

STORAGE CODE

Gas Storage CZ, a.s.
ID: 27892077

Address: Limuzská 3135/12, 100 00 Prague 10

Contact: +420 775 884 444
sales@czgs.cz
<http://www.czgs.cz/en>

Effective from: January 2, 2026

CONTENT

1	GENERAL PROVISIONS	3
2	DEFINITIONS	3
3	PROVIDED SERVICES	6
4	STORAGE OPERATOR ENTERING INTO CONTRACTS	7
5	PROCEDURE FOR THE ANNUAL, NEW ANNUAL AND MONTHLY STORAGE CAPACITY BOOKING	8
6	PROCEDURE FOR THE DAILY STORAGE CAPACITY BOOKING	10
7	REDUCTION OF STORAGE CAPACITY	10
8	CAPACITY TRANSFER AND LEASE, GAS TRANSFER AND MERGING OF CONTRACTS	11
.9	OBLIGATIONS OF THE STORAGE OPERATOR AND STORAGE USER	13
10	NOMINATIONS AND ALLOCATION	14
11	STORAGE USER'S ACCOUNT	15
12	GAS QUALITY	16
13	PRICE AND INVOICING AND PAYMENT TERMS	16
14	OTHER PROVISIONS	19
15	FINAL PROVISIONS	20
	ANNEX 1 - TERMS OF FINANCIAL CREDIBILITY OF A STORAGE USER	21
	ANNEX 2 - VIRTUAL GAS STORAGE ENTRY AND EXIT POINTS	25
	ANNEX 3 - REQUIRED INFORMATION AND PREREQUISITES FOR PROVISION OF TEMPORARY PRODUCT	26
	ANNEX 4 - REQUIREMENTS AND CONDITIONS FOR THE SECONDARY SALE OF STORAGE CAPACITY OR GAS	28
	ANNEX 5 – REQUIRED INFORMATION AND PREREQUISITES FOR THE PROVISION OF REVERSE CAPACITIES	29
	ANNEX 6 – REQUIRED INFORMATION AND PREREQUISITES FOR OBSERVING PRELIMINARY NOMINATIONS	30

1 GENERAL PROVISIONS

- 1.1 The Code of the Gas Storage Operator of Gas Storage CZ, a.s. (hereinafter referred to only as the "Storage Code") constitutes the business terms and conditions under which Gas Storage CZ, a.s. (hereinafter referred to only as "Gas Storage CZ") provides storage capacity and storage services based on the principle of the right of third-party access.
- 1.2 The Storage Code is based on Act No. 458/2000 Coll., on conditions of business and state administration in energy sectors and on amendment to certain acts, (the Energy Act) as amended by later regulations (hereinafter referred to as the "Energy Act"), Energy Regulatory Office's Regulation No. 349/2015 Coll., the gas market rules, as amended by later regulations (hereinafter referred to only as the "Gas Market Rules"), the associated implementing legal regulations and the Guidelines for Good Practice for Storage System Operators concerning the proven procedures when ensuring third party access (GGPSSO - the current version of the Guidelines is available at the Storage Operator's website) issued by the Council of European Energy Regulators (CEER).

2 DEFINITIONS

Unless the Storage Code, the gas storage contract or another contract state otherwise, the used term has the same meaning as assigned to it by generally binding legal regulations in the gas industry.

For the purpose of the Storage Code the following terms are defined as follows:

- 2.1 Auction system – electronic application of the Storage Operator for the sale of storage capacity and services available at the website of the Storage Operator,
- 2.2 Subcontract - a separate contract entered into pursuant to the General agreement for the purpose of providing daily storage capacity, Capacity Transfer or Capacity Lease or Gas Transfer and Services pursuant to Article 3.5 of the Storage Code,
- 2.3 Temporary product – storage capacity or injection or withdrawal capacity made temporarily available to the Storage User with the possibility of its interruption by the Storage Operator under predefined conditions,
- 2.4 General agreement - a contract concluded between the Storage Operator and the Storage user on the terms and conditions for the provision of daily storage capacity, services related to gas storage and the manner of negotiation between the parties when concluding contracts,
- 2.5 Identification data – basic identification data of the legal entity or individual, in particular the registration number / birth registration number, address of the registered office / permanent residence and other data required by the applicable legislation for the possibility to use gas storage,
- 2.6 Kilowatt-hour (kWh) – a basic energy unit used to express the amount of energy of gas,
- 2.7 Nomination system – electronic application of the Storage Operator for the receipt of nominations and requests for storage capacity or services related to gas storage available at the website of the Storage Operator,

- 2.8 OBA – rules for the allocation of gas volumes at entry or exit points of the transmission system under which the quantities nominated are considered delivered,
- 2.9 Civil Code – Act No. 89/2012 Coll., the Civil Code, as amended,
- 2.10 Eligible user – the entity that gets, based on Capacity lease, the opportunity to use the Storage Operator 's storage capacity and the right to make nominations with the Storage Operator in the extent of the leased capacity. A separate balance account is kept for the Eligible user in the Storage Operator's system,
- 2.11 Terms and conditions of sale – (i) auction terms and conditions, (ii) terms and conditions of fixed-price storage capacity reservation bids (fixed-price bids), and (iii) terms and conditions of calls for bids for storage capacity reservations outside of auctions at the bid price of a gas market participant (calls for bids)],
- 2.12 Declaration – a Declaration on Word of Honour by the Applicant or Storage User confirming that it is not subject to any Sanction, signed by a person authorised to act on behalf of the Applicant or Storage User, in particular a statutory body, proxy or employee within the meaning of Section 166 or a person authorised within the meaning of Section 430(1) of Act No. 89/2012 Coll, Civil Code, as amended (at the request of the Storage Operator, the Applicant or the Storage User shall provide credible evidence of compliance with Section 166 or Section 430(1) of the Civil Code) or a person acting for the Applicant or the Storage User pursuant to Section 4.7 of these Regulations,
- 2.13 Working volume – the maximum volume of gas expressed in energy units which can be stored in gas storage,
- 2.14 Preliminary nomination – indicative nomination for a specified period of time,
- 2.15 Capacity lease – enabling another entity to temporarily use the Storage User's storage capacity and services along with the right to nominate but without any storage contract concluded between the entity and the Storage Operator,
- 2.16 Transporter – transmission system operator,
- 2.17 Capacity transfer – transfer of the storage capacity booked for the Storage User and of all associated rights and obligations including the right to nominate to another entity while preserving the contractual terms valid between the Storage User and the Storage Operator at the time of the transfer,
- 2.18 Gas Transfer - transfer of gas registered in the Storage Operator's storage facility between balance accounts of Storage Users or Eligible Users,
- 2.19 Sanctions - any legal barrier or restrictive measure imposed by the authorities of the Czech Republic or the European Union which prohibits the conclusion of contracts or the performance of obligations under contracts or otherwise entering into commercial relations between the Applicant, or the Storage User and the Storage Operator, as the case may be, in particular measures pursuant to (i) Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilizing the situation in Ukraine, as amended, in particular as amended by Council Regulation (EU) No. 2023/427 of 25 February 2023, (ii) Council Regulation (EU) No. 269/2014 of 17 March 2014 concerning restrictive measures in relation to activities undermining or

threatening the territorial integrity, sovereignty and independence of Ukraine, including its Annex I, as amended,

