

STORAGE SYSTEM OPERATOR CODE

Effective as of 18 February 2025

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1 PREAMBLE

The Storage System Operator has drawn up and presents this Storage System Operator Code ('the Code') in compliance with, in particular, the following legislation:

- i. Act No 458/2000 on the Conditions for Business and State Administration in the Energy Industries and Amending Certain Laws ('the Energy Act') as amended,
- ii. Public Notice 349/2015 on Gas Market Rules, as amended,
- iii. Public Notice 401/2010 on the required content of the Electricity Transmission System Operating Rules, Distribution System Operating Rules, the Gas TSO Code, DSO Codes, the SSO Code, and the market operator's commercial terms and conditions, as amended.

The Storage System Operator wants to ensure a transparent, clear, non-discriminatory, and equal approach to all gas market participants, gas supply security, and the development and efficient use of the Storage Facility.

2 DEFINITION OF TERMS

'Active Bidder' An auction participant that has satisfied the auction conditions and deposited collateral, and thus is eligible to participate in the storage capacity auction

'Auction Portal' The Storage System Operator's electronic application for selling storage capacity and Additional Services, accessible via the Storage System Operator's website

'CBU' Cross Border Usage, use of the Storage Facility for gas delivery between the Czech Republic bidding zone and the Slovak Republic bidding zone

'Price List' Information on the prices of Additional Services, available on the Storage System Operator's website

'Additional Service' A service offered by the Storage System Operator in excess of Storage Contracts, subject to a charge based on the current Price List, a Price Decision of the Energy Regulatory Office, or a price resulting from auction

'Energy Act' Act No 458/2000 on Conditions of Business and State Administration in Energy Industries

'kWh' The unit used for expressing energy in gas on the basis of its GCV; one kilowatt-hour (kWh) equals 3.6 MJ

'Free Use Limit' The quantity of free-of-charge Injectability and Deliverability provided with a given Storage Contract, expressed in per cent of storage capacity or in MWh. Injectability and Deliverability provided in excess of this limit are subject to a charge equalling the price for the Additional Service called Additional Injectability and Deliverability

'storage nomination' The User's notification to the Storage System Operator of the gas quantity that the Storage System Operator should inject/withdraw into/from the Storage Facility over the relevant period of time

'OBA' The allocation rule for allocating Injectability and Deliverability provided to each of the Users at the entry/exit points of the transmission system, based on which the quantity nominated by the User is deemed to be delivered

'OTE' The company OTE, a.s., holder of the market operator licence granted by the Energy Regulatory Office

'gas' The commodity defined in Section 2 (2) (b) (9) of the Energy Act

'Gas Day' The interval of time from 6:00 on a calendar day to 6:00 on the following calendar day

'Working Volume' The maximum volume of gas, expressed in energy units, which can be stored in the Storage Facility

'Transmission System Operator' ['TSO'] The holder of the gas transmission licence in the Czech Republic/Slovak Republic, to whose transmission system the Storage Facility is connected

'delivery point' The point where gas is delivered and accepted, which is equipped for measuring the quantity and pressure of the gas being delivered and accepted, regulating the gas flow, determining the gas quality, including its GCV for the purpose of calculating gas delivery in kWh or MWh, and for transmitting data to control centres; it is the actual point of gas entry/exit from/into the systems to which the Storage Facility is connected.

'GMR' Public Notice 349/2015 on Gas Market Rules

'KYC procedure' The Know Your Customer procedure for screening potential Users, described in detail on the Storage System Operator's website

'Framework Agreement' Agreement on the procedure of storage capacity and service booking, within the meaning of the relevant provisions of GMR, and on entering into individual Storage Contracts

'Sanction' Any legal obstacle or constraining measure put in place by, in particular, the authorities of the Czech Republic and the European Union, the UN Security Council, the US OFAC, the UK's HM Treasury, and the Swiss State Secretariat for Economic Affairs (SECO), which prohibits the conclusion of contracts or the honouring of obligations under contracts or to otherwise enter into business relationships between the Applicant/User and the Storage System Operator

'Storage System Operator' SPP Storage, s.r.o., storage system operator, having its registered office at č.p. 891, 696 17 Dolní Bojanovice, Company No. (IČ): 24822191

'Storage Year' The period of time beginning on 1 April and ending on 31 March of the following calendar year

'Storage Contract' A contract entered into between the Storage System Operator and a User, whereby the Storage System Operator agrees to store the agreed gas quantity for the User and the User agrees to pay the agreed price for such storing

'stabilisation outage' Interruption or reduction in the process of gas injection/withdrawal into/from the Storage Facility in order to prevent any imminent threat to the Storage Facility under Section 60 of the Energy Act, upon reaching the maximum reservoir pressure in accordance with the Storage Facility operating documentation that the Storage System Operator draws up under Section 22 of Public Notice 239/1998 of Český báňský úřad (Czech Mining Office). The stabilisation outage also ensures the protection of the reservoir and safety of operation under Section 64 of this public notice.

