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**FRAMEWORK AGREEMENT FOR PROVISION OF  
TICKETING SERVICE**

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by and between:

**Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna w Warszawie**

and

[...]

Warsaw, , 2017

This **Framework Agreement for Provision of Ticketing Service** ("Framework Agreement") has been concluded in Warsaw on ..... 2017, by and between:

(1) **Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**

with its registered office in Warsaw (01-224) at 25 Marcina Kasprzaka Street, entered in the register of entrepreneurs of the National Court Register (KRS) under KRS number 0000059492, for whom the registration file is kept by the District Court for the Capital City of Warsaw in Warsaw, 12<sup>th</sup> Commercial Division of the National Court Register, with share capital in the amount of PLN 5,900,000,000, fully paid-up, with tax identification number (NIP): 525-000-80-28 ("**PGNiG**" or "**Seller**"),

represented by:

.....  
.....

and

(2)

("Customer" or "Recipient"),

represented by:

.....  
.....

PGNiG and Customer are hereinafter jointly referred to as the "Parties", and each of them individually as a "Party".

The Parties have agreed as follows:

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## § 1. Definitions

The following terms when used in the Framework Agreement or in a Confirmation Notice shall have the meaning specified below:

1. **Sales Price** – the price indicated in the Confirmation Notice at which the sale of Gaseous Fuel constituting the Mandatory Stock takes place;
2. **Resale Price** – a price indicated in the Confirmation Notice at which the resale of Gaseous Fuel constituting the Mandatory Stock takes place in case of the termination of the Confirmation Notice;
3. **Mandatory Stock Replenishment Price** – a unit price indicated in the Confirmation Notice, at which the settlement in respect of the Gaseous Fuel from the PGNiG's portfolio used for the replenishment of the Mandatory Stock takes place;
4. **Gas Day** – shall have the meaning as specified in TNC;
5. **Business Day** – shall have the meaning as specified in TNC;
6. **PGNiG Group** – means Polskie Górnictwo Naftowe i Gazownictwo S.A. and all its subsidiaries and affiliates, either direct or indirect, within the meaning of the Commercial Companies Code of 15 September 2000 (Dz.U. 2013, item 1030, as amended);
7. **TNC** – means the currently applicable Transmission Network Code prepared by the TSO and implemented in accordance with the Energy Law;
8. **Storage** – means a storage facility or group of storage facilities indicated in the Confirmation Notice used for the storage of gaseous fuels, including an underground natural gas storage facility, owned by an energy company or operated by such a company, excluding such part of the facility which is used for production operations, and the facility intended solely for the performance of the duties of gas transmission system operators;
9. **Gas Month** – shall have the meaning as specified in TNC;
10. **Contract Term** – means the time period for which the Confirmation Notice is executed;
11. **Storage System Operator (SSO)** – Gas Storage Poland Sp. z o.o. - an energy company engaged in the storage of gaseous fuels, the responsibilities of which are set out in the Energy Law, designated as such by virtue of a decision of the President of ERO.
12. **Transmission System Operator (TSO)** – Gas Transmission Operator GAZ-SYSTEM S.A. - an energy company engaged in the distribution of gaseous fuels that is responsible for network operation in the gas system, the duties of which are specified in the Energy Law, designated as an Operator by virtue of a decision of the President of ERO.
13. **Monthly Fee** – fee payable for the provision of the Ticketing Service, set out in the Confirmation Notice;
14. **Adjustment Fee** – means the fee defined in clause 5.5;
15. **Option Change Fee** – the fee referred to in clause 6.3, the level of which is set out in the Confirmation Notice;
16. **Variant Change Fee** – the fee referred to in clause 6.4, the level of which is set out in the Confirmation Notice;
17. **Fee Related to Termination Resulting from a Change of Law** – the fee referred to in clause 13.2, the level of which is set out in the Confirmation Notice;
18. **Gaseous Fuel** – shall have the meaning identical with definition of the “Natural Gas” provided in the Stockpiling Act, ie: high-methane natural gas or low-methane natural gas, in all states of matter, including liquefied natural gas (LNG) and compressed natural gas (CNG);
19. **Gas Reseller** – means a gas reseller within the meaning of the Act on Excise Duty;
20. **Energy Law** – means the Energy Law Act of 10 April 1997 (i.e. Journal of Laws of 2012, item 1059, as amended).
21. **President of ERO** – means the President of the Energy Regulatory Office;
22. **OTC Point** - means the Virtual Exit Point within the meaning of the TNCP;
23. **Storage Exit Point** - means the Exit Point at the interconnection with storage facilities or groups thereof, the EIC number of which will be indicated in the Confirmation Notice;

24. **Gas Year** – shall have the meaning as specified in TNC;
25. **SSR** – means the currently applicable version of the Storage Service Rules of the SSO;
26. **Force Majeure** – shall have the meaning as specified in TNC;
27. **SSO Tariff** – means the currently applicable tariff of Gas Storage Poland Sp. z o.o.;
28. **Agreement** – means the legal relationship between the Parties, including the content of the Framework Agreement and the Confirmation Notices binding upon the Parties;
29. **Transmission Contract** – means the contract for the provision of transmission services in respect of Gaseous Fuel executed between PGNiG and the TSO;
30. **Storage Services Agreement** – means the agreement for the provision of storage services in respect of Gaseous Fuel executed between PGNiG and the SSO;
31. **Ticketing Service** – shall have the meaning defined in clause 3.1;
32. **Act on Energy Efficiency** – means the Act on Energy Efficiency of 20 May 2016 (Journal of Laws of 2016, item 831, as amended).
33. **Act on Excise Duty**– means the Act on Excise Duty of 6 December 2008 (Journal of Laws of 2014, item 752, as amended);
34. **Stockpiling Act** – means the act of 16 February 2007 on the stockpiling of crude oil, petroleum products and natural gas and on the operating procedures applicable in emergencies involving state fuel security and disturbances in the petroleum market (Journal of Laws of 2014, item , as amended).
35. **Mandatory Stock**– means Gaseous Fuel in Storage of which the Customer's mandatory stock has been created within the meaning of the Stockpiling Act.
36. **Confirmation Notice**– means an implementing agreement for the Framework Agreement, concluded for a definite term, according to the form enclosed as Appendix No. 1 to the Framework Agreement, which specifies the key terms for the provision of the Ticketing Service;

