

OPERATIONAL ORDER OF A TRANSMISSION SYSTEM
OPERATOR EUSTREAM, A.S.
SETTING BUSINESS CONDITIONS
FOR THE CONNECTION TO THE TRANSMISSION NETWORK,
ACCESS TO THE TRANSMISSION NETWORK AND
TRANSMISSION OF GAS

as approved by a decision of the Regulatory Office for Network Industries number
0008/2005/04/PP issued on 04.10.2005
and amended by a decision of the Regulatory Office for Network Industries number
0003/2007/04/PP issued on 16.05.2007

1. PREAMBLE

Eustream, a.s., BIN: 35 910 712, with its seat at Mlynské Nivy 42, 825 11 Bratislava, Slovak Republic, registered in the Commercial Register maintained by the District Court Bratislava 1, Section: Sa, Insertion: 3480/B, is properly authorised to perform activity of gas transmission (hereinafter referred to as “**Transmission system operator**” or “**TSO**”);

TSO shall, on the basis of Article 12a (6) of Act No. 276/2001 Coll. on Regulation in Network Industries and on Amendment and Supplementation of Certain Laws, as later amended, in particular by the last amendment - Act No. 107/2007 Coll. (hereinafter referred to as the “**Regulation Act**”), and following the issue of the Slovak Republic Government Decree No. 123/2005 Coll. issued 30.march 2005 defining the rules for the gas market functioning (hereinafter referred to as the “**Gas Market Rules**”), prepare and, subject to the approval of the Office for Regulation in Network Industries (hereinafter referred to as the “**URSO**”), publish an Operational order, which shall be binding upon all gas market participants;

The operational order shall, as defined under Article 17 (7) of Act No. 656/2004 Coll. on Energy Sectors and on Amendment of Certain Laws (hereinafter referred to as the “**Energy Act**”) in connection with, mainly, its Article 41 (6) letters d) and f), lay down the business terms and conditions for access to the transmission network and for gas transmission;

2. DEFINITIONS

For the purposes of the operational order:

a) Business day means any day in the week, excluding the statutory days off and bank holidays.

b) Interconnection agreement means an agreement between TSO and an adjacent network operator whose subject-matter is the regulation of mutual relations especially concerning the metering of gas quantities, the allocation of gas quantities and the conditions of the operation of mutually interconnected networks, for example methods and equipment for metering of gas quality, quantity and operational parameters, methods and extent of dispatching co-operation for control of connected networks, definition of counterparty relationship system for the relationship between users of connected networks and the way how nominations and renominations will be handled in an operation of connected systems.

c) Allocation regime means rules of allocation of gas quantities to individual Shippers at the Entry points or Exit point of the transmission network,

d) Shipper means a gas market participant, who has signed the Contract with TSO,

e) Parties means either the TSO or the Shipper, as the contractual parties under the Contract,

f) Imbalance means the difference between the quantity of gas allocated to the Shipper at the Entry point into the network and the quantity of gas taken off by the Shipper at the Exit point from the network for the respective day,

g) Technical Conditions mean a document, issued by TSO according to Article 17,

Section (4) of the Energy Act,

h) Contract means the agreement according to the article 3.3 of this operational order.

Other definitions stated under this operational order are projected in accordance with Energy Act, Regulation Act and Gas Market Rules. Any reference to time shall be construed as whatever time shall be in force in the Slovak republic according to general binding legal regulations.

3. ACCESS TO THE TRANSMISSION NETWORK

3.1. Entry Points and Exit Points

3.1.1. The transmission network of TSO has the following Entry points:

- a) Lanžhot - the Entry point from the transmission network of gas facilities in the territory of the Czech Republic,
- b) Baumgarten - the Entry point from the transmission network of gas facilities in the territory of Austria,
- c) Veľké Kapušany – the Entry point from the transmission network of gas facilities in the territory of Ukraine,
- d) Domestic point – the Entry point of the distribution network and storage facilities in the territory of the Slovak Republic.

3.1.2. The transmission network of TSO has the following Exit points:

- a) Lanžhot - the Exit point to the transmission network of gas facilities in the territory of the Czech Republic,
- b) Baumgarten - the Exit point to the transmission network of gas facilities in the territory of Austria,
- c) Veľké Kapušany - the Exit point to the transmission network of gas facilities in the territory of Ukraine,
- d) Domestic point – the Exit point to the distribution network and storage facilities in the territory of the Slovak Republic.

3.1.3. The Entry and Exit points of the transmission network are considered to be aggregated virtual points.

3.2. Publication of Available Transmission Capacities

3.2.1. The available transmission capacity for the respective Entry point or Exit point is the difference between the technical capacity of the transmission network at that Entry point or Exit point, taking into account the safety, reliability and efficiency of transmission services, and the total of the following capacities at the given Entry point or Exit point:

- a) the capacity, contractually allocated to Shippers in the respective time period provided that the pressure agreed in the Contract is observed;
- b) the capacity, necessary for TSO to fulfil his obligations specified by

- general economic interest, which is necessary for the provision of:
- security of the network including the ensuring of the quality and regularity of gas supplies, protection of the environment and energy efficiency,
 - protection of the gas household consumers, if is TSO obliged by the corresponding decree of the Ministry of economy of Slovak republic,
- c) the capacity, necessary for the balancing of the transmission network by TSO in order to ensure the safety and reliability of the transmission network operation.