- 2.20 Seasonal nominations - indicative monthly nominations for the following injection / withdrawal period,
- 2.21 Storage Operator – gas storage operator Gas Storage CZ
- 2.22 Actual transfer (delivery) point – a point of gas transfer between the gas storage facility and the transmission systems which provides for the metering of quantity and pressure of the transferred and accepted gas, gas flow control, measuring of physical and chemical parameters in order to calculate the delivered quantity in energy units, and data transmission to control centres. It is an actual point of gas entry into / exit from the transmission system,
- 2.23 Merging – merging of storage capacities and services to one balance account in order to allow submission of single nomination for multiple contracts,
- 2.24 Related services - services provided by the Storage Operator, which are listed in Clause 3.5 of the Storage Code.
- 2.25 Controller – Gas Storage CZ that determines, alone or jointly with others, the purposes and means of the processing of personal data of individuals,
- 2.26 Stabilisation outage – interruption or limitation of the process of injection into or withdrawal from an individual gas storage facility in order to avoid the imminent threat to the gas storage pursuant to Section 60 of the Energy Act when the defined reservoir pressure is reached in line with the operating documentation which the Storage Operator shall elaborate pursuant to the Czech Mining Office Decree No. 239/1998 Coll. A switching period also ensures the protection of the reservoir and the safety of operation pursuant to Section 64 of the above-mentioned decree,
- 2.27 Withdrawal capacity – the quantity of gas that can be withdrawn from the gas storage facility in a defined time; applicable capacity depends on current volume of gas stored for a given Storage User in the gas storage facility of the Storage Operator and on other conditions as specified in the given contracts,
- 2.28 Gas pressure – relative gas pressure in Pascals or its multiples; it is defined as the difference between the absolute pressure and the atmospheric pressure,
- 2.29 Storage User – an entity which has a contract concluded with the Storage Operator or is an Eligible user,
- 2.30 Injection and withdrawal curve – a curve capturing the usable injection and/or withdrawal capacity that is available to the Storage User in accordance with contract made with the Storage Operator,
- 2.31 Injection capacity – the quantity of gas that can be injected into the gas storage facility in a defined time; applicable capacity depends on current volume of gas stored for a given Storage User in the gas storage facility of the Storage Operator and on other conditions as specified in the given contracts,

2.32 Applicant – legal entity or natural person who has submitted a storage capacity request, an application for storage capacity, a storage capacity reservation offer, or a request to conclude a contract.

3 PROVIDED SERVICES

3.1 The basic period for injection (injection period) of gas into gas storage shall be the time period commencing on the first gas day of April and ending upon the elapsing of the last gas day of September. The basic period for the withdrawal (withdrawal period) of gas from gas storage shall be the time period commencing on the first gas day of October and ending upon the elapsing of the last gas day of March. The Storage Operator shall allow Storage Users to inject or withdraw gas outside the specified basic periods provided that the Storage Operator has contractually committed to doing so or if it is not prevented by technical restrictions or contractual obligations and the Storage User undertakes to reimburse the Storage Operator for any additional costs incurred and justified by such change. The Storage Operator may, based on the consent of all Storage Users, affected by this change, extend or reduce the basic injection or withdrawal period provided there are no technical, contractual or any other restrictions. In such case he informs all Storage Users via e-mail no less than 2 business days in advance about the conditions of the extension or reduction of the injection or withdrawal period.

3.2 Unless otherwise stipulated by the legislation or a contract, the title to the gas stored based on a gas storage contract concluded between the Storage Operator and a Storage User shall at no instant of the term of the contract pass onto the Storage Operator.

3.3 The storage capacity shall be offered and the contracts for the storage capacity shall be concluded pursuant to the Energy Act, Gas Market Rules, the Storage Code and other conditions. The storage capacity shall be offered as a combination of the working volume and the injection and withdrawal capacities to which an injection and withdrawal curve is assigned, unless agreed otherwise. When determining the available storage capacity for a given period of time, the Storage Operator also reflects current utilization of the underground storage by Storage Users, the combustion heat of the withdrawn or injected gas and contractually guaranteed parameters regarding the storage capacity. The point of gas transfer between the Storage User and Storage Operator shall be the virtual gas storage point.

3.4 A gas storage contract and General agreement shall be concluded in writing, via electronic means within the meaning of Section 562 of the Civil Code or in another form expressly agreed between the parties

3.5 In connection to the storage contracts, the Storage Operator may also provide the following services:

3.5.1 *Temporary product*: allows to the Applicant to temporarily utilize the working volume or injection or withdrawal capacity in the gas storage of the Storage Operator for the period defined by the Storage Operator, depending on the utilization of the gas storage by other Storage Users.

3.5.2 *Secondary sale of storage capacity and/or gas*: a Storage User can carry out a sale of the storage capacity reserved by the Storage User in the Storage Operator's gas storage and/or gas stored by the Storage User with the Storage Operator.

3.5.3 *Electronic bulletin board*: Storage Users and parties potentially interested in storage and other services are allowed to post their offers and demand for storage capacity, gas and services.

3.5.4 *Guaranteed reverse capacities*: A storage User is guaranteed the possibility to use the injection capacity and withdrawal capacity in the direction opposite to the basic injection and withdrawal period according to paragraph 3.1.

3.5.5 *Observing preliminary nominations*: They make it possible for the Storage User to obtain, if he gives his consent thereto, a financial or any other value for observing his preliminary nominations sent to the Storage Operator. Should completed nominations differ from preliminary nominations by more than the tolerance band declared by the Storage Operator and defined for all Storage Users by identical algorithm, the Storage User shall be obliged to pay the Storage Operator a financial compensation. The conditions of particular Storage Operator's offers defined by time, benefit, financial compensation amount and tolerance band shall be published by the Storage Operator at his website, and to all Storage Users will also be sent an informational e-mail. For each offer, the Storage User may select to which contract /contracts the observing of preliminary nomination will be applied.

3.6 Additional information about the offered services and the business and price terms including the sample contracts is available at the Storage Operator's website.

4 STORAGE OPERATOR ENTERING INTO CONTRACTS

4.1 The Storage Operator concludes storage contracts, General agreement and other contracts with the Applicants in hard copy format or electronically. Specimens of these documents are available at the Storage Operator's website.

4.2 No later than 3 business days before the required effective date of the Contract, the Applicant delivers to the Storage Operator, usually by electronic mail, an application for the conclusion of the Contract, containing the following elements:

- Company name and identifying information,
- Names of the persons authorised to sign the contracts, and
- Type of contract requested and the effective date of the contract.

4.3 The Storage Operator sends the Applicant a signed draft contract without undue delay (except as provided under paragraph 4.5). The Applicant is not entitled to make any reservations, limitations, additions or other changes to the draft contract sent by the Storage Operator. The Applicant delivers the contract signed on his part to the Storage Operator, together with the original proof of financial credibility according to Annex 1, if attached to the proposal, to the Storage Operator within the time limit according to the Gas Market Rules or Terms and conditions of sale, or at the latest on the business day of the required commencement of the contract.

4.4 In the event that the Applicant fails to deliver to the Storage Operator the draft contract signed by the Applicant, including the document proving compliance with the financial credibility requirements pursuant to Annex 1 of this Code, if attached to the proposal, within the time limit according to the Gas Market Rules, this Code or Conditions of Sale, or if the signed copy contains any reservations, additions, limitations or other changes,

the draft contract sent by the Storage Operator shall lapse, the contract shall not be concluded, and the effects of the notice of reserved storage capacity, where applicable, shall also lapse.

