

**EXCERPT OF**  
**ADDENDUM NO. 3**

**TO**

**GRID CONNECTION AGREEMENT**  
(hereinafter referred to as “**Addendum**”)

between

**NET4GAS, s.r.o.**

Registered office: Na Hřebenech II 1718/8, 140 21 Prague 4 – Nusle  
Identification No.: 272 60 364  
registered in the Commercial Register at the Municipal Court in Prague, section C,  
enclosure 108316

(hereinafter referred to as “**NET4GAS**”)

and

**GASCADE Gastransport GmbH**

Registered office: Kölnische Straße 108-112, Kassel, Germany  
Identification No.: DE 245116625  
registered at the Lower Court of Kassel under registration no. HRB 13752

(hereinafter referred to as “**GASCADE**”)

(hereinafter NET4GAS and GASCADE are together referred to as the “**Parties**” and each of them as the “**Party**”)

for

**THE GRID CONNECTION POINT BRANDOV-STE GAL**  
**Preamble**

**Whereas,** the Parties entered into the Grid Connection Agreement for the Grid Connection Point Brandov-STE GAL on 12 May 2009 as amended by Addendum No. 1, dated 8 December 2011 and Addendum No. 2, dated 27 June 2012 (hereinafter referred to as the “**GCA**”);

**Whereas,** the Parties intend to implement for the Grid Connection Point Brandov-STE GAL (hereinafter referred to as the “**GCP**”) the requirements set forth in the Commission Regulation (EU) 2015/703 establishing a network

code on interoperability and data exchange rules (hereinafter referred to as the “**NC INT**”) which obliges them to inter alia cover communication procedures in case of exceptional events to be covered by the GCA;

**Whereas,** the Parties intend to implement their obligation according to Commission Regulation (EU) 2017/459 establishing a network code on capacity allocation mechanisms in gas transmission systems where two or more interconnection points connect the same two adjacent entry-exit systems to offer available capacities at the interconnection points at one virtual interconnection point (hereinafter referred to as the “**VIP**”) no later than 1 November 2018;

**Whereas,** the Parties entered into Agreement on Implementation of the Virtual Interconnection Point (VIP) in Brandov on [●] (hereafter referred to as the “**VIP Agreement**”) in order to facilitate efficient and reliable operations at the VIP;

**Therefore,** the Parties agreed that the GCA shall be modified as follows:

## **Section I**

1. The following definitions shall be added to § 2 (Definitions) of the GCA:

**FLOW REPARTITION** shall mean the procedure of repartition of the physical gas flow among the respective physical interconnection points integrated into the VIP and used for transport of the gas volumes nominated by shippers on the VIP or physical Grid Connection points (GCP) on both sides of the border and matched by VIP TSOs.

**TARGETED VALUE** shall mean the amount of gas to be transported over the IP as a result of the procedure carried out between the Parties as operators of the VIP on both sides.

**VIRTUAL INTERCONNECTION POINT (VIP)** shall mean Interconnection Points Olbernhau II, Brandov-STEGAL, Hora sv. Kateřiny – direction CZ, Hora sv. Kateřiny – direction Germany and Brandov-OPAL integrated together into VIP Brandov-GASPOOL for the purposes of providing a single capacity service;

**VIP TSO** shall mean the transmission system operator of the VIP responsible for marketing of the available capacities and the matching process on respective side of the border.

2. § 2, § 2.1.1, § 2.1.2, § 2.1.3, § 2.2 and § 2.3 of Annex 1 (Processing Manual) to the GCA shall cease to apply.

For avoidance of doubt the Parties declare that rules on information about transportation nominations included in clauses to be ceased according the previous sentence shall be effectively replaced by Article 3.1 and Annex I of the VIP Agreement.