## § 2. Subject of the Framework Agreement. Execution of Confirmation Notices.

- 2.1. By executing a Confirmation Notice, PGNiG undertakes to provide the Ticketing Service during the Contract Term, and the Customer undertakes to pay the Monthly Fee.
- 2.2. For the avoidance of doubt, the Parties agree that, under this Framework Agreement, they shall have the right, but not the obligation, to execute Confirmation Notices. The Parties may execute any number of Confirmation Notices under this Framework Agreement.
- 2.3. An Confirmation Notice shall be executed in writing, in accordance with the standard form enclosed as Appendix No. 1 to this Framework Agreement. The Parties exclude the possibility of a tacit acceptance of the execution of a Confirmation Notice under Article 682 of the Polish Civil Code.
- 2.4. An Confirmation Notice shall be an integral part of the Agreement, with the provisions of a Confirmation Notice always prevailing over those of the Framework Agreement for the purposes of proper interpretation. In performance of the Agreement, the Parties shall apply the currently applicable versions of the TNC and SSR.
- 2.5. The Confirmation Notice shall specifically set out:
  - (a) Volume of Mandatory Stock;
  - (b) Moment of the transfer of title to the Mandatory Stock;
  - (c) Sales Price;
  - (d) Resale Price;
  - (e) Mandatory Stock Replenishment Price;
  - (f) Contract Term, which shall reflect or be a multiple of a Gas Year but shall not exceed three Gas Years;

- (g) Place where the Mandatory Stock is to be kept;
- (h) Monthly Fee and payment terms.

2.6. In order to execute a Confirmation Notice:

- (a) the Parties shall agree the content of the Confirmation Notice;
- (b) the Customer shall grant a power of attorney to PGNiG to represent the Customer before the TSO, SSO and the President of ERO in the process of obtaining consents for the execution of a Confirmation Notice (in the form of Appendix No. 2 to this Framework Agreement);
- (c) the Customer shall provide PGNiG with a copy of the decision of the President of ERO setting the volume of mandatory stocks of natural gas immediately upon its issuance;
- (d) subject to the decision referred to in point c) above being delivered sufficiently in advance, by 15 May of the Gas Year preceding the Gas Year in which the Ticketing Service is to be provided, PGNiG shall request the SSO to confirm, by 31 May of the same year, the possibility to deploy the mandatory stock in the Storage for the following Gas Year;
- (e) under the power of attorney, PGNiG shall request the SSO to confirm the availability of storage capacity to be used for the mandatory stock corresponding to the volume established by the decision of the President of ERO, by presenting a copy of such decision, and to provide the specifications of the storage facility to be used for keeping the mandatory stocks of natural gas under the Ticketing Service, in order to verify the technical capability for delivering such stocks to the gas system;
- (f) under the power of attorney, PGNiG shall approach the TSO with a request for the verification of the technical capability for delivering the mandatory stocks of natural gas to the gas system within the maximum period of 40 days;
- (g) under the power of attorney, PGNiG shall submit this Framework Agreement and the draft of the Confirmation Notice agreed with the Customer as well as the result of the verification referred to in point (f) to the President of ERO, in order to obtain the approval of this Framework Agreement and the draft of the Confirmation Notice agreed with the Customer by way of a decision issued for the benefit of the Customer;
- (h) The Parties shall proceed immediately, and in any case not later than within 7 days of the delivery of the decision of the President of ERO approving the Framework Agreement and the draft Confirmation Notice, with the execution of the Confirmation Notice according to the approved draft;
- (i) Acting under the power of attorney, PGNiG shall immediately, and in any case not later than within 14 days of the execution date, deliver a copy of the Confirmation Notice to the President of ERO;
- (j) the Parties shall cooperate in order to ensure the timely submission of further documents other than mentioned above, or the fulfilment of other requirements which may be applicable in connection with the potential change of law, TNC or SSR.

### **§ 3. Ticketing Service**

3.1. The Ticketing Service consists in the performance of tasks related to the maintenance of mandatory stocks of natural gas, i.e. specifically in ensuring the maintenance of the Mandatory Stock in Storage. Depending on the moment of sale of the Mandatory Stock, the Ticketing Service may be provided according to one of the two options, as per the selection indicated in the Confirmation Notice: i.e. "Stock of Customer's gas" or "Stock of PGNiG's gas". Depending on the method of accounting for the Mandatory Stock upon the termination of the Confirmation Notice, the option "Stock of Customer's gas" may be provided according to two Variants: "Resale at Storage" or "Delivery at OTC Point".

3.2. In order to secure the capability to perform technical operations under the SSR, specifically in the event of a Customer's failure to take the Mandatory Stock upon the termination of the Confirmation Notice, as well as to ensure the proper performance of reporting obligations under REMIT, the Parties agree that upon the sale of Gaseous Fuel which constitutes a Mandatory Stock, PGNiG shall remain the holder of such Gaseous Fuel in this regard.

- 3.3. PGNiG has entered into a Storage Services Agreement with the SSO, under which the SSO ensures the maintenance of the adequate volume level of the Mandatory Stock. PGNiG shall control the quality of the Mandatory Stock specifically through the choice of the Storage (specifically: the group of storage facilities) where the Mandatory Stock is to be created. Upon a Customer's request, PGNiG shall request the SSO for a confirmation that the Mandatory Stock conforms to the quality requirements set out in the TNC.
- 3.4. PGNiG shall not use the Mandatory Stock for its own needs during the Contract Term. PGNiG shall not subcontract the provision of the Ticketing Service to a third party.
- 3.5. PGNiG shall advise the Customer immediately of any mobilisation of the Mandatory Stock by the TSO, and shall provide the Customer with all relevant information obtained in this regard from the TSO, including specifically any information on the mobilised mandatory stock volumes and the parties for the benefit of which such stock has been mobilised.
- 3.6. The delivery of or settlement in respect of the natural gas consumed in connection with the mobilisation of the Mandatory Stock shall take place between the Customer and the energy companies for the benefit of which the mandatory stocks of natural gas had been mobilised, according to the procedure set out in the Stockpiling Act. The obligations concerning the reporting of such transaction under REMIT shall rest with the Customer.
- 3.7. Upon any change of the rates and prices in the SSO tariff, the Monthly Fee and, as applicable, the Variant Change Fee and the Option Change Fee shall be adjusted according to the formula set out in the Confirmation Notice. The above adjustment of the Monthly Fee shall not constitute a basis for the termination of the Agreement.