'pro rata' The allocation rule for proportional allocation of the Storage Facility's available Deliverability and Injectability at the entry/exit points of the transmission system to the various Users in the event that the aggregate demand for injection or withdrawal exceeds the Storage Facility's technically available Deliverability and Injectability

'Withdrawal Curve' A graphic or mathematical expression of the relationship between Deliverability and the current quantity of gas stored in the Storage Facility for a given User under the Storage Contract

'Deliverability' The rate at which a gas quantity can be withdrawn from the Storage Facility over a unit of time, a Gas Day, expressed in kWh

'gas pressure' Gas overpressure in bar or multiples thereof; it equals the difference between the absolute pressure and atmospheric pressure

'User' Any entity that has a Storage Contract or a capacity lease contract or a Framework Agreement with the Storage System Operator

'Injection Curve' A graphic or mathematical expression of the relationship between Injectability and the current quantity of gas stored in the Storage Facility for a given User under the Storage Contract

'Injectability' The rate at which a gas quantity can be injected into the Storage Facility over a unit of time, a Gas Day, expressed in kWh

'Customer Zone' An information system accessible from the Storage System Operator's website, which makes it possible to submit nominations, re-nominations and basic operations, such as the use of Additional Services

'Storage Facility' The gas installation intended for gas storage and the provision of Additional Services, operated by the Storage System Operator in Dolní Bojanovice. Annex 1 hereto contains a geographical depiction of the location of the Storage Facility and identification of its entry/exit points. For the purposes of this Code, the Storage Facility is treated as a virtual storage facility under the GMR.

'Applicant' Any entity that has applied for storage capacity booking or for entering into a Framework Agreement or another contract

The above definitions of terms are applicable to all of the Storage System Operator's contract documents and are binding for communication and contract conclusion in the Customer Zone.

3 SERVICES PROVIDED BY THE STORAGE SYSTEM OPERATOR

- 1) The Storage System Operator provides the following storage-related services under this Code, on the basis of the price achieved in auction or set out in the Price List or under the Energy Regulatory Office's Price Decision, and under Storage Contracts:

3.1 Gas storage

- 1) The gas storage service is offered as a combination of a portion of the Working Volume, Injectability and Deliverability, the Injection/Withdrawal Curves for a specific User being set out in the relevant Storage Contract.
- 2) The virtual point of the Storage Facility, with delivery points specified in Annex 1 hereto, serves for gas delivery and acceptance between the User and the Storage System Operator.
- 3) At the delivery points the quantity, pressure, and quality parameters of the gas intended for injection into and withdrawal from the Storage Facility are measured. The liability for the quantity, quality, and pressure passes to the operator of the connected gas infrastructure at the moment of gas delivery at a delivery point.

The Storage System Operator offers the following storage capacity types:

Long-term contracts

- a) yearly storage capacity
- b) monthly storage capacity

Short-term contracts

- a) daily storage capacity
- 4) The Storage System Operator and the various Users enter into the appropriate Storage Contracts or Framework Agreements for the above storage capacity types; the model forms of these contracts are posted on the Storage System Operator's website.
- 5) All storage capacity types can also be provided under a contract as storage products using the Additional Service called Inverse Storage (see below) if such service is offered by the Storage System Operator.
- 6) Subject to the conditions determined in auction and the relevant contracts, storage capacity can be booked as firm capacity, interruptible capacity, or combinations thereof.

3.2 The Storage System Operator's Additional Services

- 1) In accordance with this Code, the Storage System Operator provides the following Additional Services in connection with gas storage services:
 - transfer of storage capacity
 - lease of storage capacity
 - transfer of gas
 - Additional Working Volume
 - Inverse Storage
 - CBU
 - Firm additional capacity
 - Interruptible additional capacity

- Auction of secondary storage capacity
- REMIT reporting

3.2.1 Common provisions on the transfer of capacity, lease of capacity, and transfer of gas:

- 1) The Storage System Operator has the right to reject capacity transfer/lease and gas transfer in cases where any contracting party would thereby acquire an unjustified advantage in the form of increased contract specifications of the storage capacity and also in cases where such transaction would result in technical conditions preventing the Storage System Operator from complying with its contractual obligations or where good reasons exist to be concerned that the new entitled user of the storage capacity will not be able to meet its obligations.
- 2) Should the Storage System Operator incur additional costs through capacity transfer/lease or gas transfer, the Storage System Operator has the right to request their reimbursement, or to reject the capacity transfer/lease or gas transfer.

3.2.2 Transfer of storage capacity

- 1) Based on a request approved by the Storage System Operator, the transferring User transfers storage capacity, in part or in whole, to the storage capacity transferee.
- 2) In the request, the Storage System Operator must receive sufficiently specific information on the allocation of the obligations to the Storage System Operator between the storage capacity transferee and storage capacity transferor in connection with the transfer of the agreed storage capacity.
- 3) The transferring User submits its request for the transfer of agreed storage capacity through the Customer Zone at least fifteen (15) calendar days before the beginning of the gas month as of which the gas transfer is intended to be effective.
- 4) The storage capacity transferee must consent to the transaction in writing using the form available on the Storage System Operator's website and must provide documents proving the satisfaction of all conditions in Annex 2 to this Code, except for the collateral requirement.
- 5) Where the conditions for storage capacity transfer hereunder have been met, then no later than ten calendar days before the beginning of the gas month as of which the transfer is intended to be effective, the Storage System Operator sends the transferor and transferee the draft contract documentation, signed by the Storage System Operator, which is required for transferring the agreed storage capacity. The capacity transferee must deliver one duly signed counterpart of the Storage Contract to the Storage System Operator no later than five days before the first day of the calendar month as of which the transfer is intended to be effective. At the moment when the transfer becomes effective, the storage capacity transferee becomes a User hereunder, with all the rights and obligations arising therefrom.
- 6) The transferring User, who also proposes the transaction, pays the charge for the service under the Price List.

