NETWORK CODE

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A. INTRODUCTORY PROVISIONS AND DEFINITIONS

1. INTRODUCTORY PROVISIONS

The Network Code (hereinafter referred to only as the "**Code**") is based on Regulation (EC) No. 715/2009 (hereinafter referred to only as the "**Regulation**"), Commission Regulation (EU) No. 2017/459 (hereinafter referred to only as the "**CAM NC**"), Commission Regulation (EU) No. 312/2014 (hereinafter referred to only as the "**BAL NC**"), Act No. 458/2000 Coll., on Business Conditions and Public Administration in the Energy Sectors and on Amendment Other Laws (the Energy Act), as amended and supplemented (hereinafter referred to only as the "**Energy Act**") and related implementing regulations.

2. DEFINITIONS

Definitions provided in relevant legal regulations listed in Article 1 and the following definitions will be used for the purpose of the Code:

„Active Transporter" – the transmission system operator to which the Single Nomination is submitted,

"Active Network User" – the Network User that submits the Single Nomination,

"Allocation Procedure" – rules for the allocation of quantities of energy in gas to individual Network Users at entry and/or exit points into/from the transmission system,

"Buy-Back Auction" – an auction, during which the Network Users offer their contracted capacity to the Transporter for purchase,

"Another Processor" – any person authorized by the Network User to process Relevant personal data,

"**Ownership boundary**" – a boundary between Transporter's Infrastructure and Connected Equipment of the Applicant, location of which will be specified in the Contract for Connection; handover/takeover of gas between the Transporter and Applicant takes place in the Ownership boundary,

"**Additional Firm Capacity**" – a firm unbundled transmission capacity in the next day regime at the border point or virtual border point offered above the framework of the technical capacity on the groundwork of dynamic capacity recalculation and consideration of risk relating to the real utilization of the technical capacity at given border point or virtual border point within the framework of capacity increase through oversubscription and buy-back scheme pursuant to the provisions of Annex No. 1 to the Regulation,

"EURIBOR" – Euro Interbank Offered Rate is the interest rate "Euribor" expressed as a percentage and published at http:// www.euribor-ebf.eu/,

"**ERO**" – Energy Regulatory Office,

"**GDPR**" – REGULATION (EU) 2016/679 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data; terms "**personal data**", "**personal data breach**", "**controller**", "**data subject**", "**processor**", and "**process**" / "**processed**" / "**processing**" have the meaning defined in the GDPR,

"Information System" – the protected zone of the Transporter's website or auction booking platform which is used to file on-line requests for the transmission capacity booking and to make transmission

capacity or buy-back capacity auctions and to exchange business information between the Transporter and the Network User based on the concluded Gas Transmission Contract.

"**Transporter's Infrastructure**" – all newly constructed technology consisting of civil and technological units and equipment, which serves for interconnection of the Connected Equipment of the Applicant with the transmission system including boosting the existing transmission system in order to provide sufficient capacity; The Transporter's Infrastructure usually consists of the Connecting Gas Pipeline, Exit Facility of the Transporter´s Infrastructure, measuring and communication equipment, and control system,

"**Applicant's Infrastructure**" – a newly constructed Connected Equipment of the Applicant, Delivery Point, and/or Regulating Station,

"Single Nomination" – Transmission Nomination sent by the Active Network User to Active Transporter in its name and in the name of the Passive Network User. This Transmission Nomination notifies the Active Transporter of the quantity of energy in gas that is planned for transmission through the relevant point of the transmission system,

"Kilowatt-hour" or **"kWh"** – a unit used to express the energy contained in gas on the basis of its Gross Calorific Value; one Kilowatt-hour (kWh) equals 3.6 MJ,

"**Matching**" – the process of matching and confirmation of the Transmission Nominations at the entry and exit points of the transmission system,

"**Connection Point**" – a physical connection point of the Connecting Gas Pipeline, where it branches from the existing transmission system,

"**m^3**" – a unit used to express gas volume measured at the temperature of 15 °C, pressure of 101.325 kPa, and relative humidity of $\varphi = 0$,

"Transmission Nomination" – a notification by which the Network User notifies the Transporter of the quantity of energy in gas which it plans to transmit through relevant point of the transmission system,

"OBA" – Allocation Procedure at entry and/or exit points of the transmission system, under which the quantities nominated by the Network User at these points are deemed delivered; responsibility for this service and its establishment is assumed by the Transporter,

"Passive Transporter" – the transmission system operator on the other side of the border point or virtual border point than the Active Transporter to whom the Active Transporter delivers the Single Nomination submitted by the Active Network User on behalf of the Passive Network User,

"Passive Network User" – the counterparty of the Active Network User in whose name the Active Network User submits the Single Nomination,

"Authorized Representative" – a natural person authorized by a Network User to enter into the Information System, to edit the central configuration of e-mail addresses for the distribution of information messages, and to perform the administration of user accounts in the Information System. The administration of user accounts mainly consists of opening new user accounts, editing user accounts, and deactivating user accounts. An Authorized Representative may only be appointed by a person authorized to act on behalf of a Network User,

"Gas Market Rules" – decree of the Energy Regulatory Office on the gas market rules, as amended and supplemented,

"**Personal Data Protection Regulations**" - the GDPR, EU Directive 2002/58/EC and 2009/136/EC (as transposed into the national legal regulations of EU member states and adapted accordingly) or other similar laws or regulations applicable to the Transporter or Network user anywhere in the world, always in the latest effective wording,

„**PRIBOR**" – (Prague Interbank Offered Rate) is the interest rate CZK PRIBOR expressed as a percentage and published at www.cnb.cz,

“Interconnection Agreement” – an agreement between the Transporter and an operator of a connected transmission or distribution system or gas storage operator or directly connected customer which regulates the mutual relations in particular as regards the metering of the quantity of energy in gas, allocation of the quantity of energy in gas, and conditions for the operation of mutually interconnected gas systems,

“**Pro-rata**” - an allocation procedure at entry and exit points of the transmission system, under which the quantity of the delivered energy in gas is allocated to the Network User based on the actually measured data proportionally to its Transmission Nominations; furthermore, the transmission capacity allocation principle based on the Available Transmission Capacity in proportion to the requested transmission capacity

“Operating Pressure” – relative overpressure of gas in MPa, which the Transporter maintains within the transmission system in order to ensure efficient system utilization; it is defined as the difference between the absolute pressure and the atmospheric pressure,

“**Delivery Point**” – the point of gas delivery from one market participant to another where the quantity of the delivered and received gas is measured and possibly where the pressure of the delivered and received gas is measured, the gas flow is regulated, the gas quality is measured in order to calculate the gas supply in kWh, and relevant data is transmitted to dispatching centers; For the purpose of conditions for connection to the transmission system, the Delivery Point means a civil-technical group of civil and technological units and equipment used for gas delivery and acceptance between the Transporter and Applicant at the transfer station; the Delivery Point structure comprises mainly the technology and equipment intended mainly for commercial metering and/or for regulation of pressure and/or flow of gas, recording, archiving, and remote transmission of data about quantity, pressure, control of Delivery Point systems, connection to Transporter’s dispatching center, and to Applicant’s dispatching center/control room,

“**Delivery Pressure”** – the instant value of the Operating Pressure at Delivery Points

“**Transporter**” – the transmission system operator, i.e. company NET4GAS, s.r.o.,

“**Connecting Gas Pipeline**” – a gas pipeline forming part of the transmission system including relevant accessories, constructed for the purpose of connecting the particular Connected Equipment, within the scope between the existing gas pipeline of the transmission system and a newly constructed transfer station,

“**Connected Equipment**” – a gas production plant, distribution system, customer’s gas offtake equipment, or gas storage,

“**Regulating Station**” – an equipment used for gas pressure regulation and for protection against unacceptable increase of Operating Pressure comprising all equipment including inlet and outlet pipeline, ball valves, and structures where such equipment is installed,

“**Relevant Personal Data**” – personal data processed by the Transporter or Network User on the groundwork of a General Contract / Gas Transmission Contract or in connection with them,

“General Contract” - a documentary contract enabling transmission capacity booking, thus entering into the Gas Transmission Contract,

“Water dew point” – temperature in degrees Centigrade at which the water vapor contained in gas starts to condense at the Operating Pressure,

“Hydrocarbon dew point” – temperature in degrees Centigrade at which the hydrocarbons contained in gas start to condense at the Operating Pressure,

“**Contractual Party**” – one of the parties to the Gas Transmission Contract,

“Gas Transmission Contract” – an agreement on the gas transmission service provision pursuant to the provisions of the Energy Act,

“**Agreement on Imbalance Settlement**” – an agreement on settlement of imbalances pursuant to the provisions of the Energy Act,

“**Gross Calorific Value**” – heat expressed in kWh, released by the complete combustion of 1 cubic meter of gas with stoichiometric quantity of oxygen or air under constant pressure (101.325 kPa and temperature of 15°C), whereas all combustion products cooled down to the initial temperature are in gaseous condition with the exception of water which condenses at the initial temperature; the initial temperature is considered to be 15°C,

“**Billing Entity**” – a natural person or legal entity for whom the market operator performs evaluation, billing, and settlement of imbalances on the groundwork of the Agreement on Imbalance Settlement,

“**Network User**” – a network user in terms of Commission Regulation (EU) No. 715/2009,

“**The Office for Personal Data Protection**” or “**ÚOOÚ**” – the supervisory authority as defined in the GDPR,

“Available Transmission Capacity” – a part of the technical capacity corresponding to the technical capacity after removing the contractual capacity and after removal of the set aside transmission capacity pursuant to the provisions of Article 8 of CAM NC,

“Connection Regulation” – Regulation No. 488/2021 Coll. on conditions of connection to the gas system, as amended,

"Exit Facility of the Transporter´s Infrastructure" - all newly build technology consisting of construction and technological units and equipment, excluding service roads, located at the final part of the Connecting Pipeline, directly adjacent to the Delivery Point,

“Foreign Participant” – a foreign natural person or legal entity that is not the billing entity and that uses border points of the transmission system, virtual border points of the transmission system, and virtual gas storage points, and

“Applicant” – an applicant for connection to the transmission system.

B. COMMERCIAL AND TECHNICAL TERMS AND CONDITIONS

3. MASTER AGREEMENT

3.1. The network user shall submit a request for Master Contract execution if it has the right of third-party access into the transmission system granted under the Energy Act.

3.2. The request for the conclusion of the Master Contract shall be delivered to the Transporter in writing on the request form available at the Transporter's website. The Network User shall deliver the completed request together with the documents listed under Section 3.3 hereof either in person or by registered mail or messenger service or through data message.

3.3. The request for the Master Agreement execution shall contain in particular the following data and the following documents shall be attached to the request

3.3.1. The contact details of the Network User (name/company, address/registered office, identification number, VAT identification number, contact persons, phone number, fax number, e-mail, bank details, assigned EIC code) including the data for assurance of permanent round-the-clock contact with the Transporter;

3.3.2. an affidavit on assurance of daily permanent (round-the-clock) communication with the Transporter through the designated web interface or based on secured communication through the XML protocol including the list of persons to be granted the access right to its Information System; and

3.3.3. Data for the customs authority: status of the imported gas, consumption type and documents required based on the status of the imported gas, if applicable.

3.4. The request for Master Agreement execution shall be delivered to the Transporter before 10:00 o'clock of the tenth business day before the beginning of the transmission at the latest.

3.5. The Transporter will evaluate the request for Master Agreement execution and, in case of positive result, will send the signed draft Master Agreement to the Network User within five business days from request submission, however, no later than by 16:00 o'clock of the fourth business day before commencement with the transmission.

3.6. The Network User shall deliver the signed Master Agreement to the Transporter at the latest two business days before the beginning of transmission by 12:00 o'clock (noon).

4. TRANSMISSION CAPACITY BOOKING

4.1. The Transporter will enable the Network User to book the transmission capacities in the way defined in the Gas Market Rules.

4.2. Types of the transmission capacity and the procedures and terms for transmission capacity booking are defined in the Gas Market Rules. The transmission system operator will publish links to the auction booking platform for individual border points and virtual border points using the remote access means. The transmission system operator shall publish information about the share of the set aside transmission capacity pursuant to the provisions of Article 8 of CAM NC using the remote access means.