#### **§ 4. Option "Stock of Customer's gas"**

- 4.1. When the option "Stock of Customer's gas" is selected in the Confirmation Notice, then, upon the commencement of the provision of the Ticketing Service PGNiG shall transfer the ownership title on the Customer and hand over the entire Mandatory Stock held in the Storage to the Customer and the Customer shall accept such Mandatory Stock and undertake to pay the Sales Price. The place of delivery and transfer of title to the Gaseous Fuel shall be at the Storage.
- 4.2. Following the mobilisation of the Mandatory Stock, subject to clause 4.3, PGNiG shall replenish the Mandatory Stock up to the level set out in the decision of the President of ERO. PGNiG shall replenish the Mandatory Stock by injecting Gaseous Fuel from its own portfolio to the Storage within 4 months, counting from the last day of the month in which the mobilisation took place. In specific justified cases, PGNiG may file a request to the competent minister for energy to grant an extension of this period to up to 8 months.
- 4.3. PGNiG, taking into account the Customer's creditworthiness, may make the replenishment of the Mandatory Stock conditional on the presentation by the Customer of an additional collateral instrument. The collateral instrument may be provided according to clauses 9.3 and 9.4 in the amount indicated by PGNiG, which shall not, however, exceed the equivalent of the product of the Mandatory Stock Replenishment Price and the volume of the Mandatory Stock being replenished. A failure to establish the collateral instrument within the time limit indicated by PGNiG and in the required amount and form, shall give PGNiG the right to terminate the Confirmation Notice with immediate effect.
- 4.4. Once the Mandatory Stock has been replenished but in any case not sooner than upon the lapse of the 4-month time period referred to in clause 4.2, the Customer shall pay PGNiG the product of the volume of Gaseous Fuel injected in order to replenish the Mandatory Stock and the Mandatory Stock Replenishment Price. From the moment when the payment is credited to the bank account of PGNiG, the title to the injected Gaseous Fuel shall pass on the Customer. The place of delivery and transfer of title shall be at the Storage.
- 4.5. The Parties acknowledge that according to the status as at the date of the execution of this Framework Agreement, according to the SSR, in case when the obligation to maintain the Mandatory Stock ceases to apply, or in case of the termination of the Confirmation Notice (regardless of the reason therefor), the Customer shall be obliged to off-take the Gaseous Fuel which previously constituted the Mandatory Stock not later than by the end of the Withdrawal Period within the meaning of the SSR, in which such obligation ceased to apply or the Confirmation Notice was terminated, and when such circumstance occurred outside of the Withdrawal Period or the off-take of such Gaseous Fuel by the end of the current Withdrawal Period is not feasible due to technological reasons, than by the end of the next following Withdrawal Period. The off-take shall take place by the means of (i) resale by the Customer of the Gaseous Fuel which previously constituted the Mandatory Stock, on the terms set out in clause 4.6 below, or through (ii) the delivery of the Gaseous Fuel at the OTC Point according to clause 4.7, depending on the Variant selected

in the Confirmation Notice. For avoidance of doubt, the Customer represents that it is aware of the procedure for sale by the SSO of the Mandatory Stock which has not been off-taken when due, prescribed by the SSR.

4.6. If the Variant "Resale at Storage" was selected in the Confirmation Notice, the resale referred to in clause 4.5 shall take place according to the following principles:

- (a) resale by the Customer shall take place on the date indicated by PGNiG, within the above-mentioned time period stipulated in the SSR;
- (b) the title and risk to the Gaseous Fuel which previously constituted the Mandatory Stock shall pass on PGNiG at the Storage;
- (c) PGNiG shall pay the Customer an amount equivalent to the product of the Resale Price (but not more than the Sales Price) and the volume of Gaseous Fuel which previously constituted the Mandatory Stock; the payment term shall be 10 (ten) days of the delivery of a correctly issued invoice but in any case not earlier than 10 (ten) days of the expiry of the Confirmation Notice;
- (d) the transfer of the title and risk to the Gaseous Fuel which previously constituted the Mandatory Stock shall take place at the moment when the transfer of the amount payable by PGNiG is credited to the bank account of the Customer;

4.7. If the Variant "Delivery at OTC Point" was selected in the Confirmation Notice, then the delivery referred to in clause 4.5 shall take place according to the following principles:

- (a) the delivery shall take place within 40 (forty) days immediately following the termination of the Contract Term; the Parties shall agree the off-take curve (Weekly Nominations) at least 3 Business Days prior to the beginning of the off-take; in the absence of such arrangements, the off-take shall take place at the average Contracted Capacity required for the delivery of the Mandatory Stock within 40 days, but in any case not lower than 1 kWh/h;
- (b) The Gaseous Fuel which previously constituted the Mandatory Stock shall be delivered to the Customer at the OTC Point;
- (c) the document which defines the terms of the delivery of the Gaseous Fuel which previously constituted the Mandatory Stock, according to the conditions set out in the Confirmation Notice and in this clause 4.7 constitutes Appendix No. 3 to this Framework Agreement;
- (d) the quantity of Gaseous Fuel which previously constituted the Mandatory Stock and was not off-taken in accordance with this Framework Agreement due to circumstances for which the Customer is responsible, shall be accounted for according to the variant "Resale at Storage" defined in clause 4.6, provided that in such case PGNiG shall additionally apply the charge for the quantity of Gaseous Fuel which was not off-taken, in the amount equivalent to the charge for long-term firm unbundled storage service calculated according to the SSO Tariff, in respect of the working volume for the period during which the Gaseous Fuel should have been off-taken.

## **§ 5. Option "Stock of PGNiG's gas"**

5.1. When the option "Stock of PGNiG's gas" is indicated in the Confirmation Notice, PGNiG shall transfer the ownership title to the mobilised portion of or the whole Mandatory Stock on the Customer and hand over the same to the Customer upon the mobilisation of the Mandatory Stock, and the Customer shall accept such Mandatory Stock and undertake to pay the Sales Price. If the period during which the Mandatory Stock was mobilised was longer than one Gas Month, the Customer shall pay the Sales Price for the volume of the mobilised Mandatory Stock after the end of the given Gas Month, on the basis of an invoice issued by PGNiG.

5.2. PGNiG shall monitor on ongoing basis the value of the collateral instrument securing the payment of the Sales Price, and in the event when the collateral value is not sufficient to cover such price, PGNiG may demand that the value of the existing collateral instrument be increased, or that a new collateral instrument be established according to clause 9.2(d) of the Agreement.

5.3. Following the mobilisation of the Mandatory Stock, PGNiG shall replenish the Mandatory Stock up to the level set out in the decision of the President of ERO. PGNiG shall replenish the Mandatory Stock by injecting Gaseous Fuel from its own portfolio to the Storage within 4 months, counting from the last day of the month in which the mobilisation took place. In specific justified cases, PGNiG may file a request to the competent minister for energy to grant an extension of this period to up to 8 months.



5.4. After the lapse of 4 (four) months counting from the last day of the Gas Month in which the mobilisation of the Mandatory Stock took place, PGNiG shall settle accounts with the Customer in respect of the difference between the Mandatory Stock Replenishment Price and the Sales Price. The payment shall be made upon the completion of the Mandatory Stock replenishment, on the basis of an adjustment invoice for sale of Gaseous Fuel making part of the mobilised Mandatory Stock.