3.2.3 Lease of storage capacity

- 1) Storage capacity lease is a situation where a User allows another User to use its unused storage capacity, in part or in whole, without any amendment to this first User's Storage Contract. No direct contractual relationship is established between the Storage System Operator and the User to which the first User has let a portion of its storage capacity for use.

- 2) The leased capacity lessee must consent to the transaction in writing using the form available on the Storage System Operator's website and must provide documents proving the satisfaction of all conditions in Annex 2 to this Code.
- 3) The letting User submits its request for storage capacity lease through the Customer Zone at least fifteen (15) calendar days before the beginning of the gas month as of which the gas transfer is intended to be effective. The Storage System Operator approves the storage capacity lease via notification in the Customer Zone no later than as at the day on which storage capacity lease actually takes place.
- 4) In the event of any damage sustained by the Storage System Operator in connection with capacity lease the letting User shall be fully liable.
- 5) The Storage System Operator records the quantities of the capacity lessee's injected and withdrawn gas in a separate account opened and kept for the storage capacity lessee. In the event of the discharge of the Storage Contract of the User that has leased a portion of its storage capacity to the lessee, this lessee's right to use that portion of the storage capacity is also automatically extinguished.
- 6) In the event that any gas quantity is recorded in the leased capacity lessee's account following the end of the capacity lease period, the Storage System Operator transfers this gas quantity to the User's relevant account, from which the leased capacity lessee's account was created.
- 7) The service is subject to a charge under the Price List, and the letting User pays this charge.

3.2.4 Gas transfer

- 1) Both gas transferor and gas transferee submit their request for gas transfer through the Customer Zone at least three business days before the beginning of the Gas Day as of which the gas transfer is intended to be effective. As at the day on which the gas transfer takes place, the Storage System Operator approves the gas transfer via notification in the Customer Zone, while the gas transferor must possess the gas quantity being transferred and the gas transferee must have free storage capacity with a sufficient Working Volume.
- 2) Gas transfer takes place only between status subaccounts of the Czech entry-exit system or between status subaccounts of the neighbouring entry-exit system.
- 3) The transferor pays the charge for the use of the gas transfer service under the Price List.

3.2.5 Additional Working Volume

- 1) Additional Working Volume is provided through daily storage capacity, by increasing the Working Volume under an existing Storage Contract, throughout the duration of this Additional Service. Users can request this service in the Customer Zone. Service provision is conditional on entering into a Framework Agreement with the Storage System Operator.

3.2.6 Inverse Storage

- 1) Inverse Storage is an Additional Service offered by the Storage System Operator, whereby the storage capacity is provided together with gas.
- 2) The User has the right to withdraw the gas lent by the Storage System Operator on the first Gas Day of the effect of the relevant contract. The User shall return the gas lent through the Inverse Storage Additional Service to the Storage System Operator no later than on the last Gas Day of the Additional Service being provided.

- 3) The Storage System Operator provides the Inverse Storage service within the scope of its operating capabilities, but up to no more than the level specified in the GMR.

3.2.7 CBU

- 1) The Storage Facility being connected to two entry-exit systems, the Storage System Operator offers CBU. This service supports gas withdrawal from the Storage Facility into a different bidding zone than the one from which gas was injected into the Storage Facility.
- 2) CBU is an Additional Service provided in compliance with Section 61a GMR.
- 3) The service is subject to a charge determined by the Energy Regulatory Office.

3.2.8 Firm Additional Injectability/Deliverability

- 1) Users book Firm Additional Injectability/Deliverability through the Customer Zone by way of submitting a nomination for the required quantity (kWh/day, MWh/day) for the specified period (units of Gas Day) and based on the current availability of this Additional Service.

3.2.9 Interruptible Additional Injectability/Deliverability

- 1) Users book Interruptible Additional Injectability/Deliverability through the Customer Zone by way of submitting a nomination for the required quantity (kWh/day, MWh/day) for the specified period (units of Gas Day) and based on the current availability of this Additional Service. The Storage System Operator may interrupt such Interruptible Additional Injectability/Deliverability in compliance with the rules for curtailing booked storage capacity set out in Article 7 of this Code.

3.2.10 Auctions of secondary storage capacity

- 1) Under Council Regulation (EU) 2022/2576, on behalf of the User, the Storage System Operator facilitates an auction of storage capacity up to the maximum level of the User's available capacity under its valid Storage Contract. This Additional Service is subject to a charge under the conditions set out in a written agreement between the Storage System Operator and the User.

3.2.11 REMIT Reporting

- 1) On behalf of the User, the Storage System Operator transmits the required data under Regulation (EU) No 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency (REMIT) and Commission Implementing Regulation (EU) No 1348/2014 on REMIT.

