



1. The Transmission System Operator, RWE Transgas Net, s.r.o., Identification No. [IČ] 272 60 364, with its registered office until 9 September 2009 Prague 10 – Strašnice, V Olšinách 75/2300, Postal Code 100 00 and as from 10 September 2009 Prague 4 – Nusle, Na Hřebenech II 1718/8, Postal Code 140 21, adopted, in an internal letter dated 4 April 2007, the Compliance Programme to eliminate discriminating behaviour towards other gas market participants, and the rules for making information on the transmission system operation and development and access thereto available (hereinafter referred to as the “Compliance Programme”) pursuant to the provision of Section 58a Subsection 3 of Act No. 458/2000 Coll., on conditions of business and execution of state administration in energy industries and on amendment to some acts (the Energy Act), as amended (hereinafter referred to as the “Energy Act”)

Pursuant to the provision of Section 58a Subsection 4 of the Energy Act, the Transmission System Operator shall each year draw up a report on measures taken and fulfilment of the Programme for the previous year, send it to the Energy Regulatory Office and Ministry of Industry and Trade by 30 April of the following year and, also, publish it in a manner allowing remote access.

Based on the last-mentioned provision of the Energy Act, the Transmission System Operator hereby presents this

R e p o r t

of the Transmission System Operator on measures taken and fulfilment of the Compliance Programme for 2009

- 1. Measures to eliminate discriminating behaviour towards other gas market participants and rule for making information on the transmission system operation and development and access thereto available**

1.1 Measures to eliminate discriminating behaviour towards other gas market participants

a) Unbundling of the Transmission System Operator

As to legal status and decision making, the Transmission System Operator was in 2009 continuously independent of entities carrying out activities associated with gas or electricity production and trade. The Transmission System Operator was a limited liability company in 2009. The sole partner of the Transmission System Operator was RWE Transgas, a.s. in 2009 having its registered office at Prague 10 – Strašnice, Limuzská 12/3135, Postal Code 100 98, Identification No. [IČ] 26460815.

b) Organisational structure of the company

The Transmission System operator had three Managing Directors until 28 January 2009 and two Managing Directors as from 29 January 2009. Two Managing Directors act jointly on behalf of the Transmission Operator.

The Transmission System Operator had three proctors until 11 August 2009 and, as from 12 August 2009, four proctors.

The individuals responsible of management of the Transmission System Operator participated in 2009 neither directly nor indirectly in organisational structures of any company holding a licence for gas or electricity production or trade.

No natural person which would concurrently be a member of the company's body or proctor or executive of any company holding the licence for gas or electricity production or trade was in 2009 the Transmission System Operator's Managing Director, proctor or executive.

The Transmission System Operator's Managing Directors, proctors or executives accepted in 2009 neither any rewards nor any other property performances from any company holding the licence for gas or electricity production or trade.

The remuneration of the Transmission System Operator's Managing Directors, proctors or executives was independent of economic results attained by any company holding the licence for gas or electricity production or trade.

c) Implementation of TSO management model within vertically integrated undertaking

The Transmission System Operator enjoyed in 2009 actual decision-making rights to the assets necessary for the transmission system operation, maintenance and development with the exercise of the right being independent of any company holding the licence for gas or electricity production or trade.

The sole partner, RWE Transgas, a.s. was in 2009 neither issuing any instructions regarding common operation and maintenance of the transmission system nor intervening in any way in decision making on construction or modernisation of part of the transmission system unless such decision was beyond the approved financial plan or any other similar tool; thereby the sole partner's authority to approve the annual financial plan or any other Transmission System Operator's tool and to approve its maximum indebtedness was not affected.

No higher management structure of the RWE holding intervened in 2009 in the Transmission System Operator's decision making unless such decision was beyond the approved financial plan or any other similar tool.

1.2 Rules for making information on the transmission system operation and development and access thereto available

a) Provision of confidential information

The Transmission System Operator's Managing Directors, proctors and employees did not in 2009 disclose any confidential information within the meaning of Article 2.2 Letter a) of the Compliance Programme beyond the Transmission System Operator unless the Customer gave the Transmission System Operator his consent in writing to provide or made such confidential information available, the confidential information became public domain, the provision or making such confidential information was requested on the basis of generally binding legal regulations or the confidential information was provided or made available in the implementation of the management model of the Transmission System Operator within vertically integrated undertaking to an interconnected person within the RWE Group which person does not carry out activities associated with gas or electricity production or trade, or to external contractors of the Transmission System Operator, however, on conditions set forth in the Compliance Programme.

b) Maintaining secrecy of confidential information with the Transmission System Operator

The duty to maintain secrecy of confidential information in labour-law relations of the Transmission System Operator's employees stands during the employment as well as after the employment termination. The duty to maintain secrecy of confidential information in legal relations with the Transmission System Operator's Managing Directors and proctors applies similarly to the labour-law relations of the Transmission System Operator's employees. Alongside this, the Managing Directors' duty to maintain secrecy of confidential information flows from the provision of Section 194 Subsection 5 in concurrence with the provision of Section 135 Subsection 2 of Act No. 513/Coll., the Commercial Code, as amended.

c) Rules for provision of confidential information and making confidential information available to external service providers

The Transmission System Operator secured in 2009 the secrecy of confidential information in contracts with external service providers. Based on such duty, the external service providers had to secure, apart from other things, that their employees, members of the company's body or supervisory body who will be provided confidential information maintain secrecy of confidential duty and do not disclose such information to any third party or any other employee of the vertically integrated undertaking carrying out activity of gas production or trade, unless otherwise provided by the relevant contract.

2. Implementation of the Compliance programme and checking the adherence thereto

2.1 Making employees familiar with the Compliance Programme

All Transmission System Operator's employees starting their employment during 2009 were made familiar with the Compliance Programme which they confirmed by their signatures.

Pursuant to the provision of Section 305 Subsection 3 of Act No. 262/2006 Coll., the Labour Code, as amended, internal regulations (the Compliance Programme) is binding for all employees.

2.2 Checking the adherence to the Compliance Programme

The position of Compliance Officer was in 2009 established with the Transmission System Operator; the key activity of the Compliance Officer is securing the implementation of the Compliance Programme and checking its fulfilment.

Pursuant to Article 3.2 of the Compliance Programme, all employees, Managing Directors and proctors are obliged to notify the Compliance Officer of all facts they come across when performing their activities which facts could constitute a breach of the Compliance Programme rules.

2.3 Information of fulfilment of the Compliance Programme

The Compliance Officer shall present the report on measures taken and fulfilment of the Compliance Programme to the Managing Directors.

Done in Prague on 20 April 2010

NET4GAS, s.r.o.¹



Thomas Kleefuss
Managing Director



Jan Nehoda
Managing Director

¹ The business name of the Transmission System Operator changed with effect from 4 March 2010.