5.5. The Customer shall pay the Adjustment Fee to PGNiG, according to one of the following options to be selected in the Customer's discretion:

- (a) immediately following the termination of the Confirmation Notice (for avoidance of doubt – also in the case referred to in clause 13.2), in the amount calculated according to the formula prescribed in the Confirmation Notice as the difference (if negative) between, as appropriate (i) the value of the Mandatory Stock at the moment of the Confirmation Notice termination, and (ii) the value of such Mandatory Stock at the moment of the execution of the Confirmation Notice, provided that in case when the Mandatory Stock was increased during the term of the Confirmation Notice, the Adjustment Fee shall be calculated separately for the basic volume and the incremental volumes; or
- (b) immediately upon the execution of the Confirmation Notice – in the amount specified in the Confirmation Notice.

### **§ 6. Change of the selected Ticketing Service option and variant**

6.1. PGNiG shall provide the Customer with a guarantee of access to the Mandatory Stock during the Contract Term in such way that the Customer may demand that PGNiG converts the option "Stock of PGNiG's gas" into the option "Stock of Customer's gas", and such demand shall be binding for PGNiG. PGNiG may, however, make the conversion of the service option conditional on the establishment of a collateral instrument securing the Sales Price.

6.2. The option conversion may take effect from the beginning of a Gas Month, except for those Gas Months during which the Mandatory Stock is being replenished. The demand for option conversion should be delivered at least 1 month in advance, before the option conversion date indicated in the demand. In case of option conversion, the Parties shall execute an annex to the Confirmation Notice, which shall take effect subject to the approval by the President of ERO in an appropriate form.

6.3. In case of the conversion into the option "Stock of Customer's gas" with the variant "Delivery at OTC Point", PGNiG shall charge the Customer for the Option Change Fee.

6.4. The Customer that selected the option "Stock of Customer's gas" and the variant "Resale at Storage" may demand a conversion into the variant "Delivery at OTC Point", and such demand shall be binding for PGNiG. The change of the Variant shall require the execution of annex to the Confirmation Notice and shall take effect subject to the payment of the Variant Change Fee and to the approval by the President of ERO in an appropriate form.

### **§ 7. Adjustment of Mandatory Stock**

7.1. In each Gas Year when the Confirmation Notice executed for a period longer than 1 Gas Year remains in effect, if the volume of the Mandatory Stock in the Confirmation Notice corresponds to 100% of the Mandatory Stock set out in the decision of the President of ERO, the Parties shall adjust the level of the Mandatory Stock by applying the procedure described in clauses 2.6(c) - 2.6(f) as appropriate.

7.2. If the decision establishing the level of the Mandatory Stock results in the necessity for adjustment with respect to the level specified in the previous decision, then:

- (a) if the option "Stock of Customer's gas" was selected in the Confirmation Notice: at 06:00 a.m. on 1 October of the Gas Year in which the obligation to maintain the Mandatory Stock at the revised level comes into effect, as stipulated by the decision, one Party shall transfer the ownership title to a portion of the Mandatory Stock held in the Storage equivalent to the difference between the volume resulting from the previous decision of the President of ERO and the current one onto the other Party and hand over the same to the other Party, and the other Party shall accept such portion of the Mandatory Stock and undertake to pay, as applicable, the Sales Price or the Resale Price. The place of delivery and transfer of title to the Gaseous Fuel shall be at the Storage; and

- (b) regardless of the selected option: starting from 06:00 a.m. on 1 October of the Gas Year in which the obligation to maintain the Mandatory Stock at the revised level comes into effect, the Customer shall pay the Monthly Fee adjusted for the revised level of the Mandatory Stock in the manner described in the Confirmation Notice.

#### **§ 8. Payments under the Agreement. Complaints.**

- 8.1. The Monthly Fee shall be payable for each Gas Month of the Contract Term in arrears. The invoices for the payment of the Monthly Fee shall be issued to the Customer not later than by 5th (fifth) Business Day of the following Gas Month. The Monthly Fee shall be payable by 14th (fourteenth) day of the month following the Gas Month in which the Ticketing Service was provided, subject to a prior delivery of the invoice, unless stipulated otherwise in the Confirmation Notice.
- 8.2. Invoices concerning other payments shall be issued to the Customer after the Gas Month such payment relates to.
- 8.3. Unless otherwise stipulated in the Agreement, the payment term for other amounts due thereunder, and specifically those resulting from the sale of the Mandatory Stock, shall be 14 (fourteen) days of the date of the delivery of a correctly issued invoice.
- 8.4. Unless specific provisions of the Agreement stipulate to the contrary, the contractual penalties, damages or other payments due for the non-performance or for improper performance of the Agreement will be payable pursuant to debit notes issued by entitled Parties within 30 (thirty) days from delivering a given debit note demanding payment to the other Party.
- 8.5. If the due date falls on a statutory holiday, it shall be extended until the end of the next following Business Day.
- 8.6. The Monthly Fee and other charges under the Agreement shall be payable in Polish Zlotys (PLN), unless otherwise stipulated in the Confirmation Notice.
- 8.7. PGNiG shall have the right, but not the obligation, to offset at any moment all amounts due from the Customer against any receivables of the Customer.
- 8.8. The payment of the amounts due under the Agreement shall be made to the bank account indicated on the Confirmation Notice. Any change of the account number shall require a notice in writing signed according to the principles of representation and shall not constitute an amendment of the Agreement.
- 8.9. As the date of payment settlement shall be deemed the date when the amount is credited on the bank account of PGNiG.
- 8.10. The sales of Gaseous Fuel are subject to excise duty according to the rules specified in the Act on Excise Duty. For avoidance of doubt, in each case when the Customer does not act as a Gas Reseller within the meaning of the Act on Excise Duty, the applicable amount of the excise duty shall be added to the Sales Price and the Mandatory Stock Replenishment Price, according to the applicable regulations.
- 8.11. Prices and rates applied to the settlements carried out pursuant to the Agreement are net amounts and they do not include excise duty or the tax on goods and services (VAT).
- 8.12. Any complaints regarding invoices or other accounting documents shall be submitted immediately, but no later than 30 (thirty) days from receiving such document. The filing of a complaint shall not release from the obligation to make timely payment of the amount due.