- 4.5 The Storage Operator shall be also entitled not to conclude the Contract if (i) the Applicant is subject to Sanctions, or (ii) the facts alleged by the Applicant in the Declaration are false or incomplete, or (iii) there are reasonable doubts as to the truth or completeness of the Applicant's allegations in the Declaration and the Applicant has failed to remove such doubts within 5 Business Days of the Storage Operator's request.
- 4.6 The procedure for concluding Subcontracts for the provision of services specified in Article 3.5 of the Storage Code, together with the conditions for concluding such contracts, is described in the annexes to the Storage Code or in the General Agreement.
- 4.7 If the Applicant, Storage User or Eligible User on the one hand and the Storage Operator on the other hand interact via the market operator's portal or the Storage Operator's Auction System or Nomination System, the Applicant, Storage User, or Eligible User shall always log into the system and identify themselves with their username and chosen password. The parties consider this method of acting to be sufficient to capture the content of the action and to sufficiently identify the person acting. Legal actions of the Applicant, Storage User, or Eligible User and the Storage Operator performed in this manner are considered to be actions performed by a person authorized to act on behalf of the company and are legally binding on both parties (including all statements to the other party and actions necessary for the implementation of Mergers, Capacity Transfers, Capacity Lease, Gas Transfer, and Temporary Product and other services within the meaning of this Storage Code). The Applicant, Storage User, or Eligible User and Storage Operator are obliged to protect the identification data from misuse and not to provide it to persons who are not authorized to act on their behalf.

5 PROCEDURE FOR THE ANNUAL, NEW ANNUAL AND MONTHLY STORAGE CAPACITY BOOKING

- 5.1 The Storage Operator shall book the annual and monthly storage in line with the conditions specified in the Gas Market Rules, this Storage Code, Terms and conditions of sale and on Storage Operator's website.
- 5.2 Only Applicants that are not subject to the Sanctions and are able and ready to fulfil the duties of a Storage User arising from the Energy Act, this Code and the contract to be concluded on the basis of Terms and conditions of sale may participate in storage capacity reservations. In the case of storage capacity reservation through the Auction System, the Applicant must also have functional access to the Auction System. The Applicant usually submits a request for access to the Auction System electronically via the Storage Operator's website or in another manner agreed with the Storage Operator. By sending the request or submitting a bid, the Applicant declares that they have read and agree to this Storage Code, the Terms and conditions of sale published by the Storage Operator, including the wording of the contract sample, and the other documents that are part of the Terms and conditions of sale. Should the Applicant provide as the financial security for his participation in storage capacity reservation an irrevocable and unconditional bank guarantee upon first request to the benefit of the Storage Operator,

which has been delivered to the Storage Operator's address within the deadline, in the amount and other conditions specified in the Terms and conditions of sale, this guarantee shall, in a form acceptable for the Storage Operator, be effective at least 10 business days following the latest date of the contract signature.

- 5.3 Participation of the Applicant in the storage capacity reservation is conditioned by the delivery of the Declaration to the Storage Operator at least one hour before the auction starts or the start of the period for submitting requests or bids.
- 5.4 Should the Auction system fail on the Storage Operator's part, the Storage Operator informs about the Auction system failure participants by phone or by electronic mail and organize a substitute auction immediately after the functionality of the Auction system is restored. Substitute auction also means continuing with interrupted auction. The Storage Operator shall immediately inform the auction participants about the substitute time. The substitute time shall be set reasonably considering the circumstances of the situation, however, it shall not be earlier than 30 minutes after it is announced.
- 5.5 By submitting a request or bid in bidding procedure for the reservation of storage capacity, the Applicant confirms that the conditions set out in paragraph 5.2 are up to date, correct and complete.
- 5.6 The Storage User shall be entitled to use the services provided by Storage Operator if the Storage User meets the following conditions:
 - 5.6.1. The entity is financially credible pursuant to the conditions specified in Annex No. 1 to this Code,
 - 5.6.2. The entity has the right of third-party access to gas storage pursuant to the Energy Act,
 - 5.6.3. The entity is not subject to the Sanctions,
 - 5.6.4. The entity has duly delivered the General agreement to the Storage Operator,
 - 5.6.5. The entity is ready to communicate with the Storage Operator in Czech or English through the designated electronic interface or through e-mail in order to exchange operational data associated with gas storage.

If the Storage User fails to meet the conditions set forth in this paragraph, is obliged to immediately inform the Storage Operator of this fact.

- 5.7 The Storage Operator shall be entitled to round each booked capacity so that the sum of all booked capacities would not exceed the total storage capacity set in the Terms and conditions of sale, respectively such capacity increased by the activated offer of additional storage capacity.
- 5.8 The applicant shall, at the latest before the signing of a storage contract on his/her part, submit the document evidencing the fulfilment of the conditions for financial credibility according to Annex 1 of this Code to the Storage Operator. In the case the contract is signed earlier than one month before the beginning of the first storage, the applicant may present the certificates evidencing these conditions even after the signing of the storage contract to the Storage Operator, however at the latest one month before the beginning of the first storage period.

5.9 In case the contract for booked storage capacity is not concluded due to reasons on the part of the Applicant (including the facts under paragraph 4.5), the Storage Operator shall have the right to demand the financial compensation for not concluding the contract in the amount and under the conditions specified in the Terms and conditions of sale. Unless otherwise specified in the Terms and conditions of sale, financial compensation is payable on the basis of an invoice issued by the Storage Operator after the deadline for concluding the contract has expired, with a maturity of 10 days from the date of dispatch.

6 PROCEDURE FOR THE DAILY STORAGE CAPACITY BOOKING

6.1 The available daily storage capacity is determined by the Storage Operator and published in the Nomination System or in the Terms and conditions of sale.

6.2 In the Nomination System, the price of firm daily storage capacity is set by the Storage Operator, in the case of interruptible daily storage capacity the Storage Operator sets the minimum price, which the Storage User may increase. If the Storage User fails to do so, it shall be deemed to have entered the minimum price set by the Storage Operator. The price or method of determining the price for daily storage capacity offered outside the Nomination System is set out in the Terms and conditions of sale.

6.3 Requests for daily interruptible storage capacity are accepted by the Storage Operator without restriction. If daily interruptible storage capacity is offered through the Terms and conditions of sale, its available amount is specified in the Terms and conditions of sale.

6.4 The Applicant may apply for the daily storage capacity only if has concluded General agreement with the Storage Operator and satisfies the conditions of this Storage Code, in particular paragraph 5.6. The request for daily storage capacity in the Nomination System is submitted by the Storage User in electronic form by the deadlines stated at the Storage Operator's website. The request shall include the price offered for a storage capacity unit, unless this price has been determined by the Storage Operator. The method of submitting requests for daily storage capacity offered outside the Nomination System is set out in the Terms and conditions of sale.

6.5 The Storage Operator shall allocate the daily firm storage capacity in the Nomination System on the basis of time of receipt of the request up to the maximum available capacity, otherwise according to the Terms and conditions of sale.

6.6 Other conditions for booking daily storage capacity are stated at the website of the Storage Operator. The current prices are stated in the Storage Operator's Nomination System and their orientation amounts are also stated at the website of the Storage Operator.

7 REDUCTION OF STORAGE CAPACITY

7.1. The Storage Operator curtail reservations for interruptible storage capacity on the basis of the price per unit of capacity in the order from the lowest price to the highest price, provided that it shall curtail reserved interruptible storage capacity with the same price per unit of Interruptible capacity on the basis of the time stamp of receipt of the storage capacity reservation request in the order from the latest request received to the earliest request received.

7.2. In the event of planned or unplanned restrictions or interruptions in the operation of the gas storage facility, the Storage Operator shall reduce the reserved storage capacity with firm capacity for all Storage Users and Eligible Users proportionally.