4 PROCEDURE FOR ENTERING INTO STORAGE CONTRACTS

- 1) The Storage System Operator and Applicants enter into Storage Contracts, Framework Agreements, and other contracts in writing in documentary form, or electronically with an advanced electronic signature, or through the Customer Zone. Model forms of these documents are available on the Storage System Operator's website.

4.1 Storage System Operator's Customer Zone

- 1) Where the User, on the one part, and the Storage System Operator, on the other part, interact through the Storage System Operator's Customer Zone the User logs into the system and identifies itself by its username and two-factor authentication.

- 2) The contracting parties regard this method of interaction as a method sufficiently capturing the content of their acting and sufficiently identifying the acting person. The User's and the Storage System Operator's legal acting carried out in this way is regarded as acting carried out by a person authorised to act on behalf of the contracting party and is legally binding (including any and all representations made to the other Party and the steps required for the execution of Additional Services within the meaning of this Code).
- 3) The User and the Storage System Operator shall protect the identification data against abuse and shall refrain from disclosing such data to persons who are not authorised to act for them.

4.2 Criteria for assessing financial standing

- 1) Before entering into a Storage Contract or a Framework Agreement, and also throughout the contractual relationship, the Storage System Operator evaluates the Applicant's or the User's financial standing to meet its contractual obligations. When assessing financial standing, the Storage System Operator first of all checks the publicly accessible ratings of the Applicant/User from renowned rating agencies Moody's, Standard & Poor's or Fitch. As part of financial standing evaluation, the Applicant/User shall also provide other documents and information concerning its assets and financial situation to the Storage System Operator.
- 2) At any time throughout the validity of the Storage Contract, the Storage System Operator has the right to request from the User an addition to or a change in demonstrating its good financial standing in the event of a material adverse change, in particular the following:
 - (a) When its financial standing is called into question, i.e. its financial standing has changed, has been impugned, or is not sufficient;
 - (b) The User's ability to honour its obligations has been impaired;
 - (c) Control over the User has changed, regardless of whether the change in control has been caused by a merger, reorganisation, consolidation or similar transaction, winding up, or dissolution, or the sale of shares, an equity stake, or the enterprise.
 - (d) A major change in the gas market.
- 3) Where financial standing has been impaired, the Storage System Operator has the right to request its increase to the original level within fifteen (15) calendar days.
- 4) Should the User fail to provide proof of its good financial standing, the Storage System Operator has the right to refuse service provision and to rescind the Storage Contract.
- 5) The methods for proving good financial standing are described in more detail in Annex 3 Method to prove good financial standing.

4.3 Daily storage capacity booking

- 1) The Storage System Operator books storage capacity for short-term contracts, i.e. Storage Contracts for daily storage capacity, electronically through the Customer Zone under the conditions set out in the GMR. Booking is conditional on the prior conclusion of a Framework Agreement, the model form of which is posted on the Storage System Operator's website.
- 2) The price for the short-term storage product is shown in the Price List or determined in auction.

4.4 Monthly and yearly storage capacity booking

- 1) The Storage System Operator books storage capacity for long-term contracts through electronic auctions under the applicable legislation in compliance with the conditions of such auctions and the provisions of this Code.
- 2) The general terms and conditions for participation in storage capacity auctions are contained in Annex 2 to this Code.
- 3) The Storage System Operator posts the conditions of auctions for free storage capacity on its website; the conditions must be reasonable, non-discriminatory, and transparent and must contain all the information required by the applicable legislation.
- 4) The Storage System Operator books storage capacity, rounded to whole kWh, kWh/day, MWh or MWh/day, in accordance with Active Bidders' bids for storage capacity booking received in the last auction round.
- 5) In the event the Auction Portal fails during an auction, the Storage System Operator notifies the auction participants thereof without delay. Immediately after the recovery of the Auction Portal's operability the Storage System Operator notifies auction participants of a new date for the auction. The auction can continue from the last properly completed round if it is possible to retrieve all information from that and the preceding rounds from the Auction Portal. Otherwise, the auction will start anew with the first round.
- 6) The Storage System Operator sends electronic confirmations of storage capacity booking promptly after the auction to successful auction participants together with the resulting price and two counterparts of the proposed Storage Contract signed by the Storage System Operator. If the successful auction participant delivers one Storage Contract counterpart, duly signed by the participant, to the Storage System Operator within ten business days, the Storage Contract is regarded as concluded. The Storage System Operator rules out in advance acceptance of a proposal for entering into a Storage Contract with an addendum or a variation proposed by the Bidder.
- 7) The Storage System Operator shall keep the result of the storage capacity auction, including the resulting price, posted on its website for at least three years from the conclusion of the auction.

