## 1. Performance of activities related to non-binding demand indication for incremental capacity against registration fee

According to Chapter V. of the CAM NC the Company applies registration charges associated with non-binding demand indications for incremental capacity in compliance with CAM NC Article 26, point 11 under the following application rules, payment conditions and in the following amounts.

### 1.1. Application rules

(a) The Company applies a uniform registration fee for each incremental capacity demand application in the relevant year, at each cross-border point.
(b) Against a registration fee, an applicant can send demand indication for non-binding cross-border capacity in both flow directions with or without conditions considering CAM NC Article 22, point 3 and Article 30, point 1.
(c) In case the referred CAM NC considerations are fulfilled, there are no other administrative fees charged to the applicant, except for the registration fee. The Company considers the registration fee as an advance payment until the payment obligation is defined.
(d) Without paying the registration fee, applications for incremental capacity demand indications shall not be considered. The Company issues a proforma for the registration fee within 2 working days after receiving such a demand, the latest. The proforma is sent to the email address provided by the applicant during the non-binding market demand assessment.
(e) In case the proforma is sent and the deadline specified in point 2 a) will have been expired, the Company notifies the applicant, that its application is not considered.
(f) In absence of proforma payment, in accordance with CAM NC Article 26, point 6, the application can be re-submitted and it will be taken into consideration provided that the proforma invoice for the registration fee is paid within the deadline.

### 1.2. Invoicing and payment conditions

(a) An applicant shall transfer the registration advance payment to the bank account provided in the proforma within 3 working days.
(b) The Company issues a proforma invoice in accordance with the valid legislation within 8 days after proforma invoice is settled.
(c) The applicant is required to pay the registration fee provided that all the below conditions are fulfilled:

I. conducting the incremental capacity procedure is justified based on the market demand assessment Report,
II. the economic test of the incremental capacity procedure is not closed with a positive result at any single supply level and
III. the submitted and valid binding commitment of the applicant during the incremental capacity allocation procedure does not reach the quantity of capacity indicated in the non-binding capacity demand indication.

The Company issues an invoice on the registration fee within 5 working days after the conditions are fulfilled, the amount prepaid in accordance with the proforma invoice is deducted from the invoice.

(d) The Company returns the registration fee advance payment in the following cases:

I. If, based on the market demand assessment Report in accordance with CAM NC Article 26, point 12, there is no justified demand, the Company proceeds with the return of the advance payment to the applicant within 5 working days.

II. If, based on the market demand assessment Report in accordance with CAM NC Article 26, point 12, incremental capacity procedure is well-founded and the economic test of the incremental capacity procedure is closed with positive result at least at one supply level, the Company will return the advance payment to the applicant within 5 working days after announcement of the incremental procedure's result.

III. In case each of the below conditions are met, the Company returns the advance payment to the applicant within 5 days after announcement of the incremental procedure's results.

a. based on the market demand assessment Report, conducting the incremental capacity procedure is justified

b. the economic test of the incremental capacity procedure is not closed with positive result at any single supply level and

c. the binding and valid commitment submitted by an applicant in the incremental capacity allocation procedure reaches the capacity quantity specified in the non-binding demand indication

IV. If, based on the market demand assessment Report in accordance with CAM NC Article 26, point 12, the incremental capacity procedure is justified and the related incremental capacity project is launched, but in accordance with the CAM NC schedule , as well as in case of applying alternative capacity allocation mechanism, the incremental capacity allocation mechanism is not announced latest within 3 (three) years after submission of non-binding demand indications, then the Company returns the advance payment to the applicant within 5 working days after announcement is duly done, and in case of the alternative allocation mechanism the latest within the 5$^{th}$ working day after the 3$^{rd}$ calendar year.

(e) The Company does not pay any interest for the advance payment and does not charge any fees for the return payment. The Company transfers back the advance payment to the bank account previously indicated by the Applicant.

### 1.3. Amount of the registration fee

The amount of the registration fee is approved by the Authority.
The net amount of the registration fee is 3.000 EUR per cross-border point per applicant.

## 2. Flexibility service

The linepack flexibility service provided by the Company (hereinafter: flexibility service) is a service provided by changing the linepack available in the natural gas transmission system, which, according to the Company's assessment, is not necessary for the execution of natural gas transportation tasks in the given period, improving the balancing position of the Network Users.

### 2.1. Application rules

(a) The Network User can ask for flexibility service, provided that the Network User activates it in the relevant IT system of the Company the latest until the closure of the gas day affected by the service (hereinafter D day).

It is possible to provide flexibility services to the extent available of gas transmission line pack, separated by the Company and published on www.fgsz.hu website.