3.2.2. TSO publishes regularly information on the available transmission capacities at the Entry and Exit points of the transmission network on its website by means of signs (traffic lights), where

- a) a red light represents less than 5% of available capacity;
- b) a yellow light represents 5% to 20% of available capacity;
- c) a green light represents more than 20% of available capacity.

3.2.3. At the request of the Shipper, TSO shall provide information on the available capacity in numerical terms.

3.3. Request for Access to the Transmission Network and for Gas Transmission

3.3.1. Access to the transmission network and transmission of natural gas are provided on the basis of a Contract on Access to the Transmission Network and Transmission of Gas (hereinafter referred to as "Contract").

The applicant for access to the transmission network and gas transmission shall file the request for access to the transmission network and for gas transmission (hereinafter only as the "Request"). The Request is a binding proposal from the applicant to the TSO for the conclusion of the Contract.

3.3.2. The Request shall contain, in particular:

- a) identification data of the applicant,
- b) the date of transmission commencement and the date of transmission termination,
- c) Entry point(s) into the transmission network,
- d) Exit point(s) from the transmission network,
- e) requested daily capacity at the respective Entry point,
- f) requested daily capacity at the respective Exit point,
- g) expected quality of gas at the respective Entry point,
- h) documents proving that the operators of connected networks will provide for transport of gas to the Entry point(s) and transport of gas from the Exit point(s). Such a document can be for example a letter of the adjacent network operator, confirming, that the gas transport in connected network will be accomplished,
- ch) documents, proving the applicant's ability to fulfil its financial obligations towards TSO arising under the Contract,
- i) documents necessary for entering into and performance of the Contract, especially documents proving availability of the appropriate IT system and/or technical means for permanent communication with the dispatching centre of TSO and a continuous operative communication system during the term of the Contract.

- 3.3.3. The TSO shall publish a pattern for the Request on his website.
- 3.3.4. The applicant shall deliver, in writing, the Request to the TSO's address, not later than forty (40) calendar days prior to the commencement of the required transmission. The data and documents, which should be submitted, form an inseparable part of the Request. The applicant should submit the documents requested by TSO as a copy of the documents. If TSO requires, then the applicant shall submit also the original of the document for comparison with the copy. In case there is a difference between the copy and the original found, the date of submission of the original document is considered as the date of submission of the document. If TSO asks for submission of original documents, TSO shall do it without unreasonable delay, at the latest four (4) days from the receipt of the copy of the document. In such case applicant shall submit the requested originals without unreasonable delays, at the latest four (4) days from the receipt of the request for originals, otherwise as a date of submission is considered the date of submission of the original document.
- 3.3.5. If the time period between the requested commencement and termination of transmission is longer than one (1) year, TSO is not obliged to deal with the Request if submitted earlier than three (3) years prior to the commencement of the required transmission. If the time period between the requested commencement and termination of transmission is equal to or shorter than one (1) year, the applicant shall not submit the Request earlier than one (1) year prior to the commencement of the required transmission.
- 3.3.6. The date of receipt of the Request completed pursuant to Section 3.4.1. shall be considered as the delivery date of the Request. Such a Request shall represent a binding proposal for conclusion of the Contract.

3.4. Evaluation of the Request and Conclusion of the Contract

- 3.4.1. After having obtained the Request, TSO shall evaluate the data and documents, as specified in Section 3.3.2. If an incorrectly filled or incomplete Request is submitted, TSO shall, without undue delay, request the missing or correct data or documents.
- 3.4.2. After the Request has been completed, TSO shall grant to the applicant the requested transmission capacity for required Entry and Exit points within ten (10) days, unless reasons for refusal of granting the capacity according to Article 3.6. exist.
- 3.4.3. By receipt of the confirmation on the granting of transmission capacity to the applicant, the Contract is concluded between the parties.
- 3.4.4. TSO is obliged to reflect the capacity granted pursuant to Section 3.4.2., when calculating and publishing available transmission capacities in accordance with Article 3.2.

3.5. Shortage of Available Firm Transmission Capacity

- 3.5.1. When granting transmission capacity, TSO shall take into consideration the date of receipt of the Request completed pursuant to Section 3.4.1. (the application of principle “first committed first served”).
- 3.5.2. If the sum of firm transmission capacities required by applicants for the same time period is higher than the available capacity for the respective Entry or Exit point of the transmission network, the transmission network would then be overloaded and such a state is called a shortage of available firm transmission capacity.
- 3.5.3. If there is a demand for firm transmission capacity that exceeds the amount of available free capacity, TSO shall assess Requests and subsequently shall allocate firm transmission capacity preferably on the basis of respecting the following criteria listed in order of priority:
 - a) transmission capacity for the internal market of the Slovak Republic, in particular when resulting from a change of a supplier in consequence of gas market liberalization in the Slovak Republic,
 - b) transmission capacity resulting from Requests, filed by an applicant who has had concluded a Contract with TSO for the same Entry and Exit point, which expiration date corresponds to the date of the commencement of the requested transmission, and the requested transmission capacity is not extended;
 - c) transmission capacity resulting from Requests for several years, when the priority is based on a term of duration; while Contracts in force for more than ten (10) years are considered as equal.
- 3.5.4. If the priority system above has been applied and the demand for firm transmission capacity still exceeds the available free capacity because of accumulation of more equivalent Requests, TSO shall offer firm transmission capacity on the basis of a pro-rata system by reducing Requests according to their size.
- 3.5.5. If there is no or not sufficient firm transmission capacity available, the TSO is obliged to notify the applicant of the shortage of required firm transmission capacity and offer him an opportunity to enter into a Contract with firm transmission capacity with a reduced level and/or transmission interruptible capacity. This offer does not mean binding offer of the TSO to conclude Contract.
- 3.5.6. In cases as described under Sections 3.5.4. and 3.5.5., the notification sent by TSO does not cause the conclusion of a Contract.