4.5 Procedure for entering into a Framework Agreement

- 1) The Storage System Operator posts a model application for entering into a Framework Agreement on its website. If the Storage System Operator so requires, the Applicant must also prove the satisfaction of the conditions in Annex 2 to this Code together with submitting the completed application to the Storage System Operator, except for the condition to deposit collateral. The Storage System Operator has the right not to enter into the Framework Agreement in cases where the Applicant is subject to Sanctions, or where the information provided by the Applicant turns out to be untrue or incomplete, or where good reasons exist to doubt the veracity or completeness of the Applicant's claims in the documents intended to prove the satisfaction of the conditions and the Applicant fails to remedy the situation or fails to dispel such doubts within five business days from being requested to do so by the Storage System Operator.
- 2) Upon receipt of documents proving the satisfaction of conditions, the Storage System Operator sends two counterparts of the proposed Framework Agreement, signed by the Storage System Operator, to the Applicant. The Framework Agreement is regarded as concluded when the Applicant delivers one Framework Agreement counterpart duly signed by the Applicant to the Storage System Operator within ten business days. The Storage System Operator rules out in advance acceptance of a proposal for entering into a Framework Agreement with an addendum or a proposal

for variation proposed by the Applicant. A draft Framework Agreement is always revocable by the Storage System Operator before it is signed.

- 3) The User with a Framework Agreement in place must prove its good financial standing under Annex 3 to this Code by 9:00 on the day of sending the request for capacity booking (if such day is not a business day, then by 9:00 on the last business day before the day of requesting) or before the other events that cause an increase in the Storage System Operator's credit exposure to the User. The User must maintain such standing at least until the end of the calendar month containing the due date of the relevant tax document [invoice] for the storage capacity or service provided.

5 QUALITY PARAMETERS OF INJECTED AND WITHDRAWN GAS

- 1) The gas to be injected into or withdrawn from the Storage Facility must meet the chemical and physical specifications for transport from the entry/exit points of the Storage Facility from/to the transmission system.
- 2) The User shall take any and all measures to prevent or at least minimise any damage that the Storage System Operator might sustain due to failure to meet the specifications.
- 3) The Storage System Operator has the right to refuse to accept gas into the Storage Facility when the delivered gas fails to meet one or more chemical and/or physical specifications. Cases of the Storage System Operator not refusing to accept such off-spec gas shall be without prejudice to the Storage System Operator's right to compensation for damage that it may sustain in connection with accepting this gas.
- 4) The Storage System Operator is responsible for meeting the chemical and physical specifications of the gas withdrawn from the Storage Facility. The Storage System Operator shall take any and all measures to prevent or at least minimise any damage that the User might sustain due to failure to meet such specifications.

6 NOMINATIONS AND RE-NOMINATIONS

- 1) The procedure for storage nominations or re-nominations follows the GMR provisions. The Storage System Operator records the volume of the withdrawn and injected gas, in the amount of confirmed storage nomination or re-nomination, in the status subaccount of the relevant entry-exit system.
- 2) The User submits nominations to the Storage System Operator via pre-agreed electronic communication, OTE's portal, or the Customer Zone.
- 3) The User submits its storage nomination by shipper code of booked storage capacities up to the amount of the User's available Deliverability and Injectability, in a form enabling the Storage System Operator and the operator of the relevant transmission system to carry out the matching procedure. Storage nominations failing to meet the above conditions will not be confirmed.
- 4) The Storage System Operator has the right to curtail or reject nominations as may be required in cases specified in the legislation, decisions of public authorities, during stabilisation outages, or in cases set out in Storage Contracts or this Code.

7 RULES FOR CURTAILING BOOKED INTERRUPTIBLE STORAGE CAPACITY

- 1) The Storage System Operator has the right to curtail booked interruptible storage capacities without giving any reason, including to the full extent of booked capacity.
- 2) The Storage System Operator curtails booked interruptible storage capacities in all cases on the basis of the price per unit of interruptible injectability or deliverability in the order from the lowest price to the highest price by way of curtailing booked storage capacities with the same price per unit of interruptible injectability or deliverability on the basis of the time stamp showing its receipt of the request for storage capacity booking, in the order from the last received request to the first received request.
- 3) The procedure for curtailing booked firm storage capacities follows the currently applicable wording of the GMR.

8 ALLOCATION

- 1) The various entry/exit points of the virtual storage facility use the allocation scheme specified for those points by the relevant Transmission System Operator to whose transmission system the Storage Facility is connected.
- 2) Should the OBA allocation rule be deployed at an entry/exit point of the virtual storage facility, the gas quantity duly nominated by the User in the injection/withdrawal mode and confirmed by the Storage System Operator shall be deemed the gas quantity that the User actually delivered to the Storage System Operator/accepted from the Storage System Operator at the point of the virtual storage facility on the relevant Gas Day.
- 3) The differences between the actually measured quantity and the nominated quantity are settled by the Storage System Operator with the relevant Transmission System Operator and do not have any impact on the User's account, except for the cases where the Storage System Operator has, under the Energy Act, the right to interrupt and curtail the provision of gas storage services. In such a case the *pro rata* rule will be introduced at the point of the virtual storage facility for curtailing the quantity of injected/withdrawn gas if it is not possible to adjust or curtail nominations to the extent of the reduction.

