

EXCERPT OF

**Addendum No. 2
to the Interconnection Agreement
for the Interconnection point Hora Sv. Kateriny
direction Germany**

(hereinafter “**Addendum**”)

concluded by and between

ONTRAS – Gastransport GmbH, Maximilianallee 4, 04129 Leipzig

- hereinafter referred to as “**ONTRAS**” -

and

NET4GAS, s.r.o., Na Hřebenech II 1718/8, 140 21 Praha 4 – Nusle, Czech Republic,
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**” -

- hereinafter alternatively referred to individually as “**Party**” and collectively as
the “**Parties**” -

Preamble

Whereas, the Parties concluded on 1 October 2007 Interconnection Agreement for the Interconnection point Hora Sv. Kateriny direction Germany (hereinafter “**Interconnection Agreement**”);

Whereas, notwithstanding the fact that the Parties see a need for revisions of the Interconnection Agreement going beyond this Addendum, this Addendum although limited in scope needs to be concluded in order to comply with Article 19 para. 9 of the Commission Regulation (EU) 2017/459 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013 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 no later than 1 November 2018. This does not mean that the need for these further revisions of the Interconnection Agreement has become obsolete;

Whereas, the Parties intend to implement into the Interconnection Agreement requirements set forth in the Commission Regulation (EU) 2015/703 of 30 April 2015 establishing a network code on interoperability and data exchange rules (hereinafter “**NC INT**”) which obliges them to inter alia cover communication procedures in case of exceptional events to be covered by the Interconnection Agreement;

Whereas, because of the implementation of the VIP some obligations of ONTRAS arising from the Interconnection Agreement are to pass to GASCADE Gastransport GmbH (hereinafter “**GASCADE**”) as the VIP TSO on the German side;

[...]

Therefore, the Parties agreed that the Interconnection Agreement shall be modified as follows:

Section 1

Definitions

The following definitions shall be added to Article 1 of the Interconnection Agreement:

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 Natural Gas volumes nominated by shippers on the VIP or IP on both sides of the border and matched by VIP TSOs;

Old Capacity Contract shall mean a Transmission Contract concluded until 1 November 2018, 6:00 AM related to the IP (exit from the Czech Republic or entry to Germany), with exception of Transmission Contracts concluded in the day-ahead and the within-day auction on 31 October 2018 for the Gas Day 1 November 2018 and in the monthly auction on 15 October 2018;

Targeted Value (Sollwert) shall mean the amount of Natural Gas to be transported over the IP as a result of the Flow Repartition procedure carried out by GASCADE and communicated by GASCADE to all involved TSOs at the VIP;

Virtual Interconnection Point (VIP) shall mean VIP Brandov – GASPOOL which integrates the Interconnection Points Olbernhau II, Brandov-STEAGAL, Hora sv. Kateřiny – direction CZ, Hora sv. Kateřiny – direction Germany and Brandov-OPAL;

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

Section 2

Shippers' setup and update

Article 3.2. of the Interconnection Agreement shall not be applicable.

Section 3

Transmission schedule

Article 3.4. of the Interconnection Agreement shall not be applicable.

Section 4

Nominations and matching procedure

ONTRAS declares that according to the Agreement on the implementation of a virtual interconnection point at the market area line GASPOOL – Czech Republic GASCADE shall with regard to transmission contracts concluded on the Interconnection point Hora Sv. Kateriny perform all tasks which were done before the virtualisation by ONTRAS with the exception of physical provision of the gas transmission.

Article 3.5. of the Interconnection Agreement shall be therefore deleted and replaced as follows:

“Nomination and matching process is performed according to the respective parts and Annexes of the VIP Agreement concluded between NET4GAS and GASCADE.”

In case of Single Sided Nomination for an Old Capacity Contract performed just at the IP, ONTRAS shall act as an Active TSO and shall forward the received nomination through DELORD ANC directly to NET4GAS.”

Article 3.6. and Annexes 7a and 7b of the Interconnection Agreement shall not be applicable.

Addendum No. 1 to the Interconnection Agreement shall not be applicable. Addendum No. 1 to the Interconnection Agreement shall be effectively replaced by respective provisions of the VIP Agreement.

