

CONTRACT FOR PROVISION OF GAS TRANSMISSION SERVICE NO. _____

(hereinafter the “**Contract**”)

by and between

NET4GAS, s.r.o., with its registered seat at Na Hřebenech II 1718/8, Prague 4 - Nusle, Postal Code 140 21, Business ID No. 272 60 364, entered in the Commercial Register maintained by the Prague Municipal Court under File No. C 108316 (hereinafter the “**TSO**”);

and

(hereinafter the “**Shipper**”)

WHEREAS

- A. The TSO is the sole Czech gas transmission system operator and intends to increase the capacity of its transmission system;
- B. The Shipper is interested in having natural gas (hereinafter “**gas**”) shipped using the gas transmission system operated by the TSO;
- C. Entering into this Contract is a precondition for the Shipper’s participation in the Auction (as defined below);
- D. The conclusion of this Contract is an initial (although not the only) pre-requisite for the TSO to proceed with the project for capacity increase referred to under A above.

THE PARTIES AGREE AS FOLLOWS:

1. Subject Matter of Contract

- 1.1** The TSO shall provide the Shipper with the gas transmission entry and exit capacity set out in Annex No. 1 hereto (hereinafter the “**Entry Capacity**” and the “**Exit Capacity**”, respectively) in accordance with the applicable entry/exit regime, subject to the terms and conditions set out in this Contract.
- 1.2** The Shipper shall pay to the TSO the price set out in this Contract for the capacity reserved under this Contract (and available for use by the Shipper) and for the related gas transmission services actually provided by the TSO on the “ship-or-pay” principle, i.e. the principle that the Shipper is obliged to pay the transmission fee regardless of whether or not it actually uses the reserved capacity for the shipping of gas.
- 1.3** The undertakings set out in Sections 1.1 and 1.2 above are subject to the terms agreed in this Contract. In particular, their becoming effective is subject to the fulfilment of the conditions listed in Section 5 below, and the timing and scope of their applicability is further subject to the fulfillment of the conditions set out in Section 4 below.
- 1.4** The Network Code of NET4GAS, s. r. o. (hereinafter the “**Network Code**”), as amended from

time to time, shall apply between the parties in relation to the Contract always in its then-effective version. Section 1752 of Act No. 89/2012, the Civil Code (hereinafter the “**Civil Code**”), shall not apply to the Contract or the Network Code. The TSO shall not propose a change to the Network Code detrimental to the Shipper’s position under this Contract, unless it needs to do so due to changes to applicable law and/or the regulatory framework, or in order to implement a request of a competent public authority.

2. Conclusion of Contract and Relation Thereof to Auction

2.1 The parties enter into this Contract with Provisional Annex No. 1 setting out the maximum volumes of gas transmission capacity that may be the subject matter of this Contract. Provisional Annex No. 1 is not binding on either party.

2.2 The TSO intends to hold a transmission capacity auction commencing on March 6, 2017 for the capacities referred to in this Contract using the on-line capacity booking platform PRISMA (hereinafter “**PRISMA**” and the “**Auction**”). The Shipper intends to submit a bid in the Auction. The TSO does not hereby undertake to hold the Auction, and the Shipper does not hereby undertake to submit such a bid.

The TSO’s intention to hold the Auction is conditional upon, *inter alia*, the following:

- (a) Whether the Czech Energy Regulatory Office (in Czech: *Energetický regulační úřad*, hereinafter the “**ERO**”) publishes the price decision that is supposed to be applicable to this Contract pursuant to Section 7.1 below in the Energy Regulatory Journal (in Czech: *Energetický regulační věstník*), and the contents thereof;
- (b) Whether the TSO reaches a legally binding agreement in writing, and in line with industry practice, with the transmission system operator with whose transmission system the TSO’s transmission system is to be connected at the Entry Point (as defined below), that the designed (projected) hand-over gas pressure at the Entry Point will be at least 73 bar, or the TSO receives confirmation in writing (reasonably satisfactory to the TSO as regards its form and substantially equivalent to a legally binding agreement as regards its legal relevance) to the same effect from the said transmission system operator;
- (c) Whether the final approvals of the TSO’s Executives Board and of the TSO’s Supervisory Board are obtained.

The TSO shall inform the Shipper by no later than March 3, 2017 about the status of the above conditions and whether, on that basis, it intends to hold the Auction. If it is established before March 3, 2017 that the TSO does not intend to hold the Auction due to unsatisfactory developments in relation to any of the above conditions, the TSO shall notify the Shipper thereof without undue delay after it ascertained the relevant facts.

2.3 If and when the TSO holds the Auction, and the Shipper submits a bid, which results in transmission capacity in a certain volume being allocated to it, the capacity allocation confirmations generated by the PRISMA platform shall, upon generation thereof, automatically become part of this Contract as Interim Annex No. 1 hereto, replacing Provisional Annex No. 1. If there are multiple offer levels at which allocation may be made after the Auction, the TSO will select the applicable offer level based on the actual capacity bookings; in such a case, Interim Annex No. 1 will consist of the capacity allocation confirmations related to the selected offer level.

2.4 Within ten working days from the Auction, the TSO shall consolidate the text of the Contract by filling out the table contained in Annex No. 1 hereto with the data resulting from the Auction without any other changes and/or modifications to the Contract and other Annexes,

and submit two signed counterparts of such consolidated version of the Contract to the Shipper, who will, without undue delay, sign both of the counterparts and return one of them to the TSO. At the end of this process, Interim Annex No. 1 ceases to form part of the Contract, with its purpose and contents effectively being replaced by Annex No. 1 filled out as set out above.