9 THE USER'S STATUS ACCOUNT

- 1) For each individual User and for each individual Storage Contract, the Storage System Operator keeps, in the secured Customer Zone, a separate status account structured into status subaccounts for each entry-exit system separately. The subaccounts hold the values, in kWh, of the User's current gas quantity accepted by the Storage System Operator and the gas quantity delivered by the Storage System Operator to the User in each of the entry-exit systems.
- 2) Every User has access to information about its status accounts via the Storage System Operator's Customer Zone using access codes provided by the Storage System Operator to the User.
- 3) The gas quantity accepted by the Storage System Operator from the User at an entry point is credited to the User's account, in kWh, in the appropriate subaccount depending on the entry-exit system, while the gas quantity delivered to the User by

the Storage System Operator at an exit point is debited from the User's appropriate subaccount, in kWh, in the amount of the last valid nomination confirmed by the Storage System Operator/OTE. By the fifteenth (15th) day of every month, the Storage System Operator shall deliver to the User, electronically with an advanced electronic signature, or in documentary form, a summary overview of the quantity of injected and withdrawn gas in line with the levels in the subaccounts, which were recorded at the end of the preceding gas month.

- 4) If the User does not agree with the value of its status account or the change in its status account, the User has the right to complain about this to the Storage System Operator in writing, via e-mail, within five business days from the day the challenged amount was shown in the User's status account (its relevant change was made). Without undue delay from complaint receipt, the Storage System Operator shall check the challenged amounts in the User's account and within five business days shall e-mail a written statement to the User on how it will treat the challenged amounts.

10 BILLING AND PAYMENT TERMS

- 1) Unless the contracting parties agree otherwise in the Storage Contract, the communication between the User and the Storage System Operator for the purposes of exercising the rights and meeting the obligations under this Article 10 shall preferentially take place via e-mail.
- 2) The User shall pay the agreed price for the provided services to the Storage System Operator in accordance with the Storage Contract. VAT shall be billed in compliance with the applicable tax regulations.
- 3) The User who has used CBU shall be billed the price for CBU in compliance with the Energy Act.
- 4) The User pays the Storage System Operator against issued and delivered invoices for the services provided by the Storage System Operator. The price of the provided services follows the relevant Storage Contracts. The prices for the provided Additional Services follow the Price List as in force at the time of service provision, or are determined in auction.
- 5) If an invoice under the Storage Contract is issued in EUR, a fixed monthly rate is used for conversion to CZK. This rate is set as at the first day of the calendar month based on the CNB's declared (publicised) daily rate. Where the CNB does not declare a rate on the first day of a month (e.g. on Saturday, Sunday or public holiday), the Storage System Operator uses for that month the last known rate declared or publicised by the CNB. Conversion to CZK and the used rate must relate to the date of the executed taxable supply of the service provided.
- 6) The Storage System Operator shall issue the invoice for the relevant gas month and deliver it electronically to the User by the fifteenth (15th) calendar day of the month following the relevant gas month.
- 7) The two contracting parties shall pay their payables to one another by credit transfer to the creditor's bank account. All invoices fall due and payable on the twenty-eighth (28th) calendar day of the calendar month in which the invoice was issued.
- 8) The day on which the owed amount is credited to the Storage System Operator's account is regarded as the day on which the financial obligation was honoured.
- 9) Unless the Storage Contract specifies otherwise, where the User is in delay in honouring financial obligations under the Storage Contract the Storage System

Operator has the right to bill delay charges in the amount of delay charges laid down in the law.

- 10) Where the User is in delay in paying its payable for more than ten calendar days under any of its contracts with the Storage System Operator, the Storage System Operator has the right to withdraw from all contracts concluded with the User. Withdrawal from contracts has effects *ex nunc*.

10.1 Advances

- 1) Where the User has to pay advances to the Storage System Operator under the Storage Contract and unless the Storage Contract provides otherwise, the User pays the advances by the twentieth (20th) day of the month for which the advance is being paid.

10.2 Invoice claims

- 1) The User has the right to return to e-mail address sppstorage@sppstorage.cz, without payment, an invoice issued by the Storage System Operator that does not contain the details required by the law or set out in the Storage Contract, within five (5) calendar days from the delivery of the invoice. If the User does not return an invoice via e-mail within the above period of five (5) calendar days the invoice shall be deemed valid. If the User returns an invoice to the Storage System Operator it must note the specific reasons for returning the invoice and indicate the defects that it sees in the invoice; otherwise, the return of the invoice is regarded as invalid. A justified return of the invoice stops the running of the period of maturity, and the latter starts to run again on the day on which a corrective (new) invoice is delivered.

11 RIGHTS AND OBLIGATIONS OF THE USER

11.1 Rights

The User has the right, in particular, to

- a. non-discriminatory treatment;
- b. transparent and non-discriminatory access to the services provided by the Storage System Operator within the meaning of this Code; and
- c. information about the balances in its status account.

11.2 Obligations

The User is obliged, in particular, to

- a. use the booked storage capacity and store gas with the Storage System Operator at least in the quantity set out in the relevant implementing regulation throughout the storage year and to accept gas from the Storage Facility in accordance with the Storage Contract;
- b. inform the Storage System Operator about risk to, impairment in, or extinction of its financial standing to meet its financial obligations to the Storage System Operator;
- c. at the Storage System Operator's request, to provide or supplement, at any time throughout the contractual relationship, documents and representations related to the KYC procedure;
- d. inform the Storage System Operator without delay about any material change in the information and documents related to KYC and cooperate with the Storage System Operator in the ongoing verification of the information assessed as part of KYC;
- e. pay the price(s) for the services provided by the Storage System Operator, including the price for CBU, if used;

- f. provide or suffer the provision of the information that is necessary for the Storage System Operator to perform its obligations under the applicable legislation and this Code;
- g. ensure continuous contact in Czech, Slovak or English with the Storage System Operator throughout the effect of the Storage Contract via e-mail and/or over the telephone for the purpose of exchanging operating data related to storage;
- h. put in place the technical means required for communicating with the Storage System Operator under this Code; and
- i. store only such gas that has the custom status of Union goods, unless agreed otherwise with the Storage System Operator.