3. § 3 of Annex 1 (Processing Manual) to the GCA shall be replaced by the text which reads as follows:

*“Through appropriate steering techniques, the PARTIES will work in close collaboration to keep the difference between the TARGETED VALUE and the sum of actual flowing NATURAL GAS quantities will be as small as possible. The balance of these quantities will be regularly updated in an OPERATIONAL BALANCING ACCOUNT. GASCADE shall regularly inform N4G of the current account balance of the OPERATIONAL BALANCING ACCOUNT.*

*N4G as an operator of the N4G infrastructure shall control the PHYSICAL GAS FLOW up to the GCP Brandov-STEGAL in such way that the GAS PRESSURE at the GCP Brandov-STEGAL is within the agreed limits.*

*GASCADE as an operator of the adjacent transport system is responsible for control of PHYSICAL GAS FLOW at and from the GCP Brandov-STEGAL .Furthermore GASCADE shall control the balance of the OPERATIONAL BALANCING ACCOUNT in such way that the ACCUMULATED IMBALANCE will be as close to zero (“0”) as possible, however provided that the PHYSICAL GAS GLOW is in line with the TARGETED VALUE generated by the FLOW REPARTITION procedure.*

*The PARTIES will also employ the previously stated OPERATIONAL BALANCING ACCOUNT in line with TARGETED VALUE based on FLOW REPARTITION procedure.*

*The differential amounts are not to be used for commercial purposes.*

*If a correction in measurement data (using the measurement system described in Annexes No. 2 – 6) must be carried out and is agreed upon between the PARTIES, the correction amounts shall be added to or removed from the OPERATIONAL BALANCING ACCOUNT and be presented in the new balance.*

*The PARTIES agree to the ACCUMULATED IMBALANCE limit of 8.000.000 kWh (+/- 4.000.000 kWh). The limit of the OPERATIONAL BALANCING ACCOUNT should be not exceeding. The PARTIES shall, if necessary, adjust both grid- and technical specifications in order to be able to accommodate the account limit.*

*“If ACCUMULATED IMBALANCE were to exceed the limit of the OPERATIONAL BALANCING ACCOUNT, N4G and GASCADE shall determine whether and to which extent the limit could be increased. If N4G and GASCADE do not agree on an increase the situation will be solved on VIP level between VIP TSOs according to the VIP Agreement in order to bring the OPERATIONAL BALANCING ACCOUNT back within the agreed limit and shall return to the normal operation as soon as possible.”*

*If the GRID CONNECTION AGREEMENT is terminated by either PARTY, the PARTY, who has registered an entry on the debtor side of the OPERATIONAL BALANCING ACCOUNT, shall settle any remaining IMBALANCE within thirty (“30”) DAYS after the termination of the GRID CONNECTION AGREEMENT.*

4. Introductory paragraphs of § 4 of Annex 1 (Processing Manual) of the GCA in following wording:

*“The following method “Allocated as Nominated” will be adopted as the allocation method for the GCP Brandov-STE GAL.*

*Allocated as Nominated means:*

*All contractual transportation quantities shall be allocated as they were confirmed.*

*Differences, which occurred as a result of the technical process of steering, shall be balanced by the Parties.*

*shall cease to apply.*

5. § 4.1 of Annex 1 (Processing Manual) to the GCA shall be replaced by the text which reads as follows:

*“An allocation report contains:*

1. *the TARGETED VALUE on a daily basis,*
2. *the measured quantities, including any measuring adjustment to be used,*
3. *the ACCUMULATED IMBALANCE*

For the avoidance of doubt § 4.1.1 of Annex 1 (Processing Manual) remain unchanged.

6. § 8 of the GCA (Data interchange and transfer) shall be replaced by the text which reads as follows:

*“The PARTIES are authorised to transfer the complete data, including operational and settlement information. The PARTIES will use the SCADA System for the transfer of the technical processing data (Annex 7)*

1. *The transmission of the data necessary for DAY to DAY operations, shall be performed by means of an EDIGAS 4.0 XML protocol under transmission protocol AS 2.*
  2. *Online data shall be provided via MODBUS RTU PROTOCOL, as the back up the protocol TASE.2 shall be used. The transmission protocol TCP IP.*
  3. *Protocol DSfG for the exchange of measured values at GCP Brandov-STEVAL from defined source shall be used”.*
7. In Annex 11 Page 2 (Monthly Report) to the GCA the data for “*Sum of Nomination*” shall be replaced by data for “*TARGETED VALUE*”.
  8. In Annex 11 Page 3 (Monthly Report) to the GCA the data for “*nominated monthly quantity*” shall be replaced by data for “*TARGETED VALUE*”.
  9. A new § 4a (Communication procedure in case of exceptional events) shall be inserted into the GCA after § 4 (Exchange of information) and shall read as follows:

