
CAPACITY BOOKING CONTRACT

CONCLUDED IN THE FRAMEWORK OF AN OPEN SEASON PROCEDURE

hereinafter referred to as **Contract**,

made by and between

FGSZ Földgázszállító Zártkörűen Működő Részvénytársaság (FGSZ Natural Gas Transmission Closed Company Limited by Shares)

Registered office: 8600 Siófok, Tanácsház u. 5.
Mailing address: 8600 Siófok Tanácsház u. 5. (Pf. 102)
Account keeping financial institution: ING Bank N. V. Hungarian Branch Bank
SWIFT (BIC): INGBHUHB
IBAN: HU08 1370 0016 0420 0013 0000 0000
Invoices should be sent to: FGSZ Zrt. Számvitel 8601 Siófok Pf. 8.
Statistical code of the Company: 12543331-4950-114-14
Tax number: 12543331-2-14
Company registry court and company registration number:
Court of Registration of the Court of Justice of Kaposvár,
Company registration number: 14-10-300230

hereinafter referred to as **FGSZ Zrt.**

and

Registered office:
Mailing address:
Invoices should be sent to:
Account keeping financial institution:
SWIFT (BIC):
IBAN:
Statistical code of the Company:
Tax number:
Company registry court and company registration number:

hereinafter referred to as **Network User**

collectively referred to as: **the Contracting Parties**, on the date and at the place below written, and under the following terms and conditions:

1. Subject Matter and Term of the Contract

During the term of the Contract, FGSZ Zrt. shall provide the Network User with the firm capacities as determined for the network points specified below.

This Contract has been established in paper format in the framework of the following Open Season procedure, in accordance with the rules of exception laid down in Article 2(4) of Regulation (EU) No 2017/459.

The Parties are aware that SNTGN Transgaz S.A. (Mediaş, Piata C.I. Motas nr, 1 551130, Romania) ("Transgaz") and FGSZ Zrt. have announced an Open Season procedure. The rules of the Open Season procedure are laid down in the Open Season Rulebook that has been published by the two companies and approved by the national regulatory authorities. The Hungarian Energy and Public Utility Regulatory Authority approved the Open Season Rulebook with its resolution no.

The subject matter of this Contract shall only include the booking and provision of the following firm transmission pipeline capacities detailed bellow.

For any other activities, including but not limited to those regarding the use of the allocated capacities or other natural gas transmission activities, the Network User has to have a Network Usage Framework Contract or the relevant specific contracts pursuant to the Business Code of FGSZ Zrt.

The Parties also agree that FGSZ Zrt. bases the developments necessary for the realisation of the capacities to be made available through its network on the capacity booking contracts concluded with the Network Users, and therefore the termination of any of these contracts – including this Contract – would result in significant losses, costs and damage to FGSZ Zrt.

In light of the foregoing, the Contracting Parties conclude the contract for the following firm transmission pipeline capacities on the basis of the binding Open Season procedure (broken down by gas years, per flow directions):

Contract number:

kWh/h/year	Csanádpalota (RO→HU) EIC code: 21Z000000000236Q
Gas year 2022/2023	
Gas year 2023/2024	
Gas year 2024/2025	
Gas year 2025/2026	
Gas year 2026/2027	
Gas year 2027/2028	
Gas year 2028/2029	
Gas year 2029/2030	
Gas year 2030/2031	
Gas year 2031/2032	
Gas year 2032/2033	
Gas year 2033/2034	
Gas year 2034/2035	
Gas year 2035/2036	
Gas year 2036/2037	
kWh/h/year	Csanádpalota (HU→RO) EIC code: 21Z000000000236Q
Gas year 2022/2023	
Gas year 2023/2024	
Gas year 2024/2025	
Gas year 2025/2026	
Gas year 2026/2027	
Gas year 2027/2028	
Gas year 2028/2029	
Gas year 2029/2030	
Gas year 2030/2031	
Gas year 2031/2032	
Gas year 2032/2033	
Gas year 2033/2034	
Gas year 2034/2035	
Gas year 2035/2036	
Gas year 2036/2037	

Table 1

The capacities booked in accordance with the above Table 1 may be modified during the term of this Contract by mutual agreement between the Contracting Parties. The Parties also agree that if, for any reason whatsoever (decisions relating to investments or operation, acts of the authorities or legislation etc.), and either in part or in full, Transgaz fails to make available the contracted capacities, the Network User shall not be exempted from its payment obligations towards FGSZ Zrt. arising out of this Contract.

Contract number:

The Contracting Parties agree that in any issues not regulated in this Contract they shall act in accordance with the Business and Commercial Code (ÜKSZ), and the applicable law, in particular the European Union Regulations in force, the Gas Act and its implementing decree in force, the price application and rate decrees for natural gas industry services, the provisions of the valid Business Code of FGSZ Zrt., and the Civil Code of Hungary.

FGSZ Zrt. undertakes that it will provide the capacities booked hereunder to the Network User. The Network User undertakes to pay the fees specified herein.