3.6. Refusal of Access to the Transmission Network

TSO may deny access to the transmission network for following reasons:

- a) due to a shortage of the capacity of the transmission network,
- b) in case of threat of a serious economic damage and serious economic difficulties connected with gas supply contracts with a firmly agreed supply volume and an obligation to pay irrelevant of the off taken gas volume,

- c) if such an access prevents a fulfilment of obligations in the general economic interest,
- d) in case of gas supplies from a country, which does not apply equal treatment principle vis-à-vis all gas market participants, or
- e) in case the Technical Conditions for access and gas transmission have not been met.

4. CONTRACT

4.1. Types of Contracts

- 4.1.1. The Contract is concluded for a firm transmission capacity or an interruptible transmission capacity as:
- a) long-term Contract,
 - b) yearly Contract,
 - c) short-term Contract.
- 4.1.2. A long-term Contract is concluded for a period of gas transmission representing the whole-number multiples of year; for each twelve (12) consecutive months as of the first day of the month, the Contract shall stipulate only one quantity of the transmission capacity for the respective Entry point and Exit point.
- 4.1.3. A yearly Contract is concluded for a period of gas transmission of 12 consecutive months as of the first day of the month; the Contract shall stipulate only one quantity of the transmission capacity for the respective Entry point and Exit point throughout the whole period of gas transmission.
- 4.1.4. In general, a short-term Contract is concluded for a period of gas transmission shorter than one year as of the first day of a calendar month for a time period corresponding to the whole-number multiples of calendar months. Shorter Contract terms down to a minimum period of one (1) day might be agreed upon between the Parties.
- 4.1.5. Upon entering into the Contract with a firm transmission capacity, the TSO shall provide for the transmission of gas from the Entry point to the Exit point during the whole period of gas transmission up to the level of the agreed transmission capacity.

4.2. Interruptible Transmission Capacity

- 4.2.1. TSO may enter into the Contract with interruptible transmission capacity with the Shipper only if interruptible transmission capacity has been allocated to the Shipper.
- 4.2.2. TSO shall allocate an interruptible transmission capacity only in cases where firm transmission capacity is not available.

- 4.2.3. Upon entering into the Contract with interruptible transmission capacity, TSO shall provide for transmission of gas from the Entry point to the Exit point during the whole period of gas transmission up to the level of the agreed transmission capacity with the right of interruption.
- 4.2.4. TSO has the right to fully or partially interrupt the interruptible capacity only when ongoing use of interruptible capacity would represent an obstacle to securing transmission under Contracts for firm transmission capacity. If and to the extent possible, TSO shall estimate the probability of the interruption of interruptible capacity and duration of this interruption and inform the Shippers thereof. TSO shall inform the Shipper on interruption of transmission without delay after having detected the state causing the transmission interruption. As soon as circumstances causing the transmission interruption have been removed, TSO shall inform the Shipper on the restoration of transmission.
- 4.2.5. The TSO shall interrupt more than one Contract with interruptible transmission capacity in a way, that TSO shall take into account the chronological order of conclusions of individual Contracts with interruptible transmission capacity, while the TSO shall interrupt as the first the Contracts, which had been concluded as the latest.

4.3. Parties' Obligations

- 4.3.1. TSO shall, in particular:
- a) hand over such an amount of gas at the Exit point which was taken at the Entry point;
 - b) maintain, at the Exit point, quality indicators and physical/chemical parameters of gas in accordance with the Technical Conditions;
 - c) maintain, at the Exit point of the transmission network, values of pressure in accordance with the Contract and the respective Interconnection agreements with the operator of the interconnected network;
 - d) inform Shippers about the plan of downtimes of gas facilities with a purpose to harmonize it with the demands of Shippers, provide notice of the scope and terms of downtimes of gas facilities in advance and notify Shippers of the presupposed decrease in the transmission capacity;
- 4.3.2. The Shipper shall, in particular:
- a) take such an amount of gas at the Exit point which was supplied at the Entry point;
 - b) maintain, at the Entry point, quality indicators and physical/chemical parameters of gas in accordance with the Technical Conditions;
 - c) maintain, at the Entry point of the transmission network, values of pressure in accordance with the Contract;
 - d) fulfil the terms of payment for the transmission capacity that has been provided to him in compliance with the Contract and provide financial security with regard to his financial ability to cover risks connected to his Contract;
 - e) observe the agreed communication regime with the TSO.
- 4.3.3. The Parties shall inform each other immediately on all circumstances and events, which could lead to changes in the transmitted gas quantities, or on events, having crucial impact on the handed over or taken off gas quantities.

These rules apply also to the circumstances of Force Majeure.