#### **§ 9. Collaterals for payments**

- 9.1. PGNiG may make the execution of a Confirmation Notice conditional on Recipient's providing a collateral instrument securing payments to be made under the Agreement.
- 9.2. If, during the term of the Confirmation Notice:
- (a) the Recipient is in arrears with the payment of principal amounts (for avoidance of doubt – regardless of whether such arrears concern disputed or undisputed amounts), which exceed the equivalent of one-month Monthly Fee including the applicable taxes, and such amount has not been paid within 14 (fourteen) days of the delivery of an additional written demand for payment to the Recipient, or

- (b) the Customer that held a rating by one of rating agencies: Fitch, S&P, Moody's or by other agency which rates PGNiG, loses such rating, or when the Recipient's rating falls below the level BB- (Fitch or S&P) or Ba3 (Moody's), to the extent that the Customer holds a rating by one of these agencies, or
- (c) the Recipient has been entered as a debtor in the databases of registers of business information operating pursuant to the Act of 9 April 2010 on providing access to business information and the exchange of business data (Journal of Laws of 2014, item 1015, as amended), or they are registered in the register of insolvent debtors maintained pursuant to the Act of 20 August 1997 on the National Court Register (i.e. Journal of Laws of 2013, item 1203, as amended)  
or
- (d) in case when option "Stock of PGNiG' gas" is selected, when (i) upon the execution of the Confirmation Notice the Customer established a collateral instrument securing the payment of the Monthly Fee and the Sales Price, and if (ii) the established collateral instrument is not sufficient to secure the current Sales Price in whole, or with respect to the portion of the Mandatory Stock indicated in the Confirmation Notice,

- the Customer shall, at the request of PGNiG, establish a collateral instrument securing the payments to be made under the Agreement in the amount indicated by the Seller, within 10 (ten) Business Days from the date of receiving a written demand of PGNiG in this respect. The value of the collateral instrument shall not exceed the three times value of the amount referred to in point (a).

9.3. The collateral instrument shall be established in the form of a bank guarantee, unless the Customer, in its own discretion, establishes an insurance guarantee or freezes funds in the bank account, provided that:

- (a) the bank guarantee or insurance guarantee should be irrevocable, unconditional, executed in writing and provided by a party with credit ranking at least at the level of BBB+ (S&P or Fitch) / Baa1 (Moody's), and be subject to the Uniform Rules for Demand Guarantees (URDG 758). The contents of the guarantee shall be subject to a prior approval by PGNiG;
- (b) the freezing of funds on a bank account shall be confirmed by the bank which maintains the account with a statement in the form of Appendix No. 4 hereto, and the Customer shall grant PGNiG a power of attorney to withdraw the funds frozen in the bank account by executing the relevant document in the form of Appendix No. 5 hereto. The freezing may concern funds on a bank account maintained by an entity with credit rating at the level of at least BBB+ (S&P or Fitch) / Baa1 (Moody's).

9.4. Upon the establishment of the collateral instrument, the Customer may, in its own discretion and subject to the principles stipulated in clause 9.3, establish a new collateral instrument *in lieu* of the already established one. In case when the form of collateral instrument is changed, PGNiG shall immediately release the previously established collateral instrument, i.e. release the funds frozen in a bank account or return the original copy of the bank or insurance guarantee.

9.5. PGNiG may, at any time and according to its discretion, satisfy its claims under the Agreement together with any interest due from collateral instrument, starting with the claims with the oldest due date. Any claims satisfied in the above manner shall be recognised towards accounts receivable paid by the Recipient.

9.6. The collateral instrument shall be released (i) within not more than 6 (six) months of being established, provided that any amounts outstanding are repaid during this period and no new outstanding payments accrue on the part of the Recipient, or (ii) immediately, once the circumstances described in clause 9.2 b) and c) cease to apply, or (iii) immediately once all the amounts due are paid in case of the termination of the Confirmation Notice.

9.7. In the event when the Recipient fails to establish a collateral instrument in the situation described in clause 9.2 within the time limit, in the form or in the amount stipulated in the Agreement, PGNiG shall call upon the Recipient to establish such collateral instrument within 5 (five) Business Days of receiving the repeated demand. If the collateral instrument is not established within the time limit specified in the repeated demand, PGNiG shall have the right to terminate the Agreement, subject to 7-days notice. For avoidance of doubt, the termination referred to in the preceding sentence shall result in the obligation to pay the penalty referred to in clause 13.4.

9.8. In case when the annual financial statements are not published, the Customer undertakes to make available, at every request of PGNiG, their annual financial statements for the last accounting year with a certified auditor's opinion or a F-01 report (report on the revenues, costs and financial result as well as expenditure on fixed assets drawn up for the public statistics purposes).

## § 10. Confidentiality

10.1. Subject to the provisions of clause 10.2, the Parties agree that all information concerning the content and course of the Agreement negotiation, as well as all information received from the other Party and its representatives and advisors in relation to the conclusion and implementation of the Agreement (hereinafter referred to as "Confidential Information"), will be regarded as confidential and that, subject to the provisions of clause 10.3, no Confidential Information, including the information concerning the existence of the Agreement, shall be disclosed in any manner, in whole or in part, without the prior written consent of both Parties.

10.2. For the purposes of the Agreement, the information shall not be regarded as Confidential Information if:

- (a) it became public otherwise than through a breach of this Agreement;
- (b) it was known to the receiving Party before its disclosure by the disclosing Party.

10.3. Each of the Parties may disclose Confidential Information without the consent of the other Party:

- (a) at the request of a court, a judicial or administrative authority, including the President of the Energy Regulatory Office, ACER or the European Commission, in accordance with the requirements resulting from the generally applicable provisions of law or in order to exercise their rights before the court or administrative body;
- (b) which it is required to disclose under the generally applicable legal regulations.

10.4. For every case of the infringement of obligations mentioned in this § 10, the Party disclosing Confidential Information with a breach of Agreement will pay to the other Party, at their written request, a contractual penalty in the amount of PLN 100,000 (one hundred thousand Polish zlotys). Regardless of the demand for the payment of contractual penalty, the other Party may also demand that the defaulting Party pay compensation higher than the amount of contractual penalty.

10.5. The obligation of confidentiality, mentioned in clause 10.1 above, shall expire after 3 (three) years from the date of expiration or termination of the Agreement as a result of the termination of or withdrawal from the Agreement.

