a lump sum upon the conclusion of contract. 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.

In the event that the System User's portfolio is supplemented with a new portfolio part during the storage year, the service fee shall be paid in a lump sum following the change has been reported, within 30 calendar days from issuing the invoice relating to the new portfolio part.

VI Governing Law, Settlement of Disputes

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

The Parties shall agree to settle the disputes relating to this 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.

VII Entry into Force

This Contract shall apply to a definite period from 06:00 hours on __.__.20_ until 06:00 hours on __.__.20_ (service period).

VIII Miscellaneous Provisions

Contact Persons

In issues related to the Contract:

On behalf of HGS:

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 HGS: Storage Dispatching Service

Phone: 0036 52 362-574

Fax: 0036 52 558-048

e-mail: dispatcher@mfgt.hu

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

Budapest, ___20__

Hungarian Gas Storage Ltd.	System User
.....	.....
Name	Name
Position	Position
.....	.....
Name	Name
Position	Position

Annexes:

1. Annex No. 4: Protocol and Stock - Capacity Certificate for the Settlement of Underground Gas Storage Service

1. Annex No.

VOLUME PROTOCOL
AND STOCK CERTIFICATE

Prepared on:	xx.xx.20xx
Subject:	Monthly settlement of underground gas storage service
Reference Period:	**xx 202x**
Service Provider:	**Hungarian Gas Storage Ltd.**
Service User:	**xx**
Owner of Working Gas Stock:	**xx**
Settlement Point:	At the zero point of the unified storage facility

Volume Fee Basis	Energy	
Opening balance - working gas	*0*	*[kWh]*
Injected gas to working gas	0	[kWh]
Withdrawn gas from working gas	0	[kWh]
Stock delivery *	0	[kWh]
Closing balance - working gas:	*0*	*[kWh]*

**: A negative value indicates delivery, while a positive value indicates acceptance.*

Hungarian Gas Storage Ltd.

4.4 CONTRACT ON USING AND PROVIDING NATURAL GAS STORAGE SERVICE IN TYPE "I." PUBLIC CUSTOMS WAREHOUSE(Contract No.:)

concluded by and **between**

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

e-mail address(es):

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:	OTP Bank
bank account No.:	HU65 11794008-24027731-00000000
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 HGS (MFGT)

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

**HGS will only issue electronic invoices to System Users pursuant to Section 115/E (1a) of the Gas Act Implementation Decree.*

PREAMBLE

A. A "Contract on Using and Providing Bundled Natural Gas Storage Service"/"CONTRACT ON USING AND PROVIDING SEASONAL BASIC NATURAL GAS STORAGE SERVICE" (hereinafter referred to as "Capacity Booking Contract") was concluded by and between HGS and System User on __.__. 20__ on _____ kWh storage working gas capacity, _____ kWh/day firm injection (peak) capacity and _____ kWh/day firm withdrawal (peak) capacity.

B. HGS operates a type "I." public customs warehouse (hereinafter referred to as "Public Customs Warehouse") in its unified natural gas storage with regard to 15 778 783 123 kWh energy quantity. Licence number: HUCW1170000N7002071583.

C. System User intends to inject into the Public Customs Warehouse a natural gas quantity not exceeding the amount of capacity specified in Section I.2) from the working gas capacities the System User booked pursuant to the Capacity Booking Contract, at the related injection and withdrawal capacities set out therein.

Applicable to using working gas, injection and withdrawal capacities booked as per the Capacity Booking Contract in the Public Customs Warehouse (withdrawal, injection, any transaction within the Public Customs Warehouse), Parties shall conclude the following contract (hereinafter referred to as Contract) with particular regard to the special customs rules applicable to the Public Customs Warehouse.

I Subject and Duration of Contract

1. Out of its booked capacities, System User intends to use the following interruptible / firm capacities in the Public Customs Warehouse operated by HGS (CPA number: 521012).
2. Interruptible and firm storage capacities available to the System User in the Public Customs Warehouse upon the conclusion of contract are as follows:

firm capacities

storage working gas capacity:	kWh
injection (peak) capacity:	kWh/day
withdrawal (peak) capacity:	kWh/day

interruptible capacities

injection (peak) capacity:	kWh/day
withdrawal (peak) capacity:	kWh/day

Working gas capacities booked as per the Capacity Booking Contract shall be reduced by the actually delivered working gas capacity, but by not more than the above capacity amount, until the end of the contractual period (see Section I.5) that is until 6:00 hours on ____.20__.

Injection and withdrawal capacities booked as per the Capacity Booking Contract shall be reduced by the actually delivered capacities, but by not more than the above capacity amount, for the respective

gas day.

3. When performing the Contract, HGS shall use, i.e. shall inject into and withdraw from the unified storage facility as a Public Customs Warehouse – based on its licence. HGS shall be entitled to fulfil the nomination submitted by the System User with regard to the capacities booked in the Public Customs Warehouse from the unified storage facility as a Public Customs Warehouse.

4. Pursuant to this Contract, HGS 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.5, shall keep it in the Public Customs Warehouse and shall withdraw it in the period as per Section I.5. Additional Capacities used by the System User as per the Storage Plus Optional Service and/or Daily Peak Plus Optional Service and/or Intraday Nomination Plus Optional Services and/or Interruptible Injection and Withdrawal Optional Service and/or 100% Available Flat Curves Injection and Withdrawal Capacity Service pursuant to the Capacity Booking Contract shall be automatically subject to this Contract. The terms and conditions applicable to Optional Services are set out in the Fee List published in Section 3.1 of HGS's Code of Business Conduct.

5. The contract shall be concluded for a period identical to that of the Capacity Booking Contract, that is to say for a definite period until __.___.20__ at 6:00 hours. The duration of injection and withdrawal shall be specified in the Capacity Booking Contract.

6. During the term of the Capacity Booking Contract concluded by the System User, HGS shall inject and withdraw natural gas into and from the Public Customs Warehouse using the capacities booked as per the Capacity Booking Contract - under the conditions specified herein.

II. General Terms

1. In issues not regulated by the Contract, provisions specified in the Capacity Booking Contract, the General Terms and Conditions (hereinafter referred to as ÁSZF), in Annex No. 4 of the Code of Business Conduct shall apply. In the event of any contradiction between this Contract and the provisions of the Capacity Booking Contract or the ÁSZF, the stipulations of this Contract shall prevail first, while stipulations of the Capacity Booking Contract shall prevail second.

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 HGS web page (www.mfgt.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 (Authority) to be the same as the usual contracting practice.

3. Special conditions not stipulated in the ÁSZF shall be specified in this Contract.

III Provision of Storage Capacities in the Public Customs Warehouse

1. *Conditions of injection into the Public Customs Warehouse:*

a) System User's obligations:

i. System User shall certify it with a measurement protocol issued by the transmission company (FGSZ) taken upon metering at the border entry point that the natural gas stock to be injected has entered the country. The protocol shall be submitted to HGS until the 5th day of the month following the reference month. In addition, System User shall submit to HGS the transmission system allocations per day with regard to the border entry point(s) - as soon as it becomes available. Prior to injection, both HGS and the transmission company (FGSZ) shall be notified by the System User with regard to the quantity it intends to store in the Public Customs Warehouse from the quantity to be injected.

ii. It shall also certify it with a measurement protocol issued by the Transmission Company (FGSZ) taken upon metering at the transmission pipeline exit point that the natural gas stock to be injected has entered the Public Customs Warehouse.

iii. The certification of the owner, place of origin and status (non-EU) of the natural gas stock shall be performed by handing over the documentation prescribed by the relevant customs authority with regard to the natural gas stock, including at least the following: owner's name, seat, tariff heading of the product, estimated unit price, quantity, estimated net value. System User shall submit to HGS the documentation prescribed by the relevant customs authority immediately after the injection of the quantity as per this Contract into the Public Customs Warehouse, but no later than until 5th day of the month following the reference month.

iv. In the event that the System User is not the owner of the natural gas stock to be injected, authentic verification is required to prove that the owner has mandated the System User to inject the natural gas stock into the Public Customs Warehouse. Certification thereof shall be a statement of value issued by the owner of the natural gas stock in respect of the natural gas injected, simultaneously with the first entry measurement protocol mentioned in Section III. 1) a i). Immediately obtaining any data or information - even if not mentioned herein but required by the relevant customs legislation or by the relevant customs authority -, along with providing the required assistance without delay to HGS for the sake of fulfilling tasks related to keeping public customs warehouse records.

v. In as far as the natural gas stock has already been injected but the System User – for reasons attributable to the System User – has not performed its obligations specified in Section III. 1) a, System User shall compensate HGS for any damage or penalty arising therefrom.

b) HGS's obligations:

i. Performing tasks related to keeping public customs warehouse records (alone or by involving an external service provider), filling in the single administrative document.

2. *Transactions in the Public Customs Warehouse concerning booked capacity and/or natural gas stock*

System User's obligations:

- *keeping records:* System User, as the manager of booked capacities ("shipper") shall keep records of any ownership changes related to the natural gas stock, also recording if the owner of the natural gas stock appoints a new shipper. Ownership changes shall be certified by authentic documents,

complemented with documents required by the relevant customs authority, also attaching the relating agreement in case of switching shippers. Based on the above, System User shall understand - and shall also inform the owner of the natural gas stock - that a shipper may have HGS withdraw natural gas from the Public Customs Warehouse only if the shipper has the required capacities (or if such capacities have been made available to the System User by a third party) and has concluded a relating Contract on Using and Providing Interruptible/Firm Natural Gas Storage Service in Type "I." Customs Warehouse with HGS.

- *obligation to inform the owner of the natural gas stock*
- System User shall inform the owner of the natural gas stock with regard to the provisions relating to natural gas injection, withdrawal, sale and new shipper appointment.
- *in relation to selling the natural gas stock:*
- shall certify title change with an authentic document,
- if the natural gas stock is traded within the EU, System User shall have the customs procedure performed,
- shall arrange withdrawal or storage in the Public Customs Warehouse on the basis of the new owner's instructions if the natural gas stock is sold in the Public Customs Warehouse (and not traded within the EU).
- *in relation to appointing a new shipper*
  - shall certify title change with an authentic document,
  - may hand over the natural gas stock to a shipper only if it has the required capacities (or if such capacities have been made available by a third party) and has concluded a relating Contract on Using and Providing Natural Gas Storage Service in Type "I." Customs Warehouse with HGS.

3. *Conditions of withdrawal from Public Customs Warehouse (in case of goods leaving the EU without having been released for free domestic circulation):*

a) System User's obligations:

i. notify HGS of the start and planned end dates of withdrawal prior to withdrawal. submit to HGS the documents required by the customs authority to verify the transfer of title of ownership and agreements relating to switching shippers, not later than until the customs administration procedure is completed.

ii. System User shall verify to HGS the final place of using the natural gas stock, in a form prescribed by the relevant customs authority.

iii. System User shall demonstrate it with the measurement protocol issued by the transmission company (FGSZ) that the natural gas stock withdrawn from the Public Customs Warehouse has left the area of Hungary via the transmission system, in the direction of a country outside the EU. Following the natural gas stock left the area of Hungary, System User shall submit the protocol to HGS without delay, but not later than until the 5th day of the month following the reference month.

iv. In the event that the gas stock has left the area of Hungary in the direction of a country within the EU, System User shall verify this fact by an official certificate from the owner (with date, quantity and daily gas stock exchange price indicated) in order to facilitate customs procedure.

v. In addition, System User shall also submit to HGS a monthly protocol as soon as it becomes available, but not later than until the 5th day following the reference month, containing any and all information required for the customs procedure.

vi. Promptly obtaining any and all data and information and ensuring the related cooperation for HGS is necessary for the successful customs procedure required for withdrawal.

b) HGS's obligations:

i. Performing tasks related to keeping public customs warehouse records, filling in the single administrative document.

ii. HGS shall not be obliged to start withdrawal from the Public Customs Warehouse unless System User fulfils its obligations as per Section III.2 and 3.

4. *IT conditions of this Contract on Using and Providing Natural Gas Storage Service in Type "I." Public Customs Warehouse*

Procedure for using capacities in type "I." public customs warehouse:

a. HGS creates the IT object "SMCS Public Customs Warehouse Contract" corresponding to this Contract
b. System User nominates on HGS's IT Platform (in SMCS)
c. from working gas capacities, for the full duration of the contract, up to the quantity set out in Section I.2);
d. injection and withdrawal capacity delivery from the injection and withdrawal capacities as per the Capacity Booking Contract, per gas day, as required by the System User, but up to the quantity set out in Section I.2).
e. daily nomination

Both parties shall cooperate with the other party in any and all matters related to using the Public Customs Warehouse, and shall *comply with* the applicable domestic and community customs legislation, *the provisions and instructions of the relevant customs authorities, and their arising payment obligations*.

Imputable default on meeting obligations specified in Chapter III (e.g.: immediate notification of HGS submitting authentic documents with regard to a reporting obligation (i.e.: on title change and/or switching of shippers) shall be subject to penalty. Amount of penalty for each unobserved deadline: HUF 1 000 000 / calendar day, maximum HUF 20 000 000.

In order to guarantee the payment of the above penalty, System User shall provide a guarantee corresponding to HUF 20 000 000. The forms of guarantee shall be as follows:

a) irrevocable, unconditional bank guarantee payable upon the first demand of HGS without investigating the underlying relationship, with effect until __.____ 20__. HGS shall not be obliged to start injecting into the Public Customs Warehouse until receiving the bank guarantee, or
b) gas already injected by the System User into the unified underground gas storage facility operated by HGS. HGS shall not be obliged to start injecting into the Public Customs Warehouse until receiving the guarantee declaration.

IV FEES, COSTS AND GUARANTEES RELATED TO INJECTION INTO AND WITHDRAWAL FROM PUBLIC CUSTOMS WAREHOUSE

1. Fee for using the Public Customs Warehouse in the Public Customs Warehouse until the expiry of this Contract: HUF 12 000 000 + VAT, that is twelve million forints + VAT, which the System User shall pay in accordance with the invoice issued on the service, in a lump sum.
2. Capacities set out in Section I.2 may only be modified by mutual agreement by the Parties. Modifying the capacities set out in Section I.2 will not impose any further fee payment obligation.
3. The fee for using the Public Customs Warehouse as set out in Section IV.1 shall be invoiced following the conclusion of this Contract. 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.

V LIABILITY ISSUES RELATED TO INJECTION INTO AND WITHDRAWAL FROM PUBLIC CUSTOMS WAREHOUSE

1. Parties shall assume full liability for any damage (including taxes, duties, customs or penalties imposed on either party – such as, inter alia, penalties imposed by the Tax Authority or the Authority) incurred upon each other by violating the provisions herein.
2. HGS expressly excludes its liability towards the System User or the owner of the natural gas stock if withdrawal is not performed due to defaulting on any of the related conditions as per Section III/2 and III/3.

VI Entry into Force

This Contract shall be concluded for a definite period from __.___ 20__ at 06:00 hours until __.___ 20__ at 06:00 hours, as jointly agreed by the Parties.

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 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.

VIII Miscellaneous Provisions

Contact Persons

In issues related to the Contract:

On behalf of HGS:

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 HGS: Storage Dispatching Service

Phone: +36 52 362-574

Fax: +36 52 558-048

e-mail: dispatcher@mfgt.hu

Budapest, __._ ___20__

Hungarian Gas Storage Ltd.	System User
.....	.....
Name	Name
Position	Position

.....	.....
Name	Name
Position	Position

4.5 SERVICE CONTRACT ON THE REPORTING OF STORAGE STOCK DATA TO ACER AS PRESCRIBED FOR MARKET PARTICIPANTS

concluded by and between

seat:

mailing address:

account keeping bank: bank

account No.:

invoicing address:

e-mail address(es)*:

tax No.:

EIC code:

Court of Registration and Reg.

No.:

hereinafter referred to as Customer or 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:	OTP Bank
bank account No.:	HU65 1179 4008 2402 7731 0000 0000
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 Service Provider, or as HGS

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

**Following 1 July 2025, HGS will only issue electronic invoices to System Users pursuant to Section 115/E of the Gas Act Implementation Decree.*

PREAMBLE

This Contract is concluded with regard to the obligation (reporting obligation concerning the amount of gas injected by the system users) specified for the system users under article 9(9) of the Commission Implementing Regulation (EU) No. 1348/2014 on data reporting implementing Article 8(2) and Article 8(6) of Regulation (EU) No 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency (hereinafter Implementing Regulation).

Contract(s) on using and providing natural gas storage service in the period of storage year 20__/20__ (hereinafter referred to as Natural Gas Storage Contract(s)) exist(s) between HGS and System User.

ACER has developed the "ACER REMIT Information System" (hereinafter referred to as ARIS), which is the platform established to collect data according to the Implementing Regulation. ACER has published several reference documents for the reporting of data regarding the amount of gas injected by the system users (hereinafter referred to as Supporting Documents), including:

- Manual of Procedures on transaction and fundamental data reporting
- Requirements for the registration of Registered Reporting Mechanisms (RRM) (hereinafter referred to as RRM Requirements)

Pursuant to the Implementing Regulations, System User is obliged to report to the ACER, following the Gas Day, the amount of working gas stock the System User injected into HGS's storage facilities (hereinafter referred to as Fundamental Data) in accordance with Article 9 (9) of the Implementing Regulation (hereinafter referred to as Reporting Obligation).

On the basis of this Contract, HGS fulfils on the System User's behalf the Reporting Obligation imposed on the System User.

HGS has entered into a contract for the provision of fundamental data reporting services with Gas Infrastructure Europe (hereinafter referred to as Contracted RRM). Uploading Fundamental Data is carried out by the Contracted RRM, in the system operated by ACER, under the contract between ACER and the Contracted RRM. Having regard to this, HGS undertakes to fulfil the Reporting Obligation on behalf of the System User, via the Contracted RRM.

Now, therefore, the Parties have agreed on the following Contract on the reporting of market participant's fundamental data to ACER, which shall constitute a data reporting agreement for the purposes of Article 9(9) of the Implementing Regulation (hereinafter referred to as Contract).

I. DEFINITIONS

1. Terms defined in the Code of Business Conduct and the Natural Gas Storage Contract used in this Contract shall have the same meaning, unless this Contract provides for or the context requires otherwise.

2. New definitions:
ACER: Agency for the Cooperation of Energy Regulators
Gas Day: period from 06:00 AM of the relevant day until 06:00 AM of the following day.

II. SUBJECT AND DURATION OF CONTRACT

1. System User appoints and authorizes HGS to arrange the fulfilment of the Reporting Obligation on the System User's behalf, through the Contracted RRM, to forward daily data on the working gas stock injected into HGS's storage facilities by the System User - regarding the gas stock stored in HGS's storage facilities resulting from the daily nomination of the System User as recorded in the System User's registry and in HGS's IT system (hereinafter referred to as Reporting Services), in accordance with the Implementing Regulations and the Supporting Documents.

2. The Reporting Obligation and, accordingly, the Reporting Services, shall remain at all times subject to change as a result of further regulatory and ACER guidance developments, and Parties shall agree to immediately notify each other in writing upon becoming aware of any such change. Parties shall try to address and settle the contractual implications of any change, along with the possible contract amendments via amicable negotiation. In the event that contract amendment negotiations between the Parties are unsuccessful, either Party may terminate the contract with a 30 days' notice.

III. SOURCE OF FUNDAMENTAL DATA

1. System User authorizes HGS to use any and all data that are available to HGS in relation to the System User's storage use pursuant to its Natural Gas Storage Contract(s), for the provision of the Reporting Services.

IV. HGS'S OBLIGATIONS AND RESPONSIBLITY

1. HGS shall perform the Reporting Services through the Contracted RRM in accordance with the Implementing Regulations and the Supporting Documents.

2. Where HGS becomes aware of the possible suspension or cessation of the Contracted RRM's status as RRM, HGS shall immediately notify the System User in writing thereof.

3. After becoming aware thereof, HGS shall inform the System User

(i) of any planned system interruption or other events concerning the Reporting Services, and

(ii) immediately of any unexpected system interruption, suspension or temporary unavailability.

(iii) in the event of any suspension, interruption, temporary unavailability or fault occurring in the IT system.

4. HGS shall not be held responsible:

(i) for any loss or damage incurred as a result of the malfunction, instability or unavailability of systems, equipment or services delivered by third parties, including force majeure and the unavailability of ARIS; and

(ii) for the further processing of or for the failure thereof after the Contracted RRM has reported any such data to ACER (ARIS).

5. HGS shall not be in breach of this Contract and shall not be held responsible as per this Contract insofar as its obligations are not or not contractually fulfilled for reasons attributable to a third party, including the Contracted RRM or to the System User.

V. DATA PROCESSING

1. Acting on behalf of the System User, HGS shall verify to the best of its ability the completeness, accuracy and timeliness of the Fundamental Data provided to the Contracted RRM, however, HGS shall not be held responsible for the correctness, completeness, timeliness and format of Fundamental Data.

2. HGS shall not be held responsible for any information sent by the System User to ACER by any channel other than specified herein.

3. If HGS is unable to transfer the Fundamental Data to the Contracted RRM in due time, HGS shall immediately notify the System User and the Contracted RRM and provide the missing data as soon as possible.

4. If HGS becomes aware of any data error, it shall immediately notify the System User and the Contracted RRM, and together with the System User and the Contracted RRM, shall use endeavour to rectify any such error and submit the relevant correct data.

VI. TERM OF CONTRACT AND TERMINATION

1. This Contract shall be effective as of __.__.20__ at 06:00 hours until __.__.20__ at 06:00 hours.

2. This Contract Agreement shall automatically terminate upon:

(i) the suspension or cessation of the Contracted RRM's status as RRM;
(ii) the termination of the contract on the provision of fundamental data reporting service between HGS and the Contracted RRM.

HGS shall inform the System User as soon as reasonably practicable in case of events set out in this Section VI.2.

3. Either party may terminate this Contract with ordinary termination at any time without justification by giving written notice to the other party. In the event of termination, the Contract shall cease at the end of the last gas day of the month following the communication of the termination.

4. Upon the termination of this Contract for any reason:

• HGS will stop providing the Reporting Services;

In case of Contract termination, HGS shall do its utmost so that the information transferred to and received from ACER are kept by the Contracted RRM a for a period of twelve months after termination in accordance with the RRM Requirements. This information will be accessible to the System User through HGS during that period. After that period, System User may request HGS to arrange the deletion of all data related to the System User from the Contracted RRM IT system. HGS shall assume responsibility for the obligations of the RRM referred to in this section in the way and to the extent set forth in Section VIII.4.

5. Termination shall not affect the rights or obligations accrued at the time of termination. Any provision of this Contract which are binding the parties even after termination shall remain effective until such rights or obligations have been satisfied or released.

VII. FEES, INVOICING AND PAYMENT

1. The fee for the provision of the Reporting Services shall be set out in the applicable Fee List contained in Section 3.1 of the Code of Business Conduct.

2. 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). Invoicing shall take place solely on a monthly basis, even if the usage period was a part of the month.

3. The monthly service Fee invoices shall be issued following the reference month, within 8 days. The 30th calendar day following the date of invoice issue shall be the due date.

4. HGS shall be entitled – without penalty – to suspend the fulfilment of its obligations under this Contract as long as the System User fails to pay the service Fee in due time.

VIII. LIABILITY

1. Parties shall, at all times, perform their obligations under this Contract with reasonable care, provided that neither Party is prevented by any law, a binding and enforceable court order or official resolution from fulfilling or from contractually fulfilling its obligations as per this Contract.

2. HGS shall not be held responsible for the correctness, completeness, timeliness and format of Fundamental Data.

3. HGS shall not be held responsible in any way whatsoever for any damage caused by third parties. HGS shall assume responsibility for any damage caused by the Contracted RRM (e.g.: penalty imposed on the System User for false or delayed data provision), in the way and to the extent set forth in Section VIII.4.

4. The liability of each Party under this Contract shall be limited to direct and proven damages (including but not exclusively the penalties imposed in relation to the non-fulfilment or the irregular fulfilment of the Reporting Obligation), which result from breaches of obligations under this Contract, and their cumulated sum shall not exceed the amount of HUF 300 000 per calendar year.

5. Neither Party shall be liable to the other Party for any penalty in excess of the annual cumulated HUF 300 000, or loss of profit, loss of business, loss of goodwill, or any other indirect incidental, special or consequential damages of any kind arising from a breach of their obligations under this Contract.

6. Neither Party shall be entitled to hold the other Party’s group companies, employees or contractors liable for any breach of Contract by the other Party.

7. Under no circumstances shall either Party be liable to the other Party where the failure to perform obligations results from causes beyond that Party’s reasonable control, through no fault of its own, provided however, where possible, that the affected Party gives prompt notice to the other Party of its non-performance, and uses its reasonable efforts to mitigate the effects of such causes.

IX. CONFIDENTIALITY AND DISCLOSURE

1. Parties shall consider the following information to be confidential:

- Fundamental Data; though HGS and the Contracted RRM shall be entitled to use such data as they deem necessary to perform the Reporting Services;

- Other information indicated as confidential by the providing Party.

Such confidential information can be disclosed by a Party without the consent of the other Party if so required by law or by a binding and enforceable court order. The same shall also apply to information disclosed to any of the Parties' professional advisers.

2. Any data or information provided by one Party to the other Party pursuant to this Contract shall be used by the receiving Party only in connection with this Contract or the Natural Gas Storage Contract(s) without the prior written consent of the disclosing Party. Any such data or information and any intellectual property rights contained therein shall remain the property of the disclosing Party so that the receiving Party shall have no other rights to such information or data save as set out in this Contract or the Natural Gas Storage Contract(s).

X. MISCELLANEOUS

1. For the avoidance of doubt regarding the matters not specified by this Contract, the contractual relationship set out herein shall be governed by stipulations of the Civil Code – with particular regard to the provisions on assignment –, HGS's Code of Business Conduct and the Natural Gas Storage Contract.

2. Each Party shall provide reasonable assistance to the other Party in complying with any request for further information from ACER under this Contract.

3. Neither this Contract, nor the rights and obligations hereunder, may be assigned or transferred by any Party without the prior written consent of the other Party.

4. This Contract is intended solely for the benefit of the Parties. Nothing in this Contract shall be construed to create any duty to, any expectation from, any liability to, or any right of suit or action in any person not a Party to this Contract.

5. No term or provision of this Contract shall be deemed waived and no breach excused unless such waiver or consent is given in writing and signed by the Party claimed to have waived or consented. The waiver by either Party of any right hereunder, or due to the breach of contract by the other Party, shall not be deemed to be a waiver of any other rights hereunder or of any other breach or failure by the other Party, whether of a similar nature or otherwise.