4.4. Providing Transmission Capacity at the Secondary Market

- 4.4.1. The Shipper who has entered into a Contract with TSO may provide any unused transmission capacity to another Shipper only with a prior notification delivered to TSO. This act, however, shall not affect any rights and obligations of Parties arising under the Contract.
- 4.4.2. In case of a continuous shortage of firm transmission capacity, TSO may also request shippers, who have made only insignificant use of their capacities for a period of at least twenty-four (24) consecutive months, to offer these capacities to third parties. In such a case, TSO shall first send to the Shipper a summary of usage of the capacities booked by the Shipper in a past period and ask him to submit a plan of future usage of the booked capacity.

4.5. Daily Capacity Overrun

The Shipper may use the transmission capacity up to the amount of the agreed daily transmission capacity at the respective Entry point or Exit point. This capacity is not allowed to be overrun and if a supplementary quantity is required to be transported, the Shipper shall follow the procedure identical to the Request. TSO has the right to refuse the transmission of gas quantities exceeding the agreed daily transmission capacity and adjust nominations of the Shipper's gas transmission and, if necessary, physical gas flows in an appropriate manner.

4.6. Natural Gas Quality

- 4.6.1. Natural gas handed over or taken off at Entry points and Exit points into and out of the transmission network shall comply with the physical and chemical parameters and quality indicators laid down in the Technical Conditions (hereinafter referred to as "**quality parameters**"). Shipper shall maintain quality parameters of gas at the Entry point and TSO shall maintain quality parameters of gas at the Exit point.
- 4.6.2. Should natural gas handed over by the Shipper for transmission into the Entry point fail to meet any of the quality parameters (hereinafter referred to as "**off-spec gas**"), TSO shall have the right to refuse to transmit such gas. Even if such gas has been accepted for transmission, the Shipper is obliged, pursuant to the concluded Contract, to pay fees for handing over off-spec gas, provided that TSO has re-delivered gas meeting the quality parameters at the Exit point. The time of the physical flow of gas through the transmission network is to be considered. Payment of these fees shall not preclude the right of TSO to claim damages incurred in connection with transmission of off-spec gas.
- 4.6.3. Should the natural gas re-delivered by TSO into the Exit point of the transmission network fail to meet any of the quality parameters, the Shipper shall have the right to refuse to take over such gas. Even if such gas has been

taken over, TSO is obliged, pursuant to the concluded Contract, to pay fees for delivery of off-spec gas, provided the Shipper has delivered gas in compliance with the quality parameters to TSO at the Entry point. The time of the physical flow of gas through the transmission network is to be considered. Payment of these fees shall not preclude the right of the Shipper to claim damages incurred in connection with delivery of off-spec gas.

4.7. Pressure Levels at Entry points and Exit points

- 4.7.1. Natural gas supplied and handed over at Entry points and Exit points into and out of the transmission network shall comply with the pressure levels stated in the Contract. Shipper shall maintain the pressure level of gas at the Entry point and TSO shall maintain the pressure level of gas at the Exit point.
- 4.7.2. Should the natural gas delivered by the Shipper for transmission into the Entry point of the transmission network fail to reach the pressure level as laid down in the Contract, TSO shall have the right to refuse to transmit such gas. Even if such gas has been accepted for transmission, the Shipper is obliged, pursuant to the concluded Contract, to pay fees for delivery of gas with the lowered pressure level, provided TSO has re-delivered gas with the pressure level in compliance with the Contract to the Shipper at the Exit point. Payment of these fees shall not preclude the right of TSO to claim damages incurred in connection with transmission of gas with the lowered pressure level.
- 4.7.3. Should the natural gas re-delivered by TSO into the Exit point of the transmission network fail to reach the pressure level as laid down in the Contract, the Shipper shall have the right to refuse to take over such gas. Even if such gas has been taken over, TSO is obliged, pursuant to the concluded Contract, to pay fees for delivery of gas with the lowered pressure level, provided the Shipper has delivered gas with the pressure level in compliance with the Contract to TSO at the Entry point. Payment of these fees shall not preclude the right of the Shipper to claim damages incurred in connection with delivery of gas with the lowered pressure level.

4.8. Restriction or Interruption of Transmission

- 4.8.1. TSO has the right to restrict or interrupt transmission in cases as enumerated in Art. 41, Section (2) of the Energy Act. This right applies to both firm and interruptible capacity.
- 4.8.2. The time period for notification of the commencement and termination of the restriction or interruption, caused by scheduled reconstructions, modernisations, repair, maintenance and inspections of gas facilities, shall be agreed between TSO and the Shipper in the Contract. Unless otherwise agreed, the above period is equal to thirty (30) days. TSO shall coordinate performance of these works with the operators of adjacent transmission networks with the purpose of scope and terms coordination.
- 4.8.3. If a restriction of the transported quantity of gas occurs, either due to repair

and maintenance works or for reasons of Force Majeure as defined in Article 7.2, TSO shall first restrict or interrupt transmission for Shippers with a Contract with interruptible transmission capacity and only then for those with a Contract with firm transmission capacity.

- 4.8.4. TSO shall have the right to restrict or interrupt the transmission of gas should the Shipper fail to meet obligations of Contract, particularly:
- a) the Shipper is, although being notified, delayed according to Section 5.4.6. in settlement of the whole or partial amount invoiced by TSO;
 - b) the Shipper is repeatedly breaking the balancing rules as stipulated in the Contract;
 - c) the Shipper is repeatedly not observing the gas quality parameters and the pressure levels in a way which endangers or might endanger a safety of operation and/or integrity of gas system facilities.

