



Market Survey

In parallel to the network development planning procedure, eustream, a.s., having its registered office at Votrubova 11/A, 821 09 Bratislava, Slovak Republic, registered in the Commercial Register of the Bratislava I District Court, Section: Sa, file No. 3480/B, IN: 35 910 712 (hereinafter referred to as the "Eustream"), as the sole gas transmission system operator (TSO) in the Slovak Republic, is hereby initiating a process of a non-binding market survey in order to assess market demand for cross-border capacities of the transmission network (hereinafter referred to as the "Market Survey").

The main aim of the Market Survey process is to assess the need of new transmission capacity between the Slovak Republic and adjacent market areas, to identify measures for transmission infrastructure development in order to, inter-alia, enhance energy supply security and reliability, not only in the Slovak Republic but for the whole CEE region. Should the assessment of the market demand show sufficient interest for new capacity, Eustream will analyze further steps and decide whether to start a new development project. Subsequently, Eustream will communicate such decision to the respective Market Survey participants.

The Market Survey is initiated as a reaction to the official results of similar surveys performed by the Gaspool market area TSOs (more-capacity.eu) and the Czech TSO (capacity4gas). Among other things, these surveys indicated a need for the extension of transmission capacity in the transmission network of Eustream.

Terms and conditions of the Market Survey (hereinafter referred to as the "Terms and Conditions")

1. Description of the Market Survey

Participation in the Market Survey is only possible under these Terms and Conditions by sending an attached inquiry form (hereinafter referred to as the "Inquiry Form"). By completing, signing, and returning the Inquiry Form, participants confirm that they have accepted the Terms and Conditions.

Participants shall provide Eustream with non-binding details regarding their request for future need of transmission capacity between the market zones bordering with the Slovak Republic (hereinafter referred to as the "Requested New Capacity").

All information about the Market Survey process is available on the Eustream website. This Market Survey is non-binding and is not connected in any way with an agreement or obligation in respect of any subsequent network development or the acquisition or reservation of the existing or new transmission capacity. It does not represent a request for connection to and use of the transmission system and its results should not be in any way interpreted as the obligation of Eustream to develop a new capacity project. It is not necessary to participate in this Market Survey in order to take part in any subsequent allocation of existing and/or new transmission capacity.

2. The procedure for participating

In order to participate in the Market Survey, participants must complete and submit the Inquiry Form. The Inquiry Form must be submitted via registered post and email.

The completed and signed Inquiry Form must be sent in pdf format via e-mail to contact transmission@eustream.sk by 31.12.2016, 12:00 CET at the latest (hereinafter referred to as the "Deadline for Submission").

The original copy of the Inquiry Form, signed by the statutory body of the participant must be sent without undue delay so that it will be received by Eustream by 10.01.2017, 12:00 CET at the latest, in order for the inquiry to be considered as valid. In all cases, timely receipt of the e-mail by Deadline for Submission shall decide whether or not the deadline was complied with.

The original copy of the Inquiry form shall be sent to:

eustream, a.s.
Votrubova 11/A
821 09 Bratislava
Slovakia

Attention: Marek Lendvorský

The Inquiry Form shall be accompanied by the following documents:

- Original of the excerpt from the court registry of companies (or similar evidence) of the participant not older than 60 days before the Deadline for Submission;
- If the Inquiry Form is not signed by a statutory body of the participant in accordance with the foregoing documents, a notarized power of attorney (or similar evidence satisfactory to Eustream) issued to the signatory and which contains an authority to sign the Inquiry Form and all related documents (including all related documents) on behalf of the participant;
- Annual financial statements with auditor's certificate (balance sheet, profit and loss account) for the business year last ended (if 2015 is not available, then 2014); and
- Evidence of credit rating of the participant, or its parent company (or ultimate parent company), in place at that time including details about the rating agency (in case the participant does not have a credit rating, then a statement that it does not have a rating). For the avoidance of doubts, for the purpose of the creditworthiness assessment, only the credit rating of the "Big Three" rating agencies (Moody's, Fitch Ratings and Standard & Poor's) will be taken into account.