4.3. Prerequisite for transmission capacity booking request submission will be the execution of the Master Agreement, the appointment of an Authorized Representative, and compliance with the financial eligibility conditions pursuant to Annex No. 1 to the Code.

4.4. The Network User submits the transmission capacity booking request electronically through the Information System. The transmission capacity booking request at the border point or virtual border point will be submitted by the Network User through auction booking platform.

4.5. Unless otherwise stated, all communication between the Transporter and the Network User specified in this Article shall take place only through the Information System.

4.6. Should there be a failure of the Information System, the filing and confirmation of the transmission capacity booking request shall take place over the phone, with subsequent confirmation by e-mail.

4.7. The minimum transmission capacity, which the Network User may book, for a single entry point of the transmission system or exit point of the transmission system is 10 kWh/day. This rule does not apply to the transmission capacity booking through auction booking platform in which case the rules of the particular auction booking platform shall apply.

4.8. A transmission capacity booking request will be deemed binding for the Network User from the moment when such booking request is entered into the Information System.

4.9. The transmission capacity at the border point or at the virtual border point will be booked from the moment of transmission capacity auction results publishing provided that the Network User complies with the financial eligibility conditions pursuant to the provisions of Annex No. 1 to the Code.

4.10. Either Contractual Party is authorized to request from the other Contractual Party a written confirmation of the Gas Transmission Contract wording containing the contractual provisions of the Gas Transmission Contract within 5 business days from the effective date of the Gas Transmission Contract (hereinafter referred to only as the "**Confirmation**"). The Contractual Party shall deliver the Confirmation either in person or by registered mail or messenger service to the address of the other Contractual Party. The Confirmation shall in particular comprise the following:

4.10.1. Identification of the Contractual Parties;

4.10.2. Designation of the entry/exit border point / virtual border point / virtual gas storage point / offtake point of a customer directly connected to the transmission system / gas production facility;

4.10.3. Amount of the transmission capacity;

4.10.4. Term for which the Gas Transmission Contract has been executed;

4.10.5. Date of Gas Transmission Contract execution; and

4.10.6. Registration number assigned by the Transporter to the Master Agreement on the groundwork of which the particular Gas Transmission Contract has been executed.

4.11. Without prejudice to the provisions of Section 4.10, the Contractual Party to which the Confirmation is delivered, shall check the data and information contained in such Confirmation. Should the Contractual Party receiving the Confirmation believe that there is a discrepancy between the information in the Confirmation and the provisions of the Gas Transmission Contract, such Contractual Party shall inform the other Contractual Party of such discrepancy within 5 business days. If the Confirmation is sent by both Contractual Parties within 5 business days from the effective date of the Gas Transmission Contract and the information contained in individual Confirmations differ, both Confirmations will be considered to be the objections against the contents of the Confirmation of the other Contractual Party.

4.12. The procedure for resolving transmission capacity shortages at virtual gas storage points, gas production facilities, and border points and at virtual border points is defined in the Gas Market Rules.

4.13. In accordance with the Gas Market Rules, the Network User is authorized to book intra-day interruptible transmission capacity at the border point or at virtual border point through over-

nomination. Over-nomination can be submitted no earlier than at 19:00 o'clock of the gas day preceding the gas day for which the transmission capacity is booked this way. The intra-day interruptible transmission capacity at the border point or at virtual border point booked through over-nomination equals to the difference between the renomination and maximum permitted renomination pursuant to the Gas Market Rules increased by the value of unused booked interruptible transmission capacity.

5. OBLIGATIONS OF THE CONTRACTUAL PARTIES

5.1. The Transporter:

5.1.1. Shall accept for transmission at the transmission system entry points such quantity of energy in gas as determined by the Transmission Nomination,

5.1.2. Shall deliver at the transmission system exit points such quantity of energy in gas as determined by the Transmission Nomination,

5.1.3. Shall observe the gas quality indicators pursuant to the provisions of Annex No. 2 to the Code at the transmission system exit points,

5.1.4. Shall observe the pressure values at the transmission system exit points according to the Interconnection Agreement with relevant distribution system operator, downstream transmission system operator, or gas storage operator,

5.1.5. Shall inform the Network Users about the beginning and end of gas transmission restrictions or interruptions due to planned construction adaptations and planned repairs of the transmission system equipment at least 42 days in advance, and

5.1.6. If the Transporter performs the Matching, it shall notify the affected Network Users of any discrepancy in Transmission Nominations during Matching without any delay through the Information System and by telephone.

5.2. The Network User:

5.2.1. Shall deliver the quantity of energy in gas corresponding to the Transmission Nomination into the transmission system,

5.2.2. Shall offtake the quantity of energy in gas corresponding to the Transmission Nomination from the transmission system,

5.2.3. It undertakes that the operator of the upstream gas equipment shall observe the gas quality indicators pursuant to the provisions of Annex No. 2 to the Code at relevant transmission system entry points,

5.2.4. It undertakes that the upstream transmission system operator shall observe the pressure values pursuant to the provisions of Annex No. 3 to the Code at the transmission system's border entry points,

5.2.5. Shall observe the amount of the contracted capacity at individual entry and exit points of the transmission system,

5.2.6. Shall pay for the transmission on the groundwork of executed Gas Transmission Contract the price specified in Article 11,

5.2.7. Shall provide the Transporter with any and all information required on the groundwork of and in accordance with the Code and the Gas Transmission Contract,

5.2.8. Shall satisfy the financial eligibility conditions pursuant to Annex No. 1 to the Code,

5.2.9. Shall respond within 30 minutes by an action in the Information System within the framework of the operative contact with the Transporter,

5.2.10. Shall send to the Transporter before 14:00 o'clock of the business day preceding the day of commencement with transmission by electronic means:

5.2.10.1. The business firm of the transmission system operator ensuring transmission within the interconnected transmission system, specific entry and/or exit point, transmission direction; and

5.2.10.2. Network User code and its validity in such interconnected transmission system that is supplying the gas to or receiving the gas from the Network User.

6. RESTRICTION OR INTERRUPTION OF GAS TRANSMISSION

6.1. The Transporter will limit or interrupt the gas transmission in situations specified in the Energy Act.

6.2. The Transporter will interrupt the transmission if the sum of the Transmission Nominations at the particular point of the transmission system exceeds the quantity of energy in gas corresponding to the technical capacity of such point for given gas day. Gas transmission under Gas Transmission Contract with interruptible capacity is limited at the first place. If the interruption of gas transmission pursuant to Gas Transmission Contracts with interruptible capacity is insufficient, the gas transmission pursuant to Gas Transmission Contracts with firm capacity is further interrupted. The order in which the limitation or interruption of gas transmission pursuant to individual Gas Transmission Contracts is performed is determined on the groundwork of transmission capacity booking times – the gas transmission based on the Gas Transmission Contracts executed as the last ones is limited or interrupted first When there is no need to interrupt the Gas Transmission Contracts executed at the same moment completely, they are only limited on the pro-rata basis weighted according to individual Transmission Nominations. Reduction of the nominations in case of transmission limitation or interruption is performed according to the priorities stipulated in Section 9.12. Limitation or interruption of transmission pursuant to the Gas Transmission Contracts with firm capacity only takes place in situations when the Transporter is authorized to limit or interrupt the transmission pursuant to the provisions of the Energy Act.

6.3. The Transporter will interrupt the gas transmission in case of unauthorized gas offtake at a customer's offtake point directly connected to the transmission system upon written request of the Network User that supplies gas to such offtake point. Such interruption will be performed within 3 business days from the date of request delivery.

6.4. No later than within 4 business days from delivery of the information specified in Section 6.3, the Transporter shall inform all affected gas market participants about gas supply interruption into the off-take point of the customer directly connected to the transmission system.

6.5. Upon written request of the Network User, the Transporter shall restore gas transmission into the off-take point of the customer directly connected to the transmission system; such restoration will take place within 2 business days from the day of request delivery.

6.6. Forms of the above-mentioned requests are available on the Transporter's website. The Network User shall deliver the completed request either in person or by registered mail or messenger service.

7. GAS QUALITY

7.1. Gas delivered and transferred at the transmission system entry and exit points specified in the Gas Transmission Contract shall comply with the chemical and physical parameters defined in Annex No. 2. to the Code.

7.2. Should the gas delivered by the Network User for the purpose of its transmission by the Transporter fail to meet any of the gas quality parameters stipulated in Annex No. 2 to the Code, the Transporter will be entitled to reject the acceptance of such gas. A failure to reject such gas will not affect the Transporter's right to compensation for damage incurred in connection with the transmission of such gas. Within the compensation for damage pursuant to generally binding legal regulations, the Transporter shall be also entitled to receive a compensation for any detriment incurred as a result of the necessity to spend costs due to the breach of Network User's obligations. The Transporter shall adopt measures required to prevent or mitigate any damage and the Network User shall provide the Transporter with necessary cooperation in this respect.

7.3. Should the gas delivered by the Transporter fail to meet any of the gas quality parameters stipulated in Annex No. 2 to the Code, the Network User or the distribution system operator will be entitled to reject the acceptance of such gas. Failure to reject such gas will not affect the Network User's or the distribution system operator's right to compensation for damage incurred in connection with the acceptance of such gas Within the compensation for damage pursuant to generally binding legal regulations, the Network User or the distribution system operator will also be entitled to receive a compensation for any detriment incurred as a result of the necessity to spend costs due to the breach of Transporter's obligations. The Network User or the distribution system operator shall adopt measures required in order to prevent or mitigate any damage and the Transporter shall provide them with necessary cooperation in this respect.

8. MEASUREMENT

8.1. All gas quantity and quality measurements for commercial purposes performed within the transmission system shall comply with the metrological regulations pursuant to the provisions of Act on Metrology No. 505/1990 Coll., as amended and supplemented. Measurements will be carried out using specified meters, which are subject to inspection by the state metrology or an Authorized Metrological Center (AMS).

8.2. Meters for gas composition determination (process gas chromatograph, PGC) are specified meters and are subject to verification by the Czech Metrological Institute (CMI) or Authorized Metrological Center (AMS). Relevant reference materials must be metrologically bound to and verified by CMI or AMS. The values of gas composition will be used for the Gross Calorific Value or Net Calorific Value calculation. The calculation will be carried out pursuant to the provisions of ČSN EN ISO 6976 (95) standard.

8.3. Each Delivery Point has its defined point, from which it receives the gas quality parameters including the Gross Calorific Value. Average daily Gross Calorific Value at a given point corresponds to the gas flow per gas day. The energy content of gas in kWh is determined by multiplying the above-mentioned average Gross Calorific Value with the daily volumes of the delivered gas according to the commercial metering from data converters located at relevant Delivery Points.

8.4. The following rules apply to the rounding of the measured values:

8.4.1. Gross Calorific Value in kWh/m^3 with the accuracy to 3 decimal places,

8.4.2. Energy in kWh with the accuracy of integral numbers,

8.4.3. Energy in MWh with the accuracy of three decimal places, and

8.4.4. Volume in m^3 with the accuracy of integral numbers.

8.5. Other measured values will be rounded pursuant to the valid legal and binding technical regulations and rules.

8.6. The Transporter shall publish on its website the daily measured values of gas flow and Gross Calorific Value for each point within the transmission system, as well as the information about gas quality indicators.

9. TRANSMISSION NOMINATIONS

9.1. Transmission nominations are submitted by the Network User at entry and exit points of the transmission system in line with the Gas Market Rules.

9.2. Unless explicitly stipulated otherwise, the following provisions relating to Transmission Nominations apply equally also to renominations.

9.3. The Network user is authorized to submit renominations within the term according to the Gas Market Rules. Pursuant to Article 15 of BAL NC, the effective change of gas flow will commence 2 hours from the nearest solid hour from renomination submission.

9.4. The Network User submits transmission nominations up to the sum of its booked firm and interruptible transmission capacity at given point. Transmission Nominations may be submitted repeatedly, nevertheless, the Transporter will consider binding only the last Transmission Nomination received before the specified deadline. The Transporter will enable the Network Users to submit Transmission Nominations for border points or virtual border points as Single Nomination.