## § 11. Provisions concerning tax obligations. Disclosure requirements of the Parties.

11.1. The Customer undertakes to:

- (a) not later than on the date of the sale of the Gaseous Fuel comprising the Mandatory Stock, the Customer shall provide PGNiG with the "Recipient's statement concerning the intended use of Gaseous Fuel for the purposes of the calculation of excise duty" using the form enclosed as Appendix No. 6 to this Framework Agreement, which statement, upon its delivery to PGNiG, shall constitute an integral part of the Agreement, provided that this obligation shall not apply to any Customer that have provided PGNiG with an original or authenticated copy of a confirmation drawn up by the competent tax authority, acknowledging the acceptance of a notification of the intention to undertake business activity as a Gas Reseller; PGNiG represents that it is a Gas Reseller within the meaning of the Act on Excise Duty;
- (b) perform disclosure obligations in compliance with the Act on Excise Duty, and specifically to advise PGNiG in writing of any change in the intended use of the Gaseous Fuel for the purposes contemplated in the Act on Excise Duty, to provide PGNiG with an original or authenticated copy of the acknowledgement of receipt of the notification of intention to start the performance of business activity as a Gas Reseller and to inform PGNiG of the loss of the Gas Reseller's status. For avoidance of doubt, the update of the list of Gas Resellers published on the website of the Ministry of Finance shall not release the Customer from the performance of this obligation;
- (c) perform the disclosure obligations resulting from Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (EMIR),
- (d) perform the disclosure obligations resulting from Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (REMIT) as well as the Commission Implementing Regulation (EU) No 1348/2014 of 17 December 2014 on data reporting, implementing Article 8 (2) and Article 8 (6) of Regulation (EU) No 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency (REMIT).

11.2. The Customer represents that they are a party to a valid Contract with the TSO, pursuant to which they are entitled to use the capacity at the Virtual Point, or that the Contract with the TSO, which will entitle the Recipient to use the capacity at the Virtual Point, will be concluded by the Recipient within a time frame enabling the implementation of this Agreement.

11.3. The Customer represents that they are a market participant within the meaning of Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (REMIT), subject to clause 11.4 hereof.

11.4. In connection with the provision of the Ticketing Service, PGNiG is to be considered the market participant within the meaning of Article 9(9) of the Implementing Regulation. For the purposes of reporting under Article 9(9) of the Implementing Regulation in the course of the performance of the Ticketing Service, particularly under the option "Stock of Customer's gas", PGNiG shall hold the Gaseous Fuel owned by the Customer. For the purposes of the performance of the above obligation, PGNiG holds an agreement with the SSO.

11.5. In connection with the conducted operations, the Customer undertakes to buy and take Gaseous Fuel for their own use or for resale, according to the statement in the Confirmation Notice. In cases when the change of an intended purpose for which Gaseous Fuel is used by the Recipient requires the Customer to obtain a licence in accordance with the Energy Law, the Customer is obliged to immediately notify the Seller of this fact in writing and of the fact of being awarded a licence.

11.6. The Sales Price, Resale Price or Mandatory Stock Replenishment Price shall not include the costs incurred by the Parties in connection with the sale of Gaseous Fuel, and resulting from the obligations set out in the Act on Energy Efficiency. The related costs shall be added on the basis of the Party's statement concerning the intended use of the Gaseous Fuel for the purposes of the performance of obligations specified in the Act on Energy Efficiency. Subject to the following sentence, the Parties undertake to present the statement on the intended use of the Gaseous Fuel for the purposes of the performance of the obligations specified in the Act on Energy Efficiency in the Gas Month in which any sale of Gaseous Fuel took place, by the day preceding the date of invoice issuance for the given Gas Month, in accordance with Appendix No. 7. In case of the selection of the option "Stock of Customer's gas", the Parties undertake to present the statement on the intended use of the Gaseous Fuel for the purposes of the performance of the obligations specified in the Act on Energy Efficiency not later than 1 (one) year after the issuance of the invoice in respect of the Sales Price. The cost of the performance of obligations specified in the Act on Energy Efficiency shall be added by the Seller to the Sales Price, Resale Price or Mandatory Stock Replenishment Price for the given Gas Month, provided that in case when the option "Stock of Customer's gas" is selected, the Seller shall immediately issue a correction of the respective invoice upon receiving the statement on the intended use of the Gaseous Fuel in accordance with the preceding sentence. The above cost shall be indicated in the Confirmation Notice.

11.7. The Customer undertakes that in case when a licence for trading in Gaseous Fuels is required under the provisions of the Energy Law in order to conduct business activity, the Customer shall conduct such activity only after obtaining such licence.

11.8. The Customer shall be liable for damages incurred by PGNiG as a result of its failure to notify PGNiG within dates specified in the Agreement about the loss of right to be released from excise duty, the change of the intended use of Gaseous Fuel, or the loss of the Gas Reseller's status. PGNiG shall be entitled to receive compensation from the Recipient in the amount that is required to cover all costs, expenses and penalties incurred by the Seller, which are connected with the above failure to provide information to the Seller by the Recipient.

11.9. The Parties undertake to exchange – unless clearly indicated to the contrary in correspondence – information which does not constitute inside information trading within the meaning of the Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (REMIT).

11.10. PGNiG, acting for the Customer under the power of attorney, shall provide the minister competent for energy related matters and the Transmission System Operator with information on:

- (a) the volume of mandatory stocks of natural gas validated by the President of ERO and on the technical capabilities to deliver such volumes to the gas system within up to 40 days, validated by the gas transmission system operator or a combined gas system operator – by 15 June of each year;
- (b) the actual level of mandatory stocks of natural gas held and the location of their storage, based on the status as at 15 September – by 20 September of each year.

11.11. PGNiG, acting for the customer under the power of attorney, shall provide the minister competent for energy related matters and the President of ERO with the information on the measures undertaken between 1 April of the preceding year and 31

March of the current year with a view to ensuring fuel security of the state in respect of foreign trade in natural gas, and on the performance of the Customer's obligation to hold mandatory stocks of natural gas – 15 May of each year, provided that the Customer delivers these information to PGNiG with sufficient advance, however, not later than 10 Business Days before the statutory deadline,. In case of a failure to provide the above information in time, the Parties shall deem the above-mentioned obligation to have been performed by the Customer on its own.

11.12. The Customer represents that it is an energy company engaged in business activity in respect of foreign trade in natural gas/entity importing natural gas, obliged to hold mandatory stocks of natural gas.

11.13. The Parties undertake to work together in the event of an audit by the President of ERO concerning the performance of the Agreement, specifically by the means of:

- (a) Exchanging information about the audit;
- (b) Exchanging information and documents allowing quick and efficient response to any questions asked by the President of ERO and provision of any requested information to the President of ERO;
- (c) Assigning contact persons to facilitate the communication between the Parties during the audit period;
- (d) Scheduling frequent and regular meetings between designated individuals, in order to improve the information flow and enable quick and efficient response to any questions asked by the President of ERO.

11.14. For avoidance of doubt, the Parties agree that neither of them is authorised to represent the other Party during an audit by the President of ERO.

11.15. The Parties undertake to promptly exchange any relevant information required for the proper performance of the Agreement.