4.9. Metering

- 4.9.1. Metering of quantity and quality parameters shall be carried out at the metering station at the respective Entry point and Exit point according to proceedings and standards laid down in the Technical Conditions.
- 4.9.2. If requested so, TSO undertakes to enable the Shipper or his authorised representative to be present at controls of the metered quantity and quality gas parameters, the offtakes of gas samples, as well as at controls of the metering equipment at metering stations that are in the TSO's care, while for those metering stations, which are out of the care of TSO and to which TSO has access, TSO shall support the User by mediating such his request.
- 4.9.3. The extent and the methodology of gas quantity and quality metering in metering stations, as well as of controlling and sample-taking procedures, shall be performed on the basis of procedures determined under Interconnection agreements, taking into consideration the Technical Conditions.

4.10. Disputes Regarding Metering

- 4.10.1. If disputes concerning metering of natural gas arise and cannot be resolved by agreement between TSO and The Shipper, they shall be resolved by an independent arbitration laboratory. The choice of arbitration laboratory shall be made by means of a written agreement between TSO and the Shipper. If no such agreement is reached within reasonable time, the following arbitration laboratory shall resolve the dispute:

For the purpose of metering gas quantities:
Netherlands Meetinstituut, Hugo de Grootplein 1,
P.O. Box 394, 3300 AJ Dordrecht, Netherlands

For the purpose of metering gas quality:
Netherlands Meetinstituut, Schoemakerstraat 97,

P.O. Box 654, 2628 VK Delft, Netherlands.

- 4.10.2. In case of differences concerning gas quality, TSO and the Shipper shall take, in accordance with regulation STN EN ISO 10715, three samples of which one shall be for TSO, one for the Shipper and one for the arbitration laboratory.
- 4.10.3. The arbitration laboratory's decision shall be binding for TSO as well as for the Shipper. The costs relating the arbitration procedure are paid by the party that was unsuccessful in the respective dispute.

5. PRICES AND PAYMENT TERMS

5.1. Prices for Transmission

After conclusion of the Contract, TSO is entitled to charge and the Shipper is obliged to pay the price for gas transmission. Prices for gas transmission shall be determined according to the applicable pricing decision of URSO.

5.2. Price for Overruns of Daily Capacity

- 5.2.1. Should the agreed daily transmission capacity be overrun at the respective Entry point or Exit point, the Shipper is obliged to pay a fee for the overrun of the daily transmission capacity which shall be calculated in accordance with Annex 1 of the Gas Market Rules.
- 5.2.2. If the Shipper overruns the agreed daily transmission capacity at the respective Entry point or Exit point in a given month repeatedly, the overrun fee shall only be charged once, namely for the highest overrun of the agreed daily transmission capacity in that month.

5.3. Gas for Operational Purposes

- 5.3.1. The Shipper is obliged to provide TSO with gas for the purposes of transmission network operation, namely for each Entry point into the transmission network and for each Exit point out of the transmission network.
- 5.3.2. The volume of gas provided for the operational purposes shall be set as a product of the actually metered volume of transported gas at each Shipper's Entry and Exit point of the transmission network and respective rates of the pricing decision of URSO.

5.4. Terms of Payment and Invoicing

- 5.4.1. The Shipper is obliged to make payments for gas transmission to TSO based on an invoice for transmission in EUR unless the Contract stipulates payments

in Slovak crowns or USD.

- 5.4.2. Unless the Contract stipulates otherwise, the yearly payment for gas transmission for the respective year shall be paid in equal monthly payments, representing 1/12 of the yearly payment in the respective year, provided that the Contract is either a yearly Contract or a long-term Contract. If the term of the Contract is less than one year, the aforementioned principle shall apply accordingly.
- 5.4.3. The monthly payments shall be payable on the first banking day following the 15th calendar day of the month following the month for which a price for the provided transmission capacity is paid (hereinafter the “**following month**”), based on a final invoice. TSO is obliged to deliver to the Shipper a final invoice for the respective month not later than by the seventh calendar day of the Following Month, unless a different solution is agreed upon in the Contract between TSO and the Shipper.
- 5.4.4. Final invoices for particular months of a given year issued by TSO shall include all essentials required under binding accountancy and tax regulations, including bank details and an account number to which the payment should be credited, IBAN and other data specified in the Contract.
- 5.4.5. Should fees e.g. for the failure to meet the quality parameters of gas, maintain the agreed gas pressure levels, or balancing fees be billed, the respective partial monthly instalment of the annual transmission charge for the respective year shall be increased or decreased accordingly by the amount of the sanctions billed.
- 5.4.6. In the case of a default in the payment of the financial obligations arising under the Contract, the respective Party is obliged to notify the other Party of this fact. In the case of delay with payment of the financial obligations arising under the Contract, TSO has the right to charge a late payment interest in an amount of 3.0 % above the 3-months EURIBOR interest rate, starting from the date when invoice is payable. In case that the Shipper is in default in payment of its financial obligations arising under the Contract for a period of more than fourteen (14) calendar days, TSO has the right to suspend transmission in compliance with Section 4.8.4. of this operational order or to terminate the Contract.