This Contract shall enter into force on, and shall be valid during the service period specified in Table 1. The Parties acknowledge that this Contract applies to the booking of yearly capacity products.

2. General Terms and Conditions

The Contract shall be applied together with the text of Annex 4.d of the Business Code of FGSZ Zrt. titled "General Terms and Conditions for Network Usage Contracts", as amended from time to time and as approved by the Hungarian Energy and Public Utility Regulatory Authority.

By signing this Contract, the Network User acknowledges that it has become familiar with the contents of the General Terms and Conditions (hereinafter: GTCs) referred to in this section and published on FGSZ Zrt's website (www.fgsz.hu), along with accepting and acknowledging FGSZ Zrt's relevant information, furthermore it confirms that it considers all such provisions of the GTCs as parts of the present Contract, and agrees to be bound by the same.

Any terms and conditions not regulated in the document titled "General Terms and Conditions for Network Usage Contracts", or laid down as special terms in derogation from that document, are included in this Contract.

3. Fees

The Network User shall pay fees specified in Annex 1 and Section 4.1 of Annex 2 of the Contract.

4. Damages and Contractual Penalty for the Termination of this Contract Attributable to the Network User

Contract number:

Considering that, in order to fulfil its obligations specified herein, FGSZ Zrt. shall implement significant investments by constructing the Project, the Network User shall be obligated to pay contractual penalty if this Contract terminates or is terminated for a reason attributable to the Network User.

4.1. The contractual penalty shall amount to:

- a) 0.033% of the total product of the capacity values per gas year indicated in Table 1 herein multiplied by the capacity fees indicated in Section 4.1. of Annex 2 hereof and which are valid at the time of the termination of the Contract, if this Contract is terminated by the Network User unilaterally on or before 14 December 2018.
- b) the part of the total product of the capacity values per gas year indicated in Table 1 herein multiplied by the capacity fees indicated in Section 4.1. of Annex 2 hereof and which are valid at the time of the termination of the Contract, calculated from the date of termination until the end of the remaining contractual term, if this Contract is terminated in accordance with this section after 14 December 2018.

The Parties expressly agree that FGSZ Zrt. may not claim damages over and above the contractual penalty.

The contractual penalty specified in this section will be due within 30 days of receipt of the debit note.

In order to secure the payment obligation as specified in this section, the Network User shall provide financial security to FGSZ Zrt. The terms and conditions of providing such security (including a template for a bank guarantee) are regulated in the GTCs amended from time to time.

The Network User shall keep the financial security continuously available during the term of this Contract, in particular until the closure of the settlement as regulated in this section. The financial security shall be valid until the expiry of this Contract + 90 days. If the financial security provided by the Network User does not cover the full contractual period, the Network User shall – without a separate notice – extend it until the 30th day preceding the expiry of the currently valid financial security.

The financial security shall amount to:

- 100% of the amount of the contractual penalty specified in section 4.1. a) concerning the period until 14 December 2018;

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- concerning the period after 14 December 2018 the single highest annual capacity fee as calculated for the capacities booked under the Contract in accordance with section 4.1. b) of the Contract.

Should the Network User fail to meet its payment obligation or any other obligation as specified in this section (including its failure to extend the financial security), FGSZ Zrt. will become entitled to enforce his claim from the financial security. Failure by the Network User to provide financial security shall qualify as a breach of contract.

5. Contractual Penalty for Delays Attributable to FGSZ Zrt.

FGSZ Zrt. may collect the capacity fee from the beginning of commercial operation, in accordance with the procedure of invoicing as regulated in the GTCs. If, for a reason attributable to FGSZ, the capacity booked hereunder has not become available to the Network User by 1 October 2022 at the latest, FGSZ shall pay the transmission operator's nomination imbalance surcharge as specified in the Price Application Decree as penalty, in accordance with the GTCs.

6. Communication and Data Management

The Contracting Parties agree that – regarding all issues related to the fulfilment of this Contract – they appoint their following organisational units as main contact units:

For contractual issues:

On behalf of the Network User: _____ On behalf of FGSZ Zrt.: _____

Name: Phone: Fax: Mobile: Email:	Name: Phone: Fax: Mobile: Email:
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Any electronic mail sent to FGSZ Zrt. in the issues pertaining to this Contract shall also be sent in copy to the kap@fgsz.hu email address in addition to the above contact person.

The Contracting Parties shall promptly notify each other of any changes in their above contact information.

By the last Friday of each quarter, FGSZ Zrt. shall inform the Network User of all statuses of the project relevant in terms of the availability of firm capacities.