Budapest,

Hungarian Gas Storage Ltd.	System User
.....	.....
Name	Name
Position	Position
.....	.....
Name	Name
Position	Position

4.6 CONTRACT ON LENDING AND BORROWING NATURAL GAS

concluded by and **between**

seat:
mailing address:
account keeping bank:
bank account No.:
invoicing address:
e-mail address(es)*:
tax No.:
Court of Registration and Reg. No.:
hereinafter referred to as **Borrower**

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:	OTP Bank
bank account No.:	HU65 1179 4008 2402 7731 0000 0000
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 **Lender**, or as HGS

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

**Following 1 July 2025, HGS will only issue electronic invoices to System Users pursuant to Section 115/E of the Gas Act Implementation Decree.*

ANTECEDENTS

By Resolution No. 1567/2013 amended by Resolution 615/2015, the Hungarian Energy and Public Utility Regulatory Authority (HEPURA) authorised HGS to *"lend its own working gas quantity reclassified from cushion gas by the Hungarian Office for Mining and Geology to other licensees or to proprietary users on condition that the natural gas quantity thus lent shall be replaced immediately, but not later than within 30 days in full quantity if so required by the* Authority*. Natural gas lending performed by the Licensee pursuant to this section shall not qualify as natural gas trade activity. Licensee shall inform the* Authority *regarding natural gas lending performed pursuant to this section within 5 business day from the conclusion of the contract."*

Subject to the provisions of the above HEPURA resolution, Lender developed gas loan (hereinafter referred to as Gas Loan) services. Conditions of using the Gas Loan product shall be specified in this Contract.

The Borrower's bid submitted for ..... pieces of units out of the ..... pieces of units offered by HGS at the auction of ..... 20.... on the Gas Loan product has been accepted by HGS, and Borrower became entitled to conclude this contract, thereby becoming eligible for using the Gas Loan service.

Subject to the provisions of the above HEPURA resolution, Section 141/G (3) of the Gas Act and the stipulations of the Parties in this contract on Gas Loan, Lender and Borrower shall conclude the following contract on lending and borrowing natural gas (hereinafter referred to as Contract). (CPA number of the service: 521012).

I. Use of Terms

Definitions:

Notification	Notice sent by HGS to the Borrower by electronic means and by mail or courier in case of a recovery requirement/resolution/decree from HEPURA or the any minister entitled to order the recovery of reclassified own working gas or any administrative body – following the communication of the requirement/resolution/decree to HGS. The notification shall be deemed delivered by the electronic message confirming the delivery of the electronic mail, while in case of doubt, the notice of receipt of the certified mail or the document proof of receipt handed over to the courier.
Gas Balance	Gas stock registry kept by HGS per system user.
Entry into Force Contract.	Day of fulfilling the conditions specified in Section II/3 of the
Natural Gas Lent	The energy quantity awarded to the Borrower at the auction, specified in Chapter VI.

Mandatory Return	Upon notification from the Hungarian Energy and Public Utility Regulatory Authority (HEPURA) or upon a requirement/resolution/decree by any competent minister or administrative body pursuant to Section 141/G (3) of the Gas Act, the total Gas Quantity borrowed shall be returned by the Borrower within the deadline specified in the Notification sent by HGS.
Making Available	Transferring the Natural Gas Lent in HGS's IT system to the Borrower's name following the entry into force, in the event that the total Loan Fee has been paid by the Borrower, the – earliest – date of which shall be .....20. The transfer shall simultaneously be a condition for starting the withdrawal of the Natural Gas Lent or for transferring it to own stock in the Borrower's gas balance.
Schedule	Start and end date of borrowing and recovering the energy quantity as per this Gas Loan Contract in the storage site. The start date of the Schedule – following the entry into force of the contract – shall be ..... 20 at the earliest, being the date on which the gas is Made Available. The end date of the Schedule shall be the day the Natural Gas Lent is fully Returned to HGS.
Returning	Transferring a stock equivalent to the quantity of the Natural Gas Lent to HGS's name, into HGS's Gas Balance, in HGS's IT system from the Borrower's stock in the storage facility according to the Schedule or within the deadline specified in the Notification – basically upon the initiative of the Borrower.

For the purpose of this Contract, **Natural Gas lending and borrowing (hereinafter referred to as Loan)** shall be a loan transaction based on which from its own working gas (energy quantity) reclassified from cushion gas (hereinafter referred to as "Natural Gas"), **HGS shall commit to** make available to the Borrower:

(i) the energy quantity specified in Chapter VI as a fungible asset,

(ii) at the Delivery Point specified in Chapter V,

(iii) from the date specified in Chapter VII, Section 1,

(iv) for the period specified in Chapter II, Section 4,

(v) for the loan fee specified in Chapter XII, Section 1.1,

and shall transfer to the Borrower the energy quantity of the Natural Gas Lent in the Gas Balance following the entry into force of this contract.

Regarding the Natural Gas Lent, **Borrower shall commit to**

a) pay the loan fee specified in Chapter XII, Section 1.1, then

b) its full quantity specified in Chapter VI

c) from the date specified in Chapter VII, Section 1, shall be mandatorily withdrawn or transferred to its own stock, then

d) starting from the date specified in Chapter VII, Section 2 or Chapter VII, Section 3,

e) by the date specified in Chapter VII, Section 2 or Chapter VII, Section 3, but

f) not later than until the date specified in Chapter II, Section 6, Subsection 2,

g) at the Delivery Point specified in Chapter V,

shall be returned to the disposal of HGS.

Parties agree that the Natural Gas Lent shall be deemed as Returned when the Natural Gas Lent is re-transferred in the Gas Balance to HGS.

II. Subject, Conclusion and Duration of Contract

1. By concluding this Contract HGS shall lend the Natural Gas Lent specified in Chapter VI to the Borrower for the period set out in Chapter II, Section 4, and the Borrower shall borrow the Natural Gas Lent and shall return it to HGS until the date specified in Chapter VII, Section 2 or Chapter VII, Section 3.

2. The fee payable by the Borrower to HGS shall be specified in Chapter XII, and the method of its settlement shall be set forth in Chapter XIII.

3. The Contract shall be effectively concluded for a definite period when signed by both parties and shall enter into force when all of the following conditions are met:

   a) HGS accepts the gas or bank guarantee specified in Section XVI.1 presented by the Borrower and/or;

   b) if Borrower offers injected gas guarantee (as well), the relating statement is submitted to HGS.

4. The duration of this Contract shall start upon its entry into force and shall end upon Returning the Natural Gas borrowed to HGS.

   Accordingly, the duration of this contract – assuming that the Natural Gas Lent is Returned as per contract – may be

   a) from the date of entry into force until …….. 20..,

   b) from the date of entry into force until a date earlier than the above as specified by the Borrower,

   c) or in case of Mandatory Return, until the date set forth in the Notification.

5. Borrower shall be entitled to initiate the Making Available of the Natural Gas Lent as of …….. 20.. at the earliest in as far as it has paid the Loan Fee in full to HGS.

   Unless the full Loan Fee is credited to HGS's bank account, HGS is not bound by the obligation of Making Available.

6. Withdrawal and Injection Schedule

   The start date of withdrawing the Natural Gas Lent: the gas quantity is transferred to the Borrower by …….. 20.. at the earliest in the Gas Balance, provided the Loan Fee is credited to HGS's account. Nomination is possible only as of the following gas day. In other respects, the schedule of withdrawing the Natural Gas Lent shall be determined by the Borrower, based on the available withdrawal capacities.

The closing day of injecting the last part of the Natural Gas Lent for HGS shall be - pursuant to Section II.4 - …… 20.. at the latest. In other respects, the schedule of injecting the Natural Gas Lent shall be determined by the Borrower, based on the available injection capacities.

Closing day of injection in case of Mandatory Return: In the event of Mandatory Return, the closing day of Returning the total Natural Gas Lent shall be the deadline specified in the Notification issued by HGS (observing the earlier date of the HEPURA notification and ministerial decree in case of doubt).

III. General Terms

1. In issues not regulated by the Contract, the provisions of HGS's Code of Business Conduct and the General Terms and Conditions (hereinafter referred to as ÁSZF) shall apply.

2. By signing this Contract, the Borrower shall acknowledge to have fully read and understood the content of ÁSZF herein mentioned – as available on the HGS web page (www.mfgt.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 (HEPURA) to be the same as the usual contracting practice.

3. Special conditions not stipulated in the ÁSZF shall be specified in this Contract.

IV. Rights and Obligations of the Parties

1. During the performance of this Contract, Borrower shall cooperate with HGS, return the Natural Gas Lent according to the deadline and pay the related loan fee pursuant to this Contract.

2. Capacities required for withdrawing and injecting the Natural Gas Lent shall be purchased separately by the Borrower from HGS or from another system user with storage capacity booking contract with HGS. Borrower understands that withdrawal and injection shall be governed by HGS's ÁSZF, that is HGS can guarantee the withdrawal and injection of the Natural Gas Lent only under the stipulations of the ÁSZF.

3. Borrower shall have full financial liability to return to HGS natural gas in an energy quantity equal to the Natural Gas Lent and in a quality specified in Chapter X, according to the Schedule as per Chapter VII. If any part of this section, with particular regard to the deadline specified for Returning the Natural Gas Lent, is violated, it shall qualify as a material breach of contract, and shall imply that the bank guarantee is promptly called and/or the injected natural gas offered as a collateral is transferred to or sold by HGS.

4. Regarding the Natural Gas Lent pursuant to this contract, it is not possible to use HGS's Flex Plus service.

5. HGS shall not be obliged to lend any natural gas below or above the energy quantity of the Natural Gas Lent specified in Chapter VI herein, or to deviate from the Schedule.

6. HGS may refuse to make available and/or withdraw gas if Borrower has not paid the total Loan Fee to HGS or if following the conclusion of the contract, a material change has occurred in the Borrower's conditions or in the value or enforceability of the guarantee due to which the performance of the contract is no longer reasonably possible, and the Borrower fails to provide a due collateral upon request or the Loan Fee is not credited to HGS's bank account until 15th day from the date of issuing the invoice. In the event that any of the above deficiencies are not recovered within 3 business days

from receiving HGS's relating notification, HGS shall be entitled to cancel this contract – without any further legal implications.

V. Delivery Point, Return Point, Transferring the Right of Disposal

Delivery and Return Point: the delivery point of the Natural Gas is within the unified natural gas storage.

Transferring the Right of Disposal: Right of disposal and risks shall be transferred to the Borrower upon Making the Natural Gas Lent Available, or to HGS upon the Return thereof.

VI. Quantity and Value of Lent (Delivered) and Returned Natural Gas (Energy Quantity)

Under this Contract, the quantity of the Natural Gas Lent which was lent to the Borrower and returned by the Borrower to HGS shall be:

_____ kWh

From HGS's point of view, upon lending and Returning, the value of the Natural Gas Lent shall equal to its book value recorded in the Lender's books.

VII. Schedule for Withdrawing (Extracting) and Injecting (Returning) Natural Gas Lent from and into Storage

1. Withdrawal

Withdrawal	energy quantity (kWh/day) (min – max)*	date
via transfer into own stock within storage or physical withdrawal	based on available working gas and withdrawal capacities	[to be filled in upon contracting]

*The (energy) quantity of the daily withdrawal capacity of Natural Gas Lent shall be determined in the context of the requisition received and its technical feasibility (pursuant to the provisions of HGS's Code of Business Conduct).

2. Injection

Injection	energy quantity (kWh/day) (min – max)**	date***
via transfer from own stock within storage or physical injection	based on the available injection capacities	[to be filled in upon contracting]

**The (energy) quantity of the daily injection capacity of Natural Gas Lent shall be determined in the context of the requisition received, its technical feasibility (pursuant to the provisions of HGS's Code of Business Conduct) and the deadline of Returning the loan.

***The deadline of injecting (and Returning) the total quantity of Natural Gas Lent shall not be later than ……20...

3. In the event that Borrower fails to initiate the transfer of a stock, from its own stock, equivalent to the quantity of the Natural Gas Lent, to HGS's name, HGS will automatically transfer such gas quantity to its own stock on ……20..

   By signing this Contract, Borrower expressly grants consent to the automatic transfer as per the above items.

4. Returning from loan shall mean the whole of the _____kWh energy quantity set forth in Chapter VI, that is the fixed duration of the contract (as per Section II.5), as the deadline for Returning the gas shall also apply to the total quantity.

5. Returning the Natural Gas Lent in case of Notification issued on the basis of Mandatory Return
   a) HGS was authorised to provide "gas loan" service – subject to the stipulations of Section 141/G (3) of the Gas Act and HGS's operational licence – under the condition that in case of Mandatory Return, it shall replace the full amount of the Natural Gas Lent until the deadline specified in the Notification. Having regard to this, Borrower shall return to HGS the energy quantity equal to the total of the Natural Gas Lent within the deadline specified in the Notification. Parties shall urgently agree on the schedule in case of Mandatory Return. In as far as parties fail to agree on the schedule, the energy quantity equal to the Natural Gas Lent shall be replaced in equal instalments – calculated for the gas days specified for the Mandatory Return, or at HGS's own discretion – if Borrower has a stock equivalent to the Natural Gas Lent available in HGS's unified storage facility –, HGS will automatically transfer such gas quantity to its own stock.

VIII. Documenting Natural Gas Delivery/Acceptance

The delivery/acceptance of the Natural Gas Lent shall be documented on HGS's IT platform, according to Annex No. 2 of the Code of Business Conduct.

IX. Operative Flow of Information

The Scheduled days of the Natural Gas Lent withdrawn from and Returned in the storage site shall be agreed on by the parties in Chapter VII. Actual daily nomination shall take place as per HGS's Code of Business Conduct. The contact details of the Storage Dispatching Service shall be contained in Chapter XVIII.

X. Quality of Natural Gas Lent

HGS shall lend Natural Gas meeting the quality parameter specifications stipulated in Annex No. 11 of the Gas Act Implementation Decree, and Borrower shall return Natural Gas meeting the same quality parameters in the energy quantity equal to the Natural Gas Lent. In the event that the Borrower intends to return Natural Gas deviating from these quality parameters, Borrower commits a material breach of contract, and the Lender may refuse the takeover and become entitled to activate the bank guarantee.

XI. Parties' Cooperation

1. Parties shall cooperate with the Transmission Company and the Transmission Operator in order to fulfil their obligations.
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.

XII. Fee Payment

1. Fees payable by the Borrower

   a) Loan Fee: shall be the fee payable by the Borrower for the period from Making the Natural Gas Lent Available to the Borrower until the Return thereof. Its amount shall be the product of the quantity of Natural Gas Lent (kWh) and the unit price offered at the auction (HUF/kWh + VAT), that is ……x……= HUF…….. + VAT.

   The Loan period (the number of gas days between the day on which the gas was Made Available and the day it was Returned) shall not affect the Loan Fee.

   b) In addition to the Loan Fee, with regard to usage, as per the provisions of the HGS's Code of Business Conduct, the following shall also be payable in relation to the withdrawal and injection of the Natural Gas Lent: withdrawal and injection capacity fees and volume fees, Daily Peak + etc.

XIII. Payment Conditions

The invoice on the Loan Fee shall be issued within 5 days from the date this contract takes effect, with a payment deadline of 15 days from issuance.

Method of issuing the invoice:

The Loan Fee shall be determined and invoiced on the basis of the product of the quantity of Natural Gas Borrowed (……kWh) and the unit price of borrowing (... HUF/kWh + VAT).

The loan fee shall be invoiced in a single sum, according to the periodic invoicing rules as per Section 58 of Act No. CXXVII of 2007 (VAT Act).

Volume and other service fees shall be invoiced according to the usual monthly routine, pursuant to the periodic invoicing rules as per Section 58 of Act No. CXXVII of 2007 (VAT Act).

In the event that the return takes place, upon the Borrower's decision, prior to gas day ……20.. – excluding the event of Mandatory Return –, HGS will not make any refund from the loan fee.

In case of Mandatory Return, parties shall settle with each other pro rata for the period until the end of the gas day specified in the notification.

XIV. Collateral

To guarantee the Return of the Natural Gas Lent, Borrower shall provide – at its own discretion – bank guarantee or injected gas guarantee or a combination of these two collaterals to HGS.

1. Bank Guarantee

Borrower shall provide to HGS a valid, unconditional and irrevocable bank guarantee for payment issued by a certified credit institution accepted by HGS, of which:

- the exclusive beneficiary shall be HGS, and which
- *shall be in the amount: covering the market value of the Natural Gas Lent, that is EUR ....., that is ..... euros.*

which shall be calculated using the following formula:

CEGH (EUR/MWh)* Quantity Lent (MWh)

where:

CEGH: Market price on which the bank guarantee is based, being the higher value of the following: (i) 60 EUR/MWh; (ii) 150% of the daily "Settlement Price" published on the day HGS receives the Borrower's request for the conclusion of the Gas Loan contract, on the website "https://www.cegh.at/en/exchange-market/market-data/?product=monthly&market=AT)" in the "CEGH AT VTP Front Month Single Day Select" section (hereinafter: "CEGH AT VTP Front Month Single Day Select" section) for the month following the base month, rounded to 3 decimal digits in EUR/MWh. If on the day HGS receives the Borrower's request for the conclusion of the Gas Loan contract, no daily "Settlement Price" is published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month, 150% of the last daily "Settlement Price" published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month.

In as far as the Borrower uses other storage service(s) and offered a bank guarantee as a payment collateral, the bank guarantee securing the fee of other storage services may not be set off from the bank guarantee amount due pursuant to this contract.

a) The bank guarantee shall be valid and effective at least until ……20...
If Borrower fails to return the Natural Gas Lent according to the Schedule set forth in Chapter VII, Section 2 or Chapter VII, Section 3 – that is until ……20.., or until the date specified in the Notification sent by HGS in case of Mandatory Return –, or if the Borrower commits any other material breach of contract as per Section XV of this Contract, HGS shall become entitled to call upon the full amount of the bank guarantee following it becomes aware of (i) even the slightest deviation from the schedule, or (ii) the material breach of contract. After the settlement of the amount required for procuring the missing gas quantity and the arising costs, the remaining part of the amount called shall be re-transferred to the Borrower.

b) Any fee or cost related to the bank guarantee shall be borne by the Borrower.

c) The early termination or the inappropriate modification of the bank guarantee shall qualify as material breach of contract.

d) If under the duration of the contract, 150% of the daily “Settlement Price” published in the "CEGH AT VTP Front Month Single Day Select” section for the month following the base month as specified in Section XIV.1 is on any day 10% higher than the 150% of the daily “Settlement Price” published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month and this is higher than 60 EUR/MWh, the Borrower shall - up to the extent of the increase - raise the amount of the bank guarantee offered as collateral, to cover the increased value of the gas quantity lent. Defaulting on this shall qualify as a material breach of contract.
In the event that this obligation is not fulfilled, the Borrower shall be obliged to pay a daily penalty of HUF 1,000,000, that is one million forints from the first day of default.

In as far as the daily “Settlement Price” published in the "CEGH AT VTP Front Month Single Day Select” section for the month following the base month as specified in Section XIV.1 decreases by at least 20% under the duration of the contract, and this decrease persists for at least 5 business days, parties shall jointly review the extent of the collateral provided by the Borrower.

e) In other respects, the stipulations of HGS’s Code of Business Conduct shall apply to the bank guarantee.

2. Injected Gas Guarantee

a) Borrower may offer gas injected under this contract or otherwise (e.g. gas already injected as per storage contract) as collateral. This means that the whole of the gas energy quantity in the storage facility injected as collateral shall cover the energy quantity of the Natural Gas Lent and other borrower liabilities (e.g.: storage volume fee payment) (in kWh).

b) The energy quantity of the injected gas offered as collateral may not fall below the Natural Gas Energy Quantity Lent during the term of this contract.

c) If based on the Borrower’s nomination, it is clear in advance that the energy quantity of the injected gas offered as collateral will no more cover the Natural Gas Energy Quantity Lent, Borrower shall replenish the collateral with offered gas up to the extent of the Natural Gas Energy Quantity Lent. Unless this is implemented, HGS shall be entitled to refuse the Borrower’s withdrawal nomination.

d) If Borrower (i) fails to return the Natural Gas Lent according to the schedule set forth in Chapter VII, Section 2 or Chapter VII, Section 3 – that is until …….. 20.. or until the date specified in the Notification sent by HGS in case of Mandatory Return –, or (ii) if Borrower commits any other material breach of contract as per Section XV of this Contract, HGS shall become entitled to use the gas injected as collateral by the Borrower and re-transfer it to its own name in the Gas Balance, following it becomes aware of (i) even the slightest deviation from the schedule, or (ii) the material breach of contract.

e) The "DECLARATION OFFERING PREVIOUSLY INJECTED GAS AS COLLATERAL RELATING TO GAS LOAN CONTRACT" containing the above shall form an inseparable annex to this contract.

In other respects, the stipulations of HGS's Code of Business Conduct shall apply to the injected gas collateral.

3. Combined Bank Guarantee and Injected Gas Guarantee

a) As a collateral to guarantee the Return of the Natural Gas Lent, Borrower shall be entitled to provide – at its own discretion – bank guarantee in part and injected gas guarantee in part. This means that the gas energy quantity injected as collateral in the storage facility and the value of the bank guarantee (calculation thereof according to Section XIV.1) provided to HGS shall in total cover the value of the energy quantity of the Natural Gas Lent.

b) In this case, the sum of the energy quantity of the injected gas offered as collateral and the energy quantity that can be purchased from the bank guarantee under Section XIV.1 may not fall below the Natural Gas Energy Quantity Lent.

c) If based on the Borrower's nomination, it is clear in advance that the energy quantity of the injected gas offered as collateral will no more cover the Natural Gas Energy Quantity Lent, Borrower shall replenish the collateral – at its own discretion – with bank guarantee or with gas offered as collateral up to the extent of the Natural Gas Energy Quantity Lent. Unless this is implemented, HGS shall be entitled to refuse the Borrower's withdrawal nomination.

d) If Borrower (i) fails to return the Natural Gas Lent according to the schedule set forth in Chapter VII, Section 2 or Chapter VII, Section 3 – that is until ..... 20.. or until the date specified in the Notification sent by HGS in case of Mandatory Return –, or (ii) if Borrower commits any other material breach of contract as per Section XV of this Contract, HGS shall become entitled to use the gas injected as collateral by the Borrower, and therefore re-transfer it to its own name in the Gas Balance and / or call the bank guarantee, following it becomes aware of (i) even the slightest deviation from the schedule, or (ii) the material breach of contract.

e) In order to ensure that all the collaterals offered by the Borrower – under this contract or otherwise – are applied by the parties uniformly covering the obligations under any and all contracts between them, Borrower makes a "Declaration Offering Injected Gas as Collateral – for Gas Loan and Storage Services". The declaration shall be annexed to this contract.

XV. Breach of Contract, Penalty

Parties shall undertake to pay penalty in case of a material breach of contract.

Pursuant to the agreement between the parties, it shall qualify as a material breach of contract involving penalty if:

a) Borrower defaults on the deadline for taking into own stock as specified in Chapter VII, Section 1;

b) Borrower defaults on the return deadline specified in Chapter VII, Section 2 or Chapter VII, Section 3;

c) Borrower returns Natural Gas with energy quantity equal to that of the Natural Gas Lent deviating from the quality parameters prescribed by Annex No. 11 of the Gas Act Implementation Decree;

d) the value or enforceability of any collateral is terminated or significantly decreased, which the Borrower fails to supplement upon HGS's request;

e) the daily "Settlement Price" published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month as specified in Section XIV.1 increases by 10% under the duration of the contract, and the Borrower fails to accordingly increase the amount of the bank guarantee offered as collateral;

f) Borrower delays the fulfilment of its payment obligation as per the loan contract, and fails to remedy such default when notified

The basis of the penalty shall be the market value of the Natural Gas Lent at the time of lending, calculated according to the following: "CEGH AT VTP Front Month Single Day Select"*Quantity Lent*Exchange Rate, that is HUF……..

where:

CEGH: market price, being the higher value of the following: (i) 60 EUR/MWh; (ii) the daily "Settlement Price" published on the day HGS receives the Borrower's request for the conclusion of the Gas Loan contract, in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month, multiplied by 150%, rounded to 3 decimal digits in EUR/MWh. If on the day HGS receives the Borrower's request for the conclusion of the Gas Loan contract, no daily "Settlement Price" is published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month, 150% of the last daily "Settlement Price" published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month.

Exchange Rate: MNB HUF/EURO exchange rate applicable on the day of issuing the penalty notice

Amount of penalty: 1% of the penalty base for each day affected by the material breach of contract, but not exceeding 20% of the penalty base in total.

XVI. Terminating the Contract

1. This Contract shall terminate when the Borrower returns the total borrowed natural gas quantity to HGS, or HGS re-enters it into its own stock as per Section VII.3 – except for the cases of termination due to breach of contract or cancellation specified in Section XVI.4.

2. Terminating the Contract by extraordinary termination.

   a) Either party shall be entitled to terminate the contract in writing, without justification and with immediate effect after becoming aware of the other party's material breach of contract.

   b) HGS may terminate this contract with immediate effect if
      - Borrower defaults on the deadline for taking into own stock as specified in Chapter VII, Section 1;
      - Borrower defaults on any date or condition of the return Schedule specified in Chapter VII, Section 2 or Chapter VII, Section 3, or
      - Borrower returns Natural Gas with energy quantity equal to that of the Natural Gas Lent, deviating from the quality parameters prescribed by Annex No. 11 of the Gas Act Implementation Decree; or
      - HGS finds that a material unfavourable change has occurred in the Borrower's conditions, and the Borrower fails to provide a due collateral to HGS upon request, or
      - Borrower obstructs the investigation relating to its solvency, or to the coverage, collateral or implementation of purpose of the Natural Gas Lent, or
      - the Borrower's conduct to conceal assets threatens the possibility of Returning the Natural Gas Lent, or
      - the value or enforceability of any collateral is terminated or significantly decreased, which the Borrower fails to supplement upon HGS's request, or
      - Borrower fails to fulfil its obligations to increase the bank guarantee as set out in Chapter XIV, Section 1 on Guarantee, Subsection 2, or
      - Borrower delays the fulfilment of any other payment obligation as per the loan contract, and fails to remedy such default when notified, or
      - if a competent court orders a non-binding winding-up, bankruptcy or liquidation procedure against the Borrower, or if a competent authority suspends or revokes its operational licence, or
      - due to a breach of contract deemed by HGS as a material breach.

   c) Either Party may terminate this contract with immediate effect if deceived by the other Party, and this affected the conclusion or the content of the contract.

3. In the event of termination, Parties shall settle with each other.
   a. In the event of extraordinary termination and in the case specified in the second paragraph of Section XVI 2c), the loan automatically expires and Borrower shall return the full amount of the Natural Gas Lent to HGS until the gas day specified in HGS's termination, or in the case of the second paragraph of Section XVI 2c), until the date specified by HGS. If the Borrower fails to return to HGS the full amount of the Natural Gas Lent within this period, HGS shall become entitled to use the collaterals specified in Chapter XIV.

b. In the event of termination due to Mandatory Return, (i) if it occurs before ……. 20…, Parties shall pro-rata temporis settle with each other (on the basis of calendar days),

c. In case of extraordinary termination pursuant to Section XVI.2.b, HGS shall re-transfer the Natural Gas Quantity Lent to its own name – provided it is in the storage facility. In such cases, HGS shall neither refund the Loan Fee, nor pay any other damages, compensation, cost to the Borrower.