8 CAPACITY TRANSFER AND LEASE, GAS TRANSFER AND MERGING OF CONTRACTS

The legal acts associated with Capacity Transfer and Lease, Gas Transfer and Merging take place through the Storage Operator's Nomination System unless otherwise provided in this Storage Code or agreed between the contracting parties. Merging, Capacity Transfer, and Capacity Lease are possible for all types of storage capacities. Capacity Transfer, Capacity Lease, Gas Transfer and Merging are possible and effective after the conclusion of a General agreement and a prior consent granted by the Storage Operator. The Storage Operator may refuse to give consent in cases where the following conditions are not met:

- 8.1. Capacity transfer and Capacity lease is possible up to the maximum storage capacity and for a maximum period agreed by the Storage User in the storage agreement(s) with the Storage Operator.
- 8.2. The Storage User may not request a Capacity Transfer or Capacity Transfer for capacity that has already been transferred once.
- 8.3. The parameters of storage capacity in the original gas storage agreement shall be adjusted accordingly for the transferred, leased or merged part of the storage capacity.
- 8.4. The type of storage capacity according to the Gas Market Rules (yearly, monthly, daily and unutilized) shall not change as a result of a Capacity Transfer or Capacity Lease.
- 8.5. Capacity transfer, Capacity lease and Gas transfer may be carried out between individual storage contracts of one Storage User, between Storage Users, and between a Storage User and another Eligible User, unless prevented by the contractual obligations of the Storage Operator, Sanctions, or if this option is not excluded in the contractual terms and conditions between the Storage Operator and the Storage User, and if there are no reasonable concerns that the future Storage User or Eligible User will not be able to fulfill their obligations.
- 8.6. Re-transfer of storage capacity acquired through capacity transfer is not possible.
- 8.7. Gas transfer is possible between individual balance accounts, but only if the transferor is not, or during the term of any storage contract effective at the time of the Gas Transfer, and has not been in default to the Storage Operator with the fulfillment of any monetary obligation in the period of the last 12 months prior to the date of the Gas Transfer for a period longer than 10 calendar days, unless the Storage Operator decides otherwise.
- 8.8. Merging is only possible with storage contracts for one Storage User under the condition that these contracts include identical injection and withdrawal curves or if the Storage User and the Storage Operator agree on injection and withdrawal

curves. For these purposes the contract without withdrawal and / or injection capacity shall be considered as a separate type of the curve. Other conditions for Merging are stated at the Storage Operator website.

- 8.9. Capacity Transfer can be performed only based on a joint application filed by the transferor of the storage capacity in the gas storage and the transferee or based on properly completed contracts for the transfer of the storage capacity signed by the transferor and the transferee of the capacity in the gas storage provably delivered to the Storage Operator for signature.
- 8.10. Prior to the execution of the application for the Capacity Transfer, the transferee shall be obliged to conclude a storage contract with the Storage Operator, or an amendment to an existing contract and to evidence the fulfilling of the financial credibility according to Annex 1 of this Code in the scope of the transferred capacity to the capacity transferee and in the form corresponding to the contract between the Storage Operator and the capacity transferor valid as of the date of the Capacity Transfer.
- 8.11. The Storage Operator may refuse to transfer capacity to an Applicant who is or has been in default with the fulfillment of any financial obligation to the Storage Operator.
- 8.12. The acquirer of storage capacity in the form of a Capacity Transfer shall, from the moment of the effective date of the Capacity Transfer, become a Storage User within the meaning of this Storage Code.
- 8.13. The Storage User shall be entitled to provide the storage capacity in the gas storage not used by the Storage User to a third person in the form of Capacity Lease. The size of the Storage User's contracted capacity in the gas storage shall not change. The Storage User continues to be a contracting party in a storage contract responsible in full to the Storage Operator for the fulfillment of the obligations stipulated in this contract, in the Storage Code and in the current legislation including the obligation of payment of the price of storage in the scope corresponding to the entire storage capacity contracted in his storage contract and the obligation to withdraw the gas from the gas storage until the termination of the storage contract unless his balance account allows for the storage of gas from a terminated contract. The amount of the contingent compensation for the provision of the capacity in the form of Capacity Lease or of nomination rejection or reduction by the Storage Operator pursuant to this Code is a matter of agreement between the Storage User and Eligible user.
- 8.14. In order to enable as effective use of the transferred capacity as possible, the acquirer of the capacity through Capacity Lease shall be entitled to nominate the quantity of gas corresponding to the transferred capacity at the entry and exit from the gas storage, whereas the quantities of gas injected or withdrawn in connection to the use of the transferred capacity are registered on a Eligible user's account. The rules stipulated by the Storage Code and regarding the reduction or rejection of nominations by the Storage Operator shall apply also to the nominations of the Eligible user of the leased capacity. The Storage Operator shall allow operations with gas registered in the account of the Eligible user of leased capacity during the

Capacity Lease period only to the Eligible user of leased capacity, unless the parties to the Capacity Lease notify the Storage Operator in writing of a different procedure.

- 8.15. The transferee of the storage capacity through Capacity Lease shall be obliged to abide by this Storage Code in connection to the Capacity Lease and the subsequent use of the leased storage capacity, and shall be obliged to ensure that, at the time of the expiration of the right of use of the storage capacity acquired in the form of Capacity Lease due to any reason, there will not be any gas stored in the storage, unless its balance account allows for the storage of gas from terminated leased storage capacity, otherwise this gas shall be considered as a gas stored without authorization.
- 8.16. The Storage Operator shall receive the application for Gas Transfer, Capacity Transfer or Capacity Lease including its confirmation by the transferee at the latest 3 business days prior to the required date of execution, unless he/she agrees with the Storage Operator otherwise. The Storage Operator shall approve the application at the latest on the required day of execution. The Storage Operator can reject application for the Capacity Transfer, Capacity Lease and Gas Transfer in cases where the execution would change the original contractual terms or such a request is not permitted by contractual agreement or conditions set in advance by the Storage Operator or if the execution is prevented by technological conditions, that would not allow the Storage Operator to keep its other contractual obligations. If the execution of Capacity Transfer, Capacity Lease or Gas Transfer causes the Storage Operator additional costs, the Storage Operator shall be entitled to request their reimbursement or reject the Capacity Transfer, Capacity Lease or Gas Transfer. On the day of the execution of Gas Transfer, the transferor shall have the gas volume to be transferred in the gas storage, and the transferee shall have sufficient available storage capacity with a sufficient working volume.
- 8.17. Should the storage contract based on which the storage capacity has been leased expire for any reason, the Capacity Lease expires automatically.
- 8.18. Capacity Transfer, Capacity Lease, Merging and Gas Transfer shall be subject to charges. The amounts and other conditions, if any, of such charges are specified at the website of the Storage Operator.

.9 OBLIGATIONS OF THE STORAGE OPERATOR AND STORAGE USER

- 9.1. The Storage Operator shall be obliged to:
 - 9.1.1. Store for the Storage User such quantity of gas that complies with the terms and conditions agreed in the gas storage contract and this Storage Code,
 - 9.1.2. Should the Storage User fail to withdraw all gas stored in gas storage exceeding the equivalent of 10 MWh by the end of the force of the contract and should it not be possible to transfer such gas to the storage capacity booked based on another storage contract, the Storage Operator shall proceed to sell the gas stored without authorization in accordance with the Gas Market Rules..
- 9.2. The Storage User shall be obliged to:

- 9.2.1. Deliver and take such quantity of gas designated for storage that complies with the terms and conditions agreed in the gas storage contract and this Storage Code,
- 9.2.2. Observe the contracted parameters of the storage capacity,
- 9.2.3. Inform the Storage Operator without undue delay of any facts which render any statement in the Declaration untrue, inaccurate or incomplete,
- 9.2.4. Pay the agreed price for storage based on the concluded gas storage contract regardless of whether this capacity is used and even in the case of Capacity Lease within the meaning of paragraph 6 or in the cases specified in Section 60 Subsection Paragraph 1f) of the Energy Act, and, further, during switching periods; should the Storage Operator reduce the Storage User's nomination in line with section 60, subsection 1f), items 1 through to 4 of the Energy Act, during switching periods and in situations specified in the contract or in this Code, and the Storage User is in fulfilling of any of his pecuniary obligations not in delay with an amount higher than CZK 10,000, the Storage Operator shall provide the Storage User at his request a compensation of such reduction by way of substitute capacity within the scope of the reduced nomination under the conditions stipulated by this Code, doing so within the technically nearest possible substitute time or the time as agreed by the Storage Operator and the Storage User, but not later than by the expiration of the validity of the relevant storage contract,
- 9.2.5. Communicate with the Storage Operator in Czech or English,
- 9.2.6. Fulfil his obligations to be sufficiently financially credible so as to fulfil all his pecuniary obligations towards the Storage Operator as defined in Annex No. 1 to this Storage Code, and uphold such obligation in full extent during the whole time specified in Annex No. 1 to this Storage Code,
- 9.2.7. Furnish the Storage Operator with the date for the opening of the balance user accounts in the Storage Operator's Nomination system not later than before starting using the system.