- 2.5** Regardless of Sections 2.2 through 2.4 above, the Contract is entered into upon its signing by both parties, and the respective capacity is reserved in a binding manner and subject to the terms and conditions of this Contract upon its reservation at the Auction; the process outlined in Section 2.4 above serves only to ensure that a consolidated version of the Contract exists.
- 2.6** Where a reference is made to Annex No. 1, it means a reference to Interim Annex No. 1 during the period in which Interim Annex No. 1 is in place.
- 2.7** If no entry capacity at the Entry Point and no exit capacity at the Exit Point are allocated to the Shipper in the Auction, the Contract is automatically terminated as of the end of the Auction.

3. Reserved Transmission Capacity

- 3.1** The entry and exit points of the transmission capacity reserved as set out in Section 1.1 are as follows:
- (a) Brandov EUGAL entry point (hereinafter the “**Entry Point**”); and
 - (b) Lanžhot exit point (hereinafter the “**Exit Point**”).
- 3.2** The volume of the Entry Capacity and Exit Capacity in each respective gas year is set out in Annex No. 1 hereto, but the actual volume to be made available is subject to the conditions set out in Section 4 below.

4. Particular Conditions Precedent

- 4.1** The obligation of the TSO to make the respective volume of the Entry Capacity and Exit Capacity available is subject to the conditions related to the availability of each particular piece of infrastructure needed for the performance of the Contract, as set out below in this Section 4, with a build-up period expected to last until 2021, whereby the TSO shall exercise its best efforts to fulfill the conditions set out in this Section 4 by January 1, 2021. This is without prejudice to Section 8 below.

4.2 Infrastructure A

- 4.2.1** Infrastructure A means the infrastructure needed for making technically available what is designated as “Entry Technical Capacity A” in Annex No. 2 hereto, in particular, the interconnection of the proposed EUGAL pipeline to the existing and planned gas transmission infrastructure in the Czech Republic, consisting of (i) a high-pressure pipeline from the Czech-German border to the border transmission station at Hora Svaté Kateřiny (hereinafter the “**HSK BTS**”), (ii) the upgrade of the HSK BTS in the form of the extension of the commercial metering facility, to the extent necessary, and construction of a junction node, (iii) a high-pressure pipeline from the HSK BTS to the Kateřinský Creek junction node, and (iv) the Kateřinský Creek junction node itself, subject to adjustments resulting from the respective design phase (hereinafter “**Infrastructure A**”, the completion thereof “**Condition A**”, and the date of fulfilment thereof “**Fulfilment Date A**”).

- 4.2.2** Condition A is fulfilled once the following steps have been accomplished:

- (a) The Entry Point (i.e. Brandov EUGAL entry point) has been established; the establishment includes, but is not limited to, the fact that a tariff for the Entry Point

has been set out in the respective price decision, that the Entry Point has been included in the Network Code, and that such amended Network Code has been approved by the ERO;

- (b) The TSO has obtained all planning permits (in Czech: *územní rozhodnutí* and/or *územní souhlas*) required for Infrastructure A, and all these permits have taken effect (in Czech: *nabytí právní moci*);
- (c) The TSO has obtained all public law permits required for the construction, commissioning and operation of Infrastructure A (other than that under Letter (b) above), in particular (but not only), all construction permits (in Czech: *stavební povolení*), and all these permits have taken effect (in Czech: *nabytí právní moci*);
- (d) The TSO has set up all real estate ownership-related arrangements required for the construction, acquisition of necessary permits, commissioning and operation of Infrastructure A, in particular (but not only), all easements (in Czech: *věcné břemeno*), whether by agreement or by expropriation, and these arrangements have been entered into the land registry; and
- (e) Infrastructure A has been constructed.

4.3 Infrastructure B

4.3.1 Infrastructure B means the infrastructure needed for making technically available what is designated as “Entry Technical Capacity AB” in Annex No. 2 hereto, i.e. the compressor station at Jirkov with expected installed power in the range of 18 – 22 MW, including its interconnection to the electricity and engineering networks, and its related items, subject to adjustments resulting from the respective design phase (hereinafter “**Infrastructure B**”, the completion thereof “**Condition B**”, and the date of fulfilment thereof “**Fulfilment Date B**”).

4.3.2 Condition B is fulfilled once the following steps have been accomplished:

- (a) Condition A is fulfilled;
- (b) The TSO has obtained all planning permits (in Czech: *územní rozhodnutí* and/or *územní souhlas*) required for Infrastructure B, and all these permits have taken effect (in Czech: *nabytí právní moci*);
- (c) The TSO has obtained all public law permits required for the construction, commissioning and operation of Infrastructure B (other than that under Letter (b) above), in particular (but not only), all construction permits (in Czech: *stavební povolení*), and all these permits have taken effect (in Czech: *nabytí právní moci*);
- (d) The TSO has set up all real estate ownership-related arrangements required for the construction, acquisition of necessary permits, commissioning and operation of Infrastructure B, in particular (but not only), all easements (in Czech: *věcné břemeno*), whether by agreement or by expropriation, and these arrangements have been entered into the land registry; and
- (e) Infrastructure B has been constructed.

4.4 Infrastructure C

4.4.1 Infrastructure C means the infrastructure needed for making technically available what is designated as “Entry Technical Capacity ABC” in Annex No. 2 hereto, in particular, a DN 1400 high-pressure pipeline between the Kateřinský Creek junction node and the Přimda junction node, subject to adjustments resulting from the respective design phase (hereinafter

“**Infrastructure C**”, the completion thereof “**Condition C**”, and the date of fulfilment thereof “**Fulfilment Date C**”).