In the event of termination of this Contract, HGS shall be entitled, without any further obligation to notify, to use the collaterals available to it as specified in Chapter XIV to replace the quantity of Natural Gas Lent that has not been returned and/or to compensate for any damage incurred on its part.

4. Termination of contract by cancellation

In cases specified in Section IV.6, HGS shall be entitled to terminate this contract by cancellation – without any further legal implications.

5. The party in breach of contract shall have full liability for the damage it caused, including particularly but not exclusively any damage (e.g.: public administration fines and third party damage) borne by HGS due to the delay in or the failure of fulfilling the replacement obligation prescribed by HEPURA.

6. Parties shall settle with each other when the contract is terminated.

XVII. Governing Law, Settlement of Disputes, Language of Contract

The provisions of Hungarian law, with particular regard to the stipulations of the Gas Act, the Implementation Decree, the Grid Code, the Civil Code and the Lender's Code of Business Conduct shall apply to the Contract and any arising disputes, along with the settlement of disputes.

The Parties shall agree to settle the disputes relating to this Contract primarily via amicable negotiation.

To settle 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.

This contract has been executed by the Parties in Hungarian/English. In case of any dispute over the interpretation, the Hungarian version shall prevail.

XVIII. Miscellaneous Provisions

1. Contact Persons

In issues related to the Contract:

On behalf of the Lender:
Phone:
Fax:
e-mail:

On behalf of the Borrower:
Phone:
Fax:
e-mail:

In issues of daily operative contact:
On behalf of the Borrower:
Phone:
Fax:
e-mail:

On behalf of HGS: Storage Dispatching Service
Phone: +36 52/362 574
Fax: + 36 52/558 044
e-mail: dispatcher@mfgt.hu

2. Contract Amendment

This Contract may be amended in writing by way of contract amendment signed by the Parties' authorised signatories. Parties expressly exclude the possibility of oral amendment, or amendment by fax or email.

3. Invalid Provisions

If any of the provisions of this Contract is or becomes invalid, ineffective or unenforceable, this shall not affect the validity, effectiveness or enforceability of the remaining provisions. In this case, the invalid, ineffective or unenforceable provision shall be replaced as soon as possible by the Parties with a provision the Parties would have agreed on at the time of concluding the Contract considering such invalidity, ineffectiveness or unenforceability, for the sake of the intended result. The same shall apply if a legal vacuum to be filled is exposed during the performance of the Contract

4. Exclusion of Liability

HGS excludes any liability for financial, accounting or taxation implications related to the Gas Loan on behalf of the Borrower.

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

Budapest, _____ 20__

Hungarian Gas Storage Ltd.	System User
.....	.....
Name	Name
Position	Position
.....	.....
Name	Name
Position	Position

Annexes:

Annex No. 1: Declaration Offering Previously Injected Gas as Collateral Relating to Bank Guarantee/Gas Loan Contract

1. Annex No. 1.

DECLARATION OFFERING PREVIOUSLY INJECTED GAS AS COLLATERAL RELATING TO GAS LOAN CONTRACT

We, the undersigned (name, position) and (name, position), representing ..... (name, address, trade registry No.) hereby declare the following.

..... (name, address, trade registry No.) (hereinafter referred to as Borrower) and Hungarian Gas Storage Ltd (hereinafter referred to as HGS) concluded a contract on Lending and Borrowing Natural Gas on .....20... To guarantee its contractual obligations, Borrower declares that it offers ..... kWh of the natural gas energy quantity it injected into HGS's underground natural gas storage facilities to cover its obligation to return the loan under the Gas Loan Contract.

By signing this declaration, Borrower represents to keep a gas energy quantity injected as collateral in HGS's unified natural gas storage the whole or part of which covers the Natural Gas Energy Quantity Lent (in kWh).

Borrower further represents that the energy quantity of the injected gas offered as collateral may not fall below the Natural Gas Energy Quantity Lent during the term of the contract.

Borrower undertakes that if based on its nomination, it is clear in advance that the energy quantity of the injected gas offered as collateral will no more cover the Natural Gas Energy Quantity Lent, Borrower shall replenish the collateral with offered gas up to the extent of the Natural Gas Energy Quantity Lent. Unless this is implemented, Borrower understands that HGS shall be entitled to refuse the Borrower's withdrawal nomination.

Borrower explicitly understands and by signing this declaration authorizes HGS to re-transfer to its own name in the Gas Balance and thus have disposal over the gas injected and offered as collateral by the Borrower in order to ensure that the Natural Gas Lent is returned - following it becomes aware of even the

slightest deviation from the schedule of returning the Natural Gas Lent, or a material breach of contract by the Borrower.

__.____.202_

Borrower:

……
Name
Position
Name of Borrower company

I accept the declaration:

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

4.7 CONTRACT ON LENDING AND BORROWING NATURAL GAS WITH RELATING CAPACITY, ON THE GAS LOAN PLUS PRODUCT (GLP)

concluded by and **between**

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

e-mail address(es)*:

tax No.:

Court of Registration and Reg. No.:

hereinafter referred to as **Borrower**

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:	OTP Bank
bank account No.:	HU65 1179 4008 2402 7731 0000 0000
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 **Lender**, or as HGS

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

**Following 1 July 2025, HGS will only issue electronic invoices to System Users pursuant to Section 115/E of the Gas Act Implementation Decree.*

ANTECEDENTS

By Resolution No. 1567/2013 amended by Resolution 615/2015, the Hungarian Energy and Public Utility Regulatory Authority (HEPURA) authorised HGS to *"lend its own working gas quantity reclassified from cushion gas by the Hungarian Office for Mining and Geology to other licensees or to proprietary users on condition that the natural gas quantity thus lent shall be replaced immediately, but not later than within 30 days in full quantity if so required by the* Authority*. Natural gas lending performed by the Licensee pursuant to this section shall not qualify as natural gas trade activity. Licensee shall inform the* Authority *regarding natural gas lending performed pursuant to this section within 5 business day from the conclusion of the contract."*

Subject to the provisions of the above HEPURA resolution, Lender developed gas loan (hereinafter referred to as Gas Loan) services. Conditions of using the Gas Loan Plus product shall be specified in this Contract.

The Borrower's bid submitted for ..... pieces of bundles out of the 950 pieces of bundles offered by HGS at the auction of ..... 20.. on the Gas Loan Plus product has been accepted by HGS, and Borrower became entitled to conclude this contract, thereby becoming eligible for using the Gas Loan Plus service.

Subject to the provisions of the above HEPURA resolution, Section 141/G (3) of the Gas Act and the stipulations of the Parties in this contract on Gas Loan, Lender and Borrower shall conclude the following contract on lending and borrowing natural gas (hereinafter referred to as Contract). (CPA number: 521012)

I. Use of Terms

Definitions:

Notification	Notice sent by HGS to the Borrower by electronic means and by mail or courier in case of a recovery requirement/resolution/decree from HEPURA or the any minister entitled to order the recovery of reclassified own working gas or any administrative body – following the communication of the requirement/resolution/decree to HGS. Delivery requires primarily the electronic message confirming the delivery of the electronic mail, while in case of doubt, the notice of receipt of the certified mail or the document proof of receipt handed over to the courier.
Gas Balance	Gas stock registry kept by HGS per system user.
Entry into Force	Fulfilment of conditions specified in Section II/3 of the Contract.
Natural Gas Lent	The energy quantity awarded to the Borrower at the auction, specified in Chapter VI.
Mandatory Return	Upon notification from the Hungarian Energy and Public Utility Regulatory Authority (HEPURA) or upon a requirement/resolution/decree by any competent minister or administrative body pursuant to Section 141/G (3) of

	the Gas Act, the total Gas Quantity borrowed shall be returned by the Borrower within the deadline specified in the Notification sent by HGS.
Making Available	Transferring the Natural Gas Lent in HGS's IT system to the Borrower's name following the entry into force, in the event that the total Loan Fee has been paid by the Borrower, the – earliest – date of which shall be ..... 20... The transfer shall simultaneously be a condition for starting the withdrawal of the Natural Gas Lent or for transferring it to own stock in the Borrower's gas balance.
Schedule	Start and end date of borrowing and recovering the energy quantity as per this Gas Loan Contract in the storage site. The start date of the Schedule – following the entry into force of the contract – shall be 1st..... 20 at the earliest, being the date on which the gas is Made Available. The end date of the Schedule shall be the day the Natural Gas Lent is fully Returned to HGS.
Returning	Transferring a stock equivalent to the quantity of the Natural Gas Lent to HGS's name, into HGS's Gas Balance, in HGS's IT system from the Borrower's stock in the storage facility – basically upon the initiative of the Borrower.

For the purpose of this Contract, **Natural Gas lending and borrowing (hereinafter referred to as Loan)** shall be a loan transaction based on which from its own working gas (energy quantity) reclassified from cushion gas (hereinafter referred to as "Natural Gas"), **HGS shall commit to** make available to the Borrower:

a) the energy quantity specified in Chapter VI as a fungible asset,

b) at the Delivery Point specified in Chapter V,

c) from the date specified in Chapter VII, Section 1,

d) for the period specified in Chapter II, Section 4,

e) for the loan fee specified in Chapter XII, Section 1.1,

and shall transfer to the Borrower the energy quantity of the Natural Gas Lent in the Gas Balance following the entry into force of this contract.

Borrower shall commit with regard to the Natural gas to

a) pay the loan fee specified in Chapter XII, Section 1.1, then

b) its full quantity specified in Chapter VI

c) from the date specified in Chapter VII, Section 1, shall be mandatorily withdrawn or transferred to its own stock, then

d) starting from the date specified in Chapter VII, Section 2 or Chapter VII, Section 3,

e) by the date specified in Chapter VII, Section 2 or Chapter VII, Section 3, but

f) not later than until the date specified in Chapter II, Section 6, Subsection 2,

g) at the Delivery Point specified in Chapter V,

shall be returned to the disposal of HGS.

Parties agree that the quantity of Natural Gas Lent shall be deemed as Returned when the Natural Gas Energy Quantity Lent is re-transferred in the Gas Balance to HGS.

Pursuant to Fixed-Term Contract on Using and Providing Bundled Natural Gas Storage Service between Storage Years, which is a part of the Gas Loan Plus product, HGS shall provide to the Borrower the capacities required for handing over and returning in the storage facility, and withdrawing and injecting the Natural Gas Energy Quantity Lent.

II. Conclusion and Duration of Contract

1. By concluding this Contract HGS shall lend the Natural Gas Energy Quantity Lent specified in Chapter VI to the Borrower for the period set out in Chapter II, Section 4, and the Borrower shall borrow the Natural Gas Lent and shall return it to HGS until the date specified in Chapter VII, Section 2 or Chapter VII, Section 3.

2. The fee payable by the Borrower to HGS shall be specified in Chapter XII, and the method of its settlement shall be set forth in Chapter XIII.

3. The Contract shall be effectively concluded for a definite period when signed by both parties and shall enter into force when all of the following conditions are met:

   a) HGS accepts the gas or bank guarantee specified in Section XVI.1 presented by the Borrower and/or;

   b) if Borrower offers injected gas guarantee (as well), the relating statement is submitted to HGS;

   c) parties sign the Fixed-Term Contract on Using and Providing Bundled Natural Gas Storage Service between Storage Years.

4. The duration of this Contract shall start upon its entry into force and shall end upon Returning the natural gas borrowed to HGS.

   Accordingly, the duration of this contract – assuming that the energy quantity of the Natural Gas Lent is Returned as per contract – may be

   a) from the date of entry into force until …….. 20..,

   b) from the date of entry into force until a date earlier than the above as specified by the Borrower,

   c) or in case of Mandatory Return, until the date set forth in the Notification.

5. Borrower shall be entitled to initiate the Making Available of the Natural Gas Lent as of …….. 20.. at the earliest in as far as it has paid the Loan Fee in full to HGS.

   Unless the full Loan Fee is credited to HGS's bank account, HGS is not bound by the obligation of Making Available.

6. Withdrawal and Injection Schedule

   The start date of withdrawing the Natural Gas Lent: the gas quantity is transferred to the Borrower by …….. 20.. at the earliest in the Gas Balance, provided the Loan Fee is credited to HGS's account. Nomination is possible only as of the following gas day. In other respects, the schedule of withdrawing the Natural Gas Lent shall be determined by the Borrower, based on the available withdrawal capacities.

   The closing day of injecting the last part of the Natural Gas Lent for HGS shall be - pursuant to Section II.4 - …… 20.. at the latest. In other respects, the schedule of injecting the Natural Gas Lent shall be determined by the Borrower, based on the available injection capacities.

   Closing day of injection in case of Mandatory Return: In the event of Mandatory Return, the closing day of Returning the total Natural Gas Lent shall be the deadline specified in the Notification issued by HGS (observing the earlier date of the HEPURA notification and ministerial decree in case of doubt).

III. General Terms

1. In issues not regulated by the Contract, the provisions of HGS's Code of Business Conduct and the General Terms and Conditions (hereinafter referred to as ÁSZF) shall apply.

2. By signing this Contract, the Borrower shall acknowledge to have fully read and understood the content of ÁSZF herein mentioned – as available on the HGS web page (www.mfgt.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 to be the same as the usual contracting practice.

3. Special conditions not stipulated in the ÁSZF shall be specified in this Contract.

IV. Rights and Obligations of the Parties

1. During the performance of this Contract, Borrower shall cooperate with HGS, return the Natural Gas Lent according to the deadline and pay the related loan fee pursuant to this Contract.

2. Borrower shall be entitled to the capacities required for keeping withdrawing and injecting the Natural Gas Lent in the storage facility pursuant to the Fixed-Term Contract on Using and Providing Bundled Natural Gas Storage Service between Storage Years concluded simultaneously with this Contract. Borrower understands that withdrawal and injection shall be governed by the Fixed-Term Contract on Using and Providing Bundled Natural Gas Storage Service between Storage Years and HGS's ÁSZF, that is HGS can guarantee the withdrawal and injection of the Natural Gas Lent only under the stipulations of the Fixed-Term Contract on Using and Providing Bundled Natural Gas Storage Service between Storage Years and the ÁSZF.

3. Borrower shall have full financial liability to return to HGS natural gas in an energy quantity equal to the Natural Gas Lent and in a quality specified in Chapter X, according to the Schedule as per Chapter VII. If any part of this section, with particular regard to the deadline specified for Returning the Natural Gas Lent, is violated, it shall qualify as a material breach of contract, and shall imply that the bank guarantee is promptly called and/or the injected natural gas offered as a collateral is transferred to or sold by HGS.

4. Regarding the Natural Gas Lent pursuant to this contract, it is not possible to use HGS's Flex Plus service.

5. HGS shall not be obliged to lend any natural gas below or above the energy quantity of the Natural Gas Lent specified in Chapter VI herein, or to deviate from the Schedule.

6. HGS may refuse to make available and/or withdraw gas if Borrower has not paid the total Loan Fee to HGS or if following the conclusion of the contract, a material change has occurred in the Borrower's conditions or in the value or enforceability of the guarantee due to which the performance of the contract is no longer reasonably possible, and the Borrower fails to provide a due collateral upon request or the Loan Fee is not credited to HGS's bank account until 15th day from the date of issuing the invoice.
   In the event that any of the above deficiencies are not recovered within 3 business days from receiving HGS's relating notification, HGS shall be entitled to cancel this contract – without any further legal implications.

V. Delivery Point, Return Point, Transferring the Right of Disposal

Delivery and Return Point: the delivery point of the Natural Gas is within the unified natural gas storage.

Transferring the Right of Disposal: Right of disposal and risks shall be transferred to the Borrower upon Making the Natural Gas Lent Available, or to HGS upon the Return thereof.

VI. Quantity and Value of Lent (Delivered) and Returned Natural Gas (Energy Quantity)

Under this Contract, the quantity of the Natural Gas Lent which was lent to the Borrower and returned by the Borrower to HGS shall be:

_____ kWh

From HGS's point of view, upon lending and Returning, the value of the Natural Gas Lent shall equal to its book value recorded in the Lender's books.

VII. Schedule for Withdrawing (Extracting) and Injecting (Returning) Natural Gas Lent from and into Storage

1. Withdrawal

Withdrawal	energy quantity (kWh/day) (min – max)*	date
via transfer into own stock within storage or physical withdrawal	based on available working gas and withdrawal capacities	[to be filled in upon contracting]

*The (energy) quantity of the daily withdrawal capacity of Natural Gas Lent shall be determined in the context of the requisition received and its technical feasibility (pursuant to the provisions of HGS's Code of Business Conduct).

2. Injection

Injection	energy quantity (kWh/day) (min – max)**	date***
via transfer from own stock within storage or physical injection	based on the available injection capacities	[to be filled in upon contracting]

**The (energy) quantity of the daily injection capacity of Natural Gas Lent shall be determined in the context of the requisition received, its technical feasibility (pursuant to the provisions of HGS's Code of Business Conduct) and the deadline of Returning the loan.

***The deadline of injecting (and Returning) the total quantity of Natural Gas Lent shall not be later than ……20...

3. In the event that Borrower fails to initiate the transfer of a stock equivalent to the quantity of the Natural Gas Lent, to HGS's name, HGS will automatically transfer such gas quantity to its own stock on ……20..

By signing this Contract, Borrower expressly grants consent to the automatic transfer as per the above items.

4. Returning from loan shall mean the whole of the _____kWh energy quantity set forth in Chapter VI, that is the fixed duration of the contract (as per Section II.5), as the deadline for Returning the gas shall also apply to the total quantity.

5. Returning the Natural Gas Lent in case of Notification issued on the basis of Mandatory Return
   a) HGS was authorised to provide "gas loan" service – subject to the stipulations of Section 141/G (3) of the Gas Act and HGS's operational licence – under the condition that in case of Mandatory Return, it shall replace the full amount of the Natural Gas Lent until the deadline specified in the Notification. Having regard to this, Borrower shall return to HGS the energy quantity equal to the total of the Natural Gas Lent within the deadline specified in the Notification. Parties shall urgently agree on the schedule in case of Mandatory Return. In as far as parties fail to agree on the schedule, the energy quantity equal to the Natural Gas Lent shall be replaced in equal instalments – calculated for the gas days specified for the Mandatory Return, or at HGS's own discretion – if Borrower has a stock equivalent to the Natural Gas Lent available in HGS's unified storage facility –, HGS will automatically transfer such gas quantity to its own stock.

VIII. Documenting Natural Gas Delivery/Acceptance

The delivery/acceptance of the Natural Gas Lent shall be documented on HGS's IT platform, according to Annex No. 2 of the Code of Business Conduct.

IX. Operative Flow of Information

The Scheduled days of the Natural Gas Lent withdrawn from and Returned in the storage site shall be agreed on by the parties in Chapter VII. Actual daily nomination shall take place as per HGS's Code of Business Conduct. The contact details of the Storage Dispatching Service shall be contained in Chapter XVIII.

X. Quality of Natural Gas Lent

HGS shall lend Natural Gas meeting the quality parameter specifications stipulated in Annex No. 11 of the Gas Act Implementation Decree, and Borrower shall return Natural Gas meeting the same quality parameters in the energy quantity equal to the Natural Gas Lent. In the event that the Borrower intends to return Natural Gas deviating from these quality parameters, Borrower commits a material breach of contract, and the Lender may refuse the takeover and become entitled to activate the bank guarantee.

XI. Parties' Cooperation

1. Parties shall cooperate with the Transmission Company and the Transmission Operator in order to fulfil their obligations.
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.

XII. Fee Payment

1. Fees payable by the Borrower

    a) Loan Fee: shall be the fee payable by the Borrower for the period from Making the Natural Gas Lent Available to the Borrower until the Return thereof. Its amount shall be the product of the quantity of Natural Gas Lent (kWh) and the fee remaining after deducting the capacity fee from the Service Fee offered at the auction (HUF/kWh + VAT). The Loan period (the number of gas days between the day on which the gas was Made Available and the day it was Returned) shall not affect the Loan Fee.

    b) The Loan Fee shall contain the fee of borrowing the Gas Quantity Lent in the period from the effective date of the contract and ……. 20...

    c) In addition to the Loan Fee, other fees shall also be payable in relation to usage pursuant to the Fixed-Term Contract on Using and Providing Bundled Natural Gas Storage Service between Storage Years and HGS's Code of Business Conduct.

XIII. Payment Conditions

The invoice on the Loan Fee shall be issued within 5 days from the date this contract takes effect, with a payment deadline of 15 days from issuance.

Method of issuing the invoice:

The Loan Fee shall be determined and invoiced on the basis of the product of the quantity of Natural Gas Borrowed (kWh) and the unit price of borrowing (... HUF/kWh + VAT).

The loan fee shall be invoiced in a single sum, according to the periodic invoicing rules as per Section 58 of Act No. CXXVII of 2007 (VAT Act).

Volume and other service fees shall be invoiced according to the usual monthly routine, pursuant to the periodic invoicing rules as per Section 58 of Act No. CXXVII of 2007 (VAT Act).

In the event that the return takes place, upon the Borrower's decision, prior to gas day ……20.. – excluding the event of Mandatory Return –, HGS will not make any refund from the loan fee.

In case of Mandatory Return, parties shall settle with each other pro rata for the period until the end of the gas day specified in the notification.

XIV. Collateral

To guarantee the Return of the Natural Gas Lent, Borrower shall provide – at its own discretion – bank guarantee or injected gas guarantee or a combination of these two collaterals to HGS.

1. Bank Guarantee
   Borrower shall provide to HGS a valid, unconditional and irrevocable bank guarantee for payment issued by a certified credit institution accepted by HGS, of which:

   - the exclusive beneficiary shall be HGS, and which
   - *shall be in the amount: covering the market value of the Natural Gas Lent, that is EUR ....., that is ..... euros.*

   which shall be calculated using the following formula:

   CEGH (EUR/MWh)* Quantity Lent (MWh)

   where:

   CEGH: Market price on which the bank guarantee is based, being the higher value of the following: (i) 30 EUR/MWh; (ii) 150% of the daily "Settlement Price" published on the day HGS receives the Borrower's request for the conclusion of the Gas Loan contract, in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month, rounded to 3 decimal digits in EUR/MWh. If on the day HGS receives the Borrower's request for the conclusion of the Gas Loan contract, no daily "Settlement Price" is published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month, 150% of the last daily "Settlement Price" published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month.

   https://www.cegh.at/en/exchange-market/market-data/?product=monthly&market=AT).

   In as far as the Borrower uses other storage service(s) and offered a bank guarantee as a payment collateral, the bank guarantee securing the fee of other storage services may not be set off from the bank guarantee amount due pursuant to this contract.

a) The bank guarantee shall be valid and effective at least until ……20...
   If Borrower fails to return the Natural Gas Lent according to the Schedule set forth in Chapter VII, Section 2 or Chapter VII, Section 3 – that is until ……20.., or until the date specified in the Notification sent by HGS in case of Mandatory Return –, or if the Borrower commits any other material breach of contract as per Section XV of this Contract, HGS shall become entitled to call upon the full amount of the bank guarantee following it becomes aware of (i) even the slightest deviation from the schedule, or (ii) the material breach of contract. After the settlement of the amount required for procuring the missing gas quantity and the arising costs, the remaining part of the amount called shall be re-transferred to the Borrower.

b) Any fee or cost related to the bank guarantee shall be borne by the Borrower.

c) The early termination or the inappropriate modification of the bank guarantee shall qualify as material breach of contract.

d) If under the duration of the contract, 150% of the daily “Settlement Price” published in the "CEGH AT VTP Front Month Single Day Select” section for the month following the base month as specified in Section XIV.1 is on any day 10% higher than the 150% of the daily “Settlement Price” published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month and this is higher than 30 EUR/MWh, the Borrower shall - up to the extent of the increase - raise the amount of the bank guarantee offered as collateral, to cover the increased value of the gas quantity lent. Defaulting on this shall qualify as a material breach of contract.
In the event that this obligation is not fulfilled, the Borrower shall be obliged to pay a daily penalty of HUF 1,000,000, that is one million forints from the first day of default.

In as far as the daily “Settlement Price” published in the "CEGH AT VTP Front Month Single Day Select” section for the month following the base month as specified in Section XIV.1 decreases by at least 20% under the duration of the contract, and this decrease persists for at least 5 business days, parties shall jointly review the extent of the collateral provided by the Borrower.

e) In other respects, the stipulations of HGS’s Code of Business Conduct shall apply to the bank guarantee.

2. Injected Gas Guarantee

a) Borrower may offer gas injected under this contract or otherwise (e.g. gas already injected as per storage contract) as collateral. This means that the whole of the gas energy quantity in the storage facility injected as collateral shall cover the energy quantity of the Natural Gas Lent and other borrower liabilities (e.g.: storage capacity fee payment) (in kWh).

b) The energy quantity of the injected gas offered as collateral may not fall below the Natural Gas Energy Quantity Lent during the term of this contract.

c) If based on the Borrower’s nomination, it is clear in advance that the energy quantity of the injected gas offered as collateral will no more cover the Natural Gas Energy Quantity Lent, Borrower shall replenish the collateral with offered gas up to the extent of the Natural Gas Energy Quantity Lent. Unless this is implemented, HGS shall be entitled to refuse the Borrower’s withdrawal nomination.

d) If Borrower (i) fails to return the Natural Gas Lent according to the schedule set forth in Chapter VII, Section 2 or Chapter VII, Section 3 – that is until …….. 20.. or until the date specified in the Notification sent by HGS in case of Mandatory Return –, or (ii) if Borrower commits any other material breach of contract as per Section XV of this Contract, HGS shall become entitled to use the gas injected as collateral by the Borrower and re-transfer it to its own name in the Gas Balance, following it becomes aware of (i) even the slightest deviation from the schedule, or (ii) the material breach of contract.

e) The “DECLARATION OFFERING PREVIOUSLY INJECTED GAS AS COLLATERAL RELATING TO GAS LOAN CONTRACT” containing the above shall form an inseparable annex to this contract.

In other respects, the stipulations of HGS's Code of Business Conduct shall apply to the injected gas collateral.

3. Combined Bank Guarantee and Injected Gas Guarantee

a) As a collateral to guarantee the Return of the Natural Gas Lent, Borrower shall be entitled to provide – at its own discretion – bank guarantee in part and injected gas guarantee in part. This means that the gas energy quantity injected as collateral in the storage facility and the value of the bank guarantee (calculation thereof according to Section XIV.1) provided to HGS shall in total cover the value of the energy quantity of the Natural Gas Lent.

b) In this case, the sum of the energy quantity of the injected gas offered as collateral and the energy quantity that can be purchased from the bank guarantee under Section XIV.1 may not fall below the Natural Gas Energy Quantity Lent.

c) If based on the Borrower's nomination, it is clear in advance that the energy quantity of the injected gas offered as collateral will no more cover the Natural Gas Energy Quantity Lent, Borrower shall replenish the collateral – at its own discretion – with bank guarantee or with gas offered as collateral up to the extent of the Natural Gas Energy Quantity Lent. Unless this is implemented, HGS shall be entitled to refuse the Borrower's withdrawal nomination.

d) If Borrower (i) fails to return the Natural Gas Lent according to the schedule set forth in Chapter VII, Section 2 or Chapter VII, Section 3 – that is until ..... 20.. or until the date specified in the Notification sent by HGS in case of Mandatory Return –, or (ii) if Borrower commits any other material breach of contract as per Section XV of this Contract, HGS shall become entitled to use the gas injected as collateral by the Borrower, and therefore re-transfer it to its own name in the Gas Balance and / or call the bank guarantee, following it becomes aware of (i) even the slightest deviation from the schedule, or (ii) the material breach of contract.

e) In order to ensure that all the collaterals offered by the Borrower – under this contract or otherwise – are applied by the parties uniformly covering the obligations under any and all contracts between them, Borrower makes a "Declaration Offering Injected Gas as Collateral – for Gas Loan and Storage Services". The declaration shall be annexed to this contract.