7. Liability

- 7.1. Without prejudice to the general applicability of the GTCs of FGSZ Zrt., the Parties agree that FGSZ Zrt. shall not assume liability, and shall not be held liable for damages or any other payment towards the Network User if the latter incurs damage, costs or loss due to any of the following reasons:
- (a) Any Romanian investment part of the Romanian-Hungarian natural gas transmission corridor fails to be constructed, is constructed with delay or not as intended, and this happens for a reason not attributable to FGSZ Zrt.
 - (b) Any obligation of FGSZ Zrt. hereunder cannot be performed or can be performed not contractually due to any force majeure event, emergency or restriction in Romania, which is not attributable to FGSZ
- 7.2. The limitation of liability as specified in this section shall not apply to damage that result from breaches affecting life, physical integrity or health.
- 7.3. The Contracting Parties shall promptly notify each other of any important circumstance related to the fulfilment of the Contract.
- 7.4. The Contracting Parties agree that from section 12.1 of the GTCs i.e. the cases of breach by the Network User, the following provisions shall not be applied to this Contract:
- “Violation of the nature of the bundled capacity product during the secondary sale of the capacity in the case of bundled capacity products.
 - For bundled capacity products, a major change in the fulfilment of the contract regarding the capacity booking of the other half of the bundled capacity product, which also renders the Network Usage Framework Contract impossible to perform. This may include but shall not be limited to the following: termination of the contractual conditions pertaining to capacity booking applicable to the other half of the bundled capacity product for any reason before the normal date of expiry.”
- 7.5. The Contracting Parties agree that from section 1 of the Network Usage Framework Contract, the provisions of the following paragraph shall not apply to this Contract:
- “If the product is a bundled capacity product, it shall keep its bundled nature throughout the period of this Framework Contract.”

7.6 The Contracting Parties agree that from section 7.1 of the Network Usage Framework Contract, the provisions of the following paragraphs shall not apply to this Contract:

“If the capacity product specified in the Auction Result Confirmation is bundled, the Network User expressly accepts that the use of the booked capacity cannot be separated from the use of the other half of the bundled capacity product, and the secondary transfer of the bundled capacity is only possible with the simultaneous transfer of the bundled capacity product to the same transferee, during which the bundled capacity product may only be divided in terms of quantity, without violating its bundled nature.

“The violation of this obligation shall be deemed a breach of the Framework Contract, in which case FGSZ Zrt. shall be entitled to terminate the Contract with immediate effect.”

8. Termination of the Contract

8.1 This Contract may be terminated as specified in the GTCs, except if unilaterally terminated by the Network User on or before 14 December 2018. In this case the Parties shall act in accordance with section 4.1 a) of the Contract.

8.2 This Contract shall terminate as specified in the GTCs, except if, after 14 December 2018, the Network User terminates it unilaterally or the Contract terminates for a reason attributable to the Network User. In this case the Parties shall act in accordance with section 4.1 b) of the Contract.

8.3 In addition to the grounds for termination as laid down in the GTCs, FGSZ Zrt. shall be entitled to terminate this Contract after 14 December 2018 in accordance with section 4.2.1 of Annex 2 without having to pay any damages or other amounts whatsoever.

9. Secondary Capacity Transfer

During the service period of the capacities booked hereunder, the Network User shall be entitled to partially or fully transfer the capacities at its disposal.

10. Settlement of Disputes

The Contracting Parties shall use their best efforts to settle any disputes related to this Contract amicably. The Parties agree that if their obligation to negotiate as specified in

this section 10 is to no avail within three (3) months calculated from its provable date of initiation, then, in order to have the dispute settled, either Party may have recourse to the ordinary court having subject matter and territorial competence over the case as regulated in the Hungarian Code of Civil Procedure.

11. Assignment of the Contract

The Network User shall request the consent of FGSZ Zrt. to the assignment of this Contract to a third party in accordance with the provisions of the Civil Code. FGSZ Zrt. may not refuse to grant the consent if the party wishing to assume the Contract complies with all relevant legal regulations and all requirements stipulated by FGSZ Zrt. for its partners in its Business Code, this Contract and the Open Season Rulebook attached hereto.

The Contracting Parties and the third party wishing to assume the Contract shall enter into a separate tripartite agreement on the assignment of the Contract, including all issues affecting settlement and the financial securities.

12. Contractual Hierarchy

The Contracting Parties agree that should there be any discrepancy or inconsistency between this Contract and the provisions of the Network Usage Framework Contract, 4.d. GTCs of the Company's Business Code and the Open Season Rulebook, the above contractual documents shall prevail in the following order:

1. Open Season Rulebook
2. The present Contract
3. Network Usage Framework Contract
4. 4.d GTCs

As regards the Hungarian and English language Open Season Rulebook, the Hungarian language version shall be governing.

13. Annexes and Ancillary Documents

The following annexes and ancillary documents are inseparable and integral parts of this Contract:

Contract number:

Annex 1: General Terms and Conditions for Network Usage Contracts (Annex 4.d to the Business Code)

Annex 2: The Open Season Rulebook as approved by the HEA

The Network User is aware of and accepts the contents of the annexes and the ancillary documents.

14. Number of Copies of the Contract

This Contract has been prepared in Hungarian language in 4 (four) originals; of which 2 (two) shall be given to each Contracting Party.

Siófok,

On behalf of the Network User:

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On behalf of FGSZ Zrt.:

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