9.3. Should the Storage User fail to fulfil the obligations defined in paragraphs 9.2.3, 9.2.6 and the obligation to pay the agreed price according to paragraph 9.2.4 and should the Storage User fail to remedy such situation within 10 days of the Storage Operator's request for its remedy sent in electronic or in another form, the Storage User shall be obliged to pay to the Storage Operator a contractual penalty amounting to one monthly payment which shall be determined as the sum of all payments which the Storage User is obliged to pay the Storage Operator for the month in which the breach of the obligation occurred, for each initiated month of delay in performance of his obligation.

10 NOMINATIONS AND ALLOCATION

- 10.1. The OBA procedure shall apply at the virtual gas storage point with the exception of the reduction or interruption of transmission or activities associated with gas storage.
- 10.2. The Storage User shall submit nominations to the Storage Operator for the point of the virtual gas storage for the relevant gas day according to procedure specified in paragraph

10.8 within the deadlines specified in the Gas Market Rules. Nominations shall be specified in numerical format in whole kWh.

10.3. The Storage User shall submit preliminary seasonal and monthly nominations and binding daily nominations.

10.4. The Storage User shall submit seasonal nominations at the latest by 10th March / 10th September for the following injection / withdrawal period.

10.5. The Storage User shall submit monthly nominations to the Storage Operator in the form of an aggregated sum at the latest by the 25th day of the current month for the following gas month.

10.6. Storage Nominations made pursuant to the Gas Market Rules shall comply with the injection and withdrawal curve for the relevant booking and the Storage User's account balance. A nomination that does not comply with this condition can be shorted to the nearest possible value. The Storage User shall be also obliged to nominate or ensure the nomination of gas quantity in such manner that the nominations correspond to the nominations provided to the Transporter based on the relevant transmission contract. Should it be discovered during the verification and confirmation of nominations that the Storage User's nominations for the Storage Operator and for the Transporter differ, the lower value shall be deemed valid.

10.7. The communication between the Storage User and the Storage Operator shall take place through the Storage Operator's Nomination system, or through the market operator. In the event of any outage of any of the systems stated in this paragraph, both the Storage User and the Storage Operator shall be obliged to use an alternative communication means, in particular electronic mail or telephone.

10.8. The Storage Operator shall be entitled to reduce or reject the nominations in the necessary scope in the cases defined by the generally binding legal regulations or measures of a general nature, in particular Sanctions, during switching periods and in other cases stipulated in the gas storage contract or this Storage Code. In the cases of storage capacity reduction announced by the Storage Operator due to the reasons listed in the previous sentence, the Storage User will be authorized to make nomination up to the maximum amount acceptable according to relevant storage contract and the Storage Operator shall accommodate such nomination whenever possible from technical perspective and unless prevented by other contractual obligations of the Storage Operator or unless such action would be to the detriment of other Storage Users. Should the Storage Operator reduce or reject nominations or re-nominations due to the reasons specified in this paragraph, he shall do so starting with the nominations or re-nominations for the booking of the storage capacity with interruptible capacity and only afterwards apply such reduction or rejection to the bookings of the storage capacity with firm capacity.

11 STORAGE USER'S ACCOUNT

11.1. The Storage Operator shall keep for the Storage User a balance account. This account shall be kept in the Storage Operator's Nomination system or through the Storage Operator's electronic records.

- 11.2. The quantity of gas taken by the Storage Operator from the Storage User, respectively delivered by the Storage Operator to the Storage User shall be added on each gas day to or deducted from the Storage User's balance account according to the relevant nomination.
- 11.3. By the 15th business day of each month the Storage Operator shall deliver the quantities of gas injected or withdrawn in the preceding gas month to the Storage User electronically.
- 11.4. The balance of the Storage User's balance account shall in the case of injection and withdrawal always correspond to the Storage User's nomination confirmed by the Storage Operator regardless of the quantity of gas that has been actually delivered or actually accepted by the Storage User at the actual transfer points.
- 11.5. Should the Storage User's balance account show at the end of the force of the gas storage contract a value ranging until 10 MWh inclusive, it is assumed that the Storage User's account shows zero balance.

12 GAS QUALITY

- 12.1. Gas shall comply with the chemical and physical parameters defined in Decree No. 108/2011 Coll., (Decree on gas metering).
- 12.2. Should the gas delivered by the Storage User for the purpose of its storage by the Storage Operator fail to meet any of the gas chemical or physical parameters stipulated in Decree No. 108/2011 Coll., the Storage Operator shall be entitled to reject the acceptance of such gas. A failure to reject such gas shall not affect the Storage Operator's right to indemnification for damage incurred in connection with the storage of such gas. The Storage Operator shall be obliged to adopt measures required in order to prevent or mitigate any damage and the Storage User shall be obliged to provide the necessary cooperation in this context to the Storage Operator.
- 12.3. Should the gas withdrawn by the Storage Operator fail to meet any of the gas chemical or physical parameters stipulated in Decree No. 108/2011 Coll., the Storage User shall be entitled to reject the acceptance of such gas. A failure to reject such gas shall not affect the Storage User's right to indemnification for damage incurred in connection with the acceptance of gas. The Storage User shall be obliged to adopt measures required in order to prevent or mitigate any damage and the Storage Operator shall be obliged to provide the necessary cooperation in this context to the Storage User.

13 PRICE AND INVOICING AND PAYMENT TERMS

- 13.1. The title to compensation for nomination limitation pursuant to this Code for reasons on the side of the Storage Operator for gas storage contracts will not arise with the Storage User if the Storage Operator will reduce Storage User's nomination each storage day by 100% for time shorter than 14 storage days in one storage year ("Basic Time"). If the Storage Operator reduces the Storage User's nomination within a scope smaller than 100%, the time, within which the Storage User is not entitled to any compensation described in the previous sentence, is prolonged proportionally to the average amount

of percentage reduction of daily nomination by the Storage Operator in the nomination reduction period. For gas storage contracts shorter than 1 storage year, the Basic Time is proportionally reduced depending on the term (number of days) of the storage contract. In order to avoid any doubts, only the days, when the Storage Operator really limits the nomination sent by the Storage User, will be considered for the Basic Time determination.