XV. Breach of Contract, Penalty

Parties shall undertake to pay penalty in case of a material breach of contract.

Pursuant to the agreement between the parties, it shall qualify as a material breach of contract involving penalty if:

a) Borrower defaults on the deadline for taking into own stock as specified in Chapter VII, Section 1;

b) Borrower defaults on the return deadline specified in Chapter VII, Section 2 or Chapter VII, Section 3;

c) Borrower returns Natural Gas with energy quantity equal to that of the Natural Gas Lent deviating from the quality parameters prescribed by Annex No. 11 of the Gas Act Implementation Decree;

d) the value or enforceability of any collateral is terminated or significantly decreased, which the Borrower fails to supplement upon HGS's request;

e) the daily "Settlement Price" published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month as specified in Section XIV.1 increases by 10% under the duration of the contract, and the Borrower fails to accordingly increase the amount of the bank guarantee offered as collateral;

f) Borrower delays the fulfilment of its payment obligation as per the loan contract, and fails to remedy such default when notified

The basis of the penalty shall be the market value of the Natural Gas Lent at the time of lending ("CEGH AT VTP Front Month Single Day Select"*Quantity Lent*Exchange Rate), that is HUF……..

where:

CEGH: market price, being the higher value of the following: (i) 30 EUR/MWh; (ii) the daily "Settlement Price" published on the day HGS receives the Borrower's request for the conclusion of the Gas Loan contract, in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month, multiplied by 150%, rounded to 3 decimal digits in EUR/MWh. If on the day HGS receives the Borrower's request for the conclusion of the Gas Loan contract, no daily "Settlement Price" is published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month, 150% of the last daily "Settlement Price" published in the "CEGH AT VTP Front Month Single Day Select" section for the month following the base month.

https://www.cegh.at/en/exchange-market/market-data/?product=monthly&market=AT).

Exchange Rate: MNB HUF/EURO exchange rate applicable on the day of issuing the penalty notice

Amount of penalty: 1% of the penalty base for each day affected by the material breach of contract, but not exceeding 20% of the penalty base in total.

XVI. Terminating the Contract

1. This Contract shall terminate when the Borrower returns the total borrowed natural gas quantity to HGS, or HGS re-enters it into its own stock as per Section VII.3 – except for the cases of termination due to breach of contract or cancellation specified in Section XVI.4.

2. Terminating the Contract by extraordinary termination.

   a) Either party shall be entitled to terminate the contract in writing, without justification and with immediate effect after becoming aware of the other party's material breach of contract.

   b) HGS may terminate this contract with immediate effect if
      - Borrower defaults on the deadline for taking into own stock as specified in Chapter VII, Section 1;
      - Borrower defaults on any date or condition of the return Schedule specified in Chapter VII, Section 2 or Chapter VII, Section 3, or
      - Borrower returns Natural Gas with energy quantity equal to that of the Natural Gas Lent, deviating from the quality parameters prescribed by Annex No. 11 of the Gas Act Implementation Decree; or
      - HGS finds that a material unfavourable change has occurred in the Borrower's conditions, and the Borrower fails to provide a due collateral to HGS upon request, or
      - Borrower obstructs the investigation relating to its solvency, or to the coverage, collateral or implementation of purpose of the Natural Gas Lent, or
      - the Borrower's conduct to conceal assets threatens the possibility of Returning the Natural Gas Lent, or
      - the value or enforceability of any collateral is terminated or significantly decreased, which the Borrower fails to supplement upon HGS's request, or
      - Borrower fails to fulfil its obligations to increase the bank guarantee as set out in Chapter XIV, Section 1 on Guarantee, Subsection 2, or
      - Borrower delays the fulfilment of any other payment obligation as per the loan contract, and fails to remedy such default when notified, or
      - if a competent court orders a non-binding winding-up, bankruptcy or liquidation procedure against the Borrower, or if a competent authority suspends or revokes its operational licence, or
      - due to a breach of contract deemed by HGS as a material breach.

   c) Either Party may terminate this contract with immediate effect if
      - if deceived by the other Party, and this affected the conclusion or the content of the contract.
      - the Fixed-Term Contract on Using and Providing Bundled Natural Gas Storage Service between Storage Years is terminated for reasons not attributable to the either party, unless the parties conclude a new Fixed-Term Contract on Using and Providing Bundled Natural Gas Storage Service between Storage Years within 48 hours of termination, under the same terms and conditions as the previous contract.

3. In the event of termination, Parties shall settle with each other.
   a. In the event of extraordinary termination and in the case specified in the second paragraph of Section XVI 2c), the loan automatically expires and Borrower shall return the full amount of the Natural Gas Lent to HGS until the gas day specified in HGS's termination notice, or in the case

of the second paragraph of Section XVI 2c), until the date specified by HGS. If the Borrower fails to return to HGS the full amount of Natural Gas with energy quantity equal to that of the Natural Gas Lent within this period, HGS shall become entitled to use the collaterals specified in Chapter XIV.

b. In the event of termination due to Mandatory Return, (i) if it occurs before ……. 20…, Parties shall pro-rata temporis settle with each other (on the basis of calendar days),

c. In case of extraordinary termination pursuant to Section XVI.2.b, HGS shall re-transfer the Natural Gas Quantity Lent to its own name – provided it is in the storage facility. In such cases, HGS shall neither refund the Loan Fee, nor pay any other damages, compensation, cost to the Borrower.

In the event of termination of this Contract, HGS shall be entitled, without any further obligation to notify, to use the collaterals available to it as specified in Chapter XIV to replace the quantity of Natural Gas Lent that has not been returned and/or to compensate for any damage incurred on its part.

4. Termination of contract by cancellation

In cases specified in Section IV.6, HGS shall be entitled to terminate this contract by cancellation – without any further legal implications.

5. The party in breach of contract shall have full liability for the damage it caused, including particularly but not exclusively any damage (e.g.: public administration fines and third party damage) borne by HGS due to the delay in or the failure of fulfilling the replacement obligation prescribed by HEPURA.

6. Parties shall settle with each other when the contract is terminated.

XVII. Governing Law, Settlement of Disputes, Language of Contract

The provisions of Hungarian law, with particular regard to the stipulations of the Gas Act, the Implementation Decree, the Grid Code, the Civil Code and the Lender's Code of Business Conduct shall apply to the Contract and any arising disputes, along with the settlement of disputes.

The Parties shall agree to settle the disputes relating to this Contract primarily via amicable negotiation.

To settle 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.

This contract has been executed by the Parties in Hungarian and English. In case of any dispute over the interpretation, the Hungarian version shall prevail.

XVIII. Miscellaneous Provisions

1. Contact Persons

In issues related to the Contract:
On behalf of the Lender:
Phone:
Fax:
e-mail:

On behalf of the Borrower:
Phone:
Fax:
e-mail:

In issues of daily operative contact:
On behalf of the Borrower:
Phone:
Fax:
e-mail:

On behalf of HGS: Storage Dispatching Service
Phone: 52/362 574
Fax: 52/558 044
e-mail: dispatcher@mfgt.hu

2. Contract Amendment

This Contract may be amended in writing by way of contract amendment signed by the Parties' authorised signatories. Parties expressly exclude the possibility of oral amendment, or amendment by fax or email.

3. Invalid Provisions

If any of the provisions of this Contract is or becomes invalid, ineffective or unenforceable, this shall not affect the validity, effectiveness or enforceability of the remaining provisions. In this case, the invalid, ineffective or unenforceable provision shall be replaced as soon as possible by the Parties with a provision the Parties would have agreed on at the time of concluding the Contract considering such invalidity, ineffectiveness or unenforceability, for the sake of the intended result. The same shall apply if a legal vacuum to be filled is exposed during the performance of the Contract

4. Exclusion of Liability

HGS excludes any liability for financial, accounting or taxation implications related to the Gas Loan on behalf of the Borrower.

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

Budapest, __.____.20__

Hungarian Gas Storage Ltd.	System User
.....	.....
Name	Name
Position	Position
.....	.....
Name	Name
Position	Position

Annexes:

Annex No. 1: Declaration Offering Previously Injected Gas as Collateral Relating to Bank Guarantee/Gas Loan Contract

1. Annex No. 1.

DECLARATION OFFERING PREVIOUSLY INJECTED GAS AS COLLATERAL RELATING TO GAS LOAN CONTRACT

We, the undersigned (name, position) and (name, position), representing ..... (name, address, trade registry No.) hereby declare the following.

..... (name, address, trade registry No.) (hereinafter referred to as Borrower) and Hungarian Gas Storage Ltd (hereinafter referred to as HGS) concluded a contract on Lending and Borrowing Natural Gas on .....20... To guarantee its contractual obligations, Borrower declares that it offers ..... kWh of the natural gas energy quantity it injected into HGS's underground natural gas storage facilities to cover its obligation to return the loan under the Gas Loan Contract.

By signing this declaration, Borrower represents to keep a gas energy quantity injected as collateral in HGS's unified natural gas storage the whole or part of which covers the Natural Gas Energy Quantity Lent (in kWh).

Borrower further represents that the energy quantity of the injected gas offered as collateral may not fall below the Natural Gas Energy Quantity Lent during the term of the contract.

Borrower undertakes that if based on its nomination, it is clear in advance that the energy quantity of the injected gas offered as collateral will no more cover the Natural Gas Energy Quantity Lent, Borrower shall replenish the collateral with offered gas up to the extent of the Natural Gas Energy Quantity Lent. Unless this is implemented, Borrower understands that HGS shall be entitled to refuse the Borrower's withdrawal nomination.

Borrower explicitly understands and by signing this declaration authorizes HGS to re-transfer to its own name in the Gas Balance and thus have disposal over the gas injected and offered as collateral by the Borrower in order to ensure that the Natural Gas Lent is returned - following it becomes aware of even the

slightest deviation from the schedule of returning the Natural Gas Lent, or a material breach of contract by the Borrower.

Budapest, __.____.20__

Borrower:

……
Name
Position
Name of Borrower company

I accept the declaration:

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

4.8 PROFITSHARING STORAGE SERVICE FRAMEWORK CONTRACT

(Contract No.:)

concluded by and between

seat:

mailing address:

account keeping bank:

bank account No.:

invoicing address:

e-mail address(es)*:

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 HGS (MFGT)

or jointly referred to as the **Parties** at the undersigned place and date under the following terms and conditions:

**Following 1 July 2025, HGS will only issue electronic invoices to System Users pursuant to Section 115/E of the Gas Act Implementation Decree.*

PREAMBLE

In order to maximise the utilisation of available storage capacities, HGS 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 HGS with respect to the quantity and period specified in the System User's specific transaction request and accepted by HGS, and according to the quality parameters as per Chapter IV.

2. Pursuant to this Framework Contract, HGS 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 1 April 20__ at 6:00 hours until 1 April 20__ at 06:00 hours.

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 HGS web page (www.mfgt.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 Authority 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 SERVICVE

1. During the term of this Framework Contract, 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 Contract.

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 HGS in fulfilling the request. (When assessing the cost calculation, HGS 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. HGS 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, HGS 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 HGS'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 HGS shall form an integral part of the Framework Contract, and HGS shall only undertake to fulfil such specific transaction requests.

IV STORAGE GAS QUALITY

HGS 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, HGS manages the storage facilities as a unified whole. Based on the daily nomination submitted by the System User for the unified storage facility, HGS shall distribute the gas quantity to be injected or withdrawn to the relevant underground gas storage facilities. HGS shall undertake to deliver the nominated quantities it verified for the unified

storage facility, and in case of non-performance, HGS 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, HGS shall cooperate with the Natural Gas Transmission System Operator licensee 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 HGS.
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 HGS, 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 HGS 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), HGS shall send a monthly settlement invoice based on the protocols issued by HGS with a 15-day payment deadline.

VIII FINANCIAL AND PAYMENT GUARANTEE

HGS 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:

(Service Fee [EUR] + related volume fees [HUF] + VAT) / 60% 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.

X ENRTY INTO FORCE

This contract shall be concluded and effective upon signature.

XI MISCELLANEOUS PROVISIONS

Contact Persons

In issues related to the Contract:

On behalf of HGS:

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 HGS: Storage Dispatching Service

Phone: 52/362-574

Fax: 52/558-048

e-mail: 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 HGS:

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

.....	.....
Name	Name
Position	Position
.....	.....
Name	Name
Position	Position

Annexes:

Annex No. 1: Specific Transaction Request

Annex No. 2: Declaration Offering Injected Gas as Collateral

1. Annex No. 1.:

SPECIFIC TRANSACTION REQUEST

(Serial No.: shipper code_date)

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

Dated:

…….
Name
Position
Company name

We hereby confirm the specific transaction request.

Dated:

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

4.9 TEST SERVICE

The description and the parameters of the Test Service will be published by HGS on its website following the development of such service. This Code of Business Conduct specifies the common parameters of Test Services.

The Test Service concept has been established in full compliance with the regulatory requirements in order to ensure that the implementation of HGS's future service development objectives is faster, more efficient, practical and better suited to the customers' demands. The Test Service shall not be part of the Code of Business Conduct during the test period, therefore it shall be subject to the applicable law and the specifications of HGS. The Test Service is available to any customer in compliance with the basic principles stipulated by the Gas Act (non-discrimination, equal treatment and transparency). Following the test period, HGS evaluates the relevant service – considering the feedback received from customers – and decides whether to finalise, further develop or discontinue it. This description offers the possibility for HGS to adapt to the market changes and customer demand as smoothly as possible, without having to revise the whole of the Code of Business Conduct.

The common characteristics of the Test Service:

The applicable content of the Test Service shall be construed within the framework specified in the valid operational licence of HGS.

The Test Service will not be announced under this name, since this only refers to its principal feature. The content of the respective service determines the actual name of the relevant Test Service.

The Test Service shall be sold via auction in full compliance with the *Storage Capacity Auction Regulation II in Case of Optional Capacity Auctions* attached as annex to the Code of Business Conduct, the applicable regulations of the industry (Grid Code) and the principles stipulated by law – with particular regard to transparency and non-discrimination.

The duration of using the Test Service shall in any case cover the reference storage year only, that is Test Service cannot be requested from HGS under an agreement on the following storage year or on several storage years.

HGS will modify the previously set conditions while also considering the experiences of System Users using the service in any case, until the final service structure is established.

The Test Service fee will be determined after the market concerned is defined, taking into account the fees of identical or comparable services offered on the same market.

The maximum energy quantity to be requested within a Test Service is insignificant in relation to the *total storage capacity* of HGS (being 1% of HGS's net sales revenues in the previous business year for which the accounts have been closed, or maximum 2.5% of HGS's working gas capacity), therefore this service will not affect the performance of other contractual obligations.

Prior to the announcement of a Test Service, HGS shall always inform HEPURA with regard to the date of announcement and the duration of Test Service use, however, the Code of Business Conduct will not be amended with the description of the Test Service during the test period.

Test services offered by HGS cannot substitute the services specified by the regulation of the industry, that is for example, but not exclusively the services set out in the Tariff Regulation, or the applicable services listed in the Code of Business Conduct, and may neither indirectly, nor directly replace or limit their scope of application.

4.10 STATEMENT ON THE ACCEPTANCE OF ELECTRONIC INVOICES

Company name: ……..

Seat: ……..

Invoicing address: ……..

Tax No: ……..

Represented by: ……..

I (we), the undersigned ……., ……., as the authorised signatory representative(s) of ..... (company name) hereby give our consent to Hungarian Gas Storage Ltd (seat: 1138. Budapest, Váci út 144-150., trade registry No.: Cg. 01-10-045043, tax No.: 12543317-2-44) to issue electronic invoices for our Company and submit them to us by electronic means as of 20 .

Electronic invoices issued shall be sent with their attachments to our following email address (any number of email address may be provided):

……

……

……

……

If the above specified email address is unavailable or changes, we hereby undertake to notify Hungarian Gas Storage Ltd without delay in writing on such address changes or on the new address.

Date: ___20__

……

(Corporate signature and printed name of authorized representative)

4.11 PROCEDURE FOR BREACH OF CONTRACT

In the event that the Parties are in breach of the provisions of the storage contract, they shall compensate the other Party for any resulting damage.

I Procedure for Breach of Contract by the System User

Breach of contract by the System User:

a. System User commits a breach of contract if it injects non-standard-quality natural gas into the Storage system. In this case, HGS may claim damages. HGS shall inform the System User without delay of the damage incurred after becoming aware thereof, and shall submit a duly justified claim for damages. Should the System User dispute the fact of damage or the liability, it shall initiate negotiations with HGS within 15 calendar days.
b. System User commits a breach of contract if it fails to pay or fully pay any fee or advance payment due to HGS as per the storage contract until the payment deadline.
c. System User commits a breach of contract if it violates any other obligation as per the storage contract. In this case, HGS may claim damages.

In case of the System User's breach of contract, System User shall compensate for any substantiated damage it caused.

System User commits a breach of contract if it fails to pay or fully pay until the payment deadline the invoiced fees or advance payments due under the contract for the services used and provided as per contract. In this case - as a general rule - HGS shall be entitled at any time following the due date to sell the blocked gas covering the storage fees (the energy quantity, as payment guarantee) and to legally refuse the injection or withdrawal of gas stock beyond the blocked gas stock (energy quantity) until the System User pays its debt. In addition, HGS shall take the following measures in relation to service fees invoiced and not paid:

1. 8th business day after the due date

   In the event that payment is not received until the eighth business day following the due date, HGS shall send the first notice to the System User.

2. 14th business day after the due date

   Another six business days later, HGS shall send another notice to the System User.

3. 21st and 22nd business days after the due date

   On the 21st business day following the due date, HGS shall send the third payment notice.

4. If the System User fails to pay its debt until the deadline specified in the third payment notice, and unless the System User and HGS reach an agreement on payment at the same time, HGS may lawfully refuse to inject or withdraw the gas stock (energy quantity) beyond the blocked gas stock (energy quantity) and:

   - if the System User offered a bank guarantee as a financial collateral, following the extended payment deadline specified in the third payment notice, HGS exercises its claim from the bank guarantee, or

- if the System User offered working gas as a collateral as per Section 27 of the Gas Act, and fails to pay the consideration for the service within the payment deadline indicated on the invoice, following the payment deadline, HGS sells the gas (required energy quantity) injected as collateral for the storage fees and blocked on the IT Platform, and uses the amounts received from such sale to satisfy its claim. In the middle of each month in the storage year, HGS shall review if the injected gas (energy quantity) in the storage facility still covers the fee of the service.

If the System User fails to pay the ***advance payment*** invoiced by HGS by the due date, after the due date, HGS shall send a payment notice to the System User setting a payment deadline of 3 days. Following the unsuccessful expiry of the payment notice, HGS may, at its discretion: i) terminate the contract with immediate effect, or ii) – if available – satisfy its claim from the payment guarantees.

5. In order to recover unpaid storage fees, HGS offers for sale the stored working gas offered by the System User on forums at its own discretion (e.g.: on its own website), and sell it based on the bids received. HGS undertakes to offer the natural gas for sale for the first time at the CEGH AT VTP Front Month price as a minimum. Insofar as there are no bids received at this price, HGS shall be entitled to re-offer the natural gas at a price other than the CEGH AT VTP Front Month price and/or sell it without any further offering to the buyer submitting the highest bid. HGS shall be entitled to sell a quantity of injected natural gas the price of which calculated according to the above is sufficient to cover the invoiced overdue and unpaid fees. HGS shall deduct its receivables from the revenue of the sale, and shall transfer the remainder to the System User's bank account within 10 business days from receiving the purchase price.

6. System User irrevocably understands that in case of storage fee payment default, HGS shall be entitled to sell the injected and offered gas according to the above, and to deduct the storage fee from the revenue of such sale. System User also irrevocably understands that if there are no purchase bids received at the CEGH AT VTP Front Month price first offered by HGS, HGS shall be entitled - at its own discretion - to re-offer the natural gas at a price other than the CEGH AT VTP Front Month price and/or to sell it without any further offering to the buyer submitting the highest bid. System User shall do whatever is necessary (including the issuance of the required declarations, statements) for conducting a successful sale. System User irrevocably understands the transfer of the proprietary rights over the natural gas to the buyer as per Section 27 of the Gas Act and the declaration contained in Annex 4.13.3 of this Code of Business Conduct and this Declaration, along with the purchase price specified, and shall not contest these on any legal grounds.

7. The declaration regarding the sale of the natural gas offered by the System User and the power of attorney for HGS shall be contained in Annex No. 4.13.4 attached hereto.

8. HGS shall issue its charge letters on interests for default monthly, on the basis of the invoice payment delays occurred until the last day of the previous month. The due date for paying interest for default shall be the 10th day after sending. In case of payment default, HGS shall charge interest for default pursuant to the Civil Code so that interests are charged for the period between the due date and the day when the payment is made.

II Procedure for Breach of Contract by HGS

1. General Rules

1.1. Contracting Parties shall compensate for any damage caused by breach of contract – as per the stipulations of this chapter.

1.2. Unless otherwise specified in this Code of Business Conduct, HGS shall compensate for any damage it caused to the extent of the relevant annual storage fee (capacity fee and volume fees) paid by the System User until the date of breach of contract by HGS.

1.3. HGS shall not be liable for cases when it could not fulfil its contractual obligations due to a Force Majeure event.

1.4. The definition of Force Majeure shall be contained in Annex No. 4 of the ÁSZF "*Breach of Contract and Consequences*", under Section "*2. Consequences of Breach of Contract, Damages*".

1.5. HGS shall be responsible neither for the storage facility's capacity decrease (including working gas and/or withdrawal and/or injection capacities) occurring due to a technical reason (including the consequences of any breakdown as per Section 3, Subsection 65 of the Gas Act, or Storage Site Breakdown, or a more serious operational malfunctioning affecting the storage site) – not attributable to a Force Majeure event –, nor for any direct or indirect damage arising therefrom if the storage equipment causing the capacity decrease has been properly operated and maintained at intervals and in a manner consistent with the industry practice, also providing that it has applied its best efforts to urgently recover the technical problem already occurred.

For the purposes of this section, Storage Site Breakdown shall mean any event caused by the malfunctioning of hydrocarbon production facilities and system elements or by adverse external impacts – caused by third parties –, wrong and incorrect human interventions, during which safety functions are properly operating and the resulting conditions do not pose any direct risk to health, environment, life or property.

2. Breach of Contract Regarding Injection/Withdrawal Tasks

2.1 HGS commits a breach of contract if it fails to contractually perform the (contractual) injection and withdrawal tasks required by the System User. In as far as HGS fails to perform the withdrawal or injection of the quantities contractually nominated by the System User, HGS shall reimburse the surcharges and balancing costs incurred by the System User due to the breach of contract. In addition to the reimbursement of surcharges and balancing costs, HGS shall not have any further liability for damages.

2.2 HGS will not be deemed to have committed a breach of contract – and will not reimburse incurred surcharges and balancing costs – if it rejects the nomination of the System User in full or in part because the nominated quantity to be injected or withdrawn fails to reach even together with the other buyer requests the technological minimum for injection or withdrawal. It shall neither qualify as a breach of contract if HGS is unable to perform accepted nominations due to a breakdown.

2.3 HGS will not be deemed to have committed a breach of contract if it fails to fulfil the (contractual) injection/withdrawal tasks required by the System User because it was not performed due to a cause attributable to the Natural Gas Transmission Licensee.

3. Breach of Contract Related to the Loss or Destruction of the Natural Gas

HGS commits a breach of contract if the accepted natural gas is lost or destroyed, and shall be responsible for any damage thus caused. In the event that the natural gas taken over as per contract is lost or destroyed, the value of the lost or destroyed natural gas shall be compensated by HGS up to the extent of the relevant annual storage fee (capacity fee and volume fees) paid by the System User for the lost or destroyed natural gas until the date of loss or destruction. If the natural gas quantity taken over is fully or partially destroyed, HGS shall not be entitled to claim the fees or their proportionate part in relation to the destroyed natural gas quantity.

III MISCELLANEOUS PROVISIONS

1 Neither Party shall be liable for any indirect damage arising from the breach of their obligations (including cancelled profit, loss of business or profit, or any damage to the other Party's assets other than the subject of the service if caused by the other Party during the performance of the contract).

2. None of the provisions in this annex shall be construed as excluding or restricting either Contracting Party's liability for a breach of contract that is intentional or damages life, physical well-being or health.

4.12 METHOD OF CALCULATION FOR SETTLEMENT, PARAMETERS

I Basis of Settlement, Description of Settlement Period

The basis of settlement between the Parties shall be with regard to the unified storage facility:

(a) withdrawal, injection and working gas capacities recorded in the contract for the System User,

(b) Regularly taken delivery protocols regarding the quantities injected or withdrawn.

The settlement period shall be 1 calendar month.

The basis of the settlement shall be the daily physical balance of the storage facilities and the customer balances made in conformity with the same relying on the nominations, using the actual allocations. Both the daily balances and the customer balances include volume and energy quantity data.

Storage and customer balances are based on measured and calculated data.

The transmission company shall measure the quantity and quality of gas delivered and accepted at the transmission pipeline zero points of the storage facilities pursuant to the provisions of the Grid Code and shall make the measurement data available for HGS. The daily calorific value data submitted to HGS by the transmission company shall be the arithmetical average of the values measured during the day. These values shall be entered into the balances.

The quantity and quality of gas from domestic natural gas production to be injected into the storage facilities directly (without the using the transmission pipeline), as well as the quantity and the quality of the gas delivered to the natural gas producer (E&P) from the storage facilities shall be measured by either Party pursuant to the cooperation agreement concluded between the parties (HGS, E&P), and the results thereof shall be made available for the other Party. Gas quality data are provided by means of laboratory metering at these points.

System User's daily energy quantity turnover shall be determined on the basis of the gas turnover volume using the daily average calorific value as follows:

Following the gas day, HGS shall allocate the gas quantity turned over on the given gas day to the System Users on the basis of the quantity and quality measurement data received from the transmission company and E&P. Allocation shall be based on the nominations submitted by the System Users for the given gas day.