9.5. The list of border points and virtual border points with information as to whether the Transporter is the Active Transporter or Passive Transporter at such border point or virtual border point is available on the Transporter's website.

9.6. The Network User who has executed a Gas Transmission Contract with an Active Transporter at given border point or at virtual border point may act as the Active Network User at such border point or virtual border point.

9.7. The Network User who has executed a Gas Transmission Contract with a Passive Transporter at given border point or virtual border point may act as the Passive Network User at such border point or virtual border point.

9.8. The Passive Network User will inform the Passive Transporter that there will be a Single Nomination submitted in its name. Such information will in particular comprise the identification code of the Active Network User, border point or virtual border point, direction, and duration. The information will be submitted by the Passive Network User in writing using the form published on the Transporter's website.

9.9. The Active Network User submits Single Nomination to the Active Transporter who accepts it and forwards it to the Passive Transporter. If the Single Nomination is not in line with the information provided by the Passive Network User pursuant to the provisions of Section 9.8, the Passive Transporter will reject such nomination.

9.10. The information provided pursuant to the provisions of Section 9.8 will be withdrawn by the Passive Network User for given gas day if the Transmission Nomination will be submitted for such gas day and for the same border point or virtual border point and in relation to the same Active Network User.

9.11. Communication between the Network User and the Transporter shall take place through the designated web interface and/or using secured communication based on the XML protocol.

In the event of an outage, both the Network User and the Transporter will use an alternative communication mean, especially e-mail, fax, or telephone.

9.12. Provided that the conditions defined in 5.1.6 are satisfied, the Transporter shall apply the "lesser of rule" within the Matching at border points, virtual border points, and virtual gas storage points, which means that if the Transmission Nominations for the entry and exit of relevant supply differ and are not adjusted upon agreement with the Transporter, the Transporter shall reduce the higher of the values to the lower one in order to avoid a mismatch.

9.13. Transmission Nominations by the Network User are assigned to the Gas Transmission Contracts with firm transmission capacity as follows: First to all valid long-term Gas Transmission Contracts, then to annual, quarterly, monthly, day-ahead, and intra-day Gas Transmission Contracts. Subsequently, they are assigned to the Gas Transmission Contracts with Additional Firm Capacity with "oversubscription" attribute and the remaining Transmission Nominations are gradually assigned to day-ahead and intra-day Gas Transmission Contracts with interruptible capacity.

9.14. When limiting or interrupting the transmission, the Transporter will change the Transmission Nomination for the affected Network User.

10. ALLOCATION OF THE QUANTITY OF ENERGY IN GAS

10.1. The Allocation Procedures used at entry and exit border points, virtual border points, and entry and exit points of virtual gas storages are in line with the Transporter's operating possibilities.

10.2. In case of operating or other problems when the Transporter is forced to change the currently valid OBA Allocation Procedure to Pro-rata, the Transporter shall immediately communicate such change to all affected Network Users.

10.3. Information relating to the Allocation Procedures for individual border points and virtual border points are published on the Transporter's website.

11. PRICE

11.1. The prices of gas transmission within the territory of the Czech Republic and prices of related services are set by the ERO in the valid price decision of the ERO. At the border point or at virtual border point, the price for gas transmission determined by the ERO in its valid price decision shall be increased by the part of the auction premium from the transmission capacity auction belonging to the Transporter.

11.2. As regards the price of natural gas transmission within the territory of the Czech Republic and the related services specified in valid ERO price decision, the value added tax will be charged in situations and under the conditions specified in Act No. 235/2004 Coll., on value added tax, as amended and supplemented (hereinafter referred to also as the **"VAT Act"**).

11.3. The firm prices of interruptible transmission capacity and firm prices for interruptible transmission capacity when the contracted probable number of gas days on which gas transmission is restricted or interrupted is exceeded, are set by the ERO in its valid price decision.

11.4. The total discount provided by the Transporter for exceeding the contracted probable number of gas days, on which gas transmission is restricted or interrupted and which was agreed during in the transmission capacity booking, shall be accounted for within the tax

document / settlement invoice. Handling this document is subject to the procedures specified in Article 12.

11.5. Should the Network User exceed the contracted capacity in the offtake point of a customer directly connected to the transmission system by more than the allowed tolerance, it will be charged the fee for exceeding the contracted capacity in line with valid ERO's price decision.

12. INVOICING AND PAYMENT TERMS

12.1. The Network User shall pay to the Transporter the price for gas transmission based on an advance invoice (hereinafter referred to only as the "**Advance Invoice**") and further on the groundwork of a tax document / settlement invoice (hereinafter referred to only as the "**Settlement Invoice**") (the Advance Invoice and the Settlement Invoice are jointly referred to only as "**Invoice**"). The amount specified in the Advance Invoice will correspond to the fixed price of day-ahead booked firm transmission capacity for relevant gas month / relevant gas days.

12.2. The Transporter shall make the Advance Invoice for relevant gas month available to the Network User in the Information System no later than on the 20th calendar day of the month preceding the particular gas month.

12.3. The Transporter will make the Advance Invoice available to the Network User in the Information System within 5 business days from the transmission capacity booking date if the Network User makes a single booking between the 20th day of the month preceding the particular gas month and the 19th day of the particular gas month and the price of such gas transmission exceeds CZK 50,000 (to wit: fifty thousand Czech crowns) exclusive of VAT. Additional Advance Invoice will be issued by the Transporter for the price of gas transmission for all transmission capacities booked by the Network User for the particular gas month provided that such price has not been charged in another Advance Invoice.

12.4. To confirm the payment acceptance for the Advance Invoice, the Transporter shall issue a tax document for such received payment in line with the VAT Act and make it available in the Information System to the Network User with seat in the Czech Republic.

12.5. The Transporter shall make the Settlement Invoice for relevant gas month available to the Network User in the Information System before the 14th calendar day of the month following relevant gas month.

12.6. The Advance Invoices and Settlement Invoices made available by the Transporter to the Network User in the Information System pursuant to the previous paragraphs shall be due within 14 calendar days from the date of being made available in the Information System.

12.7. The Settlement Invoice issued by the Transporter shall contain the formalities stipulated for tax documents by generally binding legal regulations and by the VAT Act including designation of the bank and full bank details of the Network User (including the bank account number in IBAN format and the SWIFT code).

12.8. The Contractual Parties shall pay their financial liabilities (in particular the price for performance, default interest, contractual penalties as well as revenue returns) by transferring the amount due to the bank account of the other Contractual Party whereas the payment means crediting relevant amount to the bank account of the recipient.

12.9. Each Contractual Party shall pay its bank fees associated with the payments of its liabilities under the Gas Transmission Contract.

12.10. In the case of expected default with payment of financial liabilities under the Gas Transmission Contracts concluded between the Transporter and the Network User, the

payer shall notify the other Contractual Party of such default no later than 2 business days before the due date of respective due amount.

12.11. In case of default with payment of financial liabilities under the Gas Transmission Contract executed between the Transporter and the Network User, relevant Contractual Party shall pay to the other Contractual Party the default interest amounting to PRIBOR 1 month + 5 percentage points per annum from the amount due, respectively amounting to EURIBOR 1 month + 5 percentage points per annum from the amount due when using the possibility to pay the liabilities to the Transporter in EUR (EMU) pursuant to the provisions of Section 12.21. The default interest will be calculated by multiplying the rate defined in the previous sentence and expressed as a percentage valid on the first day of the default by the proportion of the actual number of the days of default in the calendar year and the basic length of the year amounting to 360 days (act/360) and the outstanding amount.

12.12. The default interest pursuant to the provisions of this Article shall be due within 14 calendar days of the day of the issue of the default interest settlement to the other Contractual Party.

12.13. The Contractual Party, to which the Settlement Invoice has been made available in the Information System, will be authorized to return such invoice provided that it does not contain the defined formalities or exhibits other serious defects. Reason for returning will be specified in the Settlement Invoice by the returning Contractual Party. The Contractual Party issuing the Settlement Invoice will either correct the existing Settlement Invoice or issue the new one. Maturity period of such corrected or new Settlement Invoice will be 14 calendar days from the date on which it is made available in the Information System.

12.14. Should the date on which Invoices are made available in the Information System or the due date of Invoices, to which the Code applies, be Saturday, Sunday, or public holiday, the date on which Invoices are made available in the Information System or the due date will be postponed to the immediately following business day.

12.15. The maturity period will be prolonged by one day for each day of the Transporter's delay in making an Invoice available in the Information System.

12.16. Should the Network User be in delay with payment of its financial liabilities for more than 14 calendar days, the Transporter will be authorized to terminate the Gas Transmission Contract. The Transporter will notify the Network User of such default both electronically and in writing. If Network User does not repay its liability, the Transporter will be authorized to terminate the Gas Transmission Contract effective from the 7th calendar day after the delivery of the written notice of such default.

12.17. An Invoice made available in the Information System shall be binding for the Network User.

12.18. Invoice will not be issued to the Network User by the Transporter if the total invoiced amount does not exceed CZK 50 (to wit: fifty Czech crowns) exclusive of VAT.

12.19. Unless agreed otherwise, all liabilities shall be paid by bank transfer.

12.20. The Transporter will have 10 business days to handle any claim under this Article. The claim will be filed in writing, unless agreed otherwise by the Contractual Parties.

12.21. The Network User may pay to the Transporter all its liabilities by bank transfer in EUR (EMU) provided that the following conditions will be satisfied:

12.21.1. The Network User will notify the Transporter of its intent to pay all its liabilities by bank transfer in EUR (EMU) by an e-mail sent to capacitybooking@net4gas.cz The Transporter will issue the Invoices in EUR (EMU) to the Network User starting from the calendar month following after the calendar month in which the Transporter received the notice according to the first sentence, unless a later month is specified in such notice.

12.21.2. The invoiced amount will be converted by the Transporter to EUR (EMU) on the groundwork of the average monthly exchange rate on the foreign exchange market published on the CNB website for the second calendar month preceding the month in which the gas transmission started. The same exchange rate will be applied to all subsequent Invoices relating to given transmission month.

12.21.3. Invoicing to the Network User in EUR (EMU) will be subject to an additional administrative fee for foreign currency processing amounting to 0.2% of the invoiced amount charged by the Transporter. The fee will be calculated separately, and the amount of each Invoice will be increased accordingly.

12.21.4. The Network User undertakes to pay all its liabilities by bank transfer in EUR (EMU) at least for 12 calendar months following after the effective date of the changeover from CZK to EUR (EMU) and vice versa pursuant to the provisions of Section 12.21.1.

12.21.5. If the Network User wishes to return to payment of all its liabilities by bank transfer in CZK (subject to the condition specified in Section 12.21.4), it will inform the Transporter about its intent to pay all its liabilities by bank transfer in CZK by sending an e-mail to capacitybooking@net4gas.cz The first month, from which the Transporter will start issuing Invoices in CZK to the Network User, will be the calendar month following after the calendar month in which the Transporter received the notice unless a later month is specified in such notice.

13. SECONDARY MARKET WITH TRANSMISSION CAPACITY

13.1. The Network User is authorized to partially or entirely transfer the contracted capacity under the Gas Transmission Contract to another Network User (hereinafter referred to only as the "**Applicant for Transfer**"). It is not possible to transfer a Gas Transmission Contract for transmission capacity shorter than 1 month. The Applicant for Transfer will become the new Contractual Party with all consequent rights and obligations.

13.2. The contracted capacity may be transferred subject to fulfillment of the following conditions:

13.2.1. The Applicant for Transfer has concluded a Master Agreement with the Transporter,

13.2.2. The Applicant for Transfer has submitted a request for contracted capacity transfer at border points or virtual border points through the auction reservation platform,

13.2.3. The Applicant for Transfer has submitted a request for contracted capacity transfer at virtual gas storage points in writing using the form available at the Transporter's website – included in the request for contracted capacity transfer will be the written consent of the Network User transferring such contracted capacity,

13.2.4. The Applicant for Transfer will submit the request for contracted capacity transfer no later than 3 business days before the day from which the contracted capacity should be transferred,

13.2.5. The Applicant for Transfer satisfies the financial eligibility conditions pursuant to Annex No. 1 to the Code.

13.3. The contracted capacity transfer will enter into effect on the 1st gas day of the month following after the day when the request for contracted capacity transfer was submitted. The contracted capacity may be transferred for the period of at least 1 gas month and its multiples.