## **§ 12. Renegotiation clause**

12.1. If the Confirmation Notice is executed for a term longer than 1 (one) Gas Year, in case of a material change of the situation on the gas market in Poland and when such change directly affects the scope or method of the performance of the Agreement, either Party may demand from the other Party to renegotiate the level of the Monthly Fee. The demand shall have the form of a written notice which shall be delivered to the other Party in accordance with rules specified in the Framework Agreement. The notice should contain the demand for renegotiation of the Monthly Fee under a given Confirmation Notice as well as the justification of such demand referring to the prerequisites for the renegotiation of the Monthly Fee, as prescribed in this clause 12.1.

12.2. When the above-mentioned written notice has been delivered to a Party, the Parties shall immediately enter into the renegotiation of the Monthly Fee in good faith and with due respect to any reasonable interests of each Party, in order to agree the level of the Monthly Fee which takes into account the change of the market situation constituting the basis for the renegotiation demand. Should the Parties fail to reach an agreement on the above issue within 3 (three) months from the written notice having been delivered to a Party, such agreement taking the form of the execution within the prescribed time limit of an appropriate annex to the respective Confirmation Notice revising the Monthly Fee (unless, in the course of renegotiations, the Parties jointly declare that the revision of the Monthly Fee is not necessary), then each of the Parties may refer the dispute resulting herefrom for settlement by an Arbitration Tribunal, which shall determine the Monthly Fee taking into account the change of market situation which constitutes the basis for the renegotiation demand.

12.3. Until the Parties have reached the agreement mentioned in clause 12.2, or until the dispute is finally resolved by the Arbitration Tribunal through the determination of the Monthly Fee which is to be applied in settlements between the Parties, the Monthly Fee applied in such settlements shall be the Monthly Fee indicated in the relevant Confirmation Notice, unless a monthly fee provisionally determined by the Arbitration Tribunal under a separate decision is applicable. Upon the determination of the Monthly Fee by the Arbitration Terminal, the Parties shall adjust accordingly the payments made under the Agreement for the period starting from the delivery of the demand for change of the Monthly Fee until the date on which such Monthly Fee was finally determined as a result of an agreement between the Parties, or a decision of the Arbitration Tribunal.

12.4. For avoidance of doubt, in case when the Parties fail to reach the agreement referred to in clause 12.2, neither Party shall have the right to terminate the Agreement.

12.5. The right of either Party to demand the renegotiation of the Monthly Fee shall be limited in such a manner that either Party may not exercise the right in a given calendar year if they exercised it with respect to a given Confirmation Notice (which is deemed to take place upon the delivery of the relevant demand) at least once during the previous calendar year.

12.6. In the event of a dispute between the Parties, as described in clause 12.2, the arbitration proceedings shall be conducted in accordance with the rules provided below:

- (a) the arbitration proceedings shall be initiated by way of serving a notification about the arbitration on the other Party, or in another manner stipulated in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law ("the UNCITRAL Rules");
- (b) the dispute shall be finally settled by the Arbitration Tribunal acting in accordance with the UNCITRAL Rules which were in effect on the date of the execution of the Confirmation Notice, with the exception of all UNCITRAL Rules which are contrary to the provisions of this § 14;
- (c) the arbitrators, including the presiding arbitrator, shall have the relevant experience and qualifications, in particular the expertise of the Polish gas market and the principles of economics, as well as experience in solving disputes concerning commercial contracts, and the arbitrators, including the presiding arbitrator, shall have a fluent command of the Polish language;
- (d) the Arbitration Tribunal shall be made up of three arbitrators, with one arbitrator appointed by of each Party, and the two arbitrators appointed by the Parties appointing the third one as the presiding arbitrator. If any of the Parties fails to appoint the arbitrator within 30 (thirty) days from the initiation of the proceedings, or if the appointed arbitrators do not appoint the presiding arbitrator within 30 (thirty) days from the date of appointing the second arbitrator, the arbitrators who have not been appointed (or the presiding arbitrator, respectively) shall then be appointed at the request of either Party by the president of the Arbitral Council at the Polish Chamber of Commerce in Warsaw;
- (e) the arbitration proceedings shall be conducted in Polish, with the above rule being applicable also to the documents presented by the Parties during the proceedings, as well as the witnesses' testimonies, experts' opinions and all other evidence.
- (f) the arbitration proceedings shall be conducted in Warsaw, Poland.
- (g) the decision of the Arbitration Tribunal shall be final and binding upon the Parties.

### **§ 13. Termination. Liability.**

13.1. Either Party may terminate the Confirmation Notice or this Framework Agreement subject to three months' notice effective at the end of the Gas Year, and shall pay in this regard a stipulated penalty fee calculated in a manner indicated in the Confirmation Notice, provided that this provision shall survive the termination of such Confirmation Notice. For avoidance of doubt, in case when the stipulated penalty is paid, the Customer shall not be obliged to pay the Adjustment Fee.

13.2. The Customer may terminate the Agreement one calendar month in advance, such termination being effective as of the effective date of a change to the generally applicable law which results in the complete abolishment of the Customer's obligation to maintain the Mandatory Stock. In such case the Customer shall (i) pay the Monthly Fee in the amount proportional to the part of the Gas Month during which the above-mentioned change of law became effective and (ii) pay the Compensation Charge specified in the Confirmation Order.

13.3. The termination shall not affect the ability to vindicate claims, including the cash receivables, arising prior to the termination date of the Confirmation Notice or the Framework Agreement.

13.4. Either Party may terminate the Confirmation Notice subject to a 1-month notice, effective at the end of the Gas Month, in case of a flagrant violation of the provisions of such Confirmation Notice by the other Party which continues despite such other Party having been called upon to cease the violation and to remove the consequences within an appropriate time period, which cannot be shorter than 14 (fourteen) days. In such situation, if the Agreement is terminated by PGNiG, the Customer shall pay PGNiG the stipulated penalty fee set out in the Confirmation Notice.

- 13.5. The liability of PGNiG for any damage inflicted by the Customer as a result of or in connection with a non-performance or improper performance of the obligations under the Agreement shall be limited to the amount of the Monthly Fee due for the Contract Term, provided that the limitation of liability does not cover any damage intentionally inflicted on the Customer.
- 13.6. Subject to the generally applicable legal regulations, the mutual liability of the Parties shall be limited to the actual damage. The Parties shall not be liable for the lost profits. Each Party shall be responsible for the actions or omissions by persons retained to assist such Party in the performance of its obligations under the Agreement as for its own actions and omissions, as such as the persons to whom it entrusted the performance of such obligations.
- 13.7. The Parties acknowledge that the execution of the Agreement shall not affect potential liability of the Customer, if any, under the Stockpiling Act, i.e. specifically under Article 63 of this Stockpiling Act.
- 13.8. The Party affected by a Force Majeure shall immediately inform the other Party about the occurrence and the expected duration thereof. The Party affected by Force Majeure shall be obliged to make every effort to limit and to overcome the consequences of the Force Majeure and its effects on the performance of obligations resulting from the Agreement. If, as a result of the Force Majeure, the Party is not able to perform all or part of its obligations under the Agreement, and the Party has complied with the requirements mentioned above, then it shall be deemed that the affected Party is not in breach of the Agreement and it shall be released from the performance of its obligations under the Agreement throughout the period when such Force Majeure persists. For avoidance of doubt, a change of the generally applicable law resulting in the complete abolishment of the Customer's obligation to maintain the Mandatory Stock shall not constitute a Force Majeure.