HGS shall not assign the System Users' stored stock to a specific storage facility as it is registered cumulatively, at a "unified storage facility" level only. The zero delivery point volume shall be determined on the transmission company's IT Platform for each System User. HGS's Storage Dispatching Service shall perform the allocation. The value determined in the allocation process shall be the actual volume at the zero point of the storage facility.

The monthly closing protocols are taken as follows:

- On the basis of the monthly customer balances, HGS shall prepare a protocol for each System User until the 8th day of the month following the reference month.
- The measured and calculated data recorded in the protocol shall be as follows:

Monthly settled quantity [kWh]:	The cumulated value of the System User's daily settled quantities.
Opening stock [kWh]:	The quantity of working gas available for the System User at 6:00 hours on the first day of the respective settlement period.
Closing stock [kWh]:	The quantity of working gas available for the System User at 6:00 hours in the first morning following the last day of the respective settlement period.

The final storage protocol shall be prepared following the final data provision by the transmission company to the HGS and following the end-month re-allocation, and HGS shall examine if the System User's volume data have changed and shall send a final protocol accordingly. If there is any difference between the data in the preliminary monthly protocol and in the final protocol, on the basis of the latter, Parties shall correct the invoices issued for the reference period.

If after the end-month re-allocation, there is no difference between the data in the preliminary protocol and the final protocol, HGS shall consider the preliminary protocol as the final protocol, and accordingly, the invoice is not corrected, either.

HGS shall notify the customers minimum two weeks in advance with regard to any modification in the settlement system concerning the customers.

II Description of Settlement-Related Data Traffic and IT System

HGS operates a system (IT Platform) supporting the operative functioning of its natural gas storage activity. The system is described in Annex No. 2 to the Code of Business Conduct.

HGS's Storage Dispatching Service shall perform data supply in relation to settlement. Each storage facility has a comprehensive electronic monitoring and data processing (storage dispatching) system.

HGS maintains a continuous and operative electronic connection with the transmission company, the E&P's dispatcher, and if required, HGS contacts the System User.

The central organisation of HGS has of online operative data about the technologies.

In the event of gas quality and technology related problems, HGS notifies the transmission company and the System User, if so required.

Parties shall send each other the daily quality certificates pursuant to Section 3.1.5.6 of the Grid Code.

4.13 TERMS OF CONTRACTUAL GUARANTEES

Pursuant to the Natural Gas Storage contract, HGS requires from the System User a financial guarantee to guarantee payment or working gas owned by the System User as per Section 27 of the Gas Act as a payment guarantee to cover the contractual fees. HGS requires contractual guarantee up to the amount of the contractual fees, only one guarantee type of the listed guarantees shall be determined. In exceptional cases, the system user and the system operator may agree on the acceptance of a combined guarantee.

I Financial and Payment Guarantee

HGS requires the following financial guarantee:

Bank Guarantee

System User shall provide to HGS a valid, unconditional and irrevocable bank guarantee for payment issued by a qualified credit institution accepted by HGS, of which the exclusive beneficiary is HGS, in the amount equal to the difference between the total storage contractual fees and the already settled contractual fees on the effective day of the storage contract. Pursuant to Section 27 of the Gas Act and this Code of Business Conduct, the System User shall also be entitled to offer payment guarantee to cover the contractual fees instead of or as a financial extension to the bank guarantee. System User is obliged to offer to HGS the working gas as a financial guarantee in a (duly signed) written form. System User shall undertake to have a working gas volume in the storage facility that duly covers the storage fees at all times.

Any fee or cost related to the bank guarantee shall be borne by the System User.

Annex No. 4.13.1 (bank guarantee in case of injected gas) and Annex No. 4.13.2 (independent bank guarantee) hereto contains the templates of bank guarantees acceptable by HGS.

Insurer's Guarantee, Insurer's Bond

The acceptance of any insurer's guarantee or bond on joint and several liability based on insurance contract shall be subject to individual assessment. HGS will rely on specific criteria when considering consider the suitability of the respective insurer and the guarantees or bonds issued by them. The submission of this type of performance guarantee is possible only if System User sends to HGS by electronic means the name of the insurer and the proposed text of the guarantee or bond for prior evaluation. Unless this takes place in advance, System User shall assume the risk that HGS rejects the submitted guarantee or bond as unsuitable performance guarantee. HGS shall have a discretion to declare unsuitability.

Prepayment

System User and HGS agree to settle the capacity fees arising from the storage contract in advance for the storage year, in one instalment, pursuant to Section 58 of Act No. CXXVII of 2007 on Value Added Tax (VAT Act).

HGS shall invoice the full capacity fee for the full contractual period in advance, which the System User shall pay within maximum 30 days to HGS's bank account.

HGS requires the following payment guarantee:

Injected Gas

HGS accepts injected gas as payment guarantee from the System User. Relating declarations and powers of attorney shall be contained in Annex No. 4.13.3, 4.13.4, 4.13.5 and 4.13.6.

Gas Guarantee Provided by Another System User

System Users having storage booking and injected natural gas at HGS may offer to another System User a part of their injected natural gas not affected by gas guarantee, so that the other System User can offer such gas to HGS as contractual guarantee. HGS shall not be obliged to accept this contractual guarantee.

The relating trilateral agreement – if so required by HGS – shall be signed in the presence of a public notary and then notarized.

The declaration regarding sale of the natural gas offered – as a contractual guarantee – by the System User as per Section 27 of the Gas Act shall be contained in Annex No. 4.13.4., 4.13.7 and 4.13.8 attached hereto.

II Amount of Collateral

The amount of the collateral shall cover at least the contractual fees outstanding for the remaining contractual period at any time.

Financial Guarantee (HUF):

annual contractual fees (HUF) – already paid contractual fees (HUF).

The extent of payment guarantee in case of injected gas (kWh):

(Fee of booked capacities [HUF] + volume fees related to booked working gas capacities [HUF]+ VAT) / 60% of CEGH* [HUF/kWh].

*CEGH: "Settlement Price" published on trading day 15 of the base month in the CEGH AT VTP "First Front Month" section for the following month, rounded to 3 decimal digits in EUR/MWh. If for the 15th day of the relevant month no "Settlement Price" is published in the CEGH AT VTP "First Front Month" section for the month following the base month, the "Settlement Price" first published following the 15th trading day in the CEGH AT VTP „First Front Month" section for the month following the base month (https://www.cegh.at/en/exchange-market/market-

data/?product=monthly&market=AT). The "Settlement Price" published in EUR/MWh is converted to HUF/kWh always at the average exchange rate of MNB (Central Bank of Hungary) applicable on the 15th day of the relevant month (or the first business day thereafter). (https://mnb.hu/arfolyamok).

Each month, HGS shall review the extent of the required Payment Guarantees, and decreases them with the contracted fees paid.

In the event the System User sells the working gas in its possession, during the sale, the System User's working gas quantity in the storage facility can only be decreased to such an extent that the value of the working gas offered as contractual guarantee will still cover the outstanding contractual fees.

In the event that the booked storage capacity of the System User increases during the storage year, System User shall be obliged to provide further storage working gas energy quantity covering the increased storage fees or a contractual guarantee corresponding to the difference as a collateral. Should the System User fail to provide collateral, HGS is not obliged to provide additional capacities.

4.13.1 Letter of Guarantee (Bank Guarantee) - in case of injected gas

Name of Beneficiary: **Hungarian Gas Storage Private Company Limited by Shares**

Address: **1138 Budapest, Váci út 144-150.**

Guarantee No.:

Contract No.:

We are aware of the fact that ..... (address .....,.....) - hereinafter referred to as System User – concluded a ..... contract with the Beneficiary – in the subject of Natural Gas Storage Contract (hereinafter referred to as: Contract).

Pursuant to the Contract – as a precondition thereto – a Bank Guarantee letter shall be submitted on behalf of the System User in favour of the Beneficiary, to ensure that the System User fully meets its payment obligations stipulated in the Contract. In any event when System User fails to fulfil any payment obligation as per the contract in due time, following the unsuccessful expiry of the extended deadline for remedy, Beneficiary shall be entitled to satisfy its claim by means of calling this bank guarantee. The amount of the bank guarantee shall be at least the amount of any and all fees payable by the System User to the Beneficiary during the contractual period as per the storage contract, decreased by the amount of fees already paid.

In the event that the booked storage capacity of the System User increases during the storage year, System User shall be obliged to provide further storage working gas energy quantity covering the increased storage fees or a guarantee (bank guarantee amendment) corresponding to the difference as a collateral. Should the System User fail to provide such collateral, Beneficiary is not obliged to provide additional capacities.

Hereby, we, Bank (address.....) assume an irrevocable and unconditional obligation to the effect that we perform payment on behalf of the System User in the maximum amount of

HUF/euro

(that is ..... forints/euros)

to the Beneficiary within 5 (five) banking days from their first written demand sent to the Bank's address (address: …….), without investigating the underlying relationship, on condition the Beneficiary represents that the System User has failed to fulfil their payment obligation stipulated in the Contract.

We shall satisfy the Beneficiary's claim in relation to this Letter of Guarantee by means of cash transfer in conformity with the demand sent by the Beneficiary in a written form. Beneficiary shall submit its duly signed claim to our bank through the Beneficiary's account keeping bank, verifying the authenticity of the signatures. The Bank will not accept any payment demand received on the phone or by fax.

This bank guarantee shall remain in effect from 1st April 20 until the date a quantity of gas owned by the System User corresponding to % of the working gas capacity booking request nominated by the System User for the storage year is injected, but not later than until 20 . System User and Beneficiary shall inform the Bank by mail of the fact of completing the injection.

The bank guarantee shall expire upon injecting a quantity of gas corresponding to % of the working gas capacity booking request, and our Bank shall not perform any payment based thereon, irrespective of whether the original copy is sent back to our Bank.

In addition to the above, the Bank's obligations under this letter of guarantee shall be terminated only if the Beneficiary declares in a duly signed statement that they waive their rights under this bank guarantee, and will no longer require a bank guarantee, and releases the Bank from its obligations under the bank guarantee.

System User shall bear all the costs arising in relation to this bank guarantee.

This bank guarantee or any right arising therefrom may be assigned only with the prior written consent of the Bank.

As to this bank guarantee, Hungarian law shall apply, except for Section 6:436 of the Civil Code, given that the Bank shall not investigate the legal relationship between the System User and the Beneficiary. Legal disputes, if any, shall be subject to the jurisdiction of the Hungarian courts.

... . 20__

……..

Name:

Position:

Bank:

4.13.2 Letter of Guarantee (Bank Guarantee) - Independent

Name of Beneficiary: **Hungarian Gas Storage Private Company Limited by Shares**

Address: **1138 Budapest, Váci út 144-150.**

Guarantee No.:

Contract No.:

We are aware of the fact that ..... (address .....,.....) - hereinafter referred to as System User – concluded a ..... contract with the Beneficiary – in the subject of Natural Gas Storage Contract (hereinafter referred to as: Contract).

Pursuant to the Contract – as a precondition thereto – a Bank Guarantee letter shall be submitted on behalf of the System User in favour of the Beneficiary, to ensure that the System User fully meets its payment obligations stipulated in the Contract. In any event when System User fails to fulfil any payment obligation as per the contract in due time, following the unsuccessful expiry of the extended deadline for remedy, Beneficiary shall be entitled to satisfy its claim by means of calling this bank guarantee. The amount of the bank guarantee shall be at least the amount of any and all fees payable by the System User to the Beneficiary during the contractual period as per the storage contract, decreased by the amount of fees already paid.

Hereby, we, Bank (address.....) assume an irrevocable and unconditional obligation to the effect that we perform payment on behalf of the System User in the maximum amount of

HUF/euro

(that is ..... forints/euros)

to the Beneficiary within 5 (five) banking days from their first written demand, without investigating the underlying relationship, on condition the Beneficiary represents that the System User has failed to fulfil their payment obligation stipulated in the Contract.

We shall satisfy the Beneficiary's claim in relation to this Letter of Guarantee by means of cash transfer in conformity with the demand sent by the Beneficiary in a written form. Beneficiary shall submit its duly signed claim to our bank through the Beneficiary's account keeping bank, verifying the authenticity of the signatures. The Bank will not accept any payment demand received on the phone or by fax.

This bank guarantee shall remain in effect from 1 April 20__ until 30 April 20__ +1 year.

The Bank's obligations under this letter of guarantee shall be terminated only if the Beneficiary declares in a duly signed statement that they waive their rights under this bank guarantee, and will no longer require a bank guarantee, and releases the Bank from its obligations under the bank guarantee.

System User shall bear all the costs arising in relation to this bank guarantee.

This bank guarantee or any right arising therefrom may be assigned only with the prior written consent of the Bank.

As to this bank guarantee, Hungarian law shall apply, except for Section 6:436 of the Civil Code, given that the Bank shall not investigate the legal relationship between the System User and the Beneficiary. Legal disputes, if any, shall be subject to the jurisdiction of the Hungarian courts.

... . 20__

……..

Name:

Position:

Bank:

Annex No. 1: Release Statement

Annex No. 1

Release Statement

Subject: waiver of the payment guarantee issued by <Bank> on ..... 20__, under No. ……. in the amount of ……, with an expiry date of ..... 20__ (hereinafter referred to as: **Guarantee**)

We, the undersigned **Hungarian Gas Storage Private Company Limited by Shares** (seat: 1138 Budapest, Váci út 144-150., registered by the Budapest Court of Registration under trade registry No.: 01-10-045043), as the Beneficiary of the Guarantee, hereby declare that we do not require the Guarantee issued by …….. <Bank> (seat: ……..; registered by the Budapest Court of Registration under trade registry No.: .....) (hereinafter referred to as: …… **Bank**) on ..... 20__to guarantee the …….. contract, and with effect as of ..... 20__, we release the <Bank> from the obligations assumed by <Bank>, and irrevocably waive any and all the rights set out therein for the Hungarian Gas Storage Limited Company, as Beneficiary (including in particular the right to enforce the Guarantee). Furthermore, we acknowledge that having regard to this statement, the <Bank> shall not be bound by any payment or other obligation whatsoever in the future under the Guarantee.

On ..... 20__, Hungarian Gas Storage Ltd, as the beneficiary returned to ..... the original copy of the performance guarantee issued by <Bank> on behalf of ..... on ..... 20__, under reference No. ……. in the amount of …… Forints.

We hereby also represent that we have not made any notarized copy of the Guarantee statement.

Budapest, ... 20__

Hungarian Gas Storage Ltd.

……

<Bank> takes note of the content of the above statement and hereby considers the Guarantee terminated.

Dated: Budapest, ... 20__

.....
<Bank>

4.13.3 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 HGS) to cover the contractual fees relating to the storage year of 20__/20__.

In order to have zero kWh working gas energy quantity on 31 March 20__, System User undertakes to pay all payable storage fees in advance until 1 March 20__. HGS shall be entitled to request an advance payment for the expected volume fees and other expected costs (in case of using optional services). Failure to do so qualifies as a breach of contract, based on which HGS shall be entitled to sell the natural gas stock stored in the storage facility and deduct the fees payable until 31st March from the revenue of such sale.

As of the beginning of the storage year, the percentage ratio relating to the above specified stock shall pro rata decrease monthly so that the storage working gas stock serving as coverage for the contractual fees shall always cover the storage fees not yet paid.

By signing this declaration, System User agrees that in case of payment default on the fees payable upon the storage contract, HGS may sell from its injected natural gas - pursuant to Annex No. 4.13 of the Code of Business Conduct - a quantity the purchase price of which covers the invoiced but unpaid fees.

In the event that the booked storage capacity of the System User increases during the storage year, System User shall be obliged to provide further storage working gas energy quantity covering the increased storage fees or a contractual guarantee corresponding to the difference as a collateral. Should the System User fail to provide collateral, HGS is not obliged to provide additional capacities.

System User irrevocably understands that in case of storage fee payment default, HGS shall be entitled to sell the injected and offered gas according to Annex No. 4.13 of the Code of Business Conduct, and deduct the storage fee 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 HGS, 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 HGS, provided that the Buyer undertakes that the gas remains to serve as coverage for the fees of HGS 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 HGS and this Declaration – along with the purchase price specified, and shall not contest it on any legal grounds.

Budapest, ... 20__

System User

…… ……

Name Name

Position Position

I accept the declaration:

Hungarian Gas Storage Ltd.

…… ……

Name Name

Position Position

4.13.4 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 HGS) to sell the natural gas energy quantity injected into the HGS'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 HGS, to perform all the (e.g.: administrative) activities related to such sale and to deduct the unpaid storage 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 storage fees to HGS in full.

Budapest, ... 20__

System User

……. …….

Name Name

Position Position

I accept the power of attorney:

Hungarian Gas Storage Ltd.

……. …….

Name Name

Position Position

4.13.5 DECLARATION OFFERING PREVIOUSLY INJECTED GAS AS COLLATERAL RELATING TO BUNDLE CONTRACT

Contract No.:

..... (seat: .....) (hereinafter referred to as System User) and Hungarian Gas Storage Ltd (hereinafter referred to as HGS) concluded a capacity booking contract on natural gas storage on ..... 20_. To guarantee its contractual obligations, System User issued a declaration on ..... 20__ to the effect that instead of the contractual guarantee it offers the natural gas energy quantity it injected into HGS's underground gas storage facilities to cover the contractual fees relating to the storage year of 20__ /20__ .

By signing this declaration, System User agrees that in case of payment default on the fees payable as per the capacity booking contract on annual natural gas storage concluded on ..... 20__ for the storage year 20__/20__ beyond the capacity booking contract on natural gas storage for storage year 20__ /20__ and also as per the storage contract on Using and Providing Bundled Seasonal Natural Gas Storage Basic Service concluded on ..... 20__, HGS may sell from its injected natural gas energy quantity an energy quantity the purchase price of which covers the invoiced but unpaid service fees. The relating rules of procedure and the specific details are contained in Annex No. 4.13. of HGS's Code of Business Conduct.

System User as a system user using natural gas storage service represents that this declaration shall be construed as the extension of its declaration issued on ..... 20__, that is it shall fully guarantee both contractual obligations.

Furthermore, System User represents that its declaration issued on ..... 20__ shall be effective with unchanged content independently and separately from this extension, and that the rules specified in that declaration shall form part of this declaration with equivalent effect.

Budapest, 20__ .....

System User

…… ……

Name Name

Position Position

I accept the declaration:

Hungarian Gas Storage Ltd.

…… ……

Name Name

Position Position

4.13.6 POWER OF ATTORNEY FOR THE SALE OF GAS PREVIOUSLY INJECTED AS COLLATERAL RELATING TO BUNDLE CONTRACT

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 HGS) to sell the natural gas injected into the HGS'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 HGS, to perform all the (e.g.: administrative) activities related to such sale and to deduct the unpaid storage 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 storage fees to HGS in full.

Budapest, ... 20__

System User

…… ……

Name Name

Position Position

I accept the power of attorney:

Hungarian Gas Storage Ltd.

…… ……

Name Name

Position Position

4.13.7 DECLARATION OFFERING AS COLLATERAL GAS INJECTED BY ANOTHER SYSTEM USER

Contract No.:

We, the undersigned ..... (authorized signatory representative) and ..... (authorized signatory representative) acting on behalf of **<System User1>** (seat:, tax number:, trade registry No.:,) (hereinafter referred to as System User 1) declare that we are aware that on …….

- <contract> (hereinafter referred to as contract) was concluded **with Hungarian Gas Storage Ltd**.

System User 1 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 HGS (excluding the gas quantity previously offered to HGS as collateral for the storage services of System User 1) to cover all the contractual fees of **<System User 2>** (seat:, tax No.:, trade registry No.:) (hereinafter referred to as System User 2) relating to the storage year of 20__/20__.

As of the beginning of the storage year, the percentage ratio relating to the stock offered by System User 1 by this declaration as collateral for the fees of storage service used by System User 2 shall pro rata decrease monthly so that the storage working gas stock serving as coverage for the contractual fees shall always cover the storage fees not yet paid by System User 2.

By signing this declaration, System User 1 agrees that in case of payment default by System User 2 on the fees payable upon the storage contract concluded by System User 2, HGS may sell from the natural gas injected and offered by System User 1 as collateral for the storage service fees of System User 2 - pursuant to Annex No. 4.13 of the Code of Business Conduct - a quantity the purchase price of which covers the unpaid fees invoiced to System User 2.

By signing this declaration, System User 1 also understands that in order to have zero kWh working gas energy quantity for System User 2 on 31 March 20__, System User 2 shall pay in advance, ... until 1 March 20__, all the storage fees due until the end of storage year. Failure to do so qualifies as a breach of contract by System User 2, based on which HGS shall be entitled to sell the natural gas stock offered by System User 1 and stored in the storage facility, and deduct the storage fees payable until 31st March from the revenue of such sale. HGS shall be entitled to request an advance payment for the expected volume fees and other expected costs (in case of using optional services).

System User 1 irrevocably understands that in case of storage fee payment default by System user 2, HGS shall be entitled to sell the injected and offered gas according to Annex No. 4.13 of the Code of Business Conduct, and deduct System User 2’s unpaid storage fee from the revenue of such sale.

In the event that the booked storage capacity of System User 2 increases during the storage year, System User 1 may - at its own discretion - provide further contractual guarantee

corresponding to the difference. However, should System User 1 fail to provide collateral, HGS is not obliged to provide additional capacities for System User 2.

System User 1 understands and undertakes that mortgage may only be registered on the injected gas offered as collateral upon the prior written consent of HGS, 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 1 understands that the injected gas offered as collateral may only be sold on the prior written consent of HGS, provided that the Buyer undertakes that the gas remains to serve as coverage for the fees of HGS storage services.

System User 1 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 HGS and this Declaration – along with the purchase price specification, and shall not contest it on any legal grounds.

The gas quantity offered as collateral by this declaration shall not be used to settle the fees for the storage services used by System User 1.

This declaration shall remain in effect until the System User 2 has paid all storage fees to HGS in full.

In connection with this declaration, HGS shall not assume any liability whatsoever for any claims or demands made by System User 1 and System User 2 against each other.

Budapest, ___20__

System User 1:

<System User 1>

.....	.....
Name	Name
Position	Position

System User 2:

<System User 2>

.....	.....
Name	Name
Position	Position

I accept the declaration:

Hungarian Gas Storage Ltd.

.....	.....
Name	Name
Position	Position

4.13.8 POWER OF ATTORNEY FOR THE SALE OF GAS INJECTED AS COLLATERAL

Contract No.:

I, the undersigned ..... (authorized signatory representative) and ..... (authorized signatory representative), **<System User 1>** (seat:), tax No.:, trade registry No.: (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 HGS) to sell the natural gas energy quantity injected into the HGS's gas storage facilities by System User 1 pursuant to the stipulations of Section 27 of Act No. XL of 2008 on natural gas supply and the Code of Business Conduct of HGS, to perform all the (e.g.: administrative) activities related to such sale and to deduct the storage fees not paid by <System User2> from the revenue of such sale.

This power of attorney may not be revoked and shall remain effective until the <System User2> pays the storage fees to HGS in full.

Budapest, ___20__

<System User1>

……	……
Name	Name
Position	Position

Hungarian Gas Storage Ltd.

……	……..
Name	Position
Position	

5 STORAGE CAPACITY AUCTION REGULATIONS

5.1 STORAGE CAPACITY AUCTION REGULATION I

HUNGARIAN GAS STORAGE LTD

STORAGE CAPACITY AUCTION REGULATION I

IN CASE OF CAPACITY OVERSUBSCRIPTION DURING ANNUAL CAPACITY OFFERING

STORAGE CAPACITY AUCTION REGULATION I

in case of capacity oversubscription during annual capacity offering

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Annex No. 2: Auction Statement

1. Introduction And Objective of Regulation

Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC sets forth that access to natural gas storage facilities shall be provided on the basis of objective, transparent and non-discriminatory criteria. Particular importance will be attached to the above mentioned requirement in case of congestions in storage capacity requests.

With regard to storage capacity booking, Act No. XL of 2008 on natural gas supply (Gas Act) and Government Decree No. 19/2009 (I.30.) on the implementation of the Gas Act (Implementation Decree), the Operational and Trading Code (Grid Code) and the Code of Business Conduct of Hungarian Gas Storage Ltd natural gas licensee (hereinafter referred to as HGS) shall also apply. HGS shall ensure the distribution of the available free capacities between the bidders pursuant to these provisions.

If following the evaluation of the capacity requests, the case specified in Section 2.1.4.3.1 (f) iii of the Grid Code exists, that is the capacity requests submitted by the System Users exceed the available capacities, HGS shall announce an auction for the available free capacities within 15 business days from receiving capacity requests in order to ensure non-discriminatory access.

The objective of this auction regulation (hereinafter referred to as: Regulation) is to specify the annual capacity auction procedure, the framework conditions of participation and the framework rules of capacity auctions announced and planned to be carried out by HGS.

2. Subject and Scope of Regulation

This regulation provides information on the scope of auction participants, the service constituting the subject of the auction, as well as the process of carrying out the auction. Following a successful auction, HGS as the Auctioneer (Auctioneer) and the Bidder submitting a valid bid shall conclude the Natural Gas Storage Contract specifying the general contractual terms and conditions of trading, settlement and payment, along with the rights and obligations of the contracting parties. The Natural Gas Storage Contract shall be annexed to the applicable auction notice.

The scope of the Regulation shall cover:

- the Bidders intending to participate in the annual auction, specified in the Regulation and, as well as their representatives acting on their behalf;
- the Auctioneer announcing and carrying out the annual capacity auction and offering the service at the auction, the representatives acting on its behalf, along with the contributors involved in carrying out the capacity auction.

3. References

- Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009

- Act No. CXII of 2011 on the Right of Informational Self-Determination and on Freedom of Information.
- Act No. XL. of 2008 on Natural Gas Supply (Gas Act)
- Government Decree No. 19/2009 (I.30.) on the implementation of certain provisions of the Act (Implementation Decree)
- Operational and Trading Code (Grid Code)

4. DEFINITIONS

The objective of this section is to clarify for every stakeholder the interpretation of the concepts referred to herein. As for financial definitions, this chapter shall only specify the explanation of concepts closely related to the auction.

Bid: Capacity booking request submitted by Bidders in an auction round at the capacity auction at the Bid Price relevant for the given round.

Bid Price: determined by the Auctioneer in the given round for capacity bundles offered during the given auction round.

Bid Bond: Financial security which can be defined by the Auctioneer – exercising its discretionary powers – in the form of a bond, the amount of which can be determined by the Auctioneer in the announcement notice. If the Auctioneer prescribes a bond, the Bidder shall pay the amount of the bond to HGS's bank account prior to 12:00 hours on the business day preceding the auction. Failure to pay the bid bond in due time shall exclude participation in the auction. The bid bond shall serve as a security for paying the earnest money as defined hereunder. The Bidder shall pay earnest money in the amount of the bid bond if in the first Auction Round as per Section 5.4 of this Regulation, the Bidder makes a Bid for a capacity request less than the Bidder's Nomination. The Bidder submitting a valid Bid shall also pay earnest money in the amount of the bid bond in the event the Bidder fails to conclude the Natural Gas Storage Contract within 5 business days from the auction. Following the procedure, the amount of the bid bond shall be reimbursed within 5 business days from signing the contract to Bidders having submitted Bids for capacities in conformity with their Nominations in the first Auction Round, as well as to Bidders who conclude the Natural Gas Storage Contract after having submitted a valid Bid. The amount of the bid bond shall be reimbursed within 5 business days to Bidders who have paid the bid bond and submitted an invalid Bid.