13.4. The Transporter will be authorized to refuse its consent with such contracted capacity transfer if the Applicant for Transfer is in delay with fulfillment of its financial liabilities towards the Transporter.

14. CHANGE OF THE DEFINED AND AGREED ENTRY AND EXIT BORDER POINTS

14.1. The Network User may request a change of the defined entry / exit border point to relevant entry / exit virtual border point according to Annex No. 3, item C, to the Code, for all transmission capacities for which such Network User has executed agreements on gas transmission service provision at given entry or exit border point.

14.2. The Network User will send to the Transporter a request for change of the defined entry/exit border point to relevant entry/exit virtual border point by e-mail to capacitybooking@net4gas.cz no later than 15 business days before the day from which the change should take place.

14.3. Specimen request for change of the defined entry/exit border point to relevant entry/exit virtual border point is available at the Transporter's website.

14.4. The Transporter will evaluate the request for change of the defined entry/exit border points to relevant entry/exit virtual border point within 10 business days from the date of request delivery.

14.5. If the request is processed with positive result, the Transporter will send to the Network User for signature an amendment to the agreement on gas transmission service provision.

14.6. The Network User shall deliver the signed amendment to relevant agreement to the Transporter within 5 business days before the effective date of the change.

14.7. Change to the defined entry/exit border point to relevant entry/exit virtual border point will be effective from the 1st gas day of the month following after delivery of signed amendment to the agreement on gas transmission service provision in line with Section 14.6.

C. SPECIAL PROVISIONS FOR FOREIGN PARTICIPANTS

15. FOREIGN PARTICIPANT'S IMBALANCES EVALUATION AND SETTLEMENT

15.1. Should the Foreign Participant incur negative daily balancing quantity, the Transporter will issue to such Foreign Participant a Settlement Invoice for the period between the 1st and 15th calendar day of the month (issued on the 2nd business day after the 15th calendar day of the month) and for the period between the 16th and the last calendar day of the month (issued on the 2nd business day of the following calendar month). Maturity period of each Settlement Invoice will be 14 calendar days from the issue date.

15.2. In case of positive daily balancing quantity, the Foreign Participant will issue a settlement invoice to the Transporter using the procedure stipulated in Section 15.1.

15.3. Mutual receivables and payables between the Foreign Participant and Transporter incurred pursuant to the provisions of Sections 15.1 and 15.2 may be offset.

15.4. The Transporter shall send to the Foreign Participant a Settlement Invoice for traded requests of the Foreign Participant regarding the purchase of positive or negative unused flexibility. Such Settlement Invoice will be issued by the Transporter without an undue delay after invoice delivery by the market operator. Maturity period of each Settlement Invoice will be 14 calendar days from the issue date.

15.5. The Foreign Participant will send to the Transporter a Settlement Invoice for Foreign Participant's traded requests for sale of positive or negative unused flexibility using the procedure stipulated in Section 15.4.

15.6. Invoiced amount for positive and negative daily balancing quantity and for the traded requests regarding purchase and sale of positive or negative unused flexibility will be converted to EUR (EMU) by the Transporter upon Foreign Participant's request based on the monthly average exchange rate on the foreign exchange market published on the CNB website for the first calendar month before the month to which the invoice relates.

15.7. Invoicing by the Foreign Participant for positive and negative daily balancing quantity in EUR (EMU) will be subject to an additional administrative fee for foreign currency processing amounting to 0.2% of the invoiced amount charged by the Transporter. The fee will be calculated separately, and its amount will be deducted from the amount due on each invoice for positive daily balancing quantity or added to each amount due on each invoice for negative daily balancing quantity.

15.8. Invoicing by the Foreign Participant for traded requests regarding purchase and sale of positive or negative unused flexibility in EUR (EMU) will be subject to an additional administrative fee for foreign currency processing amounting to 0.2% of the invoiced amount charged by the Transporter. The fee will be calculated separately, and its amount will be added to the amount due on each invoice for purchase of positive or negative unused flexibility or deducted from the amount due on each invoice for sale of positive or negative unused flexibility.

D. CONGESTION MANAGEMENT PROCEDURES IN THE EVENT OF CONTRACTUAL CONGESTION

16. CAPACITY INCREASE THROUGH OVERSUBSCRIPTION AND BUY-BACK SCHEME

16.1. Transmission capacity increase through oversubscription:

16.1.1. Should the technical capacity of the respective border point or virtual border point be fully booked, the Transporter shall offer Additional Firm Transmission Capacity at such point.

16.1.2. The Additional Firm Transmission Capacity shall be offered at 16:30 o'clock on the day preceding the gas day of transmission.

16.1.3. The Transporter shall announce the offer of Additional Firm Transmission Capacity flagged as "oversubscription" at its website.

16.1.4. The Additional Firm Transmission Capacity shall be booked through the auction booking platform.

16.1.5. Price and payment terms stated in Articles 11 and 12 shall apply to the Network User who has booked the Additional Firm Transmission Capacity.

16.2. Buy-back scheme:

16.2.1. Should the Transporter fail to transmit the gas quantity nominated within the Additional Firm Transmission Capacity at the border point or virtual border point, the Transporter shall hold a Buy-Back Auction. The Transporter shall inform by e-mail the Network User who has booked the contracted capacity at the particular border point about the Buy-Back Auction and about the amount of the transmission capacity that will be inquired in the auction.

16.2.2. The Network User who has booked the firm transmission capacity or the Additional Firm Transmission Capacity at the given border point or virtual border point will be entitled to offer the transmission capacity or its part in the Buy-Back Auction.

16.2.2.1. In the Buy-Back Auction, the Network User shall specify the amount of the transmission capacity, particular Gas Transmission Contract from which the Network User wishes to offer the transmission capacity, and the requested price in CZK/MWh. The offered price may not exceed the amount of 1.5 multiple of the relevant daily gas transmission price in accordance with the valid ERO price decision.

16.2.2.2. The first Buy-Back Auction shall start at 20:00 o'clock, the next one at 00:00 o'clock (midnight) on the day preceding the gas day of transmission. Thereafter, each Buy-Back Auction shall always start at every full hour and the last Buy-Back Auction shall take place at 03:00 o'clock of the gas day.

16.2.2.3. Each subsequent Buy-Back Auction shall be conducted only if the total requested amount of transmission capacity was not reached in the previous Buy-Back Auctions. In any subsequent Buy-Back Auction, the Transporter will only inquire the remaining portion of the transmission capacity which was not reached in the previous Buy-Back Auctions. Individual Buy-Back Auction will last 20 minutes; the evaluation will be performed within the next 5 minutes.

16.2.2.4. When evaluating the Buy-Back Auction, the received offers ("bids") shall be ranked in the ascending order according to their unit price; the bids may be accommodated at most up to the amount of the transmission

capacity inquired in the auction. Bids with the same unit price will be assessed according to the moment when the particular bid was submitted; the bid recorded earlier takes precedence.

16.2.2.5. After evaluating the Buy-Back Auction, the Transporter shall notify all bidders participating in the Buy-Back Auction of the Auction results by e-mail and publish them in the Information System.

16.2.3. The contracted capacity of the Network User whose bid has been accepted in the Buy-Back Auction will be automatically reduced in the Information System together with the Transmission Nominations allocated to the reduced capacity, using the procedure under Section 9.13.

16.2.4. The Transporter shall pay to the Network User the price of the transmission capacity purchased in the Buy-Back Auction equal to its bid. The settlement is taken into account in a tax document for relevant gas month.

16.2.5. Should the Transporter fail to buy back the necessary quantity of transmission capacity in the Buy-Back Auction, the Transporter shall reasonably reduce the Additional Firm Transmission Capacity to the Network Users (according to the pro-rata principle where the weight is a mutual ratio of the above Additional Firm Transmission Capacity of individual Network Users at the given border point or virtual border point) and the respective Transmission Nominations according to the priorities stated in Section 9.13 at given border point or virtual border point.

16.2.6. The price paid by the Network User will be reduced by the price of the quantity of the Additional Firm Transmission Capacity which has been reduced, and such financial settlement will be taken into account in the tax document for the particular gas month.

17. SURRENDER OF CONTRACTED TRANSMISSION CAPACITY

17.1. The Network User will be entitled to surrender its own unused annual, quarterly, and monthly standard firm transmission capacity or long-term firm transmission capacity at a border point or virtual border point.

17.2. The transmission capacity under the Gas Transmission Contract, which the Network User wishes to surrender, will be input through the auction booking platform.

17.3. The transmission capacity that the Network User has surrendered will be booked in the same manner as the Available Transmission Capacity. The transmission capacity surrendered by the Network User may not be booked by another Network User as intra-day standard transmission capacity. The transmission capacity surrendered by the Network User will be allocated to another Network User after all the Available Transmission Capacity at the given border point or virtual border point has been allocated.

17.4. The Transporter will inform the Network User by e-mail that the transmission capacity it had surrendered, or its part has been allocated to another Network User. The Network User who surrendered the transmission capacity has all rights and obligations arising from the Gas Transmission Contract up to the moment when the transmission capacity is allocated to another Network User.

17.5. The price and payment terms stated in Articles 11 and 12 will apply to the Network User to whom the transmission capacity, which had been surrendered by another Network User, has been allocated.

17.6. The price for the transmission capacity paid by the Network User who surrendered the transmission capacity will be reduced by the price of the transmission capacity allocated

to another Network User in the amount specified under Section 17.5 and such financial settlement will be taken into account in the Settlement Invoice for the relevant gas month.

18. LONG-TERM USE-IT-OR-LOSE-IT MECHANISM

18.1. The ERO may decide about partial or full withdrawal of any unused contracted capacity at the border point or virtual border point for a period longer than one year from the Network User using the procedure stipulated in the Gas Market Rules.

18.2. The transmission capacity to be withdrawn will be offered by the Transporter in the same way as the Available Transmission Capacity, however, it may not be offered as the day-ahead or intra-day standard transmission capacity.

18.3. The transmission capacity will be withdrawn when such transmission capacity is allocated to another Network User Until then the rights and obligations associated with the transmission capacity booking remain with the Network User.

18.4. The price and payment terms stated in Articles 11 and 12 will apply to the Network User who has been allocated the transmission capacity withdrawn from another Network User.

18.5. The Network User from whom the transmission capacity has been withdrawn will pay the price of transmission capacity booking reduced by the amount corresponding to the transmission capacity allocated to another Network User in the amount pursuant to Section 18.4 and such financial settlement will be taken into account in the Settlement Invoice for the relevant gas month.

19. FIRM USE-IT-OR-LOSE-IT MECHANISM IN THE NEXT DAY REGIME

19.1. If no firm daily standard transmission capacity is available at the entry or exit border point or virtual border point for the particular gas day, the Transporter shall communicate the limitation of transmission renominations for the particular border point or virtual border point for both bundled and unbundled transmission capacity in the Information System.

19.2. The Network User using the border point or virtual border point pursuant to Section 19.1 may, after gas transmission nomination, subsequently renominate such transmission up to the amount as specified by the Gas Market Rules

E. TRANSMISSION CAPACITY CONVERSION SERVICE

20. CONDITIONS FOR TRANSMISSION CAPACITY CONVERSION SERVICE PROVISION

20.1. The Transporter provides the transmission capacity conversion service. While providing this service, the transmission capacity, which was allocated to the Network User in a transmission capacity auction as bundled transmission capacity is replaced by the transmission capacity according to previously executed transmission contract meeting the conditions stipulated in Section 20.2.

20.2. The Network User may request the transmission capacity conversion provided that it has executed the Gas Transmission Contract with unbundled transmission capacity at the border point of the transmission system (hereinafter referred to only as the "unbundled capacity") before November 1, 2015.