- 13.2. In the case of contracts for annual, monthly and unused storage capacity, the Storage User shall be obliged to pay to the Storage Operator, according to contractual terms and conditions, a storage price based on an invoice. The Storage Operator shall invoice partial performance on the 15th day of the previous month. In the case of daily storage capacity booking the Storage User shall be obliged to pay to the Storage Operator based on an invoice the storage price relating to the period for which the invoice has been issued.
- 13.3. In the case of annual, monthly and unused gas storage contracts, the Storage Operator shall be obliged to issue and send the invoice for the relevant gas months to the Storage User at the latest by the 21st calendar day of the month preceding the relevant gas month. This certificate shall be due no later than on the 5th calendar day of the relevant gas month. In the case of a daily storage capacity the Storage Operator shall be obliged to issue and send the invoice for the relevant gas months to the Storage User at the latest by the 5th calendar day of the month following the relevant gas month. This certificate shall be due no later than on the 19th day of the calendar month following the relevant gas month. The date of taxable supply for fees for gas or storage capacity transfer is the date of transfer.
- 13.4. The invoice issued by the Storage Operator shall contain the required items set forth by generally binding legal regulations including the designation of the financial institution and the account number to which the payment is to be made. Based on mutual previous agreement, the Storage Operator will enable the Storage User to settle the invoice in a currency other than that shown in the contract. In the case that the total monthly amount of the Storage User's invoicing is less than CZK 1,000, the Storage Operator is entitled to postpone the invoicing to the following month.
- 13.5. The contracting parties shall be obliged to pay pecuniary obligations (in particular the price for the performance, interest on arrears and contractual penalties) through a bank transfer of the amount payable to the account of the other contracting party, in which case a payment shall mean the crediting of the relevant amount to the bank account of the other contracting party. In case of expected delay with repayment of pecuniary obligations under the contracts executed between the Storage Operator and Storage User, the payer shall notify the other party of such fact no later than 2 business days before the specified maturity date of such obligation.
- 13.6. In the event of delay of payment of pecuniary obligations under a contract concluded between the Storage Operator and the Storage User, the receiving contracting party shall notify the other contracting party of such fact by the 3rd business day after the due date of the relevant obligations.
- 13.7. In the event of delay of the payment of pecuniary obligations under a contract concluded between the Storage Operator and the Storage User, the relevant

contracting party shall be obliged to pay to the other contracting party the interest on arrears amounting to PRIBOR 1 month + 12% per annum from the outstanding amount. The first day of delay shall be understood as the business day immediately following the due date of the invoice. In order to calculate the interest on arrears, the rate specified in this article as a percentage valid on the first day of delay shall be multiplied by the proportion of the actual number of days in arrears in the calendar year and the basic length of the year equal to 360 days (act/360) and the outstanding amount.

- 13.8. Interest on arrears and contractual penalties shall be due within 10 calendar days from the day of delivery of their billing to the other contracting party.
- 13.9. Should a due date of an obligation be Saturday, Sunday, or public holiday, the due date shall be the earliest following business day.
- 13.10. The maturity period stipulated in paragraph 13.3 shall be extended by one day for each day for which the Storage Operator is in delay with the issue of the invoice.
- 13.11. Should the Storage User be in delay with the payment of any of his pecuniary obligations under a contract with the Storage Operator for more than 10 calendar days, despite being notified pursuant to paragraph 13.6., the price for storage according to all storage contracts between the Storage User and the Storage Operator affected by the delay shall become for the whole term of the contract payable at once on the 10th calendar day of the duration of the delay unless the Storage Operator and the Storage User agree otherwise. The Storage Operator shall be entitled to fully suspend injection or withdrawal or the provision of any other services to the Storage User without any compensation until all due obligations are settled and furthermore, at any time during the default to withdraw from the contract with effect as at the date of delivery of the notice of withdrawal. The withdrawal shall take effect ex nunc (from now on).
- 13.12. The Storage User shall be entitled to send in writing or electronically a complaint concerning the billing of the pecuniary obligations arising from the contract between the Storage Operator and the Storage User at the latest by the due date of the invoice. This complaint shall contain the proposed invoice correction and its justification and it shall not relieve the Storage User of the obligation to properly settle the invoice on time. Based on the complaint, the Storage Operator shall notify the Storage User, e.g. by electronic mail, within 10 business days of the receipt of the complaint whether the Storage Operator has assessed the complaint as justified or unjustified. For complaints that are classified as justified the Storage Operator's notification shall also contain a correction of the billing of the pecuniary obligations. This corrective billing shall be due within 7 business days of its sending to the other contracting party.
- 13.13. The Storage User shall have the right to anytime ask for the issuance of an extraordinary invoice to ensure that by settling the invoice the Storage User would reduce his obligations and could use other services provided by the Storage Operator without the need to increase his financial credibility by way of the security in terms of Paragraph 7 of Annex No. 1 to this Storage Code. The application for the issuance of an extraordinary invoice shall usually be filed by phone by the Storage User specifying the scope of performance, amount and due date. The provisions of paragraph 13.3 shall not apply to the extraordinary invoices issued pursuant to this paragraph.

14 OTHER PROVISIONS

- 14.1. The Storage Operator shall be obliged to maintain confidentiality concerning information about contracts concluded between the Storage Operator and the Storage User as well as other facts associated with the conclusion and performance of these contracts or information associated with the services provided by the Storage Operator (hereinafter referred to only as "Confidential Information") until the moment when such confidential information becomes publicly known. The Storage Operator in particular undertakes neither to disclose Confidential Information to the public nor to provide such information to third parties unless the Storage Operator receives a prior written consent of the Storage User to provide or disclose the Confidential Information.
- 14.2. The confidentiality obligation pursuant to the provisions of the previous paragraph shall not apply to the provision of information to accounting, tax and legal consultants or their units provided that they have a confidentiality agreement concluded with the Storage Operator or that a lawful confidentiality obligation applies to them, and to the fulfilment of the obligations imposed by generally binding legal regulations.
- 14.3. Should a conflict between the Storage Code and legal regulations arise due to a change in the legislation, the Storage Operator shall be obliged to present a new draft Storage Code or amendment to the Storage Code to the Energy Regulatory Office for approval within three months of the effective date of such legislative change. The Storage Operator shall be also entitled to suggest Storage Code amendments especially if such amendments reflect the practical experience in the operation and maintenance of the gas storage, the common business practice, or in the case of a change in the type and scope of the services provided. The rights of the parties in connection to a change of the Storage Code are regulated by the Energy Act.
- 14.4. The Storage Operator shall be entitled to withdraw from any contract with the Storage User if (i) the Storage User is subject to Sanctions, or (ii) the facts asserted by the Storage User in the Declaration are false or incomplete, or (iii) there are reasonable doubts as to the truth or completeness of the Storage User's assertions in the Declaration and the Storage User has not remedied such doubts within 5 Business Days of the Storage Operator's request. In the event of termination of the Contract pursuant to this paragraph, the Storage Operator shall proceed to sell the gas stored without authorization.
- 14.5. Withdrawal from the contract between the Storage Operator and the Storage User has future (ex nunc) effects.
- 14.6. If the Storage Operator changes his contact e-mail, web or phone details shown in contracts or this Storage Code, he may do so unilaterally by informing about such change at Storage Operator's website and / or by sending an informative e-mail to all concerned entities.
- 14.7. The Storage Operator is a controller of personal data of individuals. The information about their processing requested by applicable legal regulations including their scope and purpose of the processing, an overview of rights and obligations of individuals and the Storage Operator are published at Storage Operator's website (section About us, Personal Data Processing). The Storage Operator shall provide such information to

individuals anytime upon request through the contact details shown at the Storage Operator's website.