4.4.2 Condition C is fulfilled once the following steps have been accomplished:

- (a) Condition A is fulfilled;
- (b) Condition B is fulfilled;
- (c) The TSO has obtained all planning permits (in Czech: *územní rozhodnutí* and/or *územní souhlas*) required for Infrastructure C, and all these permits have taken effect (in Czech: *nabytí právní moci*);
- (d) The TSO has obtained all public law permits required for the construction, commissioning and operation of Infrastructure C (other than that under Letter (c) above), in particular (but not only), all construction permits (in Czech: *stavební povolení*), and all these permits have taken effect (in Czech: *nabytí právní moci*);
- (e) The TSO has set up all real estate ownership-related arrangements required for the construction, acquisition of necessary permits, commissioning and operation of Infrastructure C, in particular (but not only), all easements (in Czech: *věcné břemeno*), whether by agreement or by expropriation, and these arrangements have been entered into the land registry; and
- (f) Infrastructure C has been constructed.

4.4.3 If and when all of the conditions set out in Section 4.4.2 above are fulfilled, with the exception of the condition listed under Section 4.4.2, Letter (b) above, the “**Fulfilment Date C Limited**” occurs. This is without prejudice to the occurrence of Fulfilment Date C once Condition C has been fulfilled.

4.5 Infrastructure D

4.5.1 Infrastructure D means the infrastructure needed for making technically available what is designated as “Exit Technical Capacity D” in Annex No. 2 hereto, in particular, the upgrade of the border transmission station at Lanžhot in the form of the extension of the commercial metering facility, subject to adjustments resulting from the respective design phase (hereinafter “**Infrastructure D**”, the completion thereof “**Condition D**”, and the date of fulfilment thereof “**Fulfilment Date D**”).

4.5.2 Condition D is fulfilled once the following steps have been accomplished:

- (a) The TSO has obtained all planning permits (in Czech: *územní rozhodnutí* and/or *územní souhlas*) required for Infrastructure D and all these permits have taken effect (in Czech: *nabytí právní moci*);
- (b) The TSO has obtained all public law permits required for the construction, commissioning and operation of Infrastructure D (other than that under Letter (a) above), in particular (but not only), all construction permits (in Czech: *stavební povolení*), and all these permits have taken effect (in Czech: *nabytí právní moci*);
- (c) The TSO has set up all real estate ownership-related arrangements required for the construction, acquisition of necessary permits, commissioning and operation of Infrastructure D, in particular (but not only), all easements (in Czech: *věcné břemeno*), whether by agreement or by expropriation, and these arrangements have been entered into the land registry; and

- (d) Infrastructure D has been constructed.

4.6 The fulfilment of the conditions set out in this Section 4 above has the following effect:

- (a) The fulfillment of Condition A results in entry capacity at the Entry Point in the volume indicated as such in Annex No. 2 hereto becoming technically available (this entry capacity hereinafter “**Entry Technical Capacity A**”);
- (b) The fulfillment of Condition B results in entry capacity at the Entry Point in the volume of indicated as such in Annex No. 2 hereto becoming technically available (this entry capacity hereinafter “**Entry Technical Capacity AB**”);
- (c) The fulfillment of Condition C results in entry capacity at the Entry Point in the volume indicated as such in Annex No. 2 hereto becoming technically available (this entry capacity hereinafter “**Entry Technical Capacity ABC**”); and
- (d) The fulfillment of Condition D results in exit capacity at the Exit Point in the volume indicated as such in Annex No. 2 hereto becoming technically available (this exit capacity hereinafter “**Exit Technical Capacity D**”).

Entry Technical Capacity A, Entry Technical Capacity AB, Entry Technical Capacity ABC, Entry Technical Capacity C Limited (as defined below) and Exit Technical Capacity D and their expected gradual availability are illustrated in Annex No. 2 hereto.

Any of Condition A, Condition B, Condition C and Condition D is referred to as a “**Condition**”.

4.7 Entry Capacity and Exit Capacity shall be made available by the TSO to the Shipper as set out in Annex No. 1 hereto, always commencing on October 1 of the respective gas year, subject to this Section 4.

4.8 If any of the Conditions is not fulfilled in time to allow for the respective portion of capacity to be made available pursuant to Section 4.7 above, such portion of capacity shall be made available by the TSO to the Shipper as follows.

- (a) At 06:00 CET on the day immediately following Fulfilment Date A (hereinafter “**Commencement Date A**”), Entry Capacity in a volume not exceeding Entry Technical Capacity A (excluding any capacity mandatorily set aside) shall be made available by the TSO to the Shipper, regardless of the fact that the Entry Capacity for the respective gas year as set out in Annex No. 1 may be higher than Entry Technical Capacity A;
- (b) At 06:00 CET on the day immediately following Fulfilment Date B (hereinafter “**Commencement Date B**”), Entry Capacity in a volume not exceeding Entry Technical Capacity AB (excluding any capacity mandatorily set aside) shall be made available by the TSO to the Shipper, regardless of the fact that the Entry Capacity for the respective gas year as set out in Annex No. 1 may be higher than Entry Technical Capacity AB;
- (c) At 06:00 CET on the day immediately following Fulfilment Date C (hereinafter “**Commencement Date C**”), Entry Capacity in a volume not exceeding the Entry Technical Capacity ABC (excluding any capacity mandatorily set aside) shall be made available by the TSO to the Shipper, regardless of the fact that the Entry Capacity for the respective gas year as set out in Annex No. 1 may be higher than Entry Technical Capacity ABC; and
- (d) At 06:00 CET on the day immediately following Fulfilment Date D (hereinafter

“**Commencement Date D**”), Exit Capacity in a volume not exceeding Exit Technical Capacity D (excluding any capacity mandatorily set aside) shall be made available by the TSO to the Shipper, regardless of the fact that the Exit Capacity for the respective gas year as set out in Annex No. 1 may be higher than Exit Technical Capacity D.