20.3. The transmission capacity conversion is possible for annual, quarterly, and monthly transmission capacity.

20.4. The Network user shall inform the Transporter by e-mail sent to capacitybooking@net4gas.cz about its intent to convert the unbundled transmission capacity to the bundled transmission capacity no later than 3 business days before the date of relevant transmission capacity auction. The information addressed to the Transporter must comprise mainly the following formalities:

20.4.1. Network User identification;

20.4.2. Designation of entry / exit border point or virtual border point;

20.4.3. Term of the transmission capacity auction for the border point or virtual border point;

20.4.4. Amount of the transmission capacity for which the capacity conversion service should be provided;

20.4.5. Term for which the Gas Transmission Contract with unbundled transmission capacity was executed;

20.4.6. Execution date of the Gas Transmission Contract with unbundled transmission capacity.

20.5. If the Network User succeeds in the transmission capacity auction, it has the right to request the Transporter to convert the entire unbundled transmission capacity or any part thereof as specified for given border point or virtual border point in the information communicated pursuant to Section 20.4 to the bundled transmission capacity.

20.6. The request of the Network User pursuant to the previous sentence must be irrevocable and unconditional and may be given in writing in any form no later than within 24 hours after the end of the particular auction (hereinafter referred to only as the "Request").

20.7. The Transporter shall convert the unbundled transmission capacity of the Network User to the bundled transmission capacity in line with the Request within 24 hours from Request delivery.

20.8. The capacity released by the capacity conversion becomes the free transmission capacity and the Transporter will offer it in the next transmission capacity auction.

20.9. The Network User does not pay the price of the transmission capacity released by the capacity conversion or any other fees of payments with the exception of the auction premium, if charged.

F. TRADING REGION UPGRADE (TRU) SERVICE

21. CONDITIONS FOR TRU SERVICE PROVISION

21.1. The Transporter provides the TRU service in pilot regime. The TRU service enables direct interconnection of the Czech and Austrian gas markets by interconnecting the virtual trading point in the Czech Republic with the virtual trading point in Austria. The Transporter offers the TRU service in the direction to Austria when the Transporter acts as the Active Transporter. In order to avoid any doubts, the TRU service in the direction to the Czech Republic is offered by the Austrian transmission system operator, company Gas Connect Austria GmbH (GCA) where GCA acts as the Active Transporter. The Network user interested in using the TRU service in the direction to the Czech Republic must meet all conditions for access to the transmission system in Austria and must have relevant agreement executed with GCA.

21.2. The Transporter shall publish at least the following information using the remote access means no later than 5 business days before start of the auction:

a) date and time when the auction starts,
b) term for submission of offers,
c) scope of the offered capacity of TRU service,
d) minimum amount of the submitted offer,
e) minimum and maximum term of TRU service booking,
f) term of commencement with TRU service provision,
g) minimum price of using the TRU service unit,
h) and/or other reasonable, non-discriminating, and transparent conditions of the auction.

21.3. Any System User who meets the conditions for transmission capacity booking can participate in the auction relating to the TRU service. Financial eligibility conditions of the Network User pursuant to Annex No. 1 to the Code shall apply accordingly. Provisions of Sections 5 through to 8 shall apply accordingly. In order to avoid any doubts, the financial eligibility is assessed for the entire scope of the TRU service provision in the direction to Austria, i.e., including the entry to the virtual trading point in Austria.

21.4. The TRU service is offered in form of an auction with only one bidding round in which the Network User offers auction premium to the fixed price of the TRU service ("**Price**") for the required volume of the TRU service. Price according to the ERO's price decision shall be used for the TRU service.

21.5. The Network Users may submit up to ten offers during the bidding round of relevant auction. The Network User's offer is considered binding from the moment when the offer (the offer form as defined below) is delivered to the Transporter. Individual offers are processed independently from others.

21.6. The parties interested in the TRU service may complete the offer form ("**TRU Service Offer Form**") at the time of the auction. The Network Users shall specify the following in the form for each individual offer:

21.6.1. required volume of the TRU service, in which the Network User is interested, and which equals to or is lower than the TRU service capacity offered in the particular auction; all expressed in kWh/h, rounded to multiples of 100 kWh/h,

21.6.2. minimum volume of the TRU service, allocation of which according to relevant algorithm is requested by the Network User in case the TRU service product with the volume according to 21.6.1 is not allocated to them.

21.6.3. amount of auction premium to the fixed price of the TRU service expressed in CZK per MWh/day which the Network User is willing to pay for the required TRU service volume.

21.6.4. contact details similar to those specified in Section 3.3.1 of the Code.

21.7. The transmission system operator shall sort all offers relating to the TRU service product in descending order according to the offered auction premium.

21.8. All remaining offers, to which no required TRU service volume has been assigned at the time of bidding round closure pursuant to 21.6.1 will be deemed binding for those Network Users to whom at least the minimum TRU service volume required in line with 21.6.2 was allocated.

21.9. After the order of individual offers is determined in line with 20.7. and subject to compliance with 21.10 through to 21.13, the TRU service is allocated to individual offers in the order based on their price. All offers, to which the TRU service is allocated, are deemed successful. After the TRU service allocation, the remaining unallocated TRU service is reduced by this amount.

21.10. Upon application of 21.9 and subject to compliance with 21.12, it is stipulated that if the TRU service volume, for which the Network User submitted an offer, exceeds the remaining unallocated volume of the TRU service (after TRU service allocation to the Network Users who submitted a higher offer), such Network User receives the TRU service volume equal to the remaining unallocated TRU service volume.

21.11. Upon application of 21.10 and subject to compliance with 21.12, it is stipulated that if two or more offers contain the same price and total volume of relevant TRU service requested in these offers exceeds the remaining unallocated TRU service volume, such remaining unallocated volume will be allocated proportionally to the volumes requested in such individual offers.

21.12. If the volume, which is about to be allocated to an offer pursuant to 21.9., 21.10., or 21.11., is lower than the minimum capacity volume pursuant to 21.6.2., such offer will be deemed unsuccessful and the TRU service will be newly allocated to the remaining price offer(s) with the same amount pursuant to 21.11. or the TRU service will be allocated to the next price offer in line pursuant to 21.9.

21.13. If the remaining TRU service volume, which is to be allocated to an offer pursuant to 21.9, 21.10., 21.11. or 21.12., equals to zero, no further TRU service is allocated to such remaining offers. These offers are deemed unsuccessful.

21.14. The settlement price is determined as fixed price of the TRU service increased by the amount of the auction premium of the lowest successful offer.

21.15. The settlement price of the particular auction as well as any other fees according to the price decision applicable at the time when the assigned TRU service can be used shall be paid by the Network Users who submitted the successful bids.

21.16. The Transporter shall reject the offer if

21.16.1. it is submitted outside the time period when the particular TRU service auction takes place,

21.16.2. the entity interested in the TRU service does not meet the conditions stipulated in Section 21.3.,

21.16.3. the offer form does not indicate all required information and/or any information is contrary to the conditions of the auction,

21.16.4. and/or the requested quantity exceeds the total offered quantity of the TRU service.

21.17. The Transporter shall confirm acceptance of the offers and TRU service allocation to the Network Users within three business days after the end of the auction. Within the same period of time, the Transporter shall communicate the results of the auction to the Network Users whose offers were not accepted. Agreement on TRU service provision will be executed at the moment of allocation confirmation provided that the Network User meets the financial eligibility conditions pursuant to Annex No. 1 to the Code.

21.18. Transmission contract execution through the TRU service means that the exit transmission capacity at the TRU border point is booked for the network user and the amount and term of such booking correspond to the scope of the allocated TRU service.

21.19. A new TRU border point is established for the purpose of the TRU service, see Annex 3 to the Code. The TRU border point provides the Network User with exit to the virtual trading point in Austria and/or entry to the Czech Republic from the virtual trading point in Austria.

21.20. The TRU service nomination is submitted by the Network User up to the volume of its TRU service booked with the Transporter as the Single Nomination at the TRU border point. Conditions for transmission nominations pursuant to Section 9 shall apply accordingly.

21.21. Gas quantity nominated at the Transporter for the TRU service in the direction to Austria are allocated to the Network User as exit at the TRU border point. Conditions for allocation of gas quantity pursuant to Section 10 shall apply accordingly.

21.22. Gas quantity nominated at the GCA for the TRU service in the direction to the Czech Republic are allocated to the Network User as entry at the TRU border point. Conditions for allocation of gas quantity pursuant to Section 10 shall apply accordingly. Conditions for transmission nominations pursuant to Section 9 shall apply accordingly.

21.23. Price provisions of Chapter 11 as well as the invoicing and payment conditions pursuant to Chapter 12 apply reasonably.

21.24. The congestion management procedures in case of a contractual congestion pursuant to part D do not apply.

21.25. If the CAM NC compliant auction booking platform is used for TRU service booking in pilot mode, the transmission capacity allocation will be subject to the rules and auction algorithms of the particular auction booking platform.

G. CONDITIONS OF CONNECTION TO THE TRANSMISSION SYSTEM

22. REQUEST FOR CONNECTION OF CONNECTED EQUIPMENT TO THE TRANSMISSION SYSTEM AND ITS ASSESSMENT

22.1. Request for Connection to the transmission system or for change of connection parameters of the equipment connected to the transmission system (hereinafter only the **"Request for Connection"**) is submitted by Applicant in writing using the form available on the Transporter's website.

22.2. The Request for Connection shall be delivered by the Applicant either in person to the Transporter's mail office or sent by registered mail or by courier service to the address of the Transporter's seat, or through data message. When delivered, the Request for Connection shall be clearly designated as Request for Connection to the transmission system.

22.3. Date when the complete Request for Connection is delivered to the Transporter in line with Sections 22.1 and 22.2 will be deemed the date of Request for Connection filing.

23. CONTRACT FOR CONNECTION OF CONNECTED EQUIPMENT TO THE TRANSMISSION SYSTEM

23.1. The Contract for Connection shall comprise mainly the following information:

23.1.1. Identification of the Delivery Point and Connection Point to the transmission system;

23.1.2. Technical characteristics of the method of Connected Equipment connection and operation:

23.1.2.1. Connection method and technical characteristics of the Connected Equipment of the Applicant, which is connected to the transmission system,

23.1.2.2. Basic description of the Transporter's Infrastructure to be constructed for the connection of the Connected gas Equipment of the Applicant and for assurance the required transmission capacity,

23.1.2.3. Proposed technical solution of the method of Transporter's Infrastructure interconnection with the Applicant's Infrastructure at the Delivery Point in line with the provisions of Sections 24. through to 26. of the Code,

23.1.2.4. Technological scheme of the Connection Point and Delivery Point,

23.1.2.5. Description of the metering facility, design of its location, and the way of determining the quantity and quality of delivered gas,

23.1.2.6. Contracted technical capacity,

23.1.2.7. Determination of Delivery Pressures, i.e., minimal and maximal Delivery Pressure,

23.1.2.8. Method of communication between the Transporter and Applicant;

23.1.3. Material and time conditions of connection of the Connected Equipment of the Applicant to the transmission system;

23.1.4. Time schedule of construction of individual technological and civil units of the Transporter's Infrastructure including gas pipeline routing, Delivery Point, environmental impact assessment, changes to zoning documentation, zoning permit proceedings, building permit proceedings, and property settlement; the time

schedule is considered to be floating. Should any individual partial item of the time schedule be fulfilled in advance before an expected deadline, the term for meeting the subsequent partial item will be derived from such real fulfillment date. In case of any delay occurring without Transporter's fault, the procedure described in Sections 23.1.6.6. and 23.1.11 of the Code will be followed:

23.1.4.1. procedure and dates of revisions and tests required for initial gas filling connected with testing of the Connected Equipment,

23.1.4.2. Date of connection and commencement of gas offtake at the Delivery Point,

23.1.4.3. Execution and dates of occupancy permit related proceedings for all technological and civil parts of the connected equipment;