5.5. Financial Security

- 5.5.1. TSO is entitled to request the applicant to attach documents demonstrating its ability to meet the financial obligations arising from the Contract when submitting the Request.
- 5.5.2. The value of financial security shall be an amount reasonably defined by TSO in a non-discriminatory way, based on performed economic analysis, taking into account in particular creditworthiness of the applicant and the projected values of requested transmission services, including all fees and charges arising from the Contract
- 5.5.3. As a form of financial guarantee the TSO accepts in particular following

instruments:

- a) bank guarantee
- b) prepayment
- c) deposit account
- d) letter of credit.

5.6. Taxes

- 5.6.1. Any price which is agreed within the Contract is defined as a net price, i.e. the price without any tax, custom duty and any other levies of a similar nature. Taxes, custom duties and any other levies of a similar nature are for the purpose of the Contract considered to be taxes.
- 5.6.2. TSO has a right to add to the price any amount equal to taxes imposed on TSO by valid legal framework.
- 5.6.3. For the avoidance of doubt, the taxes addressed in 5.6.1 do not include the corporate income tax.
- 5.6.4. In the case of introduction of any new tax or fee which did not exist in time of conclusion of Contract, and the application of which has an adverse material effect on the Shipper's and/or TSO's economic conditions, the Parties shall negotiate in good faith to seek possible ways to avoid or minimize such adverse material effects. If the Parties fail to agree to a mutually acceptable solution within 90 days of the Shipper's or TSO's written request for negotiations, the Shipper or TSO are entitled to terminate the Contract at the end of each quarter with the termination becoming effective upon expiration of a 3-month period starting on its delivery to the other contracting party.

6. TRANSMISSION NETWORK DISPATCHING MANAGEMENT

6.1. Nomination of Gas Transmission

- 6.1.1. The Shipper for whom gas is transmitted from an Entry point to an Exit point shall make a nomination of gas transmission for each day at the Entry point and Exit point. The Shipper, who is simultaneously the Shipper of the distribution network, shall make a nomination for both gas distribution and transmission by distribution network operator. Distribution network operator shall pass the nomination for gas transmission of the Shipper of the distribution network to TSO.
- 6.1.2. The daily nomination of gas transmission shall not exceed the quantity of the agreed daily transmission capacity.
- 6.1.3. Nomination of gas transmission includes, in particular
 - a) the Shipper's identification data;
 - b) the period of time during which the quantity of gas is to be transmitted;
 - c) the quantity of gas to be transmitted;

d) the Entry point and the Exit point.

6.1.4. Once in a Week, on Friday till 12.00, Shipper shall announce in writing to TSO a non-binding forecast for their gas flows through Slovak territory for each Day of the following Week.

6.1.5. Each day not later than 15.00 Shipper shall send in a writing form to TSO a binding nomination of a daily quantity for the following gas day. In case that TSO receives no information from Shipper before 15.00, the last delivered information is assumed to be nominated also for the next gas day.

6.2. Confirmation of Nominations

6.2.1. TSO shall daily after 15.00 summarize the quantities called up by Shipper for transmission through the territory of Slovakia for the following gas day. Then TSO makes the checking of nominated quantities:

- a) TSO checks the consistency of the Shippers' nominations with the daily capacities in the Transmission Contract;
- b) TSO checks the data consistency between the Shipper nomination and the confirmations of the upstream and downstream transmission system operators, taking into account the Counterparty Relationship;
- c) TSO checks the consistency between the quantities nominated by Shipper for the Entry and Exit points, taking into account the provisions of the Transmission Contract, in particular the provisions regarding gas for operational purposes.

6.2.2. If one of the above listed checks reveals inconsistency, the TSO shall inform the Shipper and ask him to remove the inconsistency.

6.2.3. In case the Shipper fails to remove the inconsistency and confirm it to TSO before 17.30, then TSO makes adjustments of the nominated volumes in such a way, that the lesser of the quantities is considered to be confirmed for transmission for TSO.

6.2.4. Daily before 18.00 the confirmed quantities are announced by TSO to the Shipper in the form agreed upon in the Contract. If no information is provided by TSO, then the nominated volumes are considered to be confirmed.

6.3. Re-nomination and Re-scheduling of Quantities

6.3.1. Shipper has the right to revise its nomination and send it to TSO at any time before or during the gas day. The revised nomination shall be valid if received at the latest two (2) hours before the revised quantities are to become effective and shall concern only the respective gas quantity remaining proportionally for the transmission within the gas day according to the previous nomination. In such case TSO shall send a revised nomination to the concerned adjacent network operator. As soon as a quantity called up is renominated by Shipper, the procedure of nomination's check defined in

Article 6.2. is applied by TSO as applicable. After completion of the renomination process the confirmed quantities are announced by TSO to Shipper.

6.3.2. If TSO:

a) receives credible information, that the Shipper fails to deliver its quantities at the Entry point or to take over its quantities at the Exit point,

b) can not transport Shipper's nominated volumes for unplanned technical reasons,

TSO has the right to reschedule the quantity with an immediate effect, before or during the gas day. TSO shall then send a notice to Shipper with rescheduled quantities and the reasons for the changes.