Eustream reserves the right to modify the Deadline for Submission of the Inquiry Forms. Inquiry Form received after the Deadline for Submission will not be considered in the demand assessment.

If participant submits multiple Inquiry Forms, only the one received last will be taken into account.

Incomplete Inquiry Form and requested documents, Inquiry Form received after the Deadline for Submission or Inquiry Form sent by fax shall not be taken into account.

By submitting the Inquiry Form, the participant agrees to contribute to the costs of Eustream, connected with initial new capacity project development, according to Article 5 herein, as well as to pay a financial guarantee, according to rules specified in the Article 3 below, to the following bank account:

IBAN: SK78 1100 0000 0029 3570 0511

SWIFT: TATRSKBX

Currency: EUR

To the message for the recipient, the participant will include the following data: "Market Survey – [Name of the participant]".

Participants shall not be entitled to demand that the Eustream website is permanently available or that other technical requirements which are necessary for taking part in the Market Survey in a timely manner are met.

The participant may agree in the Inquiry Form that the participant is interested even in the capacity with lower amount and/or shorter duration than the Requested New Capacity and with such offer during capacity allocation process in case the total capacity of the new capacity project is lower than the Requested New Capacity or the Requested New Capacity may not be offer for the requested duration. In such a case such new capacity amount with such duration shall be deemed to be the Requested New Capacity.

3. Financial guarantee

The financial guarantee shall be calculated according to the total quantity of new capacity requested by the participant, according to the following formula:

$$FG_{ndp} = CAP_{ndp} \times 1.00 \text{ (EUR/MWh/day)} \times CC_n$$

where:

FG_{ndp} – Amount of the financial guarantee provided by the participant (n) for the new development project (dp), in EUR;

CAP_{ndp} – Capacity of the new development project (dp) requested in the Market Survey by the participant (n), in MWh/day; and

CC_n – Credit Coefficient of the participant or its parent company (or ultimate parent company) (n), in per cent.

Credit Coefficient of each participant or its parent company (or ultimate parent company) is defined according to the following creditworthiness assessment:

Rating grade (<i>n</i>)			CC _{<i>n</i>} (%)
Moody's	Standard & Poor's	Fitch Ratings	
Aaa - Ba1	AAA - BB+	AAA - BB+	0%
Ba2 - Ba3	BB - BB-	BB - BB-	50%
B1 - C	B+ - D	B+ - D	100%
Without rating			100%

Participants to the Market Survey are obliged to pay to Eustream the financial guarantee no later than five working days after the Deadline for Submission. Inquiries from participants who have not paid the financial guarantee within this deadline expire and shall not be taken into account in the following process.

Amount of the financial guarantee that the participant has paid will be used to cover part of the contribution of the participant to the costs of Eustream, as per Article 5 herein. In case the subsequent process to the Market Survey does not lead to the sale of the new transmission capacities, by a specified deadline no later than two years after Deadline for Submission, Eustream is obliged to refund amount of the financial guarantee paid by the participant.

4. Market Demand Analysis

Eustream will evaluate data from the submitted Inquiry Forms and will prepare an analysis of the market demand for the new transmission capacities (hereinafter referred to as the "Market Demand Analysis"). The aim of the Market Demand Analysis is, inter-alia, to provide the following information:

- a conclusion on whether a process of development of a new capacity projects, based on the non-binding demand indications will be initiated; and
- provisional timelines for the new capacity projects.

Eustream will inform the participants, who have submitted complete Inquiry Forms and fulfilled its obligation to pay financial guarantee, about the results of the Market Demand Analysis.

5. Contribution of the participants to the cost of Eustream connected with initial new capacity development

Subject to the terms below, each participant is obliged to contribute to the costs of Eustream, connected with initial new capacity project development following the results of this Market Survey ("New Project Development Costs"). Such participation is secured by the financial guarantee under Article 3.

New Project Development Costs shall cover only the expenses of Eustream enabling Eustream to identify technical possibilities for implementation and related pre-implementation costs (e.g. feasibility studies, if required). Such expenses shall, in no way, be connected to the actual project execution/construction.