23.1.5. Property relations:

23.1.5.1. Identification of Ownership boundary,

23.1.5.2. Identification of Ownership boundary for communication equipment,

23.1.5.3. Identification of Transporter's Infrastructure,

23.1.5.4. Identification of Applicant's Infrastructure,

23.1.5.5. Ensuring of necessary property relations (land acquisition, easements, etc.) required for Transporter's Infrastructure placement on relevant plots owned either by the Applicant or by third parties where the Applicant has a lease or similar contract;

23.1.6. Transporter's obligations within the terms specified in the time schedule, which forms part of the Contract for Connection:

23.1.6.1. Take steps necessary for connection project implementation in compliance with the zoning plan of relevant area,

23.1.6.2. Take steps necessary for assurance of all public permits required for construction, commissioning, and operation of relevant pipeline connection and equipment owned by the Transporter, which are in legal force,

23.1.6.3. Take steps necessary for resolution of all questions relating to the ownership of real estate, which have to be resolved in connection with the construction, mainly establish all easements and ensure land for permanent occupation (either contractually or through expropriation) and have everything recorded in the Land Register,

23.1.6.4. If necessary, arrange for a rescue archeological research at all plots affected by the Transporter's Infrastructure construction so that the construction in question can be executed,

23.1.6.5. Establish the Transporter's Infrastructure in line with relevant documentation according to legal regulations on construction activity,

23.1.6.6. In case of any delay with the procedures according to Sections 23.1.6.1 through to 23.1.6.5, which has not been caused by the Transporter, notify the Applicant of the fact that one of the conditions specified in Sections 23.1.6.1 through to 23.1.6.5 was not or most likely will not be met within the deadline envisaged in the Contract for Connection, not later than within 30 calendar days from the date when it learned about such reason,

23.1.6.7. Inform the Applicant within 30 calendar days from the day when it learned during the project preparation of the connection (e.g., feasibility study,

routing, negotiation with third parties, permitting process, etc.), that the connection project is not feasible;

23.1.7. Right of the Transporter to withdraw from the Contract for Connection in case of its substantial breach by the Applicant, provided that the Applicant does not ensure remedy even in an additional reasonable period of time upon written request of the Transporter. A serious breach of the Contract for Connection by the Applicant means in particular the breach of the obligation specified in Section 23.1.8;

23.1.8. Applicant's obligations within the terms specified in the time schedule, which forms part of the Contract for Connection:

23.1.8.1. Provide documentation relating to the Delivery Point for the purpose of zoning decision, building permit, or joint permit to the Transporter for comments and for inspection, including design documentation certified by relevant building authority,

23.1.8.2. Ensure permit for construction of the Delivery Point before installing Transporter's metering equipment or equipment for the separation of impurities (filtration), respectively, in legal force,

23.1.8.3. Ensure property settlement for construction of the Delivery Point before installing Transporter's Infrastructure, in particular enter into an easement contract for a utility network that shall last permanently, without any time limitation, and/or ensure execution of such agreement with the owner of the plot where the Delivery Point will be located, in favor of the Transporter and with respect to the Transporter's Infrastructure installed at the Delivery Point, as well as a registration of such easement into Land Register in legal force, all before spending any external costs according to the Contract for Connection,

23.1.8.4. Ensure building readiness of the Delivery Point for installation of metering equipment, for installation of equipment for the separation of impurities, and for installation of communication equipment of the Transporter,

23.1.8.5. Enter into an agreement on the terms and conditions of Connected Equipment operation with the Transporter,

23.1.8.6. Ensure mandatory statutory inspections and tests required for initial gas filling according to the time schedule specified in the Contract for Connection,

23.1.8.7. Obtain permit for trial operation and occupancy permit / decision approving operation of the Delivery Point including all binding consents of relevant authorities with trial operation / occupancy permit and deliver "as-built" documentation to the Transporter,

23.1.8.8. Meet other obligations stipulated for the Applicant in the Connection Regulation and other legal regulations,

23.1.8.9. to provide sufficient area for the location of the Exit Facility of the Transporter´s Infrastructure as notified by the Transporter, but with maximum dimensions of 35 m x 10 m;

23.1.9. Right of the Transporter to suspend works on its side if the Applicant does not provide the performance according to Section 23.1.8 even within an additional period of 10 business days from the contractual deadline, while relevant terms specified in the time schedule shall be prolonged by the duration of such suspension;

23.1.10. Right of the Applicant to withdraw from the Contract for Connection in case of its substantial breach by the Transporter, provided that the Transporter does not

ensure remedy even in an additional reasonable period of time upon written request of the Applicant.

23.1.11. Transporter's and Applicant's obligation to enter into an amendment to the Contract for Connection specifying a new connection date, within 60 calendar days from the date when information is delivered to the Applicant upon occurrence of events specified in Section 23.1.6.6;

23.1.12. Applicant's obligation to ensure an increased level of safety and reliability of the Connected Equipment as specified by applicable legal regulations, technical standards, and technical rules, sufficiently compensating for the absence of gas odorization. The Applicant acknowledges that a potential gas leakage cannot be identified by smell.

24. GENERAL CONDITIONS FOR CONNECTION OF CONNECTED EQUIPMENT TO THE TRANSMISSION SYSTEM

24.1. The Transporter shall initiate actions relating to the Transporter's Infrastructure construction upon conclusion of the Contract for Connection.

24.2. If the Applicant is not the owner of the plot where the Delivery Point will be located, the Transporter shall enter into a contract for design and engineering works of the Transporter's Infrastructure with relevant contractor after conclusion of a contract on future easement contract relating to the Transporter's Infrastructure placed at the Delivery Point with relevant plot owner according to Section 24.6.2.3.

24.3. The Transporter shall announce tenders for material supplies and for construction execution after a valid permit for the Transporter's Infrastructure construction is issued. The Transporter shall further resolve clause 23.1.6.3 and provide a binding written confirmation of the Applicant's decision to implement the Applicant's Infrastructure without further conditions.

24.4. The Transporter shall enter into a contract on material supply and for construction after conclusion of an easement contract relating to the Transporter's Infrastructure with the owner of the plot where the Delivery Point will be located.

24.5. The Transporter shall connect to the transmission system only such Connected Equipment, for which the Applicant shall provide all permits, certificates, positions, or other documents in line with legal regulations.

24.6. In addition to the requirements defined by the Connection Regulation, the general conditions for connection of Connected Equipment to the transmission system mean:

24.6.1. Operating conditions:

24.6.1.1. Minimal and maximal Delivery Pressure will be observed at the Delivery Point,

24.6.1.2. The current Delivery Pressure value is determined by the Transporter's dispatching center depending on the current operating situation within the transmission system,

24.6.1.3. The Applicant with the Connected Equipment is obliged to ensure that the delivered gas quantities are within the range between the minimal and maximal hourly and daily capacity as specified in the Contract for Connection,

24.6.1.4. The Applicant is authorized to offtake only such gas quantities, which were properly measured before the offtake;

24.6.2. Organizational, administrative, and property related conditions:

24.6.2.1. The point of connection to the existing transmission system as well as the Delivery Point will be determined by the Transporter with regard to location of the Connected Equipment of the Applicant specified in the Request for Connection so that the safe, reliable, and economic operation and development of the transmission system are maintained,

24.6.2.2. The Transporter shall specify the point for gas quality monitoring enabling recalculation of the delivered and received gas measured in volume units to energy units. Both quantity and quality of gas are always measured at the Delivery Point at the output of gas production plant or gas storage. In other cases, the Transporter shall specify whether the gas quality monitoring will form part of the Delivery Point or whether a point for gas quality monitoring will be established within the transmission system and/or whether an existing gas quality monitoring point will be utilized,

24.6.2.3. The Applicant shall establish/ensure in favor of the Transporter an easement or any other required title to the plot where the Delivery Point is to be located, which will enable establishment of Transporter's Infrastructure, before expenditure of any external costs from the side of the Transporter according to the Contract for Connection.

25. TECHNICAL CONDITIONS OF CONNECTION TO THE TRANSMISSION SYSTEM

25.1. The Applicant shall construct a Delivery Point in line with design documentation approved by the Transporter.

25.2. The Connecting Gas Pipeline at the Exit Equipment of the Transporter´s Infrastructure shall be equipped with a ball valve with actuator and with by-pass owned by the Transporter. Location of the insulating coupling will be specified by the Transporter in the Contract for Connection or in design documentation. In case that the Connecting Pipeline cannot be cleaned, the shut-off valve will be located at the Transfer Point owned by the Applicant and will also act as the Transporter's primary gas shut-off valve in accordance with TPG 702 04.

25.3. A Regulating Station will be established by the Applicant at its own cost whenever its Connected Equipment requires a different pressure level than the minimal and maximal Delivery Pressure range provided by the Transporter according to the Contract for Connection.

25.4. The Applicant shall ensure construction readiness for metering equipment or filtering equipment installation at the Delivery Point (if required in given case), including all necessary valid construction permits applicable to the Delivery Point construction. Should the Applicant fail to ensure construction readiness for Transporter's metering equipment installation at the Delivery Point by the required deadline or any required construction permits, due to which failure the metering equipment will be damaged thus invalidating its calibration, all costs associated with the re-calibration shall be reimbursed by the Applicant. Should the Applicant fail to ensure construction readiness of the Delivery Point for Transporter´s Infrastructure Installation by the required deadline, the Transporter will not be liable for any possible delay thus caused.

25.5. The metering equipment shall be located as close as possible to the Ownership boundary. Pipelines and equipment located between the Ownership boundary and metering equipment must be free of any branches and connections that would enable gas flow around the gas quantity meter.

25.6. The Applicant for the Connected Equipment is prohibited to interfere with the measuring equipment, its calibration status, and/or evaluation software in any way. All such equipment must have permanently undamaged calibration marks and undamaged protective elements of the calibration settings – seals, covers, etc.

25.7. The control system is intended to control and monitor the metering equipment and other parts of the Delivery Point owned by the Transporter. Furthermore, the control system monitors selected control components of the Delivery Point (e.g., ball valves, gate valves, filters), which are owned by the Applicant for the Connected Equipment.

25.8. The Applicant's ball valves at the Delivery Point up- and downstream of the Metering Facility are controlled by the Transporter. Connection of the control wiring between the given ball valves and the Transporter's control system shall be through a junction box which shall serve as the ownership interface between the Transporter's and the Applicant's wirings. The terminal box shall be located at the Delivery Point so that it is accessible to both the Transporter and the Applicant.

25.9. Data transmission to the Transporter's dispatching center is ensured by direct connection to the data part of the Transporter's Infrastructure at the Delivery Point using the protocols defined by the Transporter in the Contract for Connection. Selected data from the Delivery Point is shared between the Applicant and the Transporter at the Delivery Point by the following means:

25.9.1. Direct connection between the PLC (Programmable Logic Controller) of the Applicant for the Connected Equipment with the Transporter's PLC using defined protocols. In this case, the Transporter is the only one who controls given equipment (i.e., Master). Only the technological data used for gas system management is transmitted this way.

25.9.2. Remotely from the Transporter's dispatching center.

25.10. Method of transmission system interconnection with the Connected Equipment at the local level, installation conditions are determined by the Transporter in the Draft Contract for Connection.

25.11. Electromagnetic compatibility must be ensured for all electric and electronic components of the control system in line with the legal regulations and technical standards.

25.12. The Applicant shall ensure construction readiness of the Delivery Point for installation of the control system, communication equipment, and telemetry, including all necessary valid permits for Delivery Point operation.

25.13. Power supply for Transporter's technology at the Delivery Point will be ensured by an outlet with secondary measurement provided from the Applicant's electrical switchboard located in the technological object. Energy consumed by the Transporter's equipment and measured by secondary electrometer for the Transporter's technology at the Delivery Point shall be paid for by the Transporter to the Applicant.

26. PROPERTY RELATIONS, EASEMENTS, AND ACCESS RIGHTS

26.1. The Connecting Gas Pipeline is established, owned, and operated by the Transporter.

26.2. The Delivery Point is established, owned, and operated by the Applicant.

26.3. The equipment for separation of impurities at the Delivery Point (if installed) is established, owned, and operated by the entity which established such equipment.

