

Terms and conditions for electronic auction of the gas storage operator, company MND Gas Storage a.s. (hereinafter the “Storage Operator”), for the reservation of the monthly storage capacity with fixed output and gas lease to be held on 16 December 2021 (hereinafter the “Auction Terms and Conditions”)

Basic Parameters of Auction Terms and Conditions

<i>Type of storage capacity reserved:</i>	Monthly storage capacity with fixed output and the gas lease
<i>Date Auction is held:</i>	16 December 2021, 10 a.m. (CET)
<i>Storage period:</i>	9 storage months reserved within the storage period from 1 January 2022, 6 a.m., and ending on 1 October 2022, 6 a.m.
<i>Storage capacity offered:</i>	54 000 MWh
<i>Maximum daily injection output:</i>	600 MWh/day (90 days of flat injection - monocycle)
<i>Maximum daily withdrawal output:</i>	916 MWh/day (59 days of flat withdrawal - monocycle)
<i>Gas Lease:</i>	54 000 MWh

1. Opening Unit Price for the Auction

Opening Unit Price for the Auction is set to **35 EUR/MWh**.

2. Auction Date

Auction date has been set for **16 December 2021, at 10:00 a.m. (CET)**. The applicant must register in the information system of the Auction Provider no later than by 16 December 2021, 8:00 a.m., to participate in the Auction.

3. Progress and Completion of the Auction

Registered participant who provided Financial Security Deposit according to the Section 5 of these Auction Terms and Conditions (hereinafter as "Participant") will be allowed to join the Auction. All the participants will be able to see the opening unit price at the beginning of the auction. Each participant can increase the unit price with their bids by means of a figure with an accuracy of one decimal place expressing the offered total unit price for the service in EUR per MWh and will be able to see the maximum bid. Any new bid cannot equal the current maximum bid. During the Auction there is no limit on the amount of bids inputted by one Participant. Each bid is considered as bid for complete storage service offered in the Auction.

The minimum allowed bid increment is 0.1 EUR

The maximum allowed bid increment is 5.0 EUR

Auction will last 20 minutes. The auction will be extended by 5 minutes if any bid changes during last 2 minutes; the same principal applies in last 2 minutes of any extension. The auction will be completed with the selection of the winning bid when the time elapses; the last recorded bid is the winning bid ("Successful Completion").

The auction will be completed without the selection of a winning bid if no bid is submitted in the auction.

The Participant whose bid is selected as winning will be rewarded with a reservation of all of the offered storage capacity with firm outputs and gas lease. The final unit price for storage service will be the last maximum bid and such value will be entered into the Storage Contract.

4. Way of Provided Electronic Communications and Alternative Communications

Auction will be organized via the secured Internet interface accessible from <https://aukce.proebiz.com>.

Should Auction Provider's auction system fail, then the Storage Operator shall notify Participants about such situation. During such failure the Auction will remain interrupted, and the Storage Operator will give notice of the resumption of Auction to Participants in the appropriate manner. Auction may continue from the last know value, that Auction Provider managed to record (store) in auction system, or re-started from the beginning again.

In case the electronic communications fail over the course of the Auction on the side of applicant, then the alternative way of communication can be used via email send to obchod@gasstorage.cz; with the

following minimum content:

- Applicant's exact identification;
- Auction marking;
- Applicant's bid in the form of a number rounded off one decimal location which expresses total offered unit price for storage service in EUR/MWh;

5. Financial Security Deposit

The amount of financial security deposit for participation in the Auction has been set to:

250 000 CZK or 10 000 EUR

The applicant may fulfil the duty to provide financial security deposit:

1. **In CZK:** by a wire transfer to the benefit of the account **IBAN: CZ98 0300 0000 0000 1740 2743**, **SWIFT: CEKOCZPP**; provided with a variable number that equals the National ID No. of the company or day, month and year of the birth for physical persons.
2. **In EUR:** by a wire transfer to the benefit of the account **IBAN: CZ28 0100 0000 4382 2770 0227**, **SWIFT: KOMBCZPPXXX**; provided with a variable number that equals the National ID No. of the company or day, month and year of the birth for physical persons.

The financial security deposit must be received by the Storage Operator by 16 December 2021, 8:00 a.m. In case of the letter of credit, the day of receipt is the day at which the original of the letter of credit is received by the Storage Operator. In case of wire transfer, the day of receipt is the day at which the amount is credited to the bank account of the Storage Operator.

6. Gas Storage Contract Sample

Sample contract for gas storage is included in Annex No. 1 of these Auction Terms and Conditions, and it will be signed with applicants pursuant to the procedure specified in the Code. The participants who are successful in reserving storage capacity will be invited to provide proof of meeting financial eligibility criteria pursuant to annex No. 1 of the Code.

7. Additional capacity

The amount of additional storage capacity that can be activated in this auction: 0 GWh

8. Duration of Capacity Reservation and Gas Storage Contract

Gas storage contract to reserve monthly storage capacity with fixed output and gas lease will be concluded for the period from 1 January 2022, 6 a.m. and ending on 1 October 2022, 6 a.m.

9. Injection/Withdrawal outputs

Together with storage capacity and a gas lease, the successful participant will be awarded with following daily flat rates:

Injection Rate: 600 MWh/day

Withdrawal Rate: 916 MWh/day

This is a monocycle product, i.e. Successful participant can withdraw maximally 54 000 MWh in total and inject back maximally 54 000 MWh in total during the storage period.

10. Method of setting a penalty for cancelling the reservation of storage capacity to Participant

Financial security corresponding to the booked storage capacity will not be returned to the Participant who has booked storage capacity based on the auction results and has not signed the relevant storage contract within 20 working days of the date of receipt of the contract proposal.

11. Time Schedule

<i>by 16 December 2021, 8:00 a.m.</i>	Financial security deposit to be received
<i>by 16 December 2021, 8:00 p.m.</i>	Applicants to register for participation in the Auction
<i>16 December 2021, from 10:00 a.m.</i>	Beginning of the Auction
<i>Without undue delay after Auction is completed</i>	Successful Participants will receive an electronic confirmation on Auction results, including the value of final unit price
<i>Successful Participant: Within 5 business days from when Participant received electronic confirmation</i>	Storage Provider sends proposal of the gas storage contract
<i>Successful Participant: Within 20 business days after receipt of the storage contract proposal</i>	Participant must accept the proposal by returning the fully signed contract, otherwise capacity booking is cancelled and penalty under point 10 is applicable.
<i>Successful Participant: Within 3 days from signing of gas storage contract</i>	Storage Provider returns of the financial security deposit, unless agreed otherwise
<i>Unsuccessful Participant: Within 5 business days after Auction is ended</i>	Storage Provider returns the financial security deposit, unless agreed otherwise