Any of Commencement Date A, Commencement Date B, Commencement Date C, Commencement Date C Limited (as defined below) or Commencement Date D is hereinafter referred to as a “**Commencement Date**”.

- 4.9** If Fulfilment Date C Limited occurs, entry capacity in the limited volume equal to the portion of Entry Technical Capacity ABC designated for such purpose in Annex No. 2 hereto (hereinafter “**Entry Technical Capacity C Limited**”) (excluding any capacity mandatorily set aside) shall be made available by the TSO to the Shipper on the day following Fulfilment Date C Limited (hereinafter “**Commencement Date C Limited**”). This is without prejudice to the occurrence of Commencement Date C, once Condition C has been fulfilled.
- 4.10** The Shipper shall pay the price under this Contract always only for such portion of the Entry Capacity and Exit Capacity as actually made available to it. If any of the Commencement Dates occur later than on October 1 of a particular gas year, the price related to such capacity and such gas year shall be calculated as a pro rata amount of the price for yearly capacity applicable pursuant to Section 7 below. It is not expected that any of the Commencement Dates are to take place before January 1, 2020.
- 4.11** The following further definitions apply:
- (a) “**HSK Entry Point**” means the Hora Svaté Kateřiny entry point;
 - (b) “**HSK-O Entry Point**” means the Hora Svaté Kateřiny – Olbernhau entry point;
 - (c) “**Brandov OPAL Entry Point**” means the Brandov OPAL entry point;
 - (d) “**Existing Entry Capacity**” means the entry capacity existing at the HSK Entry Point, HSK-O Entry Point and/or Brandov OPAL Entry Point as offered in the Auction (i.e. other than the Entry Capacity);
 - (e) “**Existing Exit Capacity**” means the exit capacity existing at the Exit Point as offered in the Auction (i.e. other than the Exit Capacity);
 - (f) “**Related Capacity**” means the Existing Entry Capacity and the Existing Exit Capacity together;
 - (g) “**Overall Entry Capacity**” means together the Entry Capacity, Existing Entry Capacity and any other capacities booked by the Shipper at the Entry Point, HSK Entry Point, HSK-O Entry Point and/or Brandov OPAL Entry Point;
 - (h) “**Overall Exit Capacity**” means together the Exit Capacity, the Existing Exit Capacity and any other capacities booked by the Shipper at the Exit Point.
- 4.12** If the Entry Technical Capacity AB is not made available in full by October 1, 2019 and the Shipper has booked:
- (a) the Entry Capacity, and
 - (b) any portion of the Existing Entry Capacity and/or the Existing Exit Capacity,

then, from October 1, 2019 until the Entry Technical Capacity AB is made available in full, the Shipper has the right to return any portion of the Overall Exit Capacity exceeding the higher of the following capacity amounts: (i) capacity that corresponds to the level of its overall exit capacity bookings (if any) at the Exit Point in the 2018/2019 gas year, and (ii) the portion (if any) of the Overall Entry Capacity that is actually made available to the Shipper.

With the exception of the period from October 1, 2019 until December 31, 2019, the volume of the Overall Exit Capacity that may be returned is assessed continually, and at no point in time may it exceed the volume calculated as per the previous paragraph; therefore, if the Shipper has used its right to return capacities pursuant to this Section 4.12 and (i) any portion of the Entry Capacity has been made available exceeding the Shipper's overall exit capacity bookings (if any) at the Exit Point in the 2018/2019 gas year, the level of the Shipper's bookings automatically returns to such level that is in compliance with the rule set out in the previous paragraph, and (ii) the Entry Technical Capacity AB has been made available in full, the level of the Shipper's bookings automatically returns to the full extent of the Overall Exit Capacity.

If the Shipper wishes to return capacity pursuant to this Section 4.12, it shall notify the TSO of the volume the Shipper thereby returns within a reasonable timeframe. For the avoidance of doubt, the Shipper is released from its payment obligation in relation to capacity returned pursuant to this Section 4.12.

4.13 If the Entry Technical Capacity ABC is not made available in full by January 1, 2022 and the Shipper has booked:

- (a) the Entry Capacity and the Exit Capacity, and/or
- (b) any portion of the Existing Entry Capacity, and/or any portion of the Existing Exit Capacity,

then, from January 1, 2022 until the Entry Technical Capacity ABC is made available in full, the Shipper has the right to return a portion of the Overall Exit Capacity as corresponds to the difference between (i) the Overall Entry Capacity booked for the given time by the Shipper, and (ii) the Overall Entry Capacity actually available to the Shipper at the given time; however, in the period from January 1, 2022 until January 1, 2025, the Shipper cannot return such portion of that capacity that corresponds to the level of its overall exit capacity bookings (if any) at the Exit Point in the 2018/2019 gas year.

The volume of the Overall Exit Capacity that may thus be returned is assessed continually, and at no point in time may it exceed the volume calculated as per the previous paragraph; therefore, if the Shipper has used its right to return capacities pursuant to this Section 4.13 and (i) any portion of the Entry Capacity has been made available, the level of the Shipper's bookings automatically returns to such level that is in compliance with the rule set out in the previous paragraph, and (ii) the Entry Technical Capacity ABC has been made available in full, the level of the Shipper's bookings automatically returns to the full extent of the Overall Exit Capacity.

If the Shipper wishes to return capacity pursuant to this Section 4.13, it must notify the TSO of the volume the Shipper thereby returns within a reasonable timeframe. For the avoidance of doubt, the Shipper is released from its payment obligation in relation to capacity returned pursuant to this Section 4.13.