Bid Period:	Period of using storage capacities offered at the auction, commencing at 6:00 hours in the morning on the day when the capacities become available and terminating at 6:00 hours in the morning on 1 April at the end of the storage year. Auctioneer specifies the availability date of the capacities in the auction notice.
Bid Sheet:	Document submitted by the Bidder in the course of bidding in the given auction round, containing the number of the Auction Round, along with the number of bundles the Bidder intends to purchase at the Bid Price of the ongoing Auction Round.
Bid Quantity:	Capacity quantity (number of capacity bundles) for the booking of which the Bidder makes a bid at the Bid Price of the ongoing auction round.
Bidder:	Legal person as per the Gas Act, having submitted a capacity request (Nomination) in line with the Grid Code and meeting the formal requirements to the natural gas storage licensee prior to the announcement of the auction, and then has successfully registered itself according to the auction notice.
Undersubscription:	Quantity – total capacity booking request – failing to reach the capacity offered by the Auctioneer.
Auction Round:	The following processes shall belong to one Auction Round at the auction: submitting the Bids until the deadline defined for the capacity bundles, then processing and evaluating the received Bids and announcing the evaluation result to the Bidders. Each Auction Round consists of three parts: Submission of Bids, Evaluation and Announcement of Results.
Auction Statement:	Statement to be filled in during the registration procedure of the capacity auction (Annex No. 2), in which the party indicating its intent to participate makes a statement to the effect of accepting the terms and conditions in relation to the auction.
Valid Bid:	A bid that is accepted by the Auctioneer, in whole or in part, during the evaluation.
Invalid Bid	Incomplete or incorrectly completed bid.
Natural Gas Storage Contract:	Contract entered into by and between the awarded Bidder(s) and the Auctioneer on booking the capacity bundles sold at

	the auction, which shall in any case be attached as annex to the capacity auction notice.
Starting Price:	The starting price of a capacity bundles in the first auction round, determined as per the applicable Tariff Resolution.
Nomination:	Request submitted by the Bidder to the natural gas storage licensee for the offered available storage capacities. Nominations shall be submitted following the available storage capacity is offered on the website of the natural gas storage licensee.
Lack of Subscription:	No valid bid is received in the given Auction Round of the capacity auction for the amount of capacity offered in the given auction round.
Auctioneer:	Hungarian Gas Storage Ltd (seat: 1138 Budapest, Váci út 01-10-015043, trade registry No.: 01-10-015043) as natural gas storage licensee.
Exact Subscription:	Bidders' aggregate capacity request in the given Auction Round, which equals to the capacity quantity offered by the Auctioneer.
Registration Datasheet:	The form required for registration as per Annex No. 1.
Registration Code:	Code used to identify the Bidder during the capacity auction.
Oversubscription:	Bidders' aggregate bid quantity in the given Auction Round exceeds the amount of capacities offered by the Auctioneer in the given Auction Round.

5. Auction Procedure

5. 1. Auction Announcement

Auctioneer shall publish on its website the available free capacities offered for sale. In the event that Nominations for announced free capacities exceed the announced quantity, the Auctioneer may announce a capacity auction pursuant to this Regulation.

System Users will be notified of the capacity auction if their capacity booking request could not be fulfilled in part or in full by the natural gas storage licensee without organising an auction.

The Auctioneer shall send a letter on paper and/or by e-mail on the announcement of the capacity auction within two business days at the latest to capacity bidders having submitted Nominations for free capacities.

The auction notice shall be published on the website of the natural gas storage licensee with the proviso that only the above specified System Users may participate.

Auctioneer sends this Regulation, together with the auction notice and the Natural Gas Storage Contract template to all the parties concerned in an electronic form and also publishes the same on its website (www.mfgt.hu).

Auctioneer can provide the following information in the auction notice:

- Name, availability details and submission deadline of the documentation required for registration;
- Type and amount of the security to be specified by the Auctioneer and the Auctioneer's bank account number;
- Size and quantity of capacity bundles offered;
- Starting price of a capacity bundle;
- Exact place and date of the capacity auction;
- Detailed rules of conducting the auction;
- Natural Gas Storage Contract template which stipulates the general, trading, settlement and payment terms and conditions as well as the rights and obligations of the contracting parties.
- Name and contact details of the contact person.

Following the announcement of the auction, the contact person designated by the Auctioneer shall be entitled to answer any further questions in relation to the auction and to supply information. Auctioneer shall send the questions received and answers provided to all the participants, provided that the answers facilitate a better understanding of the registration process/successful participation in the auction.

The Auctioneer shall proceed in compliance with Section 4 of Act No. CXII of 2011 on the Right of Informational Self-Determination and on Freedom of Information.

5.2. Registration Process

The first steps to participate in the capacity auction are indicating the intent to participate, accepting the auction regulation by filling in the Auction Statement, and sending the documents required for Nomination to the Auctioneer, if they were not submitted in full simultaneously with the Nomination and supply of missing information is required.

At the capacity auction, bids can be made by only those capacity bidders that are eligible for storage access and have submitted a Nomination in the required form to HGS prior to the announcement of the auction.

Documents required for registration:

- Duly signed Registration Datasheet (Annex No. 1).

- Duly signed Auction Statement (Annex No. 2), by the signature of which the Bidder verifies its intent to take part and the acceptance of the Auction Regulation and the Natural Gas Storage contract template.
- Completeness of the documents required for the nomination as specified in the annual offer announcement.
- Optionally, depending on the notice: crediting the Bid Bond to the Auctioneer's bank account.

Bidder shall specify its representative's data on the Registration Datasheet. Bidder may be represented by its officer authorised to represent the Bidder and entitled to act as its signatory, or by a person authorized in writing by such an officer (in the event of joint signatories: officers) of the Bidder.

These documents shall be submitted to the Auctioneer prior to the registration date stated in the capacity auction announcement notice. Auctioneer shall confirm the registration to the applicant.

During registration, in the event of late or incomplete delivery of documents, the Auctioneer may require deficiency correction from the Bidder along with setting an extended deadline, defaulting on which has the legal implication of invalidating the registration. In case of a valid registration, the Auctioneer confirms the fact of registration to the Bidder by e-mail.

For the acceptance of the registration by HGS, full and complete submission of the documents specified above, which can take place by mail or by email, however, in the latter case, the original documents shall also be submitted together with the bid, in the absence of which the registration is rendered invalid, and thus the bid cannot be evaluated.

During registration, Auctioneer shall be obliged to treat data submitted to the auction in a confidential manner and will not disclose them to any third party.

5.3. General Rules of Auction

Bidders shall be responsible for the confidential handling of their Registration Code. Each Bidder shall participate in the auction anonymously – by using their Registration Code – and shall not attempt to violate the anonymity of other Bidders.

Registered Bidders shall pursue open market behaviour during the auction. They shall not initiate any background agreement infringing the capacity auction participation and interests of the Auctioneer and other Bidders or providing undue advantages. Bidders shall undertake neither to conclude, nor to have concluded any contract or agreement with any other party which would confer any advantage in relation to the auction (e.g.: with regard to the coordination of bidding intention/behaviour, strategy or Bid Prices).

Bidders shall agree to the content of the Auction Regulation, and understand that breaching the content thereof results in the Bidder's immediate exclusion.

Bidders can participate in the auction by bidding in person.

The Bidder's representative can take part in the auction after cross-checking the submitted registration sheet data and the personal identification card data, and after having the representative's authorization duly verified. The Bidder's representative shall report at the contact person specified in the notice at least half an hour prior to the scheduled time of the auction, at the place of the auction, where they shall sign in. Each Bidder may participate in the auction with maximum one representative and one more person.

The auction shall be carried out and controlled by the auction committee. The auction committee shall consist of the Auctioneer's representatives. Auctioneer may invite the representative of the Authority to the auction. Auctioneer reserves the right to involve further employees and legal or business advisors in the auction for the purposes of monitoring or cooperation.

Auctioneer shall provide the room and the resources required for carrying out the auction.

The Auctioneer offers storage capacities at the auction in bundles of

withdrawal capacity [kWh/day],
injection capacity [kWh/day],
working gas capacity [kWh]

for sale. Any capacity element can be 0 when bundles are created. Auctioneer is to decide this in view of the available free capacities.

The Auctioneer creates capacity bundles in which working gas capacity is the largest common divisor of the working gas capacities contained in the preliminarily submitted nominations. The injection and withdrawal capacities of the bundles are the injection and withdrawal capacity amount related to the working gas capacity specified above, at technological ratio (133.33 days injection/70.31 days withdrawal). The Bid Price of capacity bundles shall not be lower than the price determined pursuant to the prevailing Tariff Resolution.

The Bid Price shall not include the volume (withdrawal, injection) fees. Injection and withdrawal volume fees shall be determined in line with the prevailing Tariff Resolution.

Auctioneer shall publish the Starting Price of capacity bundles in the auction notice.

5.4 Conducting the Capacity Auction

The capacity auction shall be carried out at the place provided by HGS. Auctioneer follows the ascending price method when auctioning capacity bundles. The Bid Price of the first round shall be the Starting Price.

In the course of the auction, the Auctioneer increases the Bid Price in each round. In each Auction Round, Bidders can bid for the bid quantity, at the price valid in the given round.

The auction consists of Auction Rounds. The auction continues unless there is "Undersubscription", "Lack of Subscription" or "Exact Subscription".

Each auction round has three well distinguishable stages: Submission of Bids, Evaluation and Announcement of Results.

1) Making a Bid

Each auction rounds starts with making the bids. At the beginning of Auction Rounds the auction manager delegated by the Auctioneer announces the starting Bid Price of the relevant capacity bundles in the given round, then invites the Bidders to make their bids. Bidders can only make bids for an integer number of capacity bundle/bundles.

Bidders submit their bids in each Auction Round on a separate bid sheet in an envelope provided by the Auctioneer. Only the Bidder's Registration Code can be indicated on the envelope. The number of the Auction Round shall be indicated on the Bid Sheet, along with the number of bundles the Bidder intends to purchase at the price of the ongoing Auction Round.

In the first Auction Round, Bidders shall indicate the quantity previously specified in their Nomination. Failing this, Earnest Money shall be paid to the Auctioneer. In subsequent rounds, if the Bidder does not intend to make a bid in the given Auction Round, the bid sheet is to be submitted with zero bid quantity. Bidders may submit their bid for a quantity not exceeding their Nomination.

The time limit for making bids in the given Auction Round shall be specified (minutes) prior to each Auction Round. Bidders shall have the above specified time to consider and make their bids separately from each other. In the event that all the participants of the auction submit their Bid within this time limit, the auction manager declares the given round closed. Following the time limit specified, the Auctioneer will not accept any Bid for the given round.

2) Evaluation

The auction committee shall sum up and evaluate the Bids submitted. In the course of evaluation, the total capacity demand for the given round is determined. Bidders cannot modify or withdraw their Bid after submission during bidding. Incomplete or incorrectly compiled Bids shall be considered as invalid in the given round. Auctioneer shall inform the Bidders thereof – indicating the reasons for invalidity.

Quantities awarded to the Bidders in function of the valid bidding quantities (demand) are as follows:

- Bidders' aggregate capacity request in the given Auction Round, which equals to the capacity quantity offered by the Auctioneer (Exact Subscription). In this case, all the valid Bids shall be deemed as successful, that is valid and successful Bids shall qualify as quantities awarded to the Bidder in the given Auction Round. In this case, the auction shall be closed.
- The aggregate bid quantity submitted by the Bidders is lower than the quantity offered by the Auctioneer in any Auction Round following the first one (Undersubscription). In this case, all the Bids submitted in the given Auction Round shall be accepted and satisfied at the Bidding Price valid in the given Auction Round. Quantities specified in their Bid shall be awarded to the Bidders. In this case, the auction shall be closed.
- In the event that the aggregate bid quantity exceeds the offered quantity in any Auction Round, Oversubscription occurs. In this case the Auctioneer shall act as provided for in the auction notice, namely the following:
    - successfully close the auction and determine the quantities awarded to the Bidders according to the bid price and bid quantities of the (most recent) oversubscribed Auction Round, by means of proportional distribution.
    - close the given Auction Round (announcing "Oversubscription" as the Auction Round result) and continue the Auction by launching the subsequent Auction Round with an increased Bid Price. In this case, the bid quantity shall not change in the subsequent round. Auction rounds may continue unless there is "Undersubscription", "Lack of Subscription" or "Exact Subscription".
- No valid Bid is received in any Auction Round following the first one (Lack of Subscription). In this case, the Auctioneer may either declare the auction unsuccessful, or announce a subsequent Auction Round.

3) Announcement of the results

Evaluation shall be followed by announcing the results - regarding given auction round. During the announcement of results, the following information shall be released about the relevant round: number of the relevant Auction Round, the Bid Price valid in the relevant round, the quantities awarded and the fact of "Undersubscription", "Exact Subscription", "Oversubscription" or "Lack of Subscription".

5.5. Final Result Announcement

Following a successful auction, the Auctioneer records the results of the auction in a protocol per each Bidder (sold storage capacities, price established at the auction).

Auctioneer instructs the awarded Bidder(s) whom to contact in relation to concluding the contract.

All the successful Bidders receive from the Auctioneer information relevant only to them.

Bidder shall be bound by the obligation to conclude a contract under the exclusive contractual terms set forth in the annex of this regulation – and adopted by the Bidder in the auction statement –, defaulting on which shall entitle the Auctioneer to use the Bid Bond.

Following the auction the Auctioneer and the awarded Bidders shall conclude the "Natural Gas Storage Contracts" on the awarded quantities within 5 business days from the auction.

The Natural Gas Storage contract template specifies the payment conditions for the capacity quantities awarded to the Bidder.

5.6. Invalid Auction

The Auctioneer shall be entitled to declare the auction invalid if:

- • during the auction, unforeseeable problems arise (for example technical, public health related) which the Auctioneer is unable to control. In this case, the auction will be held at a later announced date. Auctioneer publishes information on its website regarding the rules of such auction.
- any of the Bidders acts improperly at the auction, or gains or makes an attempt to gain undue advantage by applying demonstrably unfair methods damaging the interests of other participants. In this case, the auction is to be held at a later announced date, excluding the Bidder rendering the auction invalid. Auctioneer publishes information on its website regarding the rules of such auction.

Auctioneer reserves the right to suspend the auction or revoke the auction notice without any justification at any time during the auction. In the event of revocation, the Auctioneer shall return by transfer the bid bond within 8 days, but shall not pay any damages or cost reimbursement whatsoever. HEPURA may examine the reasons for revocation.

In case of an invalid auction, the Auctioneer shall announce a new auction within 3 business days.

6. ANNEXES

1. Annex No. 1 Registration Datasheet
2. Annex No. 2: Auction Statement

Annex No. 1

Registration datasheet

Registration Datasheet for Capacity Auction by Hungarian Gas Storage Ltd

For successful registration, all the fields must be filled in with the exception of the Registration Code, of which the Applicant is informed following a successful registration.

Company data:

Company name

Country

Town

Street/square

Zip code

Data of the representative participating in the auction:

Representative's name:

Personal ID / passport no.:

Date of birth year/month/day:

E-mail:

Telephone/mobile:

Fax:

Registration Code (to be provided by the Auctioneer simultaneously with registration):

Dated: ……..

……
authorised signature

Annex No. 2

Auction Statement

On accepting the participation conditions of the auction to be held at **Magyar Földgáztároló Zrt** (HGS headquarters, 1138 Budapest, Váci út 144-150.).

The undersigned: seat: :

_____

Tax No. / Tax identification No.: _____

Bank account number: _____

as a Bidder makes a statement on accepting the following conditions:

1. Bidder declares that it agrees with the regulation governing the **capacity auction to be held at** HGS (HGS Headquarters, 1138 Budapest, Váci út 144-150.). Bidder agrees to be bound by the content thereof during the auction and the preceding registration process.
2. Bidder accepts that the "Natural Gas Storage Contract(s)" attached to the auction notice – together with the contractual provisions thereof unchanged – and the Code of Business Conduct of HGS shall be applicable to concluding the contract after a successful bidding.

Dated:……..

Bidder's authorised signature

5.2 STORAGE CAPACITY AUCTION REGULATION II/A.

HUNGARIAN GAS STORAGE LTD.

STORAGE CAPACITY AUCTION REGULATION II/A

FOR OPTIONAL, NON- ELECTRONIC CAPACITY AUCTIONS

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6. ANNEXES

ANNEX NO. 1: Bid

1. INTRODUCTION, OBJECTIVE OF REGULATION

Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC sets forth that access to natural gas storage facilities shall be provided on the basis of objective, transparent and non-discriminatory criteria.

The objective of this auction regulation (hereinafter referred to as Regulation) is to specify the procedure, the framework conditions of participation and the framework rules of optional capacity auctions announced and planned to be carried out by the Hungarian Gas Storage Ltd (hereinafter referred to as HGS).

2. SUBJECT AND SCOPE OF REGULATION

This regulation provides information on the scope of auction participants, the service constituting the subject of the auction, as well as the process of carrying out the auction. Following a valid and successful auction, HGS as the Auctioneer and the Bidder of the awarded bid shall conclude the Natural Gas Storage Contract specifying the general contractual terms and conditions of trading, settlement and payment, along with the rights and obligations of the contracting parties. The Natural Gas Storage Contract shall be annexed to the applicable auction notice.

The scope of the Regulation shall cover

- the Bidders intending to participate in the auction, as specified in the Regulation and, as well as their representatives acting on their behalf;
- the Auctioneer announcing and carrying out the optional capacity auction and offering the service at the auction, the representative acting on its behalf, along with those involved in carrying out the capacity auction.

3. REFERENCES

Act No. CXII of 2011 on the Freedom of Information

Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009

4. DEFINITIONS

The objective of this section is to clarify for every stakeholder the interpretation of the concepts referred to herein. As for financial definitions, this chapter shall only specify the explanation of concepts closely related to the auction.

Bid:	Bid Price and related capacity booking request submitted by Bidders at the capacity auction (Annex No. 1). The Bid is valid if the Bid Price exceeds the Minimum Price, and meets all the other conditions specified in the auction notice.
Bid Price:	Price offered by the Bidder for capacity bundles offered during the action, which shall be interpreted as a price in the currency of the auction.
Bid Bond:	Financial security which can be defined by the Auctioneer – exercising its discretionary powers – in the form of a bond, the amount of which can be determined by the Auctioneer in the announcement notice. If the Auctioneer prescribes a bond, the Bidder shall pay the amount of the bond to HGS's account prior to 12:00 hours on the business day preceding the auction. Failure to pay the bid bond in due time shall exclude participation in the auction. The bid bond shall serve as a security for paying the earnest money as defined hereunder. The Bidder shall pay earnest money in the amount of the bid bond in the event the Bidder fails to sign the natural gas storage contract within 5 business days from the auction. Following the conclusion of the procedure, the amount of the bid bond shall be reimbursed within 5 business days from signing the contract to Bidders entitled to conclude the natural gas storage contract. The amount of the bid bond shall be reimbursed within 5 business days to Bidders who have paid the bid bond and submitted an unsuccessful Bid.
Bid Period:	Period of using storage capacities offered at the auction. Auctioneer specifies the availability date of the capacities in the auction notice.
Bid Quantity:	Capacity quantity (number of capacity bundles) for the booking of which the Bidder makes a bid at the Bid Price.
Bidder:	System Users entitled to book natural gas storage capacities in Hungary, submitting a bid in conformity with the auction notice.
Undersubscription:	Quantity – total capacity booking request submitted by all the Bidders – failing to reach the capacity offered by the Auctioneer.
Auction Round:	The following processes shall belong to one Auction Round at the auction: submitting the Bids until the deadline defined for the capacity bundles, then processing and evaluating the received Bids and announcing the auction result to the Bidders.

Unsuccessful Bid:	A bid that is not accepted by the Auctioneer during the evaluation.
Natural Gas Storage Contract:	Contract entered into by and between the awarded Bidder(s) and the Auctioneer on booking the capacity bundles sold at the auction, which shall in any case be attached as annex to the public capacity auction notice.
Lack of Subscription:	No valid bid is received for the capacity bundles offered at the auction.
Auctioneer:	Hungarian Gas Storage Ltd (seat: 1138 Budapest, Váci út 144-150, Trade Registry No.: 01-10-015043) as natural gas storage licensee.
Minimum Price:	The lowest unit price set forth by the Auctioneer below which the bid price renders the relevant bid unsuccessful. Auctioneer determines the Minimum Price until the bidding deadline expires, without making it public. Auctioneer shall record the Minimum Price in a protocol in the presence of a public notary following the expiry of the bidding deadline, but before the received bids are known – that is prior to opening the closed envelopes.
HGS (MFGT):	The abbreviated name of Hungarian Gas Storage Ltd ; the Auctioneer.
Exact Subscription:	Bidders' aggregate capacity request, which equals to the capacity quantity offered by the Auctioneer.
Registration Process:	Complete submission of the documents required for participation prior to the auction. In an announcement notice, HGS shall publish the date of the Registration Process and the set of documents to be submitted, following which submitted documents are accepted for the relevant storage year. Registration is also possible prior to each auction.
Participant	System Users entitled to book natural gas storage capacities in Hungary, having successfully participated in the Registration Process.
Oversubscription:	Bidders' aggregate capacity request, which exceeds the amount of capacity offered by the Auctioneer.

5. AUCTION PROCEDURE

5.1 Auction Announcement

The capacity auction shall be publicly announced on the HGS website and by e-mail to all the System Users entitled to book natural gas storage capacities in Hungary.

The Auctioneer publishes the auction regulation governing the relevant auction, together with the auction notice and the natural gas storage contract template on its website (www.mfgt.hu).

Auctioneer provides the following information in the auction notice:

- Name, availability details and submission deadline of the documentation required for registration
- Size and quantity of capacity bundles announced
- In case of optional auctions, the exact specification of the Bid period;
- Exact place and date of the capacity auction;
- Deadline for receiving the Bid
- Validity requirements for bids
- Detailed rules of conducting the auction
- Name and contact details of contact persons
- Type and amount of the security to be specified by the Auctioneer
- The auction notice also contains the Natural Gas Storage Contract which stipulates the general, trading, settlement and payment terms and conditions as well as the rights and obligations of the contracting parties.

Following the announcement of the auction, the contact person designated by the Auctioneer shall be entitled to answer any further questions in relation to the auction and to supply information.

Auctioneer shall handle data obtained during the procedure in compliance with the provisions of Act No. CXII of 2011 on the Right of Informational Self-Determination and on Freedom of Information.

5.2. Registration Process and Implementation, General Rules of Registration

5.2.1 Preliminary Registration Process

Prior to the period, Auctioneer shall announce a time interval, during which companies intending to participate may register for the auctions to be announced in the relevant storage year by submitting the required documents.

The period shall be published in the Auction Notice by HGS on its website.

Registration shall also be possible during the storage year, under the same conditions.

Insofar as following the Registration Process, there is any change within the relevant storage year in the content of any document or with regard to the attorney(s)-in-fact, Bidder shall immediately send the affected document to the Auctioneer, failing which Participant/Bidder may be disqualified from the auction process. The company defaulting on submission shall be liable for any direct or indirect damage arising from the failure to submit the updated documents, vis-a-vis the Auctioneer and to third parties, as well.

5.2.2 General Rules of Registration and Submission of Bids

The first step of participating in the capacity auction is participating in the Registration Process (unless having already participated in the preliminary Registration Process) during which the company intending to participate shall send the required documents to the Auctioneer.

At the capacity auction, bids can be made by only those capacity bidders that are eligible for storage access, and whose documents submitted during the Registration Process were accepted.

a. Documents to be submitted during the Registration Process:

- Original certificate of incorporation not older than 30 days in case of business organisations registered in Hungary and abroad, and in case of business organisations registered abroad, its translated copy in Hungarian or in English (certified translation is not required, in case of companies registered in Hungary, the online version by the Hungarian Ministry of Justice is accepted http://www.e-cegjegyzek.hu/).
- in case of business organisations registered in Hungary: *copy* of the notarised specimen signature(s) or sample signature(s) countersigned by an attorney-at-law of the authorised signatory (signatories) signing the bid.
- In case of business organisations registered abroad: *copy* and translated English or Hungarian copy of the notarised specimen signature(s) (or sample signature(s) countersigned by an attorney-at-law) of the authorised signatory (signatories) signing the bid; or the *original* copy and translated English or Hungarian copy of their sample signature signed in manuscript in the presence of two witnesses, and in the latter case: a Hungarian or English copy of the signed side of a personal document belonging to the signatory (by mail or e-mail).
- Furthermore, in the event that said documents are signed by an attorney-in-fact, a copy of the signed side of a personal document belonging to the attorney-in-fact is also required, in compliance with the above rules applicable to the authorised signatory acting as principal. The power of attorney shall clearly indicate that the attorney-in-fact is entitled to represent the capacity bidder during the *Submission of Bids*.

Where following the Registration Process, there is any change within the relevant storage year in the content of any of the above specified documents or with regard to the attorney(s)-in-fact, Bidder shall immediately send the affected and updated

document to the Auctioneer, failing which Bidder may be disqualified from the auction process. Participant shall be liable for any direct or indirect damage arising from the failure to submit the updated documents, vis-a-vis the Auctioneer and to third parties.

b. Documents to be submitted during the Submission of Bids:

- *Original copy* of the duly signed Bid (Annex No. 1), by the signature of which the Bidder verifies its intent to take part and its acceptance of the Auction Regulation and the Natural Gas Storage contract template.

Accordingly, in order to participate in the capacity auction, Participant shall submit the documents specified in item a) during the Registration Process announced by the Auctioneer in the relevant storage year or prior to the auction separately, and the documents specified in item b) in each case (per auction). In the event of any changes in the content/form of the documents (e.g.: changes in signatories/attorneys-in-fact, identification instruments or data concerning the company) as submitted previously (within the storage year), Participant shall inform the Auctioneer and re-submit the relevant document(s) not later prior to participating in the subsequent capacity auction.

In as far as the company with the intent to participate fails to submit the required (and updated) document(s) or fails to inform the Auctioneer of the changes, its registration for the capacity auction shall not be accepted until the correction of such document(s). Furthermore, Participant shall be fully liable to the Auctioneer or to any third party for any direct or indirect damage arising from the failure to provide or to properly provide such information.

Auctioneer reserves the right to request deficiency correction from the company with the intent to participate – if any formal or substantive deficiency or other non-conformity (e.g.: delay) is detected during the specific review of the documents submitted –, and such company with the intent to participate may not have valid registration for the relevant storage year or auction unless such deficiency correction is performed within the deadline – set forth by the Auctioneer.