12 RIGHTS AND OBLIGATIONS OF THE STORAGE SYSTEM OPERATOR

12.1 Rights

The Storage System Operator has the right, in particular, to

- a) deny the User access to the Storage Facility if:
 - i. it is contrary to this Code;
 - ii. there is no free storage capacity or the technical and commercial conditions for access and connection to the Storage Facility and the technical conditions for gas storing have not been met;
- b) curtail and/or interrupt gas storage to the necessary extent and for the necessary time, without the User having any entitlement to compensation for damage, in cases listed in the applicable legislation or where the User fails to meet the conditions set out in the Storage Contract and this Code;
- c) treat the User's left gas in accordance with the GMR provisions and set off its receivables due from the User against proceeds from the sale of left gas;
- d) reject or curtail the User's storage nomination or re-nomination in accordance with the GMR;
- e) determine the basic criteria and conditions of auctions for the allocation of the provided services in accordance with the GMR;
- f) if at any time throughout service provision the Storage System Operator receives information that in the Storage System Operator's opinion indicates that the User (or a person controlled by the User or the User's controlling person or the User's beneficial owner or the person that constitutes the User's governing body) will be subjected to Sanctions, the Storage System Operator has the right to curtail or interrupt the provision of all services with immediate effect without the User having any entitlement to compensation for damage; the Storage System Operator also has the right to rescind all Storage Contracts concluded with such User; and
- g) if the Storage System Operator evaluates any representation made by the User, whether in the auction system, a contract, or the KYC procedure, as untrue, the Storage System Operator has the right to rescind all Storage Contracts concluded with such User.

To curtail or interrupt gas storage, the Storage System Operator shall follow GMR provisions.

12.2 Obligations

The Storage System Operator is obliged, in particular, to:

- a) enter into a Storage Contract or a Framework Agreement with the Applicant that has satisfied the contract conclusion conditions set out in this Code;

- b) put in place non-discriminatory conditions for access to the Storage Facility under the conditions laid down in the Energy Act, GMR, and this Code;
- c) provide free storage capacity to gas market participants;
- d) protect classified information;
- e) provide the operators of the gas transmission systems to which the Storage Facility is connected with the information required for ensuring their interoperability; and
- f) post on its website the information required by the Energy Act and the GMR and provide additional information in compliance with the applicable legislation.

13 PROCEDURE FOR THE SALE OF GAS LEFT

- 1) If at the end of storage capacity booking or following a different termination of the contractual relationship the User's gas was not withdrawn from the Storage Facility and it is not feasible to transfer this gas to the status account under the User's other active Storage Contract, or another Additional Service was not utilised, the Storage System Operator shall carry out controlled sale of this gas in compliance with GMR provisions or present this gas market participant with a draft purchase agreement on the direct purchase of left gas.
- 2) As of the day following the end of the storage capacity booking under the Storage Contract, the User agrees to refrain from handling this gas in any manner; in particular, from disposing of it or encumbering it by any right.

14 CONFIDENTIALITY

- 1) The Storage System Operator and the User shall maintain confidentiality in respect of the information concerning the contracts that they have concluded in connection with gas storage, as well as other facts related to the conclusion and performance of such contracts or related information, until the time such information becomes publicly accessible and known. The Storage System Operator and the User agree to refrain from disclosing such information to the public and from providing it to third parties otherwise, unless the other contracting party grants its prior consent in documentary form to such disclosure or publication.
- 2) The confidentiality obligation shall not apply to the performance by the Storage System Operator or the User of the obligations incumbent on them under the generally applicable legislation and in connection with the provisions of such classified information to accounting, tax, and legal advisers and banks or other similar institutions, provided they have concluded a confidentiality agreement with the Storage System Operator or the User.

15 FINAL PROVISIONS

- 1) This Code has been drawn up in accordance with the Energy Act and approved by the Energy Regulatory Office. Amendments to the Code are subject to the approval procedure, or the procedure for the development of codes under the relevant provisions of the Energy Act. Amendments to the Code shall come into effect on the day on which they are publicised following approval thereof by the Energy Regulatory Office.

- 2) The Storage System Operator publicises the Code in a manner allowing remote access, i.e. on its website.
- 3) This Code as well as all legal relationships established in connection with gas storing by the Storage System Operator under this Code and Storage Contracts are governed by Czech law.
- 4) In the event of discrepancies between the provisions of this Code and the provisions of a Storage Contract or a Framework Agreement, the provisions of this Code shall prevail over the provisions of contracts.
- 5) Where a change in legislation results in a discrepancy between the Code and the legislation, the Storage System Operator shall submit, within three months from the effect of such legislation, a draft of a new Code or a draft amendment to this Code to the Energy Regulator Office for approval.
- 6) Should the Storage System Operator publish multiple language versions of the Code, only the Czech language version shall be considered to be legally binding.