If this Section 4.13 applies, the TSO shall compensate the Shipper without undue delay for the payments made by the Shipper for the Overall Exit Capacity that the Shipper booked for the period between October 1, 2020 and December 31, 2021 exceeding the higher of the following

capacity amounts: (i) capacity that corresponds to the level of its overall exit capacity bookings (if any) at the Exit Point in the 2018/2019 gas year, and (ii) the portion (if any) of the Overall Entry Capacity that was actually made available to the Shipper in that period. The amount of the compensation shall be equal to the amount paid by the Shipper to the TSO for such capacities.

- 4.14** Without prejudice to Sections 4.12 and 4.13 above, if Entry Technical Capacity AB is not made available in full by January 1, 2025, the Shipper has the right to return any portion of the Overall Entry Capacity and/or any portion of the Overall Exit Capacity, and the obligation of the TSO to provide the unavailable Entry Capacity and Exit Capacity ceases to exist unless the Parties agree otherwise. If the Shipper wishes to return capacity pursuant to this Section 4.14, it must notify the TSO of the volume the Shipper thereby returns within a reasonable timeframe. For the avoidance of doubt, the Shipper is released from its payment obligation in relation to capacity returned pursuant to this Section 4.14.
- 4.15** Subject to Section 8.4, if the TSO does not make any portion of the Entry Capacity or of the Exit Capacity available to the Shipper due to any of the respective particular conditions set out in this Section 4 not being fulfilled, the fact of not making such portion available cannot amount to a breach of this Contract by the TSO, and may thus not give rise to any liability on the part of the TSO.

5. General Conditions Precedent

- 5.1** The undertakings of the TSO and the Shipper set out in Sections 1.1 and 1.2 above only take effect if and when all of the following conditions are fulfilled:
- (a) The Entry Capacity and the Exit Capacity have been booked at the Auction in an amount not less than as set out in Annex No. 3 hereto.
 - (b) The Existing Exit Capacity has been booked at least to the extent as set out in Part I of Annex No. 4 hereto.
 - (c) The Existing Entry Capacity has been booked at least to the extent as set out in Part II of Annex No. 4 hereto.
 - (d) A contractual undertaking has been entered into between the TSO and a person reasonably satisfactory to the TSO, whereby such person has agreed to submit first round bids for exit capacity at the Exit Point, as such capacity will be offered in the future auctions for the period after October 1, 2032 in the amount equal to, or in excess of, the levels set out in Part I of Annex No. 5 hereto, for each particular auction, subject to the condition that (i) the price offered at such auction does not exceed the price applicable pursuant to this Contract, taking into account any escalation as set out in the price decision effective as of the conclusion of this Contract, and that (ii) no change to the Network Code has occurred that would have a substantial negative economic impact on the Shipper's position.
 - (e) A contractual undertaking has been entered into between the TSO and a person reasonably satisfactory to the TSO, whereby such person has agreed to submit first round bids for the portion of the exit capacity at the Exit Point set aside pursuant to the applicable rules, equal to, or in excess of, the levels set out in Part II. of Annex No. 5 hereto, for each particular auction, subject to the condition that (i) the price offered at such auction does not exceed the price applicable pursuant to this Contract, taking into account any escalation as set out in the price decision effective as of the conclusion of this Contract, and that (ii) no change to the Network Code has occurred that would have a substantial negative economic impact on the Shipper's position.

5.2 The fulfillment of the conditions set out in Section 5.1 above shall be assessed by the TSO, and the Shipper will be notified of the outcome as to the fulfillment or non-fulfillment thereof by the TSO without undue delay after the end of the Auction (hereinafter the “**General CPs Assessment Notification**”).

5.3 The conditions precedent set out in this Section 5 are for the sole benefit of the TSO, and the TSO has the right to waive any of them; any such waiver needs to be included in the General CPs Assessment Notification and to make an explicit reference to this Section 5.3 and an explicit reference to the respective provision of this Contract establishing the condition being waived.

6. Duration

6.1 Subject to Section 5.1 above, the Contract takes effect upon its signing by both parties.

Any Section of this Contract that has taken effect pursuant to the above remains in effect for as long as any of the rights or duties arising from it exist or are meant to exist. The duration of the respective transmission capacity reservation is set out in Annex No. 1.

6.2 If the Shipper has capacity bookings with the adjacent upstream and downstream transmission system operators allocated to it in the March 2017 yearly auction, it may request that the TSO enter into a separate agreement providing for terms of withdrawal from this Contract by the Shipper, subject to compensation of costs to the TSO (hereinafter the “**Withdrawal Agreement**”). For the avoidance of doubt, the agreement shall only deal with the costs to be reasonably incurred by the TSO in connection with this Contract and the preparation for its performance, in particular, costs incurred in order to make Infrastructure A, Infrastructure B, Infrastructure C and Infrastructure D available (hereinafter the “**Eligible Costs**”). The Parties confirm the fact that, given the envisaged time schedule needed to make the Entry Capacity and the Exit Capacity available as follows from Annex No. 1 hereto, higher costs at an earlier stage need to be incurred by the TSO than would normally be the case, and that such cost shall be also considered as reasonably incurred by the TSO for the purpose of this Section 6.2. For the avoidance of doubt, entering into the Withdrawal Agreement shall be at the sole discretion of the TSO.

6.3 The Shipper does not have the right to withdraw from the Contract other than pursuant to Section 6.2 or in the event of a particularly gross breach of the Contract by the TSO.

6.4 If other shipper or shippers with booked capacity equal to or exceeding 50% of the sum of (i) the Entry Capacity set out in Provisional Annex No. 1 and (ii) the Exit Capacity set out in Provisional Annex No. 1, terminate their contract or contracts equivalent to the Contract, the Contract is automatically terminated. The TSO shall notify the Shipper of the termination of the Contract under this Section 6.4 without undue delay after it has learned of it.