Bidder shall be represented by its officer authorised to represent the Bidder and entitled to act as its signatory, or by a person authorized in writing by such an officer (in the event of joint signatories: officers) of the Bidder.

The deadline for submitting these documents to the Auctioneer shall be the capacity auction date. Acceptance of the registration by the Auctioneer is conditional on the full and complete submission of the Documents to be submitted during Registration Process by mail or by email, however, in the latter case, the original documents shall also be submitted, in the absence of which the registration is rendered invalid, and thus no subsequent bid can be evaluated either.

In case of a valid registration, the Auctioneer confirms the fact of registration to the Bidder by e-mail.

During registration, Auctioneer shall be obliged to treat data submitted to the auction in a confidential manner and will not disclose them to any third party.

5.3. General Rules of Auction

Registered Bidders shall pursue open market behaviour during the auction, therefore they shall not initiate any background agreement infringing the capacity auction participation and interests of the Auctioneer and other Bidders or providing unjustified advantages. The Bidder shall agree and declare neither to conclude, nor to have concluded any contract or agreement with any other party which would confer any undue advantage in relation to the given auction (e.g.: with regard to the coordination of bidding intention/behaviour, strategy or Bid Prices).

Bidders shall agree to the content of the Auction Regulation, and understand that breaching the content thereof results in the Bidder's immediate exclusion.

Auctioneer shall provide the room and the resources required for carrying out the auction.

The Auctioneer offers storage capacities at the auction in bundles of

- injection peak capacity [kWh/day] and/or
- working gas capacities [kWh] and/or
- withdrawal peak capacity [kWh/day] and/or
- any other potential service elements

for sale. Any capacity element can be 0 (zero) when bundles are created. Auctioneer is to decide this in view of the available free capacities.

5.4 Conducting the Capacity Auction

The capacity auction shall be carried out at the place specified by the Auctioneer.

The capacity auction shall have one auction stage:

Bidders can make a Bid for the bundles offered by the Auctioneer in the auction round set forth by the Auction Notice.

The quantity of capacity bundles offered, as Bid Quantity, shall be announced prior to the auction round.

5.5.1 Auction

1. Making a Bid

The Auctioneer announces the capacity bundles offered. Bids can be made for one bundle or for the integral multiple of a bundle .

The bid shall contain the capacity booking request of the Bidder (in bundles) and the Bid Price.

2. Evaluation

The bid shall be valid if it meets the conditions set out in the Auction Notice regarding the bid.

During the submission of bids, Bidders cannot modify or withdraw a recorded bid after submission.

Bidders shall be committed to their submitted Bids for 15 business days.

Submitted bids shall be opened by the Auctioneer in the presence of a public notary and / or the representative of the Hungarian Energy and Public Utility Regulatory Authority. Further to this, the opening of bids shall not be public.

Bids received late or incomplete bids are deemed invalid.

If the bid price of valid bids received fails to reach the Minimum Price, the submitted bid shall be valid, but unsuccessful and no Natural Gas Storage Contract is concluded. If none of the bids have a bid price reaching the Minimum Price, the auction shall be valid, but unsuccessful.

If at least one submitted valid bid (offer price) reaches the Minimum Price, the auction shall be successful, and the Auctioneer concludes a Natural Gas Storage Contract with the (successful) Bidder having submitted a successful and valid bid.

If several submitted valid bids contain a bid price reaching the Minimum Price and the bid prices are different, the Auctioneer concludes the Natural Gas Storage Contract with the awarded Bidder submitting the highest bid price first, then with the awarded Bidder submitting the second highest price up to the extent of the offered capacity bundles. In this case it may occur that the Auctioneer satisfies a successful Bidder's or several successful Bidders capacity request only partially.

In case of oversubscription if several submitted valid bids contain a bid price reaching the Minimum Price and the bid prices are the same, the Auctioneer distributes the still available capacity bundles pro rata in accordance with capacity bundles requested by the successful Bidders.

5.6 Announcement of Results

Following the auction, the public notary shall record the results of the auction in a protocol per each Bidder (bid price, requested and sold capacity bundles, along with the bid period) or the fact of an unsuccessful auction. The protocol shall not be public. Auctioneer notifies the awarded Bidder with regard to the result of the auction relevant to the given Bidder, together with information on whom to contact in relation to concluding the contract.

All the Bidders receive from the Auctioneer information relevant only to them.

In as far as the Bidder's bid is successful, the Bidder shall be bound by the obligation to conclude a contract on the bundles according to the bid under the exclusive contractual terms set forth in the annex of this Regulation – and adopted by the Bidder in the Auction Statement –, defaulting on which shall entitle the Auctioneer to use the Bid bond.

Following the auction – provided the Bidder submitted a valid and successful bid –, the Auctioneer and the awarded Bidder shall conclude the "Natural Gas Storage Contract"

contained in the annex to the Auction notice on the awarded quantity within 5 business days from the auction.

The Natural Gas Storage Contract specifies the payment conditions for the capacity quantities awarded to the successful Bidder.

5.7. Invalid Auction

Auctioneer shall be entitled to declare the capacity auction invalid if:

- during the auction, unforeseeable technical problems arise which the Auctioneer is unable to control. In this case, the auction will be held at a later announced date. Auctioneer publishes information on its website regarding the rules of such auction.
- any of the Bidders acts improperly at the auction, or gains or makes an attempt to gain undue advantage by applying demonstrably unfair methods damaging the interests of other Bidders. In this case, the auction is to be held at a later announced date, excluding the Bidder rendering the auction invalid. Auctioneer publishes information on its website regarding the rules of such auction.

  Auctioneer reserves the right to suspend the auction or revoke the capacity auction notice without any justification at any time during the auction. In the event of revocation, the Auctioneer shall return by transfer the bid bond within 8 days, but shall not pay any damages or cost reimbursement whatsoever. HEPURA may examine the reasons for revocation.

Auctioneer reserves the right to announce auctions from time to time under conditions other than those set out in this Regulation.

6. ANNEXES

1. Annex No. 4: Bid

BID

for the Optional Capacity Auction **No. .....** by Magyar Földgáztároló Zrt

For a valid bid submission, all the fields must be filled in.

Company data:

Company name: ……..

Seat:……..

Mail address (if different): ……

……

Invoicing address (if different): ……

……..

Account keeping bank:……

Bank account number: ……..

Tax No. / Tax identification No.: ……..

Court of Reg. and Reg. No.: ……

EIC Code: ……

Shipper Code: ……

Contact Persons in issues related to the Contract:

Name: ……

Phone: ……..

Fax: ……

E-mail:……

Contact Persons in issues of daily operative contact:

Name: ……

Phone:……..

Fax: ……

E-mail:……

Data of representative(s) entitled to make a bid:

Name of representative(s) entitled to submit a bid:……

Personal ID / passport No.: ……..

Date of birth day/month/year: ……..

E-mail: ……

Telephone/mobile: ……

Fax: ……..

Name and position of person(s) signing the Contract: ……

……

Bid Data

Bid Price: …… HUF/kWh

Number of bid bundles: …… pieces

Bidder makes a statement on accepting the following conditions:

1. Bidder declares that it agrees with the regulation governing the **capacity auction to be held at** HGS (HGS Headquarters, 1138 Budapest, Váci út 144-150.). Bidder agrees to be bound by the content thereof during the auction and the preceding registration process.
2. Bidder accepts that the "Natural Gas Storage Contract(s)" attached to the auction notice – together with the contractual provisions thereof unchanged – and the Code of Business Conduct of HGS shall be applicable to concluding the contract after the submission of a valid and successful bid.
3. Bidder explicitly accepts that in the event of failing to inform HGS of the post-submission changes in the content of the documents required for registration pursuant to the Auction Announcement Notice, or if the required document(s) is (are) not submitted, the Bid submitted by the Bidder to the capacity auction shall not be accepted. Furthermore, Bidder accepts that it shall be fully liable to HGS or to a third party for any direct or indirect damage arising from the failure to provide or to properly provide such information.

Dated:……..

……

Corporate signature by authorised representative

5.3 STORAGE CAPACITY AUCTION REGULATION II/B

HUNGARIAN GAS STORAGE LTD.

STORAGE CAPACITY AUCTION REGULATION II/B

FOR OPTIONAL ELECTRONIC CAPACITY AUCTIONS

CONTENT

1 INTRODUCTION, OBJECTIVE OF REGULATION

2 SUBJECT AND SCOPE OF REGULATION

3 REFERENCES

4 DEFINITIONS

5 AUCTION PROCEDURE

5.1 Registration Process and Implementation, General Rules of Registration

5.1.1 Preliminary Registration Process

5.1.2 General Rules of Registration

5.2 General Rules and Conduct of Capacity Auction

5.2.1 General Rules of Capacity Auction

5.3 Conducting the Capacity Auction

5.4 Invalid Auction

6 ANNEXES

Annex No. 1: IT Platform (SMCS) Registration Data Sheet and Power of Attorney

1 INTRODUCTION, OBJECTIVE OF REGULATION

Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC sets forth that access to natural gas storage facilities shall be provided on the basis of objective, transparent and non-discriminatory criteria.

The objective of this auction regulation (hereinafter referred to as Regulation) is to specify the procedure, the framework conditions of participation and the framework rules of optional electronic capacity auctions announced and planned to be carried out by the Hungarian Gas Storage Ltd (hereinafter referred to as HGS).

2 SUBJECT AND SCOPE OF REGULATION

This regulation provides information on the scope of auction participants, the service constituting the subject of the auction, as well as the process of carrying out the auction. Following a successful auction, HGS as the Auctioneer and the awarded Bidder shall conclude the Natural Gas Storage Contract specifying the general contractual terms and conditions of trading, settlement and payment, along with the rights and obligations of the contracting parties. The Natural Gas Storage Contract shall be annexed to the applicable auction notice.

The scope of the Regulation shall cover

- the Bidders intending to participate in the auction, as specified in the Regulation and, as well as their representatives acting on their behalf;
- the Auctioneer announcing and carrying out the optional capacity auction and offering the service at the auction, the representative acting on its behalf, along with those involved in carrying out the capacity auction.

3 REFERENCES

Act No. CXII of 2011 on the Freedom of Information

Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009

4 DEFINITIONS

The objective of this section is to clarify for every stakeholder the interpretation of the concepts referred to herein. As for financial definitions, this chapter shall only specify the explanation of concepts closely related to the auction.

Bid	Bid Price and related capacity booking request submitted by Bidders at the capacity auction. The Bid is valid if the Bid Price exceeds the Minimum Price, and meets all the other conditions specified in the auction notice.

Bid Price	Price offered by the Bidder for capacity bundles offered during the action, which shall be interpreted as a price in the currency of the auction.
Bid Submission Stage	When Bidders can submit their bid to the announced auction.
Bid Price Unit	The lowest place value of the Bid Price.
Bid Bond	Financial security which can be defined by the Auctioneer – exercising its discretionary powers – in the form of a bond, the amount of which can be determined by the Auctioneer in the announcement notice. If the Auctioneer prescribes a bond, the Bidder shall pay the amount of the bond to HGS's account prior to 12:00 hours on the business day preceding the auction. Failure to pay the bid bond in due time shall exclude participation in the auction. The bid bond shall serve as a security for paying the earnest money as defined hereunder. The Bidder shall pay earnest money in the amount of the bid bond in the event the Bidder fails to sign the natural gas storage contract within 5 business days from the auction. Following the conclusion of the procedure, the amount of the bid bond shall be reimbursed within 5 business days from signing the contract to Bidders entitled to conclude the natural gas storage contract. The amount of the bid bond shall be reimbursed within 5 business days to Bidders who have paid the bid bond and submitted an invalid Bid.
Bid Period / Period	Period of using storage capacities offered at the auction. Auctioneer specifies the availability date of the capacities in the Auction Notice.
Bid Quantity	Capacity quantity (number of capacity bundles) for the booking of which the Bidder makes a bid at the Bid Price.
Bidder	System Users entitled to book natural gas storage capacities in Hungary, submitting a bid in conformity with the Auction Notice. In case of an electronic auction, a person authorised in advance during the registration process by an entity with storage demand and right may act on behalf of the Bidder.
Auction Status	Stages of the auction process: Defined/Announced/Bid Submission/Evaluation/Evaluated/Archiving.
Undersubscription	Quantity – total capacity booking request submitted by all the Bidders – failing to reach the capacity offered by the Auctioneer.
Anonymous Announcement of Results	In the Evaluated status, Bidder can see the bids submitted by any of the entities, but not the name of such entities. Bidders shall be notified of the application of this by HGS in advance, in writing.
Archiving Status	Following evaluation, the auction is removed from the set of active auctions to be listed in the accessible archives.
Auction Round	The following processes shall belong to one Auction Round at the auction: submitting the Bids until the deadline defined for the capacity bundles, then processing and evaluating the received Bids and announcing the auction result to the Bidders.
Auction System	Closed bid submission system integrated into HGS's IT Platform (SMCS).
Defined Status	Pre-configuration auction status, prior to announcement.
Invalid Bid	A Bid that is not accepted by the Auctioneer during the evaluation.
Cancelled Bid	Bidder may cancel the submitted Bid during the bidding period.

Natural Gas Storage Contract	Contract entered into by and between the awarded Bidder(s) and the Auctioneer on booking the capacity bundles sold at the auction, which shall in any case be attached as annex to the public capacity auction notice.
Attorney-in-fact	Person acting on behalf of the capacity bidding company, accordingly, authorised in advance in writing during the capacity auction process.
Announced Status	Published auction status, a notice published for entitled System Users.
Lack of Subscription	No valid bid is received for the capacity bundles offered at the auction.
Evaluation Status	The auction system verifies the validity of the Bids submitted.
Evaluated Status	The system notifies the Bidders with regard to the auction result either privately, publicly or anonymously, depending on the auction notice.
Auctioneer	Magyar Földgáztároló Zrt. (seat: 1138 Budapest, Váci út 144-150, Trade Registry No.: 01-10-015043) as natural gas storage licensee.
Lowest Bid Unit (Bundle)	Minimum number of bid bundles.
Minimum price	The lowest unit price set forth by the Auctioneer below which the bid price renders the relevant bid invalid. Auctioneer determines the Minimum Price until the start of bidding status, and enters it into the system without making it public.
HGS (MFGT)	The abbreviated name of Hungarian Gas Storage Ltd as used herein; the Auctioneer.
Private Announcement of Results	Bidders can see the bids submitted by their own entities only. Bidders shall be notified of the application of this by HGS in advance, in writing.
Public Announcement of Results	In the Evaluated Status, Bidders can see the bids submitted by any of the entities, each specified. Bidders shall be notified of the application of this by HGS in advance, in writing.
Registration Process	Complete submission of the documents required for participation prior to the auction. In an announcement notice, HGS shall publish the date of the Registration Process and the set of documents to be submitted, following which submitted documents are accepted for the relevant storage year. Registration also possible prior to each auction.
Registration Deadline	Deadline for submitting the documents required for the successful completion of the Registration Process.
Partial Delivery	Partial meeting of bidders' requests depending on the bid price, in case of Oversubscription. The possibility of partial delivery shall be specified in the auction notice.
Participant	System Users entitled to book natural gas storage capacities in Hungary, having successfully participated in the Registration Process.
SMCS	HGS's IT platform, through which the electronic auction is carried out.
Oversubscription	Bidders' aggregate capacity request exceeding the amount of capacity offered by the Auctioneer.

5 AUCTION PROCEDURE

The capacity auction shall be publicly announced on the HGS website and by e-mail to System Users entitled to book natural gas storage capacities.

The Auctioneer publishes the auction regulation governing the relevant auction, together with the auction notice and the natural gas storage contract template on its website (http://www.mfgt.hu).

Auctioneer provides the following information in the auction notice:

- Name, availability details and submission deadline of the documentation required for registration
- Size and quantity of capacity bundles announced
- Exact specification of the Bid period
- Exact date of the capacity auction
- Possibility of Partial Delivery
- Deadline for receiving the Bid
- Maximum number of bids to be submitted
- Lowest bid unit
- Bid price unit
- Result announcement method
- Validity requirements for bids
- Detailed rules of conducting the auction
- Name and contact details of contact persons
- Type and amount of the security to be specified by the Auctioneer
- The auction notice also contains the Natural Gas Storage Contract which stipulates the general, trading, settlement and payment terms and conditions as well as the rights and obligations of the contracting parties.

Following the announcement of the auction, the contact person designated by the Auctioneer shall be entitled to answer any further questions in relation to the auction and to supply information.

Auctioneer shall handle data obtained during the procedure in compliance with the provisions of Act No. CXII of 2011 on the Right of Informational Self-Determination and on Freedom of Information.

5.1 Registration Process and Implementation, General Rules of Registration

5.1.1 Preliminary Registration Process

Prior to the auction period, Auctioneer shall announce a time interval, during which companies intending to participate may register for the auctions to be announced in the relevant storage year by submitting the required documents.

The period shall be published in the Auction Notice by HGS on its website, and registered users (Participants) shall also be notified via an automatic email sent by the SMCS system.

Registration shall also be possible during the storage year, under the same conditions.

Insofar as following the Registration Process, there is any change within the relevant storage year in the content of any document or with regard to the attorney(s)-in-fact, Bidder shall immediately send the affected document to the Auctioneer, failing which Participant/Bidder may be disqualified from the auction process. The company defaulting on submission shall be liable for any direct or indirect damage arising from the failure to submit the updated documents, vis-a-vis the Auctioneer and to third parties, as well.

5.1.2 General Rules of Registration

The first step of participating in the capacity auction is participating in the Registration Process according to the above, during which the company intending to participate shall send the required documents to the Auctioneer and specifies the Attorney(s)-in-fact who may act on behalf of the company in the Auction system.

At the capacity auction, bids can be made by only those capacity bidders that are eligible for storage access as per Section 1.4.3 of the Grid Code, and whose documents submitted during the Registration Process were accepted.

Documents to be submitted during the Registration Process:

- Original certificate of incorporation not older than 30 days in case of business organisations registered in Hungary and abroad, and in case of business organisations registered abroad, its translated copy in Hungarian or in English (certified translation is not required, in case of companies registered in Hungary, the online version by the Hungarian Ministry of Justice is accepted http://www.e-cegjegyzek.hu/).
- The original copy of the IT Platform (SMCS) Registration Datasheet and Power of Attorney (Annex No. 1) authorizing the Attorney(s)-in-fact to act during the capacity auction process on behalf of the capacity bidding company, the Bidder. The power of attorney shall clearly indicate that the attorney-in-fact is entitled to represent the capacity bidder during the *Submission of Bids*.
- In case of business organisations registered in Hungary: *copy* of the specimen signature(s) or sample signature(s) countersigned by an attorney-at-law of the authorised signatory (signatories) signing the Power of Attorney.

- In case of business organisations registered abroad: *copy* and translated English or Hungarian copy of the notarised specimen signature(s) (or sample signature(s) countersigned by an attorney-at-law) of the authorised signatory (signatories) signing the bid; or the *original* copy and translated English or Hungarian copy of their sample signature signed in manuscript in the presence of two witnesses, and in the latter case: a Hungarian or English copy of the signed side of a personal document belonging to the signatory (by mail or e-mail).

Where following the Registration Process, there is any change within the relevant storage year in the content of any of the above specified documents or with regard to the attorney(s)-in-fact, Bidder shall immediately send the affected and updated document to the Auctioneer, failing which Bidder may be disqualified from the auction process. Participant shall be liable for any direct or indirect damage arising from the failure to submit the updated documents, vis-a-vis the Auctioneer and to third parties.

Accordingly, in order to participate in the capacity auction, Participant shall submit the specified documents during the Registration Process announced by the Auctioneer, in the relevant storage year or prior to the auction separately. In the event of any changes in the content/form of the documents (e.g.: changes in signatories/persons authorized to submit bids, identification instruments or data concerning the company) as submitted previously (within the storage year), Participant shall inform the Auctioneer and re-submit the relevant document(s) not later prior to participating in the subsequent capacity auction.

In as far as the company with the intent to participate fails to submit the required (and updated) document(s) or fails to inform the Auctioneer of the changes, its registration for the capacity auction shall not be accepted until the correction of such document(s). Furthermore, Participant shall be fully liable to the Auctioneer or to any third party for any direct or indirect damage arising from the failure to provide or to properly provide such information.

Auctioneer reserves the right to request deficiency correction from the company with the intent to participate – if any formal or substantive deficiency or other non-conformity (e.g.: delay) is detected during the optional review of the documents submitted –, and such company with the intent to participate may not have valid registration for the relevant storage year or auction unless such deficiency correction is performed within the deadline – set forth by the Auctioneer.

Bidder shall be represented by its officer authorised to represent the Bidder and entitled to act as its signatory, or by a person authorized in writing by such an officer (in the event of joint signatories: officers) of the Bidder.

The deadline for submitting these documents to the Auctioneer shall be the date specified by HGS in the auction notice (Registration Deadline). Acceptance of the registration by the Auctioneer is conditional on the full and complete submission of the *Documents to be submitted during Registration Process* by mail or by email, however, in the latter case, the original documents shall also be submitted, in the absence of which the registration is rendered invalid, and thus no subsequent bid can be evaluated either.

In case of a valid registration, the Auctioneer confirms the fact of registration to the Bidder by e-mail.

During registration, Auctioneer shall be obliged to treat data submitted to the auction in a confidential manner and will not disclose them to any third party.

In addition, following a successful Registration, HGS shall not be responsible for any damage caused to the Bidder or any third party by any person acting without a valid power of attorney in case of an auction participation (lost password, unauthorised log-in into the Auction system).

5.2 General Rules and Conduct of Capacity Auction

5.2.1 General Rules of Capacity Auction

Registered Bidders shall pursue open market behaviour during the auction, therefore they shall not initiate any background agreement infringing the capacity auction participation and interests of the Auctioneer and other Bidders or providing unjustified advantages. The Bidder shall agree and declare neither to conclude, nor to have concluded any contract or agreement with any other party which would confer any undue advantage in relation to the given auction (e.g.: with regard to the coordination of bidding intention/behaviour, strategy or Bid Prices).

Bidders shall agree to the content of the Auction Regulation, and understand that breaching the content thereof results in the Bidder's immediate exclusion.

Auctioneer shall provide the electronic system required for carrying out the auction.

The Auctioneer offers storage capacities at the auction in bundles of

- injection peak capacity [kWh/day] and/or
- working gas capacities [kWh] and/or
- withdrawal peak capacity [kWh/day] and/or
- any other potential service elements

for sale. Any capacity element can be 0 (zero) when bundles are created. Auctioneer is to decide this in view of the available free capacities.

5.3 CONDUCTING THE CAPACITY AUCTION

The capacity auction shall be carried out on the IT platform specified by the Auctioneer, via the Auction system integrated into SMCS. The Auction system can be accessed only by Attorneys-in-fact registered and authorized in advance by the relevant companies during the Registration period. Prior to logging into the system, Participant /Bidder shall accept with binding effect via the Attorney-in-fact the terms of use and the relating regulations (Code of Business Conduct, Capacity Auction Regulation II/B). Following the acceptance of the terms and regulations, HGS cannot consider any complaints/comments with regard to the auction procedure.

HGS is be entitled to revoke the auction procedure in any auction stage without explanation, simultaneously notifying the Participants. HGS shall assume no liability for any failure that may hamper or prevent system access if it falls outside its control.

The Capacity Auction shall consist of the following stages:

a. Definition

Auctioneer exhaustively specifies the auction parameters. Auction Status: Defined.

b. Announcement

Following the Definition, the auction is published. HGS publishes the announcement notice in such a way as to ensure it is available to anyone. Registered users (Participants) receive an automatic message from SMCS.

The content of the announcement notice shall be as specified in Section 5.1.

Auction Status: Announced.

c. Submission of Bids

In the bidding period, only Bidders with valid registration or their Representative may submit bids for the capacity bundles offered by the Auctioneer. Auctioneer shall first specify the offered quantity, the quantity of the lowest bid unit and the bid period in the announcement notice.

Bids can be made for one bundle or for the integral multiple of a bundle . The bid shall contain the capacity booking request of the Bidder (number of bundles) and the Bid Price.

Auction Status: Submission of Bids.

Auctioneer shall specify it in the auction notice which type of Bid Submission is to be applied out of the two:

1. One bid may be submitted at a time in the auction: Bidder may submit only one bid for the offered capacity bundles per auction. During the Submission of Bids, Bidder may subscribe and cancel its bid an indefinite number of times. Following the closure of the period, no further modifications are possible, and the last submitted bid shall be valid.
2. More than Bid may be submitted at a time in the auction: Bidder may submit more than one bid for the offered capacity bundles per auction. During the Submission of Bids, Bidder may subscribe and cancel a number of bids - previously specified by the Auctioneer in the auction notice - an indefinite number of times. Following the closure of the period, no further modifications are possible, and the last submitted bids shall be valid.

d. Evaluation

The Auction System verifies the validity of the bids submitted. Auction Status: Under evaluation.

The bid shall be valid if it meets the conditions set out in the Auction Notice regarding the bid.

After the stage of bid submission is closed during the submission of bids, Bidders cannot modify or withdraw any bid recorded and not withdrawn.

Bidders shall be committed to their submitted Bids for 15 business days.

If the bid price of bids received fails to reach the Minimum Price, the auction shall be invalid and no Natural Gas Storage Contract is concluded. In this case the submitted bid shall be considered as invalid.

If at least one submitted valid bid (Bid Price) reaches the Minimum Price and meets the conditions set forth in the auction notice, the auction shall be successful and the Auctioneer concludes a Natural Gas Storage Contract with the relevant (awarded) Bidder having submitted a valid and successful bid.

If several submitted valid bids contain a bid price reaching the Minimum Price and the bid prices are different, the Auctioneer concludes the Natural Gas Storage Contract with the awarded Bidder submitting the highest bid price first, then with the awarded Bidder submitting the second highest price up to the extent of the offered capacity bundles. In this case it may occur that the Auctioneer satisfies a successful Bidder's or several successful Bidders capacity request only partially (Partial Delivery).

In case of oversubscription, if several submitted valid bids contain a bid price reaching the Minimum Price and the bid prices are the same, the Auctioneer distributes the still available capacity bundles pro rata (in the ratio of requests received) in accordance with capacity bundles requested by the successful Bidders.

e. Announcement of Results

Following the evaluation stage, the Auction system publishes the results of the auction. There are three types of result announcement:

1. Anonymous: Bidders can see the bids submitted by any of the entities, but not the name of such entities.
2. Private (default): Bidders can see the bids submitted by their own entities only.
3. Public: Bidders can see the bids submitted by any of the entities, each specified.

Auctioneer shall inform the Bidders in advance with regard to the applied type.

Auctioneer notifies the awarded Bidder with regard to the result of the auction relevant to the given Bidder, together with information on the steps to be taken in relation to concluding the contract.

In as far as the Bidder's bid is valid, the Bidder shall be bound by the obligation to conclude a contract on the bundles according to the bid under the exclusive contractual terms set forth in the annex of this Regulation – and adopted by the

Bidder in the auction statement –, defaulting on which shall entitle the Auctioneer to use the Bid bond.

