

Contract Reg. No. Storage Operator:

Contract Reg. No. Storage User:

Contract to store gas for reservation of monthly storage capacity and the gas lease**MND Gas Storage a.s.**

Seat: Úprkova 807/6, 695 01 Hodonín, Czech Republic

Company ID No.: 27732894

VAT ID No.: CZ27732894

Incorporated with Regional Court in Brno, File B.4925

(hereinafter the “**Storage Operator**”)

And

[●]

Seat: [●]

Company ID No.: [●]

VAT ID No.: [●]

Company registered with [●]

(hereinafter the “**Storage User**”)(Storage Operator and Storage User hereinafter the “**Parties**”)

Under the Act No. 458/2000 Coll. (hereinafter as “**Energy Act**”), the Parties hereby execute this Contract to store gas for reservation of monthly storage capacity with fixed outputs and the gas lease (hereinafter the “**Contract**”).

I. Subject Matter

- 1) The subject matter of this Contract, compliant with the Code of the gas storage operator (hereinafter the “**Code**”), is the obligation:
 - a) Of the Storage Operator to duly render a gas storage services for the Storage User, and this under the terms and conditions given below in this Contract and the Code;
 - b) Of the Storage User to create conditions for proper rendering of the storage services by Storage Operator, and pay total price for the storage services, and this all under the terms and conditions mentioned below in this Contract and the Code,all within the limits of the operational parameters reserved for the Storage User based on the results of the auction which took place on 16. December 2021 and as primarily established in Articles II and III of this Contract (hereinafter the “**Service**”).
- 2) Parties to the Contract undertake in performing this Contract to also adhere to the provisions of the Code which are valid and effective as of the date the Contract was signed by Storage User, including the provisions of the Code altered later on by Storage Operator if such change is the result of the administrative procedure under Section 97a of the Energy Act. Storage User hereby

declares it has become sufficiently familiar with the wording of the Code valid and effective as of the date the Contract was signed, and has the Code at its disposal.

- 3) Should any changes to the Code be made (pursuant to the previous point) then the decisive wording for the Parties to proceed will be the one which is in force at the time the performance is carried out, and in the event of any default in performance, then at the day the performance should have been made. In case of any variance between the wording of the Code and of this Contract the provisions stated in this Contract shall take precedence.

II. Storage capacities

- 1) Throughout the time the Contract is effective the Storage Operator undertakes to provide the Storage User within the Service the following storage capacities with the constraints stated in this Contract, Code and generally binding legal regulations.

Storage period (gas months)	1. January 2022 – 30. September 2022
Storage capacity	54 GWh
Flat withdrawal - Max. daily withdrawal	916 MWh
Limit on aggregate withdrawal in the storage period	54 GWh
Flat injection - Max. daily injection	600 MWh
Limit on aggregate injection in the storage period	54 GWh

- 2) The Storage User takes into account and agrees that the Service is provided as a monocycle, i.e. there is a limitation on the aggregate amount of withdrawn and injected gas during the storage period. If the aggregate withdrawal limit is reached, no additional withdrawal is possible; likewise for the injection. The aggregation is based on all withdrawal / injection nominations of the Storage User submitted to the Storage Operator during the storage period.

III. Gas lease

- 1) Based on Article 60, Section 1, Letter h) of the Energy Act, the Storage Operator is entitled to provide gas to the Storage User in connection with the gas storage service as of 1 January 2022. Consequently, a lease of the gas under this Article constitutes an integral part of the Service, with limitations and conditions stipulated herein.
- 2) For the avoidance of doubt, the contractual parties agree and stipulate that due to generic nature of gas, the lease of gas includes a transfer of ownership title to such gas from the Storage Operator to the Storage User and vice versa.
- 3) The Storage Operator shall lease 54 GWh of gas (hereinafter the “**Subject of Lease**”) to the Storage User as of 1 January 2022 (gas day), and the Storage User shall return the Subject of Lease to the Storage Operator by 30. September 2022 (gas day) based on the conditions stipulated in this Article (hereinafter the “**Lease**”).
- 4) The Storage Operator will provide the Subject of Lease to the use of Storage User by a transfer of the respective amount of gas to the Storage User’s storage account at the beginning of the first gas day of the Lease.
- 5) The Storage Operator is not obliged to act under Section 4) of this Article until such time the Storage User submits to the Storage Operator either a bank guarantee or money deposit (hereinafter both as “**Collateral**”) in the amount of 4,1 mil. EUR to secure the obligation of Storage User to return the Subject of Lease to the Storage Operator duly and in time. If the