6.5 If the Shipper is informed by the General CPs Assessment Notification that the conditions set out in Section 5.1 above were not fulfilled, or if the Contract is terminated in full pursuant to Section 6.2 or 6.4 above, the Shipper that has booked in the Auction any Related Capacity has the right to return such Related Capacity (i.e. to terminate the respective contract or contracts with the TSO). If the Shipper wishes to return capacity pursuant to this Section 6.5, it shall notify the TSO of the volume the Shipper thereby returns within a reasonable timeframe.

7. Price

7.1 The price for the reservation of capacity at the Auction and the related gas transmission shall be that as set in accordance with the price decision of the ERO in force at the date of the Auction. For avoidance of doubt, the price, escalation formula and other rules, if any, as set out in such price decision in force at the date of the Auction shall be applicable throughout the

whole period of duration hereof.

7.2 If the applicable price decision of the ERO or the Network Code provides for an option of the Shipper to choose to pay the transmission fee hereunder in EUR at a fixed exchange rate, such an option of the Shipper, if made, is binding on it for the entire duration of the Contract remaining after the option was made and cannot be changed, unless the price decision or the Network Code provides otherwise.

7.3 Invoicing and payment rules are set out in the Network Code.

8. Liability for Damage & Change in Circumstances

8.1 Each party shall be liable to the other party for any damage it causes through the breach of its obligations arising from this Contract or in connection with it.

8.2 Lost profit is excluded from the scope of damage to be compensated in any instance of any breach of this Contract or a related duty by either party.

8.3 Any obligation of either party shall be temporarily suspended during the period in which it is unable to perform such obligation by reason of Force Majeure, but only to the extent of such inability to perform. The term "Force Majeure" means circumstances not reasonably foreseen by, unable to be avoided by and beyond the control of the party, including but not limited to the following:

- (a) acts of God, forces of nature, floods, earthquakes, landslides, fires, explosions and other unavoidable accidents,
- (b) strikes, boycotts, lockouts, sabotage and military operations.

On the part of the TSO, a Force Majeure event includes also acts of public authorities, or a lack thereof.

On the part of the Shipper, a Force Majeure event does not include any act of public authorities of the country where the Shipper is incorporated or the country where the Shipper has its registered seat, or a lack thereof.

Following the occurrence of any circumstances of Force Majeure, the affected party shall notify the other party of the occurrence and the expected extent and duration of such circumstances and take all economically reasonable measures, which may be useful to ensure the resumption of the normal performance of the Contract within the shortest possible time.

The termination of the Contract due to Force Majeure circumstances shall take place only by mutual consent of the parties.

8.4 The TSO is obliged to exercise its best efforts in order to ensure that Condition A, Condition B, Condition C and Condition D are fulfilled, and that the TSO is in a position to perform its undertaking set out in Section 1.1 of this Contract above; in relation to Condition C, the status of the relevant planning permits shall be taken into account when assessing the contents and scope of the best efforts. If, however, despite the TSO having exercised all such best efforts, its performance of the Contract turns out to be impossible or possible only with such difficulties as to make it unreasonable, no breach of the Contract and no liability on the part of the TSO toward the Shipper shall arise.

The term "best efforts" when used in this Contract shall mean taking all steps and available measures in good faith to achieve the objective, to carry the process to its logical conclusion, and includes doing everything known to the TSO to be reasonable and necessary for ensuring the success of the effort.

8.5 If the circumstances that existed at the time of the conclusion of this Contract substantially change so as to make its continued performance grossly unreasonable for either party (while a substantial change to the Network Code may also qualify as such a change, if all the other conditions set out in this sentence are met), whereas such change was not reasonably foreseen by, unable to be avoided by and beyond the control of the affected party, the affected party may request that the parties enter into negotiations regarding the situation. The parties shall in such a case negotiate in good faith with the aim of amending the Contract in order to restore the economic balance of the Contract as existed at the time of the conclusion hereof. For the avoidance of doubt, both parties acknowledge that the TSO is a regulated entity that needs to work within the limits of the applicable regulatory framework. Neither requesting such negotiations, nor their commencement, nor a failure to agree on an amendment pursuant to this Section 8.5 gives the affected party the right to terminate the Contract or to suspend its performance. This provision represents the sole remedy in the event of a change in circumstances.

9. Confidentiality

9.1 Each party undertakes to keep confidential all information that has come to its attention in connection with the negotiation, conclusion or performance of this Contract.

9.2 A party may only disclose the information referred to in Section 9.1 above in the following cases:

- (a) The information has become publicly available;
- (b) It is necessary for the fulfillment of the parties' statutory or other legal duties, including when requested by competent authorities;
- (c) In the course of court or arbitration proceedings commenced by either party against the other party in connection with this Contract; or
- (d) The disclosure is made to the respective party's advisors, subject to the condition that such advisors are bound by a substantially identical confidentiality undertaking.

10. Information Duty

10.1 The parties shall inform one another of all developments that may have a material impact on their rights or duties arising from this Contract. Information sent by e-mail (using e-mail accounts to be specified by the parties in due time) is sufficient for the purposes of this provision.

11. Special Capacity Undertaking

11.1 The TSO undertakes to hold auctions for entry capacity at the Entry Point and exit capacity at the Exit Point to the extent set out in Annex No. 6 hereto.

11.2 The Shipper undertakes to submit first round bids for the exit capacity, as such capacity will be offered in the future auctions for the period after October 1, 2032 in the amount equal to, or in excess of, the levels set out in Part I of Annex No. 6 hereto, for each particular auction, subject to the condition that (i) the price offered at such auction does not exceed the price applicable pursuant to this Contract, taking into account any escalation as set out in the price decision effective as of the conclusion of this Contract, and that (ii) no change to the Network Code has occurred that would have a substantial negative economic impact on the Shipper's position.