- 1) In case this Market Survey results in New Project Development Costs corresponding to the Requested New Capacity by the participant and such capacity is offered in an allocation process:
 - (i) Should a participant's binding capacity request reach or exceed the originally Requested New Capacity, under condition that at least such originally Requested New Capacity is offered in the allocation process, its share on the New Project Development Costs („Cost Share“) is zero.
 - (ii) Should a participant's binding capacity request fall below the originally Requested New Capacity, the respective Cost Share shall be calculated as the proportion of the Requested New Capacity submitted by a participant to the total capacity of the new capacity project, multiplied by the costs of the New Project Development Costs.
- 2) In case this Market Survey (i) does not result in New Project Development Costs, or (ii) a subsequent corresponding capacity allocation process does not take place within two years from this Market Survey or (iii) the Requested New Capacity of the respective participant is higher than the final total capacity of the new capacity project and the participant does not agree in the enquiry form with reduction of the amount and duration of the Requested New Capacity, Cost Share of respective participants is zero.

No later than fifteen days after such capacity allocation process, Eustream shall announce to each participant its Cost Share.

Financial guarantee, to the extent it exceeds a participant's Cost Share' shall be refunded by Eustream no later than five days upon announcement of each participants' Cost Share.

6. Exclusion of further-reaching claim

The sole purpose of this Market Survey is to generate non-binding information as part of a process for the market-based allocation of new capacities at the borders of the Slovak Republic. Eustream shall be under no obligation to actually use, evaluate or return the information. Participating in this Market Survey shall not entitle the participants to demand that Eustream carry out or proceed with the procedural steps set out in this Terms and Conditions. Eustream shall at any time be entitled to proceed with, change or, where appropriate, end the process of the new capacity project. Participants shall not be entitled to assert further-reaching claims against Eustream.

This Market Survey is in no way connected with the reservation or allocation of network access capacities.

7. Exclusion and limitation of liability

In any case Eustream shall not be liable for any loss, damage, and/or expense of the participants in connection with this Market Survey. This shall also apply if legal representatives or vicarious agents act on behalf of the Eustream.

8. Use of information, confidentiality

Any information obtained by Eustream in the course of the Market Survey process shall be treated as confidential and shall not be made available to any third parties, except of those which are subject to the

Market Demand Analysis, as per Article 4 herein. However, Eustream reserves the right to make the confidential information obtained during the Market Survey process available to the following:

- a) corporate bodies of Eustream and its shareholders (to the extent permitted by law);
- b) the Slovak Regulatory Authority, European Commission and all its executive bodies;
- c) other entities that are entitled to obtain information on the basis of applicable provisions of national and European law;
- d) other persons obliged to maintain confidentiality, for example accountants, tax consultants and lawyers, under the terms of their particular mandate.

9. Miscellaneous

The law of the Slovak Republic shall apply exclusively to this Market Survey. These Terms and Conditions and its Annexes were developed in English and Slovak. In case of any discrepancies between documents in English and documents in Slovak, the English version prevails.

The submission of the Inquiry Form (and relevant documents) is to be made in English.

Any expenses incurred by participant in connection with participation in the process related to the Market Survey process shall be borne by the participant and shall not be asserted against Eustream.

The sole purpose of this Market Survey is to generate non-binding information as part of a process for the market-based allocation of new capacity at the borders of the Slovak Republic. Eustream is under no obligation to actually use, evaluate or return any information obtained from the market participants.

In the event of a breach of the Terms and Conditions by a participant, Eustream reserves the right to exclude the participant from further participation in the Market Survey, and decide on whether the new capacity that participant requested may still be taken into account during the Market Survey.

Eustream reserves the right to amend the Terms and Conditions for any reason at any time. In case of such amendment, each participant shall be informed in a non-discriminatory way. Eustream does not assume any responsibility vis-à-vis any participant for any consequence arising from such amendments. Eustream reserves the right to ask for supplements from any participant, if needed.

Eustream reserves the right to cancel the Market survey for any reason at any time. In case of such cancelation, each participant shall be informed in a non-discriminatory way.