Section 5

Flow control / Imbalance handling

Article 3.7.1. of the Interconnection Agreement shall be replaced by the text which reads as follows:

“NET4GAS and ONTRAS shall closely cooperate to physically control the Natural Gas Flow by using the technical equipment in the NET4GAS System and the ONTRAS System respectively.

ONTRAS as an operator of the technical equipment after the IP and the ONTRAS system is responsible for the control of the Physical Gas Flow at and after the IP, including the balance on the Operational Balancing Account, according to the Targeted Value (Sollwert).

NET4GAS as an operator of the NET4GAS system is responsible for control of the Physical Gas Flow up to the IP and for keeping the minimum transfer pressure 4.32 MPa.

In the event that the pressure conditions at the IP do not allow optimal control of the Natural Gas Flow, Parties are under the obligation to inform each other of the situation arisen.

In case that ONTRAS due to the technical reasons is not able to control the Natural Gas transport from the IP, the responsibility for the Natural Gas flow control is transferred temporary to NET4GAS. This transfer of responsibility is subject of NET4GAS' approval. As soon as ONTRAS is able to control the Natural Gas transport from the IP, it resumes the responsibility for the Natural Gas flow.”

Article 3.7.3. of the Interconnection Agreement shall be replaced by the text which

reads as follows:

“Any Imbalance between the quantities metered at the IP and the Targeted Value (Sollwert) taking into account Renominations and/or rescheduling will be debited or credited to the Operational Balancing Account. The balance of the Operational Balancing Account shall be limited to 10.000.000 kWh at the IP unless otherwise agreed upon by the Parties.”

Article 3.7.4. of the Interconnection Agreement shall not be applicable.

Article 3.7.5. of the Interconnection Agreement shall be replaced by the text which reads as follows:

“If the Accumulated Imbalance were to exceed the limit of the Operational Balancing Account, NET4GAS and ONTRAS shall determine whether and to which extent the limit could be increased. If NET4GAS and ONTRAS do not agree on an increase the situation shall 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.”

Section 6

Protocols / Exchange of Information

[...]

Section 7

Communication procedure in case of exceptional events

A new Article 6a (Communication procedure in case of exceptional events) shall be inserted into the Interconnection Agreement after Article 6 (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.

The procedures in case of exceptional events are described in Annex 14 (Dispatching Agreement) to this Agreement.”

The Annex “Dispatching Agreement” forms an integral part of this Addendum.

Section 8

Term / termination

[...]

Leipzig,

Praha,

ONTRAS

NET4GAS s.r.o.

Annex No. 14

Dispatching Agreement

1. Dispatching activities

Dispatching Activities shall mean planning, monitoring and control of the transmission system through the IP, handling of notifications of the expected transmission quantities based on the Targeted Value generated through Flow Repartition process and submitted by the VIP TSO, control of the Energy Quantity and quality of the transmitted Natural Gas and online exchange of dispatching information.

2. Cooperation between Dispatch Centers

In order to ensure effective Natural Gas transmission through the IP the Parties shall make operational arrangements and cooperate in accordance with the terms set forth in this Annex. Specifically, the Parties shall immediately inform each other of any events and measures taken, which could affect the Energy Quantity and quality parameters of the Natural Gas transmitted through the IP.

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

2.1.1. In case of the exceptional event when a failure, emergency situation or other contingency occurs in the territory of either Party and may affect the flow of Natural Gas through the IP, the relevant Dispatch Center is obliged to immediately notify the other Party by phone of such situation and to provide the following information:

- a) cause of the emergency or other contingency situation;
- b) impact of such occurrence on the Energy Quantity of Natural Gas to be transmitted through the IP and the expected pressure level for the IP;
- c) expected duration of the failure, emergency or 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 IP,
- c) any connections along cross-border pipeline sections that may affect the transmission of Natural Gas through the IP,
- d) any change in the quality parameters of the Natural Gas flowing towards the IP.

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

2.1.3. The Dispatch Centers shall inform each other on the progress of the ongoing maintenance works and steps taken in order to remove a failure, emergency or contingency situation at least every six hours, or more frequently in exceptional situations on request of the other Party.