

Legal disclaimer

The content of the storage contract is governed by the Czech law, as the provision of services of the gas storage operator is regulated by Act No. 458/2000 Coll., Energy Act, especially in accordance with the condition set for a holder of valid energy licence for gas storage services.

As the consequences, this specimen is an unofficial translation only. Official documentation for the auction sale is drafted in Czech language. If any discrepancies arise between English and Czech wording, the Czech wording shall prevail.

If so requested by the Storage User, the storage agreement may be concluded in parallel Czech/English language version, however, even in such cases the Czech wording shall prevail in case of any discrepancies.

Contract to store gas for reservation of annual storage capacity with fixed output (sample)

I. Parties to the Contract

MND Energy Storage a.s.

Registered office: Úprkova 807/6, 695 01 Hodonín

Represented by: Mr. Pavel Marek, Vice-Chairman of the Board of Directors, and
Mr. Milan Dočkal, Member of the Board of Directors

Company ID No.: 27732894

VAT ID No.: CZ27732894

Incorporated with Regional Court in Brno, Section B, Folder 4925
(hereinafter the "Storage Operator"),

Company

Registered office: [●]

Represented by/Executive head: [●]

Company ID No.: [●]

Tax ID No.: [●]

Incorporated with [●], Section [●], Folder [●]
(hereinafter the "Storage User"),

Parties hereby execute, under the Act No. 458/2000 Coll. (hereinafter as "Energy Act") and relevant instruments for the Energy Act, especially Regulation No. 349/2015 Coll, all as amended and effective, this Contract to store gas for reservation of annual storage capacity with fixed output (hereinafter the "Contract").

II. 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 service 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 service by Storage Operator, and pay total price for the storage service, and this all under the terms and conditions mentioned below in this Contract and the Codeall within the limits of the operational parameters reserved for the Storage User based on the results of the auction which took place on [●] and as established in article III of this Contract (hereinafter as "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 Rules and of this Contract the provisions stated in this Contract shall take precedence.

III. 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 adjusted according to the injection curve and withdrawal curve which are bound to the amount of Storage User-stored gas (identified in Storage User's account) and with the constraints stated in this Contract, Code and generally binding legal regulations.

Storage period	from 1. 4. 2023, 6:00 a.m. until 1.4. 2024, 6:00 a.m. (CE(S)T)
Storage capacity	[●] MWh
Max. daily withdrawal output	[●] MWh / day
Max. daily injection output	[●] MWh / day

2. Injection and withdrawal curves are given in Annex No. 1 which forms integral part of this Contract.

IV. Price for Service

1. The overall annual storage price shall consist of the price for storage, based on the unit price achieved in the electronic auction held on [●], and the variable fee for the provision of the storage-related services.

a) **Price for storage**

The unit price shall be calculated according the following equation:

$$P_U = P_F + K$$

Where:

P_U represents a unit price for the storage services and is established in CZK per 1 MWh of the reserved storage capacity for storage period;

P_F represents fixed costs equal to 80 CZK per 1 MWh of the reserved storage capacity for storage period;

K represents a coefficient achieved in the Auction

Storage period	from 1. 4. 2023, 6:00 a.m. until 1. 4. 2024, 6:00 a.m. (CE(S)T)
K	[●] CZK/MWh

b) **Fee for the provision of the storage-related services**

Fee for the provision of the storage-related services is set in CZK and shall be determined on a tariff model as stipulated in Art. C.9, Section 4, Letter b) of the Code, where:

Tariff I	0 CZK per 1 MWh
Tariff II	9 CZK per 1 MWh

2. The annual storage price shall be determined as the product of the unit price P_U and the reserved storage capacity given in Clause III. of this Contract; The monthly price for Service shall be calculated as one twelfth of the annual price.
3. Unless otherwise stated, all the price provision associated with the word “month” shall be considered for the gas month period, and those associated with the word “year” shall be considered for the storage year period.

V. Gas for injection

The Storage User is obliged to secure gas for injection and deliver it to the Storage Operator at the virtual storage point so that from each injection nomination, 1.2 % of the given nomination is deducted and used to fulfil the above obligation and the rest will be credited to the depositor's account (i.e. when nominating 100 MWh of injection during the gas day, the balance of the depositor's account will be increased by 98.8 MWh and 1.2 MWh will be used to fulfil the obligation supply gas for injection).

VI. Terms of Payment

1. Terms of payment are governed by the Code.

VII. Duration

1. This Contract is effective throughout the storage period for which a storage capacity has been reserved for the Storage User as set in Article III, Section 1 of this Contract.

VIII. Special Provisions

2. 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 the Act No. 89/2012 Coll., the Civil Code, as amended (hereinafter as “Civil Code”).
3. By this Contract the Storage User grants the Storage Operator an irrevocable and irreversible right to procure the sale of unrecovered gas that had been injected into Storage Operator's gas storage compliant to this Contract, and is present in such storage at the time such right of the Storage Operator is applied. Parties to the Contract state explicitly that such right to procure the sale, will last even after this Contract's validity or effectiveness expire. Storage Operator has the right to carry out gas sale on behalf of its name on account of Storage User along with the fact that the Storage Operator has at the same time the right to set off its claims that result from this Contract against Storage User's claim, for paying the price for the unrecovered gas sold.

IX. 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 Rules 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 Rules are 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 Market Rules, the Parties mutually declare Sections 1765 and 1766 of the Civil Code 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 Rules has been specified hereinafter in Clause II of the Contract, and in the Rules.
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.

Annexes:

Annex No. 1: Injection curve & withdrawal curve

=== Signature page follows ===

In Hodonín, date

In, date.....

On behalf of Storage Operator:

On behalf of Storage User:

Pavel Marek
Deputy Chairman of the Board of Directors

[●]

Milan Dočkal
Member of the Board of Directors

[●]

Annex No. 1 Withdrawal Curve & Injection Curve