Collateral is provided as a bank guarantee, such guarantee must be (a) irrevocable, (b) on first-demand (stating a simple failure of Storage User to meet its return obligation), (c) issued by a bank with seat in EU, UK or Switzerland, and (d) with validity and effectiveness at least until 31. October 2022. Before formal issuing by a bank, the Storage User shall submit a draft guarantee for the approval of the Storage Operator. If the Collateral is provided as money deposit, the Storage User shall wire-transfer respective amount to Storage Operator's bank account IBAN: CZ28 0100 0000 4382 2770 0227, SWIFT: KOMBCZPPXXX. For the avoidance of doubt, the contractual parties agree and stipulate that failure of the Storage User to submit Collateral before the beginning of the Lease neither (a) changes the length of Lease, nor (b) releases the Storage User, even partially, from payment obligations under this Contract. If the Collateral is provided later than on the first gas day of the Lease, the obligation of the Storage Operator under Section 4) of this Article shall become effective from the next business day after the Storage Operator receives the Collateral.

- 6) If anytime during the Lease, the current market price of Subject of Lease (based on a weekly average of "Q4/2022 offer" gas prices published in ICIS European Spot Gas Markets Report) is equal or higher than 95% of Collateral, the Storage Operator is entitled to request from the Storage User an additional collateralisation to achieve the new amount of Collateral equal to equation: $1,3 \times \text{"Q4/2022 offer" gas price published ICIS European Spot Gas Markets Report at the day of the request}$. If requested, the Storage User is obliged to provide such additional collateralisation within 14 calendar days (either with additional money deposit, additional bank guarantee / new total bank guarantee, or combination of methods). If additional collateralisation is not provided within the above-mentioned period, the Storage User must partially return the amount of Lease which is not secured by the existing Collateral at the latest by 28th calendar day after it received the initial request for additional collateralisation from the Storage Operator; breach of this provision would be considered as a fundamental breach of the Contract.
- 7) The Storage User will meet its obligation to return the Subject of Lease duly and in time, if at the end of last gas day of the Lease, its storage account holds the same amount of gas as is the Subject of Lease. The Storage Operator will then retake the Subject of Lease by a transfer of such gas from the Storage User's storage account to Storage Operator's internal evidence and possession.
- 8) If the Storage User meets its return obligation under Section 7) of this Article, the Storage Operator shall return the Collateral to the Storage User within 10 business day after day of return. If a bank guarantee was used for Collateral, the Storage Operator shall send back the original of said guarantee to the Storage User. If money deposit was used for Collateral, the Storage Operator shall wire-transfer respective amount back to the bank account of the Storage User.
- 9) If the Storage User fails to meet its return obligation under Section 7) of this Article, the Storage Operator is entitled to claim a contractual penalty in the amount of Collateral stipulated in Section 5) or as subsequently modified per Section 6) of this Article. The contractual penalty is payable within 5 business days upon notification of the Storage User of its failure.

IV. Price for Services

- 1) The price for Service is based on the result of online electronic auction organised by the Storage Operator on 16. December 2021, and amounts to **[based on the auction results]** EUR.

- 2) For the avoidance of doubt, the Storage Operator stipulates that the price for Service already includes the fees for activities associated with the gas storage (see Article C.9, Section 4, Letter c) of the Code).

V. Terms of Payment & VAT Regulation

- 1) The price of Service is divided and payable in 9 equal monthly instalments. Terms of payment of each instalment is governed by the Code.
- 2) By operation of Article 2390 of the Act No. 89/2012 Coll., the Civil Code, as amended (hereinafter the "Civil Code"), right to dispose of the Subject of Lease as its owner is transferred from the Storage Operator to the Storage User for the duration of the Lease. Consequently, by operation of Article 13 of Act No. 235/2004 Coll., on VAT, as amended (hereinafter as the "VAT Act") such transfer constitutes a taxable performance which is subject of value added tax. The gas is considered as goods in scope of Article 4, Section 2, Letter e) of VAT Act. If the Storage User is trader in scope of Article 7a, Section 2 of VAT Act, the place of taxable performance is the seat of the Storage User based on Article 7a, Section 1 of VAT Act.
- 3) If the Storage User is VAT registered in the Czech Republic, it shall declare for VAT in the reverse charge system in accordance with Annex No. 6, Point 4 of the VAT Act; the Storage Operator does not declare for VAT. If the Storage User is VAT registered in another EU member state, it shall declare for VAT in member state of its tax domicile. If the Storage User is VAT registered in state outside of EU, it shall proceed under the laws of state of its tax domicile.
- 4) Upon return of the Lease, the ownership title will be transferred back to the Storage Operator, and such action will be again considered as taxable performance. The Storage Operator shall declare for VAT in the reverse storage system.
- 5) Over the duration of the Contract, Parties undertake to notify without any unnecessary delay the other Party about any substantial change of information related to their registration to VAT payment within 7 calendar days after such change is registered at the respective tax office. In case of stating incorrect information or infringing this duty, contracting parties undertake to financially compensate the other Party for any loss that arises as a result of violating this duty.