6.4. Allocation of Gas Quantities

Allocation regimes, complying with operational capacities of TSO and connected networks, are applied at individual Entry and Exit points. These allocation regimes shall be developed so as to match the modernisation process of technical equipment used by the adjacent transmission network operators. The aforementioned allocation regimes shall be updated as needed based on interconnection agreements with operators of interconnected networks. Different allocation regimes may be applied at individual Entry and Exit points. TSO is obliged, in the maximum scope possible, to achieve an agreement with the interconnected networks and apply to the allocation the regime defined in interconnection agreements.

6.5. Balancing

6.5.1. Network balancing is:

a) physical balancing representing a set of activities, through which TSO controls the operation of the network in a specified territory in real time so that it provides, at any moment, transmission of gas from the entry points of the network in the specified territory to the exit points of the network, and that the network in the specified territory is operated correctly, safely and in a non-discriminatory manner for all Shippers, and that costs of operation are fairly allocated to individual Shippers,

b) commercial balancing, which represents maintenance of a balance between the amount of gas entering the network for a Shipper and the amount of gas received from the network by the Shipper, the failure to keep the balance and deviating there from being charged for; commercial balancing provides support for TSO in physical network balancing.

6.5.2. Physical network balancing is the responsibility of the network operator.

6.5.3. Commercial network balancing and settlement of deviations is evaluated by the TSO.

6.5.4. The Shipper is responsible for deviation. The Shipper is obliged to agree with TSO on the terms of balancing in the Contract.

6.5.5. Balancing and settlement of imbalances for a Shipper, who is a Shipper of the distribution network, even if it has concluded a Contract with TSO, in which the

only Exit point from the transmission network is the Domestic Exit point, is provided by distribution network operator. In such a case, the Shipper of the distribution network pays only the fee for the imbalance to distribution network operator. In such a case, Section 6.5.4. does not apply.

7. CONNECTION TO THE TRANSMISSION NETWORK

7.1. Places of connection to the transmission network

- 7.1.1. The operator of a gas facility has the right to connect its facility to the transmission network exclusively at the place demarcated by TSO, if the technical and commercial conditions for connection to the transmission network are met. The place of connection shall mean the place with weld or installed flange behind the last closing fitting, following in the direction from the transmission network after the technological facilities, dedicated exclusively to the regulation of the gas pressure and/or flow and metering of gas quantity and quality for the connected gas facility.
- 7.1.2. The type, structure and parameters of the technological facilities shall be determined by TSO in terms of the determined technical and commercial conditions of connection to the transmission network¹, depending on the specific conditions of connection. The technological facilities include foremost
- a) isolating valve before the metering and regulating device,
 - b) filtering unit,
 - c) metering device for the measurement of gas quantity,
 - d) metering device for the measurement of gas quality,
 - e) regulating device of the gas flow and/or pressure,
 - f) pre-heater of gas,
 - g) depressurising and pressurising pipes,
 - h) device allowing the remote control of the station, transmission and archiving of data,
 - i) isolating valve at the place of connection.

Depending on the technical and operational situation in the transmission network and topological conditions at the place of connection, the TSO shall determine appropriate necessity of the mentioned or other elements of the technological facilities.

7.2. Request for Connection to the transmission network

- 7.2.1. Connection to the transmission network is provided on the basis of a Contract on Connection to the Transmission Network (hereinafter referred to as **“Contract on Connection”**).
- 7.2.2. The Contract on Connection to the transmission Network shall be concluded on the basis of the request for connection to the transmission network

¹ Section 17 and 41 para. 6 lit. f) of the Act No. 656/2004 Coll.

(hereinafter only as the “**Request for Connection**”). The applicant for connection to the transmission network shall file the Request for Connection to the TSO.

7.2.3. The Request for Connection shall contain, in particular:

- a) identification data of the applicant,
- b) the project of connection,
- c) the date of anticipated commencement of transmission through the interconnection point,
- d) requested minimum pressure at the place of connection ,
- e) requested maximum hourly capacity,
- f) expected quality of gas,
- g) documents, proving the applicant’s ability to fulfill its financial obligations towards TSO arising under the Contract on Connection,
- h) in case of an existing interconnection of the to-be-connected gas facility with the distribution network, the operator of which is obliged to fulfill tasks of the gas industry dispatching within the delineated territory, also documents, proving that the operator of the connected gas facility has concluded with the operator of the distribution network, who is obliged to fulfill tasks of the gas industry dispatching within the delineated territory, an agreement on ensuring connectivity of the distribution networks and transmitting data necessary for balancing of the network and an agreement on providing ancillary services, especially for the purpose of ensuring security of supplies and balancing of the network,
- ch) a certificate on conformity of the investment plan with the long-term strategy of energy policy, if required², or a licence to conduct business in energy sector³ with the delineated territory, including the place of connection.

7.2.4. TSO shall publish the procedure for submitting the Request for Connection on its website.

7.2.5. The applicant shall deliver the Request to the TSO’s address in writing. The data, which should be submitted, as well as the documents, which should be enclosed to the Request for Connection, form an inseparable part of the Request for Connection. After receiving the Request for Connection, TSO shall evaluate the data contained herein and the enclosed documents. In case of submitting an incorrectly filled in or incomplete Request for Connection, TSO shall without undue delay ask for the missing or correct data or documents. The applicant shall submit the documents requested by TSO as a part of the Request for Connection in copies. In case that TSO requires so, the applicant shall submit the original of the document for a comparison with the submitted copy. In case there is a difference between the copy and the original found, the date of submission of the original document is considered as the date of submission of the document.