11.3 The Shipper undertakes to submit first round bids for the portion of the exit capacity at the Exit Point set aside pursuant to the applicable rules, equal to, or in excess of, the levels set out

in Part II of Annex No. 6 hereto, for each particular auction, subject to the condition that (i) the price offered at such auction does not exceed the price applicable pursuant to this Contract, taking into account any escalation as set out in the price decision effective as of the conclusion of this Contract, and that (ii) no change to the Network Code has occurred that would have a substantial negative economic impact on the Shipper's position.

- 11.4** Sections 12.3 through 12.9 (inclusive) of the Contract shall also apply to this undertaking set out in this Section 11 and Annex No. 6 hereto.
- 11.5** For the avoidance of doubt, the special capacity undertakings set out in Sections 11.2 and 11.3 above take effect upon the signing of the Contract by both parties. If this Contract is terminated in full by any of the means set out in Sections 6.2 and 6.3 above, or if the Contract does not come into force pursuant to Section 5.1 above, the special capacity undertakings set out in Sections 11.2 and 11.3 above are automatically terminated.

12. Final Provisions

- 12.1** The Preamble and the Annexes to this Contract form an integral part hereof. The list of the Annexes is as follows:
- (a) Provisional Annex No. 1 (only until replaced by Interim Annex No. 1);
 - (b) Interim Annex No. 1 (only once it replaces Provisional Annex No. 1 and only until it has been replaced by Annex No. 1 filled out in accordance with Section 2 above);
 - (c) Annex No. 1: Reserved Capacities;
 - (d) Annex No. 2: Expected Gradual Availability of Entry Technical Capacity A, Entry Technical Capacity AB, Entry Technical Capacity ABC and Exit Technical Capacity D and Designation of Entry Technical Capacity C Limited (technical maxima);
 - (e) Annex No. 3: Parameters of General Condition Precedent Set in Section 5.1, Letter a);
 - (f) Annex No. 4: Parameters of General Condition Precedent Set in Section 5.1, Letters b) and c);
 - (g) Annex No. 5: Parameters of General Condition Precedent Set in Section 5.1, Letters d) and e);
 - (h) Annex No. 6: Special Capacity Undertaking of Shipper
- 12.2** The volume of gas actually transmitted shall be measured in accordance with the Network Code.
- 12.3** Communication between the parties related to matters connected with this Contract shall be made in English. Communication between the parties shall primarily be transmitted by e-mail. Notifications that have or may have a material impact on the rights and duties of the parties (in particular, changes to the Network Code, the General CPs Assessment Notification and statements connected to termination of the Contract) shall be made by e-mail and by registered mail or by courier, whereas delivery by mail or courier is conclusive. This provision is subject, in particular, to Section 12.7 below.
- 12.4** This Contract is governed by and construed in accordance with Czech law, with the exclusion of its choice of law rules referring to any other law.
- 12.5** The application of the following provisions of the Civil Code to the Contract is hereby also excluded: Section 1727, second and third sentence, Section 1748, Section 1765, Section 1766,

Section 1799, Section 1800 and Section 2000.

- 12.6** If any part of this Contract is or becomes invalid, ineffective, unenforceable or inoperable, that does not affect the validity, effectiveness, enforceability or operability of the Contract, unless the invalidity, ineffectiveness, unenforceability or inoperability of that part changes the overall balance of the Contract to such an extent that its continuation is not reasonable. The parties shall negotiate in good faith in order to replace such invalid, ineffective, unenforceable or inoperable provision with a provision that will be as close to the originally intended meaning as possible.
- 12.7** Any change to this Contract may only be made by means of a written amendment (whereas e-mail communication is not regarded as constituting the written form) designated as such and signed by both parties.
- 12.8** All disputes arising out of or in connection with this Contract shall be exclusively and finally settled under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with said Rules. The place of arbitration shall be Prague and the language of arbitration shall be English.
- 12.9** This Contract is executed in two counterparts, of which each party shall receive one.

On _____

On _____

For NET4GAS, s. r. o.
Executive

For

For NET4GAS, s. r. o.
Executive

Provisional Annex 1

Maximum Volumes of Capacity that May be Subject Matter of Contract

(in GWh / day)

Gas Year	Brandov EUGAL Entry Point	Lanžhot Exit Point
	Entry	Exit
2019/2020	598.36	
2020/2021	1007.31	299.43
2021/2022	1007.31	299.43
2022/2023	895.39	299.43
2023/2024	895.39	299.43
2024/2025	895.39	299.43
2025/2026	895.39	299.43
2026/2027	895.39	299.43
2027/2028	895.39	299.43
2028/2029	895.39	299.43
2029/2030	895.39	299.43
2030/2031	895.39	299.43
2031/2032	895.39	299.43
2032/2033	895.39	299.43
2033/2034	895.39	299.43
2034/2035	895.39	299.43
2035/2036	895.39	299.43
2036/2037	895.39	299.43
2037/2038	895.39	299.43
2038/2039	895.39	299.43

Annex 2**Expected Gradual Availability of Entry Technical Capacity A, Entry Technical Capacity AB, Entry Technical Capacity ABC and Exit Technical Capacity D and Designation of Entry Technical Capacity C Limited (Technical maxima)**

(in GWh / day)

Gas Year	Brandov EUGAL Entry Point				Lanžhot Exit Point
	Entry*				Exit*
	Entry Technical Capacity A (i.e. with Condition A fulfilled)	Entry Technical Capacity AB (i.e. with Conditions A and B fulfilled)	Entry Technical Capacity C Limited (i.e. with Conditions A and C fulfilled)	Entry Technical Capacity ABC (i.e. with Conditions A, B and C fulfilled)	Exit Technical Capacity D (i.e. with Condition D fulfilled)
2019/2020	187.4	664.8			
2020/2021**	187.4	664.8	708.0	1119.23	332.7
2021/2022	187.4	664.8	708.0	1119.23	332.7
2022/2023 – 2038/2039	187.4	664.8	708.0	1119.23	332.7

* For the avoidance of doubt, it is noted that, in compliance with applicable legislation, entry and exit capacities are booked separately (while this Annex No. 2 does not contain a full list of entry and exit points offered by the TSO). It is the sole responsibility of the shipper to book such combination of entry and exit capacity as will suit its commercial purposes.