VI. Special Provisions

- 1) The Storage User takes into account, the co-mingle of the gas stored for the Storage User and such stored for other customers of the Storage Operator is the inevitable result of the parameters of storage services at the virtual storage point as provided under current energy regulation. The Storage User acknowledge such result and the method of providing of the Service. For the avoidance of doubts, the Parties to the Contract exclude (even by a way of analogy) the use of Section 2420 of Civil Code (obligation to mark object of storage).
- 2) The parties agree and stipulate that as the storage capacity reservation and gas lease are interconnected part of the Service, avoidance or termination of the Contract based on reasons originated in the gas storage leads to avoidance or termination in the lease part, and vice versa, unless the parties agree otherwise in writing.

VII. Final Provisions

- 1) Legal relations between the Parties established by this Contract and not specially regulated therein, shall be governed by the Czech law, especially relevant provisions of the Energy Act and

the Civil Code. Any and all dispute arising out of or in relation to this Contract shall be decided by the Czech courts, competent with regards to the seat of the Storage Operator.

- 2) The Parties hereby mutually declare they enter into this Contract as entrepreneurs, and they are not aware of any facts that may lead to a presumption that one of the Parties could be deemed as a weaker contracting party. Under Section 1801 of the Civil Code, the Parties further mutually stipulate they consider the content of this contract not to be contradicting to usages in the gas industry.
- 3) The Parties acknowledge the Code shall not be considered as standard business terms of the Storage Operator in the meaning of the Section 1751 et seq. of the Civil Code, as the Code is subject to approval or prescription by the Energy Regulatory Office under Section 97a of the Energy Act.
- 4) Regarding the regulated nature of the business activity of the Storage Operator and that the allocation of the storage capacity is governed by Regulation No. 349/2015, the Gas market rules, as amended, the Parties mutually declare Sections 1765 and 1766 of the Civil Code (hardship provisions) shall not be applicable to this Contract. Storage User undertakes to bear the risk of change in circumstances under Section 1765, para. 2 of the Civil Code.
- 5) This Contract can be altered or supplemented only in the form of written sub-contracts signed by both Parties' representatives in charge along with the fact that the way of changing or supplementing the Code has been specified hereinafter in Clause I of the Contract.
- 6) Storage User who is also the final customer (within the meaning of Section 62 of the Energy Act) has the right to rescind this Contract in case of not meeting contractual duties on the side of Storage Operator, or in case of not agreeing with the Storage Operator-proposed change of the terms and conditions which are not incited by the change of generally binding legal regulations, or by the ruling of relevant state administration body. In the event the Contract is rescinded due to a disapproval of the Storage Operator-proposed alteration of the terms and conditions, this right to rescind will terminate unless respective Storage User has not rescinded the Contract within 90 days after the day it learned of draft change to the terms and conditions or could have learned thereof.
- 7) Assignment of rights and obligations arising from this Contract to a third party including their putting as a security either totally or partially, is possible only with prior written consent of the other Party.
- 8) This Contract has been made in two copies, each having the force of original copy, by one for each Contractual Party.
- 9) The Parties to this Contract, following its reading, agree with its contents and are not aware of any obstacles, claims of third parties, or of any other legal defects that would prevent them from signing it or cause invalidity or nullity thereof, and declare they signed this Contract as free act and deed in witness whereof they sign their hand.

=== The signature page follows ===

In Hodonín on [●]

On the behalf of the Storage Operator

In [●] on [●]

On the behalf of the Storage User

Dr. Slavomír Halla

Deputy Chairman of the Board of Directors

[●]

[●]

Mr. Milan Dočkal

Member of the Board of Directors

[●]

[●]