Following the auction – provided the Bidder submitted a valid bid –, the Auctioneer and the awarded Bidder shall conclude the "Natural Gas Storage Contract" contained in the annex to the Auction Notice on the awarded quantity within 5 business days from the auction.

The Natural Gas Storage Contract specifies the payment conditions for the capacity quantities awarded to the successful Bidder.

Auction Status: Evaluated.

f. Archiving

Following the announcement of results, the auction is automatically archived in a form accessible by System Users with valid registration.

Auction Status: Archived.

5.4 Invalid Auction

Auctioneer shall be entitled to declare the capacity auction invalid if:

- during the auction, unforeseeable technical problems arise which the Auctioneer is unable to control. In this case, the auction will be held at a later announced date. Auctioneer publishes information on its website regarding the rules of such auction.
- any of the Bidders acts improperly at the auction, or gains or makes an attempt to gain undue advantage by applying demonstrably unfair methods damaging the interests of other Bidders. In this case, the auction is to be held at a later announced date, excluding the Bidder rendering the auction invalid. Auctioneer publishes information on its website regarding the rules of such auction.

  Auctioneer reserves the right to revoke the capacity auction notice without any justification at any stage, simultaneously notifying the Participants thereof. In the event of revocation, the Auctioneer shall return by transfer the bid bond within 8 days, but shall not pay any damages or cost reimbursement whatsoever. HEPURA may examine the reasons for revocation.

Auctioneer reserves the right to announce auctions from time to time under conditions other than those set out in this auction regulation.

6 ANNEXES

1. Annex No. 1: IT Platform (SMCS) Registration Datasheet and Power of Attorney

IT Platform (SMCS) Registration Datasheet

Company name:	
- general e-mail	
EIC Code:	
Shipper Code:	
General contact details:	
- phone:	
- mobile:	
- fax:	
Seat address:	
Invoicing address:	
Primary contact person in contract-related issues:	
- name:	
- phone:	
- mobile:	
- fax:	
- e-mail:	
- requested SMCS function	auction participant ☐ operative user☐
Secondary contact person in operative issues:	
- name:	
- phone:	
- mobile:	
- fax:	
- e-mail:	
- requested SMCS function	auction participant ☐ operative user☐
$User_1$:	
- name	
- e-mail	
- mobile	
- requested SMCS function	auction participant ☐ operative user☐
$User_2$:	
- name	
- e-mail	
- mobile	
- requested SMCS function	auction participant ☐ operative user☐
$User_3$:	
- name	
- e-mail	
- mobile	
- requested SMCS function	auction participant ☐ operative user☐
$User_4$:	
- name	
- e-mail	
- mobile	

- requested SMCS function	auction participant □ operative user□
Guarantee preference*	Injected gas
	Bank guarantee
	Insurer's guarantee
	Lump sum payment of annual capacity fee
	Gas guarantee provided by another system user

*Underline as applicable

POWER OF ATTORNEY

I, the undersigned _____(authorized signatory representative), as _____ (seat: _____, tax number: _____, court registration number: _____ (hereinafter referred to as Bidder) _____ (title) hereby authorize the person(s) indicated in this datasheet, as auction participant(s) to represent and act on behalf of the Bidder on the annual capacity booking or electronic capacity auction announced by HGS during the storage year 20____/20____.

Furthermore, Bidder makes a statement on accepting the following conditions:

1. Bidder declares that it accepts the STORAGE CAPACITY AUCTION REGULATION II/B governing the **electronic capacity auction to be held at HGS** (HGS registered office, 1138 Budapest, Váci út 144-150.). Bidder agrees to be bound by the content thereof during the auction and the preceding registration process.
2. Bidder accepts that the "Natural Gas Storage Contract(s)" attached to the annual offer/auction notice – together with the contractual provisions thereof unchanged – and the Code of Business Conduct of HGS shall be applicable to concluding the contract after the submission of a valid and successful bid.
3. Bidder explicitly accepts that in the event of failing to inform HGS of the post-submission changes in the content of the documents required for registration pursuant to the Annual Capacity Booking Offer/Auction Announcement Notice, or if the required document(s) is (are) not submitted, the submitted request/bid shall not be accepted. Furthermore, Bidder accepts that it shall be fully liable to HGS or to a third party for any direct or indirect damage arising from the failure to provide or properly provide such information.
4. In addition, Bidder shall expressly accept that following a successful Registration, HGS shall not be responsible for any damage caused to the Bidder or any third party by any person acting without a valid power of attorney in case of request submission/auction participation (lost password, unauthorised log-in into the Auction system).

Dated:……..

……
……

[Name]
[Position]

Corporate signature by
authorized representative

6 ACCOUNT SETTLEMENT PROCEDURE FOR STORAGE CAPACITIES

Due to recording the mandatory Universal Service Provider (hereinafter referred to as USP) volume booking, the quantity settlement of USP and non-USP volumes are performed separately. For settling the accounts of storage capacities, the recorded quantity of USP and non-USP capacities shall apply. Storage licensee prepared the following settlement procedure for guidance for the settlement of capacity transfers related to switching system users, secondary capacity trading and new, intra storage year bookings.

In the cases specified in the rules of procedure, the basis for settlement with system users shall be the capacity data recorded from the system users on 1st April of the relevant year in kWh or kWh/day with regard to users eligible for universal service. The basis for settlement shall be the capacities reflecting the status before the capacity transfers regarding the relevant storage year.

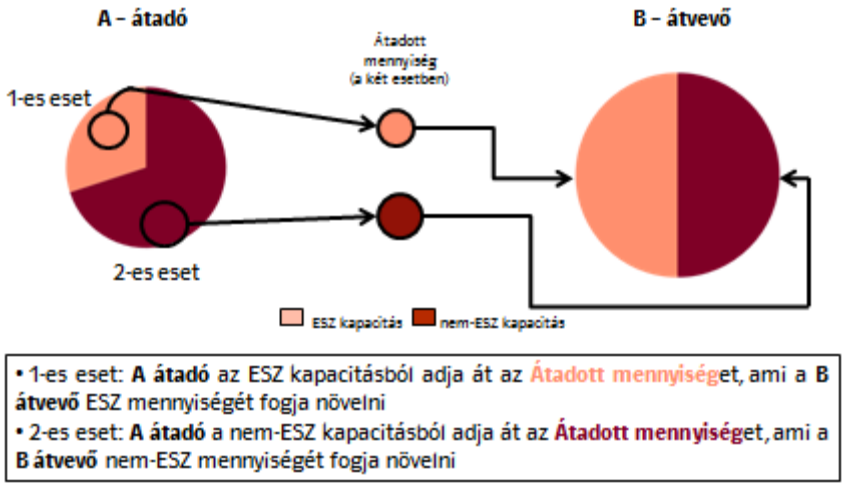
1. Settlement of Capacity Transfers Related to Switching System Users

1.1. HGS applies the following procedure in case of primary storage capacity transfers resulting from switching system users

At present, capacity transfers related to switching system users shall be carried out on HGS's IT Platform. During the switch, system users agree on the amount of working gas, injection and withdrawal capacities to be transferred, and HGS approves the capacity transfer if capacities submitted on its IT Platform are in concordance. HGS shall keep record of the transferred capacities as to whether they are to supply users eligible for universal service or open market users. Capacity transfers related to supplying users eligible and non-eligible for universal service shall be recorded on the IT Platform.

1.2 System Users A and B agree on the quantity of storage capacity transferred

Switching System Users - Primary Storage Capacity Transfer



"System User A" hands over capacities on the IT Platform with regard to its users eligible for universal service. KWh or kWh/day capacities transferred shall be deducted from System User A's capacity portfolio of users eligible for universal service, and added to System User B's capacity portfolio of users eligible for universal service.

"System User A" hands over capacities on the IT Platform with regard to its users not eligible for universal service. KWh or kWh/day capacities transferred shall be deducted from System User A's capacity portfolio of users not eligible for universal service, and added to System User B's capacity portfolio of users not eligible for universal service.

1.3 System Users A and B do not agree on the transfer of storage capacities

In this case, HGS does not modify the booked storage capacities of System User A and B, and no contract amendment is carried out. For capacities not taken, System User A shall remain obliged to pay the capacity fee to HGS pursuant to its contract. The disputed quantity will modify the portfolio of neither System User.

1.4 Capacities to be handed over by System User A only partially correspond to the capacities to be taken over by System User B

If the capacities submitted on the IT Platform by System User A for transfer are not equal to the capacities entered into the IT Platform by System User B for takeover, the two system users shall agree on the quantity of capacities to be transferred, and then both shall register the corresponding quantities on the IT Platform. Following this, HGS accepts the capacity transfer and enters the relevant modifications into the relevant system users' portfolio pursuant to Section 1.2.

2. Secondary Capacity Trade

2.1 The rules of procedure for secondary capacity trade are not modified; system users transfer storage capacities and injected gas quantities between each other via the T Platform.

2.2 On common understanding developed with the Authority, the secondary transfer of capacities related to supplying users eligible for universal service is excluded. In case of transferring capacities related to supplying users eligible for universal service, from the moment of the transfer, transferred capacities shall be deemed as capacities supplying users not eligible for universal service.

2.3 HGS continuously keeps track of the secondary storage capacity trade, and reserves the right to inform the Authority of any transaction if abuse is suspected.

3. Additional storage capacity booking during the storage year

Additional storage capacity booking during the storage year is possible in case of booking non-USP capacities, increasing non-USP rated capacity booking. HGS will accept USP capacity requests in the respective storage year in accordance with the rules set out in Annex 15 to the Implementation Decree.

7 Rules of Procedure for Storing, Releasing and Replacing Strategic Natural Gas Reserve

1. Objective of the Rules of Procedure

HGS prepared these rules for storing, releasing and replacing the strategic natural gas reserve, including provisions on withdrawal and settlement, along with the procedure of complaint management, in line with Act No. XL of 2008 on natural gas supply (hereinafter referred to as Gas Act), Act No. XXVI of 2006 on strategic storage of natural gas (hereinafter referred to as Strategic Storage Act), Government Decree No. 19/2009. (I.30.) on the implementation of Act No. XL of 2008 on natural gas supply (hereinafter referred to as Implementation Decree), Government Decree No. 399/2023 (IV.24.) on the restriction of natural gas offtake, the usage of the natural gas strategic reserve, and Gov. Decree No. 399/2023 (VII.24.) on measures to maintain the security of natural gas supply (hereinafter: Gov. Decree No. 399/2023) and the Operational and Trading Code (hereinafter referred to as Grid Code) establishing the regulatory background and with Resolution No. 1567/2013 of the Hungarian Energy and Public Utility Regulatory Authority (hereinafter referred to as Authority), as amended from time to time.

2. Rules for Accessing Strategic Natural Gas Storage

Pursuant to Section 97 (3) of the Gas Act, every natural gas undertaking shall report to HEPURA without delay if they become aware of any information that may lead to the declaration of any level of natural gas supply crisis. Pursuant to Section 5(1) of Gov. Decree No. 399/2023, if a natural gas undertaking obtains information suggesting that the natural gas supply status is likely to deteriorate significantly or that another member state is requesting solidarity measures from Hungary to supply its users protected by solidarity, and this may justify the declaration of early warning level, the alert level or the emergency level, it shall immediately notify the Authority and the transmission system operator orally, confirming this in writing within 24 hours at the latest.

Pursuant to Section 5(4) of Gov. Decree 399/2023, the system operator shall assess the impact of the events justifying the notifications and, if hydraulic balance cannot be maintained or restored by other market or non-market measures, may impose restrictions on part of the integrated natural gas system, or – due to solidarity measures or in the event of an emergency level – at national level. Pursuant to Section 5 (5) of Gov. Decree No. 399/2023, the transmission system operator shall inform the Authority without delay with regard to the imposition of the restriction, the severity of events resulting in crisis and the additional measures taken or planned to maintain the system balance, and shall also confirm such information in writing within maximum 24 hours.

Pursuant to Sections 7 and 8 of Government Decree No. 399/2023, the Crisis Committee (hereinafter referred to as: Committee), led by the Minister, assists the classification of crisis levels and the preparation of decisions. Pursuant to Section 97 (1) of the Gas Act, the President of HEPURA shall decide on declaring or cancelling the early warning level and the alert level via resolution, simultaneously informing the Minister thereof. Pursuant to Section 97 (2) of the Gas Act, the Minister shall decide declaring or cancelling the emergency level.

Pursuant to Section 9(1) of Gov. Decree No. 399/2023, within two hours of the publication of the ministerial resolution establishing the emergency level, the transmission system operator shall notify the system operators, the licensee holding an operational licence for transmission

system operation under the act on electricity, the central body of the official disaster management authority, orally and electronically, and the system users, electronically, of the declaration of the emergency level. Pursuant to Section 15 (1) of Government Decree No. 399/2023, the transmission system operator shall impose and control the restriction of users, simultaneously informing the Authority thereof. If other measures are deemed necessary in addition to the restriction, it shall make a proposal to that effect. The transmission system operator shall also publish the restriction on its website. Pursuant to Section 11(1) of Gov. Decree No. 399/2023, when an emergency level is declared, the transmission system operator shall prepare a natural gas consumption plan optimized on the basis of user demand, taking into account the resources that can be booked under contract or available at natural gas traders, as well as the strategic natural gas reserve made available to natural gas traders by law. The transmission system operator shall inform the Authority on a daily basis of the planned use of natural gas resources, and make proposals on the extent of restrictions to be introduced for resource management and on booking natural gas resources available for booking under contract. Pursuant to Section 11(2) of Government Decree No. 399/2023, the Authority shall, on the basis of information provided by the system operator, submit a proposal to the minister on crisis measures to secure the management of natural gas resources.

As per Section 3 (4) and (5) of Act No. XXVI of 2006 on strategic storage of natural gas (hereinafter referred to as Strategic Storage Act), the strategic natural gas reserve primarily serves to supply protected users, however it can be used to ensure

- natural gas supply to the solidarity-protected users of another member state requesting solidarity,
- affected users if the natural gas trader's performance becomes impossible,
- non-USP users in case of a gas supply crisis, and
- in the event of restrictions, in order to ensure the natural gas supply of power plants with a capacity of at least 50 MW holding an electricity generation operational licence,
- and, in the event of an emergency level, to ensure the natural gas capacity required for system operation that cannot be covered from the system operators' own stock or existing contracts.

Pursuant to Section 5 (1) and (2) of the Strategic Storage Act, the Minister allows in a decree the release of the strategic natural gas reserve in case of declaring a crisis in natural gas supply or in case of a breakdown, specifying the reason and objective thereof, also determining the quantity of natural gas to be released, the procedure for replacing such used reserves and the scope of eligibility.

Pursuant to Section 98 (82) of the Gas Act, at least an *alert level* shall be declared if another member state requests the application of solidarity measures to supply natural gas to its solidarity-protected users. As per Section 10 (1) of Government Decree No. 399/2023, in case of declaring an *emergency level*, the Authority distributes the strategic natural gas reserve and the related capacities between the traders entitled to use the strategic natural gas reserve, requesting the opinion of the transmission system operator. Pursuant to Sections 18(1)-(3) of Gov. Decree No. 399/2023, the following Eligible Parties are entitled to use strategic natural gas reserves: provided they have a related prior contract concluded with the Hungarian Hydrocarbon Stockpiling Association, natural gas traders, system operators, power plants

classified in Category I, and, if the system operator or power plant classified as Category I does not have a contract with the transmission company, the natural gas trader supplying them.

Pursuant to Section 98/C (1) of the Gas Act, in the event of an *Emergency level*, the natural gas trader and the proprietary user shall offer their available natural gas quantities to the transmission system operator, which the transmission system operator shall manage considering the aspects of the medium and long term sustainability of natural gas supply, in addition to the aspects of daily system balancing, subject to Section 98/C (2) of the Gas Act.

Pursuant to Section 98/D (2) of the Gas Act, in the event of an emergency level in natural gas supply - for the duration thereof -, the minister may adopt a decree to provide for the following:

- suspension of the performance of contracts on supplying users,
- imposing restrictions on the supply of natural gas to users, setting the conditions of maintaining and lifting the restriction;
- rights and obligations of the transmission system operator, the system operators and the system users,
- the maximum price, whether regulated or not, of all products and services relating to the supply of natural gas.

3. Storing and Releasing Strategic Natural Gas Reserve

Pursuant to Section 4 (1) of the Strategic Storage Act, in the event that the decree issued by the minister responsible for energy policy assigns HGS to store strategic reserves, the assets of HGS eligible for strategic storage can be used according to the stipulations of the HGS operational licence.

During the withdrawal of the strategic natural gas reserve, the Grid Code and the Code of Business Conduct of HGS shall prevail.

HGS may conclude a storage capacity booking contract with the Association on the storage of strategic natural gas reserve, provided there are free capacities available.

HGS shall confer to the Association all the rights and obligations that the storage capacity contract, the Grid Code and the HGS Code of Business Conduct specify for the system users, and shall act in accordance with the procedure set out in those.

HGS shall treat the Association as if it were a system user. During the term of the relating contract between the Association and HGS, the Association shall be exclusively entitled to have firm access to the storage capacities of the strategic natural gas reserve stored in the unified storage facility relevant to the area of operation.

The owner of the strategic natural gas reserve shall be the Association. HGS may release the natural gas quantity owned by the Association only to those entitled by the decree of the minister responsible for energy policy, up to the quantity and daily peak capacity therein specified.

When withdrawing the strategic natural gas reserve, HGS shall provide a 24-hour enhanced breakdown-recovery emergency service in accordance with the emergency rules of procedure and regulation, ensuring increased control over operation (Rules of Procedure for Breakdowns, Crises or Restrictions in Natural Gas Supply).

4. Nomination for Strategic Natural Gas Reserve

Pursuant to Section 19 (2) of the Implementation Decree, the Association shall be exclusively entitled to have firm access to the storage capacities of the strategic natural gas reserve – during the term of the relating contract.

Following the publication of the ministerial decree on releasing the strategic natural gas reserve, and following the notification of the Association, nominations for the strategic natural gas reserve may be submitted. In as far as these conditions are met, upon the instructions of HGS's CEO, the Storage Dispatching Service of HGS shall facilitate that Eligible Parties designated for withdrawing strategic reserve can nominate for the strategic natural gas reserve from the date specified in the decree.

In the event that the strategic natural gas reserve is to be released within the gas day, in coordination with the transmission system operator, HGS shall immediately open the IT Platform for re-nomination. HGS shall also coordinate the closing date of the nomination time window with the transmission system operator.

Thereafter, nomination shall take place according to normal operation under non-emergency conditions, pursuant to Section 3.2 of the Code of Business Conduct.

HGS shall accept nominations from the Eligible Parties to the extent of the strategic natural gas reserve approved for them, or until the Minister adopts a resolution declaring the end of emergency.

When releasing the strategic natural gas reserve, commercial stocks are not to be blocked, hence it is possible to nominate for both the commercial stock and the strategic natural gas reserves on the IT Platform, except if the transmission system operator or the CEO of HGS provides otherwise in the event of an emergency.

HGS increases and decreases load in the storage facilities only on the basis of instructions received from the transmission system operator, according to the values provided therein.

5. Provisions for Settlement

Pursuant to Section 19 of the Implementation Decree, regarding the withdrawal of the strategic natural gas reserve, the natural gas storage company shall establish a settlement system which ensures that the natural gas is taken only by those who are entitled to use it by separate legislation, to an extent thereby specified.

Pursuant to Section 19 (4) of the Implementation Decree, the general rules of access shall not be applicable to the strategic natural gas reserve stored in the strategic storage facilities and it shall not fall within the scope of price regulation.

HGS shall settle the accounts with the Eligible Parties pursuant to Section 15.3 of the Grid Code and the settlement procedure specified in the Code of Business Conduct. The daily settlement of withdrawing the strategic natural gas reserve shall be based on the protocol issued by HGS.

HGS shall settle and manage the strategic reserve separately from the commercial stock with regard to the Eligible Parties withdrawing gas.

Eligible Parties' daily energy quantity turnover shall be determined on the basis of the gas turnover volume using the daily average calorific value as follows:

Following the gas day, HGS shall allocate the gas quantity turned over on the given gas day to the Eligible Parties on the basis of the quantity and quality measurement data received from the transmission system operator. Allocation shall be based on the nominations submitted by the Eligible Parties for the gas day.

HGS shall not assign the Eligible Parties' stored stock to a specific storage facility as it is registered cumulatively, at a "unified storage facility" level only. The zero delivery point volume shall be determined on the transmission company's IT Platform for each Eligible Party. HGS's Storage Dispatching Service shall perform the allocation. The value determined in the allocation process shall be the actual volume at the zero point of the storage facility.

The Eligible Parties withdrawing strategic natural gas reserve can obtain information on HGS's IT Platform with regard to current stock and daily volume data. HGS's Storage Dispatching Service shall submit to the Association the daily volume data and the closing stock of the preceding day by email until 12:00 hours each day.

Based on the allocated volume protocols prepared by the transmission system operator, the Association shall settle the withdrawal fees with the Eligible Parties using the strategic reserve at the price and in a way specified by the contract between them. HGS shall receive the fee for withdrawing the strategic natural gas reserve from the association according to the protocolling and settlement procedure set out in the contract existing between them.

In the event of an emergency, the Eligible Parties in the above subsections shall be replaced by the transmission system operator.

6. **Replacing the Strategic Natural Gas Reserve**

In order to raise a strategic natural gas reserve as prescribed by the applicable ministerial decree on the volume, sale and replacement of the strategic natural gas reserve and the international contract (Sections 5 (2) and 3/A (2) of the Strategic Storage Act), the Association shall replace the natural gas in the strategic storage facility until the deadline set out in the decree.

HGS shall give utmost priority to the replacement and injection of the strategic natural gas reserve as per the Strategic Storage Act. HGS shall accept injection nominations from the Eligible Parties for the replacement of the strategic natural gas reserve to the extent and in the period specified in the official document sent out by the Association. During replacement, any costs related to transmission and injection shall be borne by the Eligible Parties.

Nomination rules shall be the same as those set out in HGS's Code of Business Conduct. If there are opposite nominations for the replacement of the strategic natural gas reserve and for the withdrawal of the commercial stock, HGS shall net off the nominations and perform the net physical operation only. Settlement shall take place according to the nominations, pursuant to the allocation rules of HGS.

7. Complaint Management

HGS shall urgently investigate complaints in relation to using the strategic natural gas reserve within 1 day from becoming aware thereof, and shall inform the concerned parties with regard to the period of time it deems necessary for the investigation and the settlement thereof. HGS shall keep record of the complaints received and shall store the documents for 3 years after closing the complaint.

Following the investigation of a complaint, HGS shall notify the Eligible User of the findings of the investigation and the measures taken. In the event that the complaint turns out to be unfounded, its rejection shall be accompanied by a detailed and clear explanation.

8. **Keeping Record of Extraordinary Events**

Any and all extraordinary events, alert levels and emergencies in natural gas supply shall be fully documented. The documentation shall contain:

- The date of convening the Supply Crisis Management Team and the protocols taken during its operation
- a detailed description of the natural gas supply disruption,
- every instruction, communication, nomination sent out to cooperating organisations, Buyers or the media, time stamped,
- instructions from external parties in relation to controlling the incident, and the documentation of their implementation,
- every internal instruction or measure taken to recover from the alert level and emergency.

9. REVIR, Personal Conditions

Information supporting decision-making are quickly, efficiently and professionally forwarded to the competent manager pursuant to the "Rules of Procedure for Disruptions, Crises and Restrictions in the Natural Gas Supply" in the Executive Information System of Extraordinary Events (REVIR).

10. Communication

In the event of a crisis, communication in relation to the strategic natural gas reserve shall be

- through the CEO when contacting the media,
- through the contact persons specified in the sale contracts and as per contract when contacting the Buyers,
- through the contact persons specified in the procurement contracts and as per contract when contacting the suppliers,
- through the contact persons specified in the system operation contracts and as per the contracts when contacting the system operators and the transmission system operator,
- through the CEO or their designee when contacting the Ministry and the Authority,
- through the CEO or the person designated by the CEO when contacting the Crisis Committee.

Following the end of the alert level and the emergency, HGS shall inform the Buyers without delay.

Pursuant to Section 2.6.2 of its operational licence No. 1567/2013, HGS shall prepare and submit to the Authority the analysis of its experience in relation to the withdrawal activity performed as per the ministerial decree within 8 business days from the end of withdrawal.

8 Description and Technical Parameters of the Storage System Operated by HGS

The operational area of HGS shall cover the following underground gas storage facilities listed in Annex No. 2 of the Natural Gas Storage Operational Licence:

Pusztaederics Underground Gas Storage Facility

The Pusztaederics storage facility is the oldest gas storage site, and also the only underground gas storage facility in Transdanubia. The site is operated in sandstone formed in the Lower Pannonian period (upper and lower Nova reservoirs, Szolnok Sandstone Formation).

Kardoskút Underground Gas Storage Facility

The Kardoskút underground storage facility was also established in a depleted free-gas field, in the Komlós A-1, A-2 and B-2, B-6 reservoirs of the Pusztaszőlős field, at a depth of 1080-1250 m. It is a special storage feature (similarly to Pusztaederics) that the reservoir pressure is relatively high (120-130 bar), therefore compressor-use is not required during withdrawal.

Hajdúszoboszló Underground Gas Storage Facility

The Hajdúszoboszló underground storage facility operates in the Szoboszló-III level of the field, the primary production of which was terminated as early as in 1976 (in order to save the required amount of cushion gas). The storage layer is sandstone, at an average depth of 930-980m. To match the original initial reservoir pressure, none of the storage facility parts exceed 100 bars.

Zsana Underground Gas Storage Facility

The Zsana underground storage facility is the youngest and most modern facility with the largest capacity and highest load flexibility. The latter feature results from the fact that unlike other HGS storage sites (with storage activity in sandstone layers), the storage layer of the Zsana-North natural gas field is a Miocene limestone formation, which facilitates relatively higher well capacities. The average reservoir depth is 1880-1920m.

HGS shall offer its storage services as applicable to the **unified storage facility** pursuant to Section 1.3.2 of the Code of Business Conduct.

This annex contains the technical specifications of the unified storage facility for information purposes.

Major Technical Data of the Storage Facility

- **Nominal (maximum) working gas, injection and withdrawal capacity related data** – for the unified storage facility – are listed in the annex to the Natural Gas Storage Operational Licence and on the website of HGS.
- Depending on the relevant physical storage setup, the unified storage facility operates with different injection and withdrawal times, storage load change

speeds, and with various available minimum and maximum injection and withdrawal capacities.

Characteristic Data of the Unified Storage Facility:

	Working gas capacity [million m^3]	Additional working gas capacity [million m^3]	Injection capacity [million m^3/day]	Withdrawal capacity [million m^3/day]	Well system [piece]	Installed compressor capacity [MW]
Unified Storage Facility	4430	420	32.8	49.8	247	78.3

**The Storage Licensee determines and announces the extent of sales possibilities for additional working gas storage capacities considering the existing technical conditions.*

Applicable load change and technical data shall be indicated on the HGS website.