*“The PARTIES declare that their emergency plans for exceptional events, including preventive action plans, are in full compliance with the respective national safety legislation and were developed in accordance with Commission Regulation (EU) No 2015/703 (NC INT).*

*The procedures in case of exceptional events are described in Annex 13– Dispatching Agreement to this Grid Connection Agreement.”*

**Section II**  
**Miscellaneous**

[...]

**Section III**  
**Annexes**

The following annexes shall be part of this Side Letter:

*Annex 13 Dispatching Agreement*

[...]

Kassel, [●]

Prague, [●]

GASCADE Gastransport GmbH

NET4GAS, s.r.o.

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## **Dispatching Agreement**

### **1. Dispatching activities**

Dispatching activities mean planning, monitoring and control of the transmission system of either PARTY through the GRID CONNECTION POINT Brandov-STE GAL, handling of notifications of the expected ENERGY QUANTITY based on result of FLOW REPARTITION process submitted by VIP TSO responsible for FLOW REPARTITION, control of the ENERGY QUANTITY and quality of the transmitted gas and online exchange of dispatching information.

### **2. Cooperation between dispatching centers**

In order to ensure effective transmission of gas through the GRID CONNECTION POINT Brandov-STE GAL the PARTIES shall make operational arrangements and cooperate in accordance with the terms set forth in this exhibit. The PARTIES shall in particular immediately inform each other of any events or measures taken, which could affect the ENERGY QUANTITY and quality parameters of gas transmitted through the GRID CONNECTION POINT Brandov-STE GAL.

#### **2.1. The dispatching cooperation in case of an exceptional event or other contingencies**

**2.1.1.** In case of an EXCEPTIONAL EVENT, it means when a failure, any unplanned event that is not reasonably controllable or preventable and that may cause, for a limited period, capacity reductions, affecting thereby the ENERGY QUANTITY or quality of gas at the GRID CONNECTION POINT OLBERNHAU II, with possible consequences on interactions between the PARTIES as well as between a PARTY and network users, the relevant dispatching center shall immediately notify the other PARTY of such situation by phone and to provide it the following information:

- a) cause of the emergency or other contingency situation;
- b) impact of such occurrence on the ENERGY QUANTITY of gas to be transmitted through the relevant GRID CONNECTION POINT Brandov-STE GAL and the expected pressure level at the GRID CONNECTION POINT Brandov-STE GAL;
- c) expected duration of the failure, emergency or other contingency situation, including the estimated time of its removal.

The information shall be subsequently confirmed in writing by fax or e-mail in accordance with a pre-agreed form without any undue delay.

**2.1.2.** The PARTIES shall immediately inform each other by phone of:

- a) any change in the agreed or carried out maintenance works,
- b) completion dates for maintenance works and contingency situations in the transmission system of either PARTY, which resulted in the restriction of transmission capacity through the GRID CONNECTION POINT Brandov-STEGAL
- c) any connections along cross-border pipeline sections that could affect the transmission of gas through the GRID CONNECTION POINT Brandov-STEGAL,
- d) any change in the quality parameters of the gas flowing towards the GRID CONNECTION POINT Brandov-STEGAL.

Such information shall be confirmed in writing by fax or e-mail in accordance with a pre-agreed form without undue delay.

**2.1.3.** The dispatching centers shall inform each other on the progress of the ongoing maintenance works, and steps taken in order to remove a failure, emergency or other contingency situation in the interval of at least every six hours, or more frequently in exceptional situations when requested of the other PARTY.

**2.1.4.** In case the result of the MATCHING PROCESS or FLOW REPARTITION process on the VIP level is or could be affected by the EXCEPTIONAL EVENT on the GRID CONNECTION POINT Brandov-STEGAL, the PARTIES shall inform shippers about the possible impact on the MATCHED QUANTITY and about expected and actual end of the EXCEPTIONAL EVENT.

[...]