26.4. The Regulating Station (if installed) is established, owned, and operated by the Applicant.

26.5. Metering equipment is established, owned, and operated by the Transporter – with the exception of metering equipment installed at the Delivery Point between the transmission system and a gas production plant.

26.6. All components of the control system and communication equipment for the Infrastructure of the Transporter are owned and operated by the Transporter – with the exception of the control system for metering equipment installed at the Delivery Point between the transmission system and a gas production plant.

26.7. The Ownership boundary between the Transporter's Infrastructure and Applicant's Infrastructure and the Ownership boundary of metering equipment and communication equipment will be specified by the Transporter in the Contract for Connection.

26.8. The Applicant shall obtain all public permits, material rights, and shall ensure and/or sustain any easements relating to any and all equipment in its ownership, as well as for the Transporter's technology installed at the Applicant's Delivery Point.

26.9. Operating costs relating to relevant technology (power consumption, maintenance) shall be borne by its owner. Further specification depends on the specific technical design and will be specified in the Contract for Connection.

26.10. The Applicant for the connected gas equipment shall ensure that the Transporter is able to access the Delivery Point structures for the purpose of inspection, checks, and maintenance of the technology and equipment owned and operated by the Transporter.

26.11. Easements / utility network servitude relating to establishment, location, maintenance, and repairs will be established with respect to any equipment owned by the Transporter and located at the Delivery Point between the Transporter and owner of relevant plots. Binding specimen agreement forms part of the Contract for Connection.

27. CONDITIONS FOR INITIAL GAS FILLING

27.1. In addition to TPG 702 04 and TPG 605 02, Initial gas filling into the Connecting Gas Pipeline and Delivery Point all the way to the outlet ball valve from the Delivery Point is subject to the following conditions, which will be specified in detail within the Contract for Connection:

27.1.1. Metering equipment has been installed by the Transporter at the Delivery Point;

27.1.2. Pressure test of the Connecting Gas Pipeline, gas inlet ball valve, and Delivery Point all the way to the outlet ball valve of the Delivery Point has been carried out according to TPG 702 04 and TPG 605 02;

27.1.3. The Applicant shall submit to the Transporter the report on initial statutory inspection of the Delivery Point (for both electrical and gas systems) covering all equipment up to the outlet ball valve of the Delivery Point (only in situations when the initial statutory inspection can be obtained without initial gas filling);

27.1.4. The Applicant shall submit to the Transporter a consent of the inspection technician and will request the Transporter to approve initial gas filling into the Delivery Point all the way to the outlet gas ball valve of the Delivery Point;

27.1.5. The Applicant shall submit to the Transporter statutory inspection reports together with geodesic surveying and “as-built” design documentation relating to the Delivery Point, which will comprise mainly the material related documentation, equipment certificates and attestations, non-destructive tests, and authorization of contracting company to build the Delivery Point, and shall request initial gas filling;

27.1.6. The Applicant shall submit to the Transporter any and all positions / binding positions and opinions of relevant authorities and organizations that are necessary for issuing permit for trial operation of the Delivery Point;

27.1.7. The Transporter will approve organizational security plan of initial gas filling into the Delivery Point including the initial gas filling procedure to the Delivery Point, and appointment of responsible persons;

27.1.8. The Applicant and/or its gas supplier will conclude contract on gas transmission to the Connected Equipment with the Transporter;

27.1.9. The Applicant and/or its gas supplier will submit transmission nomination for the Connected Equipment.

28. OPERATING CONDITIONS

28.1. The Applicant shall provide the Transporter with a valid Trial Operation Permit (assuming a Trial Operation is taking place) and the Certificate of Completion of the Construction or Certificate of Acceptance for the Delivery Point within three working days after it has become effective.

28.2. The Applicant shall regularly renew mandatory statutory inspections in line with legal regulations at its own costs.

28.3. The Applicant shall properly operate and maintain the equipment in line with legal regulations at its own costs.

28.4. The Applicant shall ensure power supply for Transporter’s equipment installed at the Delivery Point. The Transporter and Applicant shall conclude an agreement, based on which the power consumption by equipment owned by the Transporter will be measured and subsequently paid for by the Transporter.

28.5. The Applicant shall provide the Transporter with continuous access to the Transporter's infrastructure situated at the Delivery Point.

28.6. The Applicant undertakes to install mechanical security equipment at the Delivery Point and follow the methodical instruction of the Transporter delivered to the Applicant on the groundwork of the Contract for Connection for the entire term of the Delivery Point operation.

H. COMMON CONCLUDING PROVISIONS

29. CONFIDENTIALITY AND PERSONAL DATA PROTECTION

29.1. The Transporter shall be obliged to maintain confidentiality concerning information about the Gas Transmission Contracts concluded between the Transporter and the Network User as well as about other facts relating to the conclusion and fulfillment of these Contracts or information relating to the services provided by the Transporter (hereinafter referred to only as "Confidential Information") until the time when such Confidential Information becomes publicly available without the Transporter beaching his obligations.

29.2. The Transporter in particular undertakes not to disclose the Confidential Information to the public or provide it otherwise to any third party unless the Transporter receives a prior written consent of the other Contractual Party with such disclosure or publication of the Confidential Information.

29.3. The confidentiality obligation pursuant to the provisions of the previous paragraphs of this Article does not apply to the fulfillment of Transporter's obligations imposed by generally binding legal regulations.

29.4. Within the scope, to which the Transporter manually or electronically processes Relevant Personal Data (i.e., mainly name and surname of natural persons, their address, e-mail address, telephone and fax number, ID No., bank details, and VAT ID No.), the Transporter undertakes to:

29.4.1. ensure that such processing is carried out in line with the applicable Personal Data Protection Regulations;
29.4.2. implement relevant technical or organizational measures to protect Relevant Personal Data against unauthorized or unlawful processing; and
29.4.3. ensure that Relevant Personal Data is disclosed only to the Transporter's employees who have a justified reason for processing of such data within the framework of the Transporter's business operations.

29.5. The Network User confirms on its behalf as well as on behalf of the natural persons, whose personal data it discloses to the Transporter that it acknowledges that the Transporter processes Relevant Personal Data for the following purposes:

29.5.1. to perform the Master Agreement / General Gas Transmission Contract;
29.5.2. for accounting and administrative purposes;
29.5.3. in order to ensure compliance with legal regulations; and
29.5.4. to increase and improve the quality of Transporter's Network Users register.

29.6. The Transporter may appoint a processor to process the Relevant Personal Data. More details about the method of personal data processing by the Transporter and about the processors authorized to process the personal data are available at https://www.net4gas.cz/cz/o-spolecnosti/osobni-udaje.

29.7. Relevant Personal Data will be processed by the Transporter only if such processing is necessary for achieving the above-mentioned purposes. The Network User provides the Relevant Personal Data on voluntary basis. The Network User hereby acknowledges that whenever it provides any personal data relating to other natural persons (e.g., its employees and/or other workers or subcontractors) to the Transporter in connection with

the performance of the Master Agreement / Gas Transmission Contract, processing of which by the Transporter is necessary for the performance of such Master Agreement / General Gas Transmission Contract and the obligations stipulated by generally applicable legal regulations, the Transporter will process such personal data within the scope stipulated in the previous paragraphs using the means described therein. The Network User undertakes to notify such persons about the processing of their personal data by the Transporter before providing their personal data to the Transporter.

29.8. Data subjects have the right to access their personal data processed by the Transporter. They also may request the Transporter to correct, update, or erase such personal data and, under certain circumstances, they can also be authorized to request limitation of certain processing, right to object against such processing, or to request personal data transfer to another controller. In case of any questions, comments, or submissions relating to personal data processing, the data subjects can approach the Transporter by e-mail sent to osobni.udaje@net4qas.cz. More details about the method of personal data processing by the Transporter and about the rights of data subjects can be found at https://www.net4gas.cz/cz/o-spolecnosti/osobni-udaje.

29.9. Within the scope, to which the Network User processes Relevant Personal Data within the framework of the Master Agreement / General Gas Transmission Contract, the Network User undertakes to:

29.9.1. ensure that such processing is carried out in line with the applicable Personal Data Protection Regulations;
29.9.2. implement relevant technical or organizational measures to protect Relevant Personal Data against unauthorized or unlawful processing;
29.9.3. ensure that Relevant Personal Data is disclosed only to such Network User's employees who have a justified reason for processing of such data within the framework of its business operations, and
29.9.4. ensure that any third parties (including processors), to whom the Network User provides access to Relevant Personal Data, respect and maintain the confidential character and security of the personal data.

29.10. Should the Transporter or Network User identify any breach of Relevant Personal Data securing, it shall immediately notify the other party thereof and, in each case, shall give such notice within 24 hours from the first identification of such fact. The Network User undertakes to provide the Transporter with all reasonable cooperation with handling the requests of data subjects, who exercise their rights pursuant to GDPR, and during any investigation at the Transporter by the Office for Personal Data Protection, if such investigation relates to processing of the Relevant Personal Data.

29.11. The above-mentioned arrangements apply to those parts of the Master Agreement / Gas Transmission Contract during the performance of which both Network User and Transporter act as the controllers independently deciding about the purpose and method of personal data processing.

30. CODE MODIFICATION

30.1. The Transporter shall amend this Code whenever such amendment is required to comply with a new provision of any generally binding legal regulation.

30.2. The Transporter will be entitled to propose an amendment to this Code whenever such amendment reflects the practical experience with the operation and maintenance of the transmission system or commercial customs, in particular those that are common in the gas transmission business, or changes in the technology used for gas transmission or recommendations of any state authority or national or European professional organization.

31. FINAL PROVISIONS

31.1. This Code has been drawn-up by the Transporter in accordance with the provisions of Section 58(8)(t) of the Energy Act and submitted to ERO for approval; pursuant to the provisions of Section 17(7)(g) of the Energy Act, the ERO is authorized to approve this Code.

31.2. The Transporter shall publish this Code including any amendments at the Transporter's website.

31.3. This Code, as well as any and all legal relations established in connection with gas transmission by the Transporter pursuant to the provisions of this Code and Gas Transmission Contracts shall be governed by the laws of the Czech Republic.

31.4. The following Annexes form an integral part of this Code:

31.4.1. Annex No. 1: Conditions of Financial Eligibility of the Network User,

31.4.2. Annex No. 2: Gas Quality Parameters,

31.4.3. Annex No. 3: List of Entry and Exit Points of the transmission system.

ANNEX No. 1 CONDITIONS OF FINANCIAL ELIGIBILITY OF THE NETWORK USER

1. The Network User shall demonstrate to the Transporter his sufficient financial eligibility for the fulfillment of his obligations under the Gas Transmission Contract.
2. The Network User will be considered to be sufficiently financially eligible for the fulfillment of its obligations under the Gas Transmission Contract if:
    i. it properly pays all debts by the due date,
    ii. its Credit exposure is lower or equal to the assigned Credit Limit.
3. The Network User shall prove the financial eligibility pursuant to the provisions of Sections 8 and 9:
    i. No later than 2 calendar months before the first gas day on which the gas transmission under the Gas Transmission Contract is about to commence, or
    ii. No later than 2 business days before the booking or transfer of the transmission capacity in situations when the time between the booking or transfer of the transmission capacity and the first gas day on which the gas transmission under the Gas Transmission Contract should commence is shorter than two calendar months, or
    iii. No later than 2 business days before filing each bid in transmission capacity auction.
4. The Network User shall maintain the financial eligibility for the entire term and effectiveness of the Gas Transmission Contract so as to fulfill the financial eligibility conditions at any moment of the force and effect of the Gas Transmission Contract at least for the period of the next 90 calendar days, however, no longer than 2 calendar months following the termination of the force and effect of the relevant Gas Transmission Contract.
5. If, during the 2 calendar months following the termination of the force and effect of the relevant Gas Transmission Contract, the total Credit Exposure of the Network User under all valid and effective Gas Transmission Contracts (i.e., without inclusion of the Credit Exposure from the relevant terminated Gas Transmission Contract) will be equal to or higher than the total Credit Exposure before the termination of the relevant Gas Transmission Contract, the maintaining of credit exposure in relation to the terminated Gas Transmission Contract will not be required for the following 2 calendar months from the end of the force and effect of the particular Gas Transmission Contract pursuant to the previous paragraph.
6. Should there be any change in the circumstances influencing the assessment of the financial eligibility of the Network User, the Network User shall notify the Transporter of such change without any undue delay.
7. Failure to prove the compliance with the financial eligibility at any time during the term of the Gas Transmission Contract shall constitute a breach of the Gas Transmission Contract and establishes the Transporter's right to terminate the Gas Transmission Contract.
8. *Credit limit* means the accepted value of the Transporter's unsecured credit risk with respect to the Network User.

    a) Standard economic analysis – if the extended economic analysis pursuant to paragraph b) of this Section is not carried out, the Network User may receive a Credit Limit based on the rating and equity according to the following table. When the rating conditions are not met, the credit limit equals to 0. If the financial reports are submitted in other currency than CZK, the conversion will be made using the exchange rates published by the Czech National Bank as of the credit assessment date.