15 FINAL PROVISIONS

- 15.1. This Storage Code has been elaborated pursuant to the Energy Act and approved by the Energy Regulatory Office.
- 15.2. The Storage Operator shall publish the Storage Code so as to allow for remote access to the Storage Code, i.e., at the Storage Operator's website.
- 15.3. This Storage Code, as well as any and all legal relations established in connection with gas storage by the Storage Operator pursuant to the provisions of this Storage Code and contracts shall be governed by the laws of the Czech Republic.
- 15.4. Should there be any conflict between the provisions of the Storage Code and the provisions of a storage contract, the provisions of the Storage Code shall supersede the individual provisions of the contract.
- 15.5. Should the Storage Operator publish more than one language version of the Storage Code, the Czech version shall be the governing version and should a conflict between the Czech and foreign language version arise, the Czech version shall supersede the foreign language versions which are only informative.
- 15.6. The following annexes constitute an integral part of this Storage Code:
 - Annex No. 1: Terms of Financial Credibility of a Storage User
 - Annex No. 2: Virtual Gas Storage Entry and Exit Points
 - Annex No. 3: Required Information and Prerequisites for Provision of Temporary product
 - Annex No. 4: Required Information and Prerequisites for the Conclusion of a Contract for Auction of Secondary Storage Capacity or Gas
 - Annex No. 5: Required Information and Prerequisites for the Conclusion of a Contract for the Provision of Reverse Capacities
 - Annex No. 6: Required Information and Prerequisites for the Conclusion of a Contract to Observe Preliminary Nominations

ANNEX 1 - TERMS OF FINANCIAL CREDIBILITY OF A STORAGE USER

1. The Storage User shall be obliged to be sufficiently financially credible for the fulfilment of all of his pecuniary obligations stipulated by the contract / contracts concluded with the Storage Operator within the scope specified in paragraphs 5 and 6 of this Annex (the "Obligation to be sufficiently credible") and to prove the fulfilling of this obligation to the Storage Operator within the periods specified in paragraph 5.8 of the Storage Code, unless otherwise stated. The Storage User shall uphold his obligation of financial credibility within the requested scope at least by the end of the calendar month in which the relevant tax document for the provided storage capacity or service is payable or such document for another payment is issued on the basis or in connection with the contract / contracts.
2. In other cases the Storage User shall be obliged to fulfil his obligation to be financially credible no later than on the 1st business day before the day any decisive fact which has impact on an increase of the Storage User's credit exposure (CE), occurs (such as, for example, the conclusion of a new contract/partial contract or filing a request for using a paid service under this Code).
3. In case of failure to fulfil the duties specified in paragraphs 1 and 2 of this Annex, the Storage Operator shall have the right to request, usually in the form of an e-mail, from the Storage User to provide additional security for the fulfilment of his financial obligations arising from the concluded contracts. Should not the requested additional security be provided by the Storage User within 7 calendar days of the receipt of the request by the Storage User, the Storage Operator shall be entitled to withdraw from anyone of from all contracts with the Storage User with *ex nunc* effect as at the moment of delivery of the notice of the withdrawal.
4. The Storage Operator shall be entitled to refuse to perform any performance under the contract the Storage User (e.g. execution of a nomination, renomination, transfer, etc.) if this would cause the Storage Operator to exceed its Credit Exposure or if the Storage User fails to comply with the obligation to be financially credible.
5. The Storage User shall be deemed sufficiently financially credible to fulfil his pecuniary obligations if the Storage Operator's credit exposure towards the storage User is less or equal to the Credit Limit.
6. The Storage Operator's credit exposure towards the Storage User is defined as the highest monthly payment of the Storage User in the period created by the current calendar month and the nearest successive calendar month following the current month reduced by CZK 100,000 and, if necessary, reduced further by an eligible form of the security in terms of paragraph 8 of this Annex. The monthly payment is calculated as the sum of all payable pecuniary obligations after the due date or existing or anticipated payments of the Storage User (including VAT) which the Storage User will be obliged to pay in the relevant month based on the contracts / partial contracts concluded with the Storage Operator. Payments of contractual penalties and damages are not included in credit exposure.
7. The Storage User's credit limit is calculated based on the rating and TNW (tangible net worth) in the amount according to the following table provided that the Storage User:
 - a) proves that he possesses a long-term rating of at least BBB- from Standard & Poor's or Fitch or at least Baa3 from Moody's or evidences the economic report from the Crefoport or Creditreform agencies containing a current index of credit standing (rating) not older than six months with a value lower than 180, submits a statement from Dun & Bradstreet showing a low failure score, or

b) proves that he possesses a rating from Standard & Poor's, Moody's or Fitch or presents an economic report from the Creditreform or Creditreform agencies containing the up-to-date credit standing index (rating) not older than six months, submits a statement from Dun & Bradstreet showing a low to medium or medium failure score and at the same time satisfies the following four conditions:

1. $\text{Debt} \leq 0.8 \times \text{TNW}$
2. $\text{EBIT}/\text{Interest expense} \geq 2.7$
3. $3 \times \text{EBITDA} \geq \text{Debt}$
4. The Storage User is a legal entity whose financial statements are verified by an auditor,

where

Debt is defined as the Storage User's interest-bearing loan capital

TNW is defined as the net tangible value of assets of the Storage User (total assets adjusted for intangible assets and total liabilities)

EBIT is defined as the Storage User's earnings before tax increased by the interest costs within the past fiscal year

Interest Expense is the interest costs of the Storage User within the past fiscal year

EBITDA is defined as the Storage User's earnings before tax increased by interest costs, taxes, depreciation and adjustments of the values of fixed assets within the past fiscal year

Rating					Credit Limit
S&P Rating	Moody's	Fitch	Crefoport or Creditreform	Dun & Bradstreet Failure Score	
AAA to BBB-	Aaa to Baa3	AAA to BBB-	100-180	Low	100 % TNW
BB+ to BB-	Ba1 to Ba3	BB+ to BB-	181-240	Low to medium	80 % TNW
B+	B1	B+	241-280	Medium	20 % TNW

In order to evidence the fulfilment of the above-listed conditions the Storage User shall be obliged to submit his financial statements (not consolidated ones) verified by an auditor not older than 19 months of the end of the accounting period to the Storage Operator anytime throughout the term of the contract.

For Dun & Bradstreet, the condition of a risk indicator of 1 or 2 or a low or low to medium overall business risk must also be met.

Should any facts influencing the determination of the Credit Limit of the Storage User change, the Storage User shall be obliged to immediately notify the Storage Operator of such change.

8. The Credit Exposure (CE) may be reduced by the value of security provided. The eligible form of the security is provided by the Storage User in the currency of the contract with the

Storage Operator. The Storage User may also provide the security in another currency. Then the value of the eligible form of the security in any moment, after conversion at the official exchange rate published by the Czech National Bank, must be higher at least by 15%. The eligible forms of security include the following:

- **Bank Guarantee** or
- **Surety** or
- **Security Deposit**

Should the Storage user decide to reduce the Credit Exposure using an eligible form of security, he shall present the following to the Storage Operator before the conclusion of and upon the Storage Operator's request anytime throughout the duration of any contract:

- a) Original counterpart of a valid Bank Guarantee in the case of security in the form of a Bank Guarantee, or
- b) Original counterpart of a valid Guarantee Undertaking filled out according to the sample published at the Storage Operator's website in the case of security in the form of Surety, or
- c) Original valid contract of deposit signed according to the model published on the website of the Storage Operator in case of the form of security through the Security Deposit.

Bank Guarantee

is an irrevocable and unconditional bank guarantee not allowing, upon first request, any objections by the issuer to the creditor pursuant to Section 2019 et seq. of the Civil Code, as amended, issued to the benefit of the Storage Operator by a bank based in the European Union, Switzerland, Norway, Liechtenstein and the United Kingdom with a long-term Standard & Poor's (Fitch) rating of no less than A- or long-term Moody's rating of no less than A3, in case of surety up to the amount of EUR 25 million a long-term Standard & Poor's (Fitch) rating of at least BBB+ or long-term Moody's rating of at least Baa1 will be sufficient. Bank guarantee is considered an eligible form of security as of the date of assessing the Storage User's financial credibility only if it is effective from this date for a period of at least one subsequent calendar month.