In the case of flexibility service use on the gas day (D day), the Company takes over the excess amount of the long Network Users and adds it to the natural gas stock set aside for the flexibility service until the next gas day (hereinafter: D+1 day).

In the case of flexibility service use on the gas day (D day), the Company transfers the shortage amount of the short Network Users and deduces it from the natural gas stock set aside for the flexibility service until the next gas day (D+1 day).

(b) The Network User has a right to define a percentage value of its imbalance, which the Network User would like to use as flexibility service for the gas day (D day) to balance its position. The usage value can be defined between 0% and 100% as a whole number by selecting it in the relevant IT system of the Company. The value can be changed until 10:00 on the day following the gas day (D+1 day). If the Network User does not change the previously specified percentage value, then the last set value will be rolled over in each subsequent settlement cycle as the quantity of required flexibility service. The starting value for all Network User is 0%.

(c) Preliminarily calculated quantity of the flexibility service: the difference the total input and the total offtake allocations of the Network User for the gas day (D day), multiplied with the percentage value according to point (b), and taking into consideration the within-day obligations for the day following the gas day (D+1)

In case the Network User would violate its within-day obligation with the amount of the required flexibility service during the settlement of the flexibility service on the day after the gas day (D+1 day), then the value of the within-day obligation limit shall be the Preliminary calculated quantity of the flexibility service for the given gas day (D day) for the Network User.

In case the Network User violates its limit of the within-day obligations (limit value violation) on the day following the gas day (D+1 day) according to the rules defined in the OBC, and the settlement of the gas day’s flexibility services on the day following the gas day (D+1

day) improves the Network User's imbalance position, then in accordance with the detailed principle described in the point (e), the Network User may use the flexibility services.

(d) If the amount of the flexibility service allows all Network User to utilise its Preliminarily calculated flexibility services quantity, then the Company settles the required quantity against the natural gas stock dedicated for the flexibility service.

(e) If the amount of the flexibility service does not allow all Network User to utilise the Preliminarily calculated flexibility services quantity, then the utilised flexibility service is allocated according to the following method:

I. The Company defines the percentage value of daily imbalances in comparison to the Network Users' input quantity, based on which the Company sorts the Network Users with positive imbalance and negative imbalance separately in ascending merit order, i.e. starting from the smaller % value.

II. The allocation of the flexibility service will be done in ascending merit order to the Network Users in case of positive and negative imbalance as well, i.e. starting from the smaller % value.

III. The total net imbalance position of the long and short Network Users is settled against the natural gas stock dedicated for the flexible service.

IV. The last Network User entitled to use the flexibility service shall be the one whose demand can be satisfied last, entirely or partially considering the merit order. Provided that the flexibility service quantity is fully utilised as described above, the Network Users next in the merit order are not able to use the flexibility service.

(f) The quantity of the natural gas settled as flexibility service is transferred between the Company’s natural gas stock dedicated for flexibility service and the relevant Network User’s balancing portfolio on the gas day (D day) and with opposite direction on the day following the gas day (D+1 day).

(g) Use of the flexibility service shall not mean transfer of ownership rights.

(h) The difference of input and offtake modified by the quantity of flexibility service shall be the Network User's imbalance position for the gas day (D day), which will be transferred to the Central Counterparty (Clearing house) following the closure of the settlement of the gas day.

(i) In case the Network Usage Contract concluded with a Network User is suspended, then the Network User shall not be entitled to use the flexibility service during the suspension period.

## 2.2. Invoicing and payment conditions

With respect to each gas day, the Company issues a protocol on the quantity of utilised flexibility service and the fees to be charged, which shall be available to the relevant Network Users on the Company's relevant IT system.

With respect to the fees to be paid for the use of the flexibility service, the Contracting Parties agree on periodic settlement, which shall be 1 (one) gas month. The Parties determined that the performance date is defined in Article 58 of the Act on VAT.

Invoicing of the utilised flexibility services takes place on a monthly basis, by the 5$^{th}$ working day of the month following the subject month. The fee to be charged is the product of the quantity recorded in the protocol multiplied by the fee, as described in point 2.3, published in the relevant IT system of the Company.

The deadline for invoice settlement is the 15$^{th}$ calendar day from the issue date of the invoice.

## 2.3. The amount of the fee to be paid for flexibility service usage

The net amount of the flexibility service fee:

- 20% of the difference between the daily average gas price published in HUF/MWh and the marginal selling price valid for the gas day (D gas day) in case of the Network User's positive imbalance settled within the framework of flexibility service.
- 20% of the difference between the daily average gas price published in HUF/MWh and the marginal purchase price valid for the gas day (gas day D) in case of Network User's negative imbalance settled within the framework of flexibility service.

The fee for a gas day is published on the Company's relevant IT system on the day following the gas day (D+1 gas day).