7.2.6. The date of receipt of the Request for Connection completed pursuant to Section 7.2.5. shall be considered as the delivery date of the Request for Connection.

² Section 11 of the Act No. 656/2004 Coll.

³ Section 5 of the Act No. 656/2004 Coll.

7.2.7. TSO shall issue a written standpoint to the Request for Connection within 30 days from receipt. If the Request for Connection is in compliance with the conditions of TSO according to paragraph 7.2.3. and with the technical conditions of TSO, TSO shall deliver to the applicant for connection to the transmission network a draft of the Contract on Connection to the transmission network. In case of refusing connection to the transmission network, such a refusal must be properly reasoned in the written standpoint.

7.3. Conditions of connection to the transmission network

7.3.1. The transmission network, including the place of connection, shall be operated by TSO. The facilities after the place of connection shall be operated by the operator of the connected gas facility.

7.3.2. The technological facilities operated by TSO form an integral part of the transmission network. Their function is to enable a transfer of gas at the place of connection between the transmission network and the connected gas facility with keeping integrity and the balanced state of the transmission network. The operator of the connected gas facility shall have neither ownership title nor any other rights to the transmission network or any part thereof. The technological facilities operated by the operator of the connected gas facility form an integral part of the connected gas facility. TSO shall have neither ownership title nor any other rights to the connected gas facility or any part thereof.

7.3.3. In case of connection of a distribution network to the transmission network, a pre-condition for the conclusion of the Contract on Connection is that the operator of the connected distribution network has concluded an agreement on ensuring connectivity of the distribution networks and communicating data required for balancing of the network and an agreement on providing ancillary services, especially for the purpose of ensuring safety of supplies and balancing of the network.

7.4. Conditions for disconnection from the transmission network

TSO has the right to disconnect the connected gas facility in case that

- a) the connection endangers safety or integrity of the transmission network,
- b) the operator of the connected gas facility has asked for disconnection,
- c) the operator of the connected gas facility permanently does not fulfill the obligations stemming from the Contract on Connection or from the generally binding legal regulations.

8. FINAL PROVISIONS

8.1. Duration and Termination of the Contract

8.1.1. The Contract shall become effective on the day when concluded according Section 3.4.3.

8.1.2. TSO shall have the right to rescind from the Contract with immediate effect, if:

- a) the Shipper seriously or regularly breaches the obligations under the Contract;
- b) the Shipper's financial situation deteriorates to an extent, which jeopardises fulfilment of TSO's potential financial claims under the Contract. This condition is already considered as fulfilled, particularly, in case there has been a proposal filed for declaration of bankruptcy on the shipper's assets, or for composition as defined under the applicable legal regulations on bankruptcy and composition, or a proposal for distraintment of the Shipper's substantial assets;
- c) actions of the Shipper jeopardize or could jeopardize the security of the network or environment or health or lives of people;
- d) if the Shipper has intentionally provided TSO with false information and/or documents when submitting the Request.

8.1.3. Shipper has the right to rescind from the Contract with immediate effect, when TSO seriously or regularly breaches the obligations under the Contract

8.2. Force Majeure

8.2.1. Should any of the Parties fail to meet its obligations due to circumstances of Force Majeure, this Party shall not bear responsibility for not fulfilling its obligations arising under the Contract.

8.2.2. Circumstances of Force Majeure mean extraordinary events which have arisen after the effectiveness of the Contract; are not foreseeable and the Party cannot prevent them. They include, in particular, natural disasters, floods, earthquakes, landslides, war, fire, explosion, terrorist attacks and strikes. Circumstances arising under subjective, special economic conditions of a respective Party and obstacles that could have been overcome or prevented by the Party cannot be considered to be Force Majeure.

8.2.3. The Party referring to the Force Majeure shall be obliged to inform immediately the other Party on any circumstances of Force Majeure and prove it in a reasonable manner.

8.2.4. In case of long-term status of circumstances of Force Majeure Parties shall negotiate in good faith concerning adjustment, or potentially termination of Contract, with the purpose to reduce adverse effects of Force Majeure circumstances.

8.3. Assignment of Rights and Obligations

The assignment and transfer of rights and obligations arising for the Parties under the Contract is only possible with the prior written consent of TSO.

8.4. Confidentiality

- 8.4.1 All information shared between TSO and the Shipper concerning the Contract is considered confidential and no Party may reveal such information to third parties without the previous written consent of the other Party. The Party, which was requested to provide a consent to disclosure of confidential information, must provide the consent, if the reason for disclosure is reasonable and should not, taking into account all relevant circumstances, cause any risk to the requested party.
- 8.4.2 TSO and the Shipper are allowed to disclose confidential information concerning the Contract only to their employees, consultants, counsels or other service providers, as well as to those state authorities that are entitled to request the given information in accordance with the applicable legislation.
- 8.4.3 TSO and the Shipper shall take all needed actions so that all persons and state authorities, which acquired confidential information pursuant to this Article, maintain their confidentiality.

8.5. Miscellaneous

TSO shall ensure publication of the Operational Order for potential Shippers.

These Business Conditions, as valid at the time of the conclusion of the Contract, shall form an integral part of the Contract.

The provisions under Section 4.1.1. lit. c) and Section 4.1.4. shall become effective as from 01 January 2006.