** Making the capacity available in the volumes and at the times indicated in the table is subject to the terms and conditions set out in the Contract, in particular, also to the conditions set out in Sections 4 and 5 of the Contract. In particular, the course of action taken by the planning authorities may have an impact on the overall timing.

Annex No. 3

Parameters of General Condition Precedent Set in Section 5.1, Letter a)

(in GWh / day)

For the general condition precedent set out in Section 5.1, Letter a) of the Contract to be fulfilled, the Entry Capacity and the Exit Capacity needs to be booked in the Auction at least to the following extent (whereas each threshold set out below for entry and exit for a particular year must be reached):

Gas Year	Entry Capacity	Exit Capacity
2019/2020	598.0	
2020/2021	954.0	299.0
2021/2022	954.0	299.0
2022/2023	842.0	299.0
2023/2024	842.0	299.0
2024/2025	842.0	299.0
2025/2026	842.0	299.0
2026/2027	842.0	299.0
2027/2028	842.0	299.0
2028/2029	842.0	299.0
2029/2030	842.0	299.0
2030/2031	842.0	299.0
2031/2032	842.0	299.0
2032/2033	842.0	299.0
2033/2034	842.0	299.0
2034/2035	842.0	299.0
2035/2036	842.0	299.0
2036/2037	842.0	299.0
2037/2038	842.0	299.0
2038/2039	842.0	299.0

Annex No. 4

Parameters of General Condition Precedent Set in Section 5.1, Letters b) and c)

(in GWh / day)

Part I

Section 5.1, Letter b)

For the general condition precedent set out in Section 5.1, Letter b) of the Contract to be fulfilled, the Existing Exit Capacity needs to be booked in the Auction at least to the following extent.

Gas Year	Existing Exit Capacity (Lanžhot)
2019/2020	664.0
2020/2021	822.0
2021/2022	822.0
2022/2023	730.0
2023/2024	730.0
2024/2025	730.0
2025/2026	730.0
2026/2027	730.0
2027/2028	730.0
2028/2029	730.0
2029/2030	730.0
2030/2031	730.0
2031/2032	730.0

Part II

Section 5.1, Letter c)

For the general condition precedent set out in Section 5.1, Letter c) of the Contract to be fulfilled, the Existing Entry Capacity needs to be booked in the Auction at least to the following extent.

Gas Year	Existing Entry Capacity at Hora Sváté Kateřiny - Olbernhau
2019/2020	24.0
2020/2021	24.0
2021/2022	24.0
2022/2023	8.0

2023/2024	139.0
2024/2025	139.0
2025/2026	139.0
2026/2027	139.0
2027/2028	139.0
2028/2029	139.0
2029/2030	139.0
2030/2031	139.0
2031/2032	138.0

Gas Year	Existing Entry Capacity at Hora Svaté Kateřiny
2019/2020	95.0
2020/2021	95.0
2021/2022	95.0
2022/2023	84.0
2023/2024	84.0
2024/2025	84.0
2025/2026	84.0
2026/2027	84.0
2027/2028	84.0
2028/2029	84.0
2029/2030	84.0
2030/2031	84.0
2031/2032	84.0

Annex No. 5

Parameters of General Condition Precedent Set in Section 5.1, Letters d) and e)

(in GWh / day)

Part I

Section 5.1, Letter d)

For the general condition precedent set out in Section 5.1, Letter d) of the Contract to be fulfilled, the undertaking referred to in the Section needs to be entered into at least to the following extent.

Gas Year	Exit Capacity (Lanžhot)
2032/2033	730.0
2033/2034	730.0
2034/2035	730.0
2035/2036	730.0
2036/2037	730.0
2037/2038	730.0
2038/2039	730.0

Part II

Section 5.1, Letter e)

For the general condition precedent set out in Section 5.1, Letter e) of the Contract to be fulfilled, the undertaking referred to in the Section needs to be entered into at least to the following extent.

Gas Year	Set-Aside Exit Capacity (Lanžhot)
2022/2023	91.0
2023/2024	91.0
2024/2025	91.0
2025/2026	91.0
2026/2027	91.0
2027/2028	91.0
2028/2029	91.0
2029/2030	91.0
2030/2031	91.0
2031/2032	91.0

2032/2033	91.0
2033/2034	91.0
2034/2035	91.0
2035/2036	91.0
2036/2037	91.0
2037/2038	91.0
2038/2039	91.0

Annex No. 6

Special Capacity Undertaking of Shipper

(in GWh / day)

Part I

Section 11.2 of Contract

The Shipper makes the undertaking set out in Section 11.2 of the Contract to the extent set out in the table below.

Gas Year	Exit Capacity (Lanžhot)
2032/2033	
2033/2034	
2034/2035	
2035/2036	
2036/2037	
2037/2038	
2038/2039	

Part II

Section 11.3 of Contract

The Shipper makes the undertaking set out in Section 11.3 of the Contract to the extent set out in the table below.

Gas Year	Set-Aside Exit Capacity (Lanžhot)
2022/2023	
2023/2024	
2024/2025	
2025/2026	
2026/2027	
2027/2028	
2028/2029	
2029/2030	
2030/2031	
2031/2032	

2032/2033	
2033/2034	
2034/2035	
2035/2036	
2036/2037	
2037/2038	
2038/2039	