Surety

is the irrevocable and unconditional surety pursuant to Section 2018 et seq. of the Civil Code, as amended, issued by an eligible guarantor according to the specimen "Guarantee Undertaking" available at the Storage Operator's website to the benefit of the Storage Operator. For this purpose, an eligible guarantor refers only to a company based in the European Union, Switzerland, Norway, Liechtenstein, and the United Kingdom with a long-term Standard & Poor's (Fitch) rating of no less than A- or long-term Moody's rating of no less than A3, in case of surety up to the amount of EUR 25 million the long-term Standard & Poor's (Fitch) rating of at least BBB+ or long-term Moody's rating of at least Baa1 will be sufficient. The Surety is considered an eligible form of security as of the date of assessing the User's financial credibility only if it is effective from this date for a period of at least one subsequent calendar month.

Security Deposit

is a security deposit pursuant to Section 2012 et seq. of the Civil Code, as amended, in the form of a deposit of a financial sum (security deposit) to the Storage Operator's account, whereas the Storage User and Storage Operator conclude an agreement on payment of the security deposit pursuant to the specimen "Agreement on Security Deposit", published at the Storage Operator's website. The security deposit bears interest at the rate stated on the Storage Operator's website.

ANNEX 2 - VIRTUAL GAS STORAGE ENTRY AND EXIT POINTS

A) ENTRY POINTS

The virtual entry point into the virtual gas storage operated by Storage Operator comprises the following transfer points into the gas storage facilities:

1. **Dolní Dunajovice**
2. **Tvrdonice**
3. **Štramberk**
4. **Třanovice**
5. **Lobodice**
6. **Háje**

B) EXIT POINTS

There is one virtual exit point from the system of gas storage facilities operated by Storage Operator consisting of the following transfer points from the gas storage facilities:

1. **Dolní Dunajovice**
2. **Tvrdonice**
3. **Štramberk**
4. **Třanovice**
5. **Lobodice**
6. **Háje**

For the purpose of evaluation of pressure and quality of the gas withdrawn from gas storage facilities, the values measured at the relevant actual transfer points between the Storage Operator and the transporter shall be considered decisive.

ANNEX 3 - REQUIRED INFORMATION AND PREREQUISITES FOR PROVISION OF TEMPORARY PRODUCT

1. The Storage Operator informs about the offer of the Temporary product and the conditions of its provision on its website, by email or in another way.
2. The Storage Operator may exclude the merging of the Temporary product to existing contracts in the terms and conditions for the provision of the Temporary product. If the Storage User does not do so, the Storage User shall also specify in the application the account to which the offered Temporary product is to be connected, or the Storage User shall establish a separate account for it. Furthermore, the Storage Operator may define in the terms and conditions for the provision of the Temporary product the notice period for the Subcontracts concluded on the basis of the offer in question. If not specified in the terms and conditions, this period shall be one month.
3. A request for the conclusion of a Subcontract for the provision of the Temporary product shall be in electronic form, unless the Storage Operator and the Storage User agree otherwise, shall be delivered to the Storage Operator prior to the beginning of the gas day for which the Temporary product is requested; and shall contain at least the following information:
 - a) identification data of the Applicant / Storage User requesting the Temporary product
 - b) requested volume of Temporary product in kWh and
 - c) requested period of provision of Temporary product.
4. Subcontract concludes the Storage Operator based on the results of the auction organized by the Storage Operator or based on a request. The method of the sale is defined by the Storage Operator.. Sales through auctions are defined by the Storage Operator in the conditions of the auction and contains the details of the auction for monthly storage capacity and published at least 1 business day before the auction. In the case of a sale on application, the Storage Operator shall allocate the Temporary product according to the time of the application, unless otherwise specified in the terms and conditions. The Storage Operator shall have the option to reject or shorten an application on the basis of insufficient storage capacity.
5. The Subcontract shall be concluded by the Storage Operator and the Storage User electronically at the moment of confirmation of the Storage User's application by the Storage Operator, in accordance with the General agreement.
6. The price for the use of the Temporary product is determined based on the auction result or unilaterally by the Storage Operator.
7. The amount of the offered Temporary product is set by the Storage Operator and may be changed by him at any time, provided that the already concluded Subcontracts are not affected.
8. The Applicant shall be obliged to demonstrate sufficient financial credibility for the fulfilment of all of his financial obligations ensuing from the Subcontracts. To determine the amount and demonstrate financial credibility, the provisions of Annex 1 of the Code shall apply.

The provisions of Article 13 of the Storage Code shall apply to invoicing and payment terms. Unless otherwise specified, the invoicing and payment conditions for the Temporary product are the same as for the daily storage capacity.

ANNEX 4 –REQUIREMENTS AND CONDITIONS FOR THE SECONDARY SALE OF STORAGE CAPACITY OR GAS

1. The request for the conclusion secondary sale of storage capacity or gas shall be in hard copy or electronic form and shall contain at least the following information:
 - a) identification data of the Storage User requesting the secondary capacity auction
 - b) specification of the storage capacity offered (working volume, withdrawal and injection capacity, withdrawal and injection curve) of gas, beginning and end of the period
 - c) method for the transfer of the storage capacity or gas
 - d) requested date and form of the secondary capacity sale
2. The terms and the price for the accomplishment of the sale of secondary storage capacity or gas shall be determined based on an agreement between the Storage Operator and the Storage User.
3. The Storage User shall be obliged to demonstrate sufficient financial credibility for the fulfilment of all of his financial obligations resulting from the secondary sale of storage capacity or gas. To determine the amount and demonstrate the financial credibility, the provisions of Annex 1 of the Code shall apply
4. The invoicing and payment terms shall be determined based on an agreement between the Storage Operator and the Storage User.

ANNEX 5 – REQUIRED INFORMATION AND PREREQUISITES FOR THE PROVISION OF REVERSE CAPACITIES

1. The request for the provision of reverse capacities shall be in hard copy or electronic form and shall contain at least the following information:
 - a) identification data of the Storage User or the Eligible user requesting the reverse capacities
 - b) specification of the reverse capacities – size of the reverse withdrawal capacity, size of the reverse injection capacity, beginning and end of the provision of the reverse capacities
2. The terms and conditions and price for the provision of reverse capacities are determined by agreement between the Storage Operator and the Storage User. The Storage User or the Eligible user shall be obliged to demonstrate sufficient financial credibility for the fulfilment of all of his financial obligations resulting from the provision of reverse capacities by the Storage Operator to the Storage User. To determine the size and demonstrate the financial credibility, the provisions of Annex 1 of the Code shall apply.
3. The provisions of article 13 shall apply to the invoicing and payment terms whereas the provisions applicable to the monthly contract for gas storage shall apply and in the case of the actual use of the reverse capacity also the provisions applicable for daily storage capacity shall apply.

ANNEX 6 – REQUIRED INFORMATION AND PREREQUISITES FOR OBSERVING PRELIMINARY NOMINATIONS

1. The request for observing preliminary nominations shall be in hard copy or electronic form and shall contain at least the following information:
 - a) identification of the Storage User or the Eligible user
 - b) conditions for observing preliminary nominations
2. The conditions for observing preliminary nominations are determined by agreement between the Storage Operator and the Storage User which contains above all the price, the definition of such period that the offer relates to, the definition of benefit and the way of calculation of its amount, the way of calculation of a financial compensation in the event the Storage User or the Eligible user fails to observe preliminary nomination and the tolerance band in which also nominations with different values are considered as nominations identical to preliminary nominations.
3. The provisions of paragraph 13 applicable to the daily storage capacity shall apply with necessary modifications.