16 ANNEXES

Annexes to this Code:

Annex 1 Geographical depiction of the location of the Storage Facility and identification of its entry and exit points

Annex 2 General terms and conditions for participation in electronic auctions

Annex 3 Method to prove good financial standing

16.1 Annex 1 Identification of the entry and exit points of the Storage Facility

- 1) The entry/exit points of the Storage Facility consist of the Brodské MS (metering station) and the Kostice MS (metering station) delivery points.
- 2) The entry/exit points measure the quantity, pressure, and quality parameters of the gas delivered.
- 3) The delivery pressure at the Brodské MS is at least 4.5 MPa for injection and at least 6.5 MPa for withdrawal.
- 4) The delivery pressure at the Kostice MS is at least 4.5 MPa for injection and at least 6.1 MPa for withdrawal.
- 5) The gas pressure and quality values measured at the entry/exit points are relevant for determining the actual pressure and quality parameters at this point.
- 6) eustream, a.s. Transmission System Operator is responsible for operating the Brodské MS; NET4GAS, s.r.o. Transmission System Operator is responsible for operating the Kostice MS.

16.2 Annex 2 General terms and conditions for participation in electronic auctions

16.2.1 Valid registration in the Storage System Operator's Auction Portal

- 1) Registration in the Storage System Operator's Auction Portal takes place based on the Applicant's request by way of completing and submitting the appropriate registration form accessible from the Storage System Operator's website.
- 2) Once it receives a properly completed registration form, the Storage System Operator promptly confirms the registration to the Applicant in the Auction Portal and sends the access data for the Auction Portal to the Applicant within three business days.
- 3) The Applicant shall update any and all information stated in the registration form without undue delay should such information change.

16.2.2 The Applicant's financial standing

- 1) The Applicant has good financial standing if it satisfies the conditions set out by the Storage System Operator in auction conditions in compliance with this Code.

16.2.3 The KYC procedure

- a) A certificate of incorporation must be provided
- b) The acting person must prove his/her authorisation
- c) Completion of the KYC form and provision of the documents requested in the KYC form as specified on the Storage System Operator's website
- d) A solemn declaration on the non-existence of Sections against the Applicant

16.2.4 Depositing collateral

- 1) The requirements will be specified in auction conditions.

16.2.5 Ability to communicate

- 1) Ensuring communication in Czech, Slovak or English with the Storage System Operator throughout the effect of the Storage Contract via e-mail and/or over the telephone for the purpose of exchanging operating data related to gas storage. The Applicant proves the satisfaction of this condition by providing a solemn declaration in Czech, Slovak or English.

16.3 Annex 3 Method to prove good financial standing

- 1) Under clause 4.2 above, the User must prove to the Storage System Operator that its financial standing is adequate for honouring all its financial obligations set out in the Storage Contract or the Framework Agreement concluded with the Storage System Operator. Should the Storage System Operator decide that the documents fail to provide sufficient guarantee of good financial standing, the Storage System Operator has the right to request the User to provide additional security for the transactions entered into, and also has the right to rescind the Storage Contract or the Framework Agreement.
- 2) The User shall provide one or more of the following forms of security to the Storage System Operator:
 - (a) Bank Guarantee,
 - (b) Parent Company Guarantee,
 - (c) Lien,
 - (d) Security in the form of a financial amount deposited in the Storage System Operator's bank account (cash collateral).

(a) Bank Guarantee

- 1) The original of an irrevocable bank guarantee issued for the benefit of the Storage System Operator by a bank having a credit rating of at least BBB by S&P or Fitch, or Baa1 by Moody's. The Bank Guarantee must be at least for the amount equalling security for obligations under the Storage Contract. The Storage System Operator notifies the specific amount in advance.
- 2) The User or the Applicant must provide the Bank Guarantee no later than two (2) business days before the start of service provision, or by the date agreed in the Storage Contract.
- 3) Bank Guarantee conditions:
 - (i) It shall be valid and effective no later than as of the effective date of the Storage Contract or the starting date of service provision until the end of the month following the month in which the validity of the Storage Contract ends, unless the Storage System Operator and the Applicant/User agree otherwise;
 - (ii) The Storage System Operator shall have the right to call the Bank Guarantee if the User/Applicant defaults on any obligations under the Storage Contract;
 - (iii) The bank shall be obliged to pay the guarantee unconditionally on the first demand within five (5) business days from receiving the demand in writing from the Storage System Operator.

(b) Parent Company Guarantee

- 1) Subject to the Storage System Operator's prior written consent, the User/Applicant may provide security in the form of its parent company's guarantee based on an assessment of its own and its parent company's financial standing. The provisions on Bank Guarantee apply to this guarantee *mutatis mutandi*.

(c) Lien

- 1) Subject to the conditions specified by the Storage System Operator and subject to its prior written consent, the User may provide security in the form of lien on the gas owned by the User, which is stored in the Storage Facility under the Storage Contract.

(d) Security in the form of depositing a financial amount in a bank account (cash collateral)

- 1) Subject to the conditions specified by the Storage System Operator and subject to its prior written consent, the User may provide security in the form of depositing the required amount of funds in the Storage System Operator's bank account.