Rating				Credit limit
S&P / Fitch	**Moody's**	**CreditReform**	**Dun & Brads.[1]**	
AAA to AA-	Aaa to Aa3	100-150	100-91	20 % of equity
A+ to A-	A1 to A3	151-200	90-71	10 % of equity
BBB+ to BBB-	Baa1 to Baa3	201-250	70-51	5 % of equity

To prove the compliance with the conditions for credit limit provision based on the rating and equity, the Network User shall present:

i. Financial reports not older than 18 months certified by a financial auditor,

ii. Rating from companies Standard & Poor's, Moody's, Fitch, Creditreform or Dun & Bradstreet (economic report with Failure Score) not older than six months.

b) Extended economic analysis – the Transporter is authorized to carry out an extended economic analysis upon Network User's request and assign a higher credit limit to the Network User on its groundwork. Some fundamental factors above the framework of the standard economic analysis of the Network User pursuant to paragraph a) are considered during the extended economic analysis. These comprise in particular the assessment of the company's ultimate owner, its rating and financial reports based on the data provided about such owner by the Network User in accordance with the documentation requirements stipulated in paragraph a) hereof. The costs of extended economic analysis are borne by the Transporter.

9. *Credit Exposure* is defined as the maximum possible value of the Network User's debt due to the Transporter reduced by the value of the individual eligible forms of security as defined in Article 10. The maximum possible value of the Network User's debt is determined as the sum of the following three partial risks of the Transporter towards the Network User:

i. Transmission risk – value of monthly payment for all contracted capacities.

ii. Daily auction risk – for each Auction as the product of the highest price in individual bids of the Network User and the lower of the two values – the sum of transmission capacities in individual bids and the Auctioned Capacity.

iii. Balancing-transmission risk – product of the lower of sums of the contracted daily capacity, number 2 and 1.2-multiple of the average of the fixed daily price of the balancing gas for the preceding month specified in the valid ERO price decision, while the sum of the agreed daily transmission capacity means the sum of the total agreed daily transmission capacity of the Network User at border entry points, entry virtual border points or the sum of the total agreed daily transmission capacity of the Network User at exit border points, exit virtual border points under all its valid Gas Transmission Contracts expressed in MWh. If the Network User has executed an Agreement on Imbalance Settlement, the risk value equals 0.

In situations when the Transporter is obliged to charge VAT for the services provided to the Network User pursuant to the provisions of Act No. 235/2004 Coll., on value added tax, as amended and supplemented, the resulting amount of maximum possible debt value will be increased by the VAT in the calculation.

[1] In case of Dun & Bradstreet, so called D&B Failure score is used instead of D&B rating.

10. *Eligible forms of security* are as follows:

    10.1. An irrevocable and unconditional bank guarantee issued by an eligible bank or another eligible issuer that is not a bank.

    10.2. An irrevocable and unconditional guarantee issued by an eligible guarantor according to specimen document available at the Transporter's website.

    10.3. Security in form of financial deposit (security deposit) to the bank account of the Transporter.

    10.4. The eligible bank, issuer, or guarantor pursuant to Sections 10.1 and 10.2 comprise any banks, issuers, or guarantors having a long-term rating from Standard & Poor's, Moody's or Fitch at least BBB- / Baa3.

11. If the effectiveness of Gas Transmission Contract of the particular Network User terminates and the Network User has settled all its liabilities towards the Transporter, the Transporter shall return to the Network User upon request within 10 business days those forms of securing that were used and that can be returned and the effective period of which has not expired so far.

ANNEX No. 2 GAS QUALITY PARAMETERS

The gas supplied and transferred at the entry/exit points into/from the transmission system defined in the Gas Transmission Contract shall comply with the following chemical and physical parameters:

a) Chemical composition

Constituent	%mol	
Methane	min.	85 %
Ethane	max.	9%
Propane	max.	3%
Sum of Butanes	max.	2%
Sum of pentanes and higher hydrocarbons	max.	0.5%
Oxygen	max.	0.02%
Nitrogen	max.	5%
Carbon dioxide	max.	3%
Hydrogen sulfide (H_2S)	max.	6 mg/m^3
Mercaptan sulphur (RSH)	max.	5 mg/m^3
Total sulphur	max.	30 mg/m^3
Wobbe index	min.	12.7 kWh/m^3 (45.7 MJ/m^3)
	max.	14.9 kWh/m^3 (53.6 MJ/m^3)
Relative density	min.	0.56
	max.	0.70
Gross calorific value	min.	9.4 kWh/m^3 (33.8 MJ/m^3)
	max.	11.8 kWh/m^3 (42.5 MJ/m^3)

Related to normal conditions t_2 =15 °C and p=101.325 kPa and flue gas temperature t_1=15 °C, for dry gas – relative humidity φ=0, gas containing no water vapor.

b) Water Dew Point
The Water dew point value converter to the pressure of 4 MPa may not be higher than minus seven degrees Centigrade (-7 °C).

c) Hydrocarbons Dew Point
The Hydrocarbons dew point value may not be higher than zero degrees Centigrade (0 °C) within the entire Operating Pressure range.

d) Gas may not contain dust or condensates.

ANNEX No. 3 ENTRY AND EXIT POINTS OF THE TRANSMISSION SYSTEM

A. Border Entry Points

1) **Lanžhot – connection** to the Slovak transmission system operated by company eustream, a.s.

   Minimum Delivery Pressure: 5.67 MPa
   Maximum Delivery Pressure: 7.35 MPa

2) **VIP Waidhaus**[2] - connection to German transmission system. This virtual border entry point is commercially operated on the German side by Open Grid Europe GmbH company

   Minimum Delivery Pressure: 4.91 MPa
   Maximum Delivery Pressure: 7.35 MPa

3) **VIP BRANDOV**[3] – connection to German transmission system. This virtual border entry point is commercially operated on the German side by GASCADE Gastransport, GmbH company

   Minimum Delivery Pressure: 4.91 MPa
   Maximum Delivery Pressure: 10 MPa

4) **Český Těšín –** connection to the Polish transmission system operated by Gas Transmission Operator GAZ SYSTEM S.A. company

   Minimum Delivery Pressure: 1.7 MPa
   Maximum Delivery Pressure: 6.3 MPa

5) **TRU** – border point for TRU service nomination

[2] Virtual border entry point VIP Waidhaus was established on March 1, 2019 in line with CAM NC and replaced the original border point Waidhaus for the purpose of providing the sole capacity service.

[3] The virtual border entry point VIP BRANDOV was established on November 1, 2018 in line with CAM NC for the purpose of providing the sole capacity service and it comprises the original physical border entry points Hora Svaté Kateřiny, Hora Svaté Kateřiny – Olbernhau, BRANDOV – OPAL, and BRANDOV – EUGAL.

B. Exit Border Points

1) **Lanžhot – connection** to the Slovak transmission system operated by company eustream, a.s.

   Minimum Delivery Pressure: 5.67 MPa
   Maximum Delivery Pressure: 7.35 MPa

2) **VIP BRANDOV**[4] – connection to German transmission system. This virtual border exit point is commercially operated on the German side by GASCADE Gastransport, GmbH company

   Minimum Delivery Pressure: 4.31 MPa
   Maximum Delivery Pressure: 8.40 MPa

3) **VIP Waidhaus**[5] – connection to the German transmission system. This virtual border exit point is commercially operated on the German side by Open Grid Europe GmbH company

   Minimum Delivery Pressure: 4.91 MPa
   Maximum Delivery Pressure: 7.35 MPa

4) **Český Těšín –** connection to the Polish transmission system operated by Gas Transmission Operator GAZ SYSTEM S.A. company

   Minimum Delivery Pressure: 2.65 MPa during summer period (May - September)
   Minimum Delivery Pressure: 4.5 MPa during winter period (October – April)
   Maximum Delivery Pressure: 6.3 MPa

5) **TRU – border point for TRU service nomination**

[4] The virtual border exit point VIP BRANDOV was established on November 1, 2018 in line with CAM NC for the purpose of providing the sole capacity service and it comprises the original physical border exit points Hora Svaté Kateřiny, BRANDOV – STEGAL, BRANDOV – OPAL, and BRANDOV – EUGAL.

[5] Virtual border exit point VIP Waidhaus was established on March 1, 2019 in line with CAM NC and replaced the original border point Waidhaus for the purpose of providing the sole capacity service.

Overview of EIC Codes for Entry and Exit Border Points

Border Entry Points	EIC code
Lanžhot	21Z000000000061Z
VIP Waidhaus	21Z000000000489Y
Český Těšín	21Z000000000239K
VIP Brandov	21Z0000000004863

Exit Border Points	EIC code
Lanžhot	21Z000000000061Z
VIP Waidhaus	21Z000000000489Y
Český Těšín	21Z000000000239K
VIP Brandov	21Z0000000004863

C. Entry and exit points of virtual gas storage facilities

1) The entry and exit point of the virtual gas storage operated by Gas Storage CZ, s.r.o. consists of the following Delivery Points from the gas storage facilities:
    a) Dolní Dunajovice
    b) Tvrdonice
    c) Štramberk
    d) Třanovice
    e) Lobodice
    f) Háje

2) The entry and exit point of the virtual gas storage operated by MND Energy Storage, a.s. consists of the gas storage facility Delivery Point:
    a) Uhřice

3) The entry and exit point of the virtual gas storage operated by Moravia Gas Storage, a.s. consists of the gas storage facility Delivery Point:
    a) Dambořice

The values measured at the relevant Delivery Points between the gas storage operator and the transmission system operator shall be considered decisive for the determination of the pressure and quality parameters of gas injected into or withdrawn from the gas storage facilities. Current Delivery Pressure value (within the framework of the pressure range specified in the Contract for Connection) at relevant Delivery Points is determined by Transporter's dispatching center according to current operating conditions within the system.

D. Exit points at off-take points of customers directly connected to the transmission system:

1) Exit points in the domestic zone of GasNet, s.r.o.:

    a) EIC code: 27ZG007Z0000003W – ČEPRO
    b) EIC code: 27ZG007Z0000005S – Holcim (Česko)
    c) EIC code: 27ZG007Z0000006Q – Lovochemie
    d) EIC code: 27ZG007Z0000004U – Rotor Clip
    e) EIC code: 27ZG007Z0000012V – ČEZ Počerady
    f) EIC code: 27ZG007Z0000009K – CEMEX Czech Republic
    g) EIC code: 27ZG007Z0000007O – Green Gas DPB
    h) EIC code: 27ZG007Z0000016N – E.nest Energy

2) Exit points in the domestic zone of E.ON Distribuce, a.s.:

    a) EIC code:27ZG007Z0000015P – C-Energy Planá

3) Exit points for own consumption of gas storages:

    a) 27ZG007V0000014Q VZP IGS VS – Gas Storage CZ, s.r.o.
    b) 27ZG007V0000013S VZP MND VS – MND Energy Storage a.s.
    c) 27ZG007V0000016M VZP MGS VS – Moravia Gas Storage a.s.

For use of exit points at off-take points of customers directly connected to the transmission system, the current Delivery Pressure value (within the framework of the pressure range specified in the Contract

for Connection) at relevant Delivery Points is determined by Transporter’s dispatching center according to current operating conditions within the system.