#### **§ 14. Final provisions.**

- 14.1. The Framework Agreement shall enter into force on [\_\_\_\_\_] and it shall be concluded for an indefinite time period.
- 14.2. Subject to the provisions of clause 14.3, neither of the Parties can transfer on any third party their rights or obligations under the Agreement, in whole or in part, without the consent of the other Party.
- 14.3. In the case of introducing organizational changes to the structure and activity of PGNiG, PGNiG shall have the right to transfer the rights and obligations under the Agreement, subject to a prior notification of this fact to the Customer in writing (i.e. rights and obligations under the Framework Agreement and any Confirmation Notices being currently in force) onto another company being a member of the PGNiG Group ("New Obligated Person"), whose business objects are concerned with the trade in of Gaseous Fuels. Should PGNiG intend to exercise the above right, it will inform the Customer in writing about the planned transfer of rights and obligations under the Agreement onto the New Obligated Person, indicating the date as of which the transfer is to be effective.
- 14.4. All notifications, representations and other official correspondence between the Parties related to the Agreement shall be made in writing, or else shall be null and void, and it shall be submitted to recipients by courier or registered mail to the addresses of the Parties indicated in Appendix No. 8 to the Framework Agreement. Any correspondence sent via electronic mail to the email addresses indicated in Appendix No. 8 to the Framework Agreement may only refer to organizational or technical matters which are not related to the presentation of any binding declarations by the Parties, which could affect the existence or contents of the Agreement. A change of address for delivery shall be effective on the day following the date on which the other Party received a written notice about the change of address served in compliance with this clause 14.4.
- 14.5. In case of a dispute related to the Agreement, the court competent to solve such dispute shall be a common court having the jurisdiction over the registered seat of PGNiG.
- 14.6. All amendments to the Agreement need to be drawn up in the form of a written annex. The entry into force of (i) any change to the Agreement, except for the revision of the rates and charges prescribed therein, or (ii) the exercise by the Customer of its right to change the Option or Variant, shall be conditional on the approval of such change by the President of ERO in the appropriate form.
- 14.7. If any provisions of the Agreement prove to be invalid, this shall not affect the validity of the remaining provisions of the Agreement.
- 14.8. This Agreement has been executed in two identical counterparts, one for each Party.
- 14.9. The following Appendices constitute an integral part of the Contract:
- (a) Appendix No. 1 – Form of the Confirmation Notice.



- (b) Appendix No. 2 – Power of attorney for the representation and performance of the agreement.
- (c) Appendix No. 3 – Terms of delivery of the Mandatory Stock.
- (d) Appendix No. 4 – Statement on the freezing of funds deposited in a bank account.
- (e) Appendix No. 5 – Power of attorney for the withdrawal of frozen funds.
- (f) Appendix No. 6 – The form of statement of the Recipient concerning the intended use of the Gaseous Fuel, for the purposes of the calculation of excise duty.
- (g) Appendix No. 7 – The form of statement of the Recipient concerning the intended use of the Gaseous Fuel, for the purposes of the performance of obligations specified in the Act on Energy Efficiency.
- (h) Appendix No. 8 – Contact details of the Parties.

**For PGNiG:**

**For the Recipient:**

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**Appendix No. 1 to the Framework Agreement – Form of the Confirmation Notice**

**Confirmation Notice No. ...**

**to the Framework Agreement ...**

**(standard form)**

executed in ..., on ..., by and between:

PGNiG S.A.

and [ ]

Customer's ACER code

1.	Volume of Mandatory Stock;	
2.	Ticketing Service option	“Stock of Customer's gas”/ “Stock of PGNiG's gas”
3.	In case when the option “Stock of Customer's gas” is selected:	Resale at the Storage/ Resale at OTC point
4.	Contract Term:	1 Gas Year/2 Gas Years/3 Gas Years
5.	Sales Price	
6.	Resale Price	
7.	Mandatory Stock Replenishment Price	
8.	Adjustment Fee	
9.	Option Change Fee	
10.	Variant Change Fee	
11.	Place where the Mandatory Stock is to be kept	
12.	EIC code of the Exit Point to the Storage	
13.	Monthly Fee	
14.	Method of the adjustment of the Monthly Fee and, if applicable, the Variant Change Fee or Option Change Fee (clause 3.7 of the Framework Agreement)	
15.	Method of the adjustment of the Monthly Fee in respect of the change of the volume of the Mandatory Stock (clause 7.2 point (b) of the Framework Agreement)	
16.	Stipulated penalty for early termination of the Confirmation Notice (clause 13.1 of the Framework Agreement)	
17.	Compensation Charge (clause 13.2 of the Framework Agreement)	
18.	Stipulated penalty fee for flagrant violation (clause 9.7 and clause 13.4 of the Framework Agreement)	[applicable / not applicable]  [to be filled in]

19.	The intended use of Gaseous Fuel (clause 11.5 of the Framework Agreement)	[to be specified whether it is meant for private use by the Recipient or for resale]
20.	Currency (if different than PLN - clause 8.6 of the Framework Agreement):	E.g. PLN/EUR/USD
21.	Payment term (if different than in clause 8.1 of the Framework Agreement):	_____ days of invoice delivery.
22.	Securing payments (§79 of the Framework Agreement)	The Customer is obliged to provide security in the form of _____, for the total amount of _____, for a period until _____.
23.	Other Provisions;	[to be filled in, if necessary]
24.	Number of bank account of the contractor under the Confirmation Notice:	

**PGNiG**

**Customer**

**POWER OF ATTORNEY**

Acting on behalf of company ... having its registered office in Warsaw, at [street], [postal code, city], entered to the Register of Entrepreneurs maintained by the District Court for [court designation], [department designation] Commercial Department of the National Court Register under the number KRS [...], NIP [...], [if a corporation – with share capital of [...], fully paid in], hereinafter the “**Customer**”, we hereby grant power of attorney to:

**following employees of Polskie Górnictwo Naftowe i Gazownictwo S.A.**

having its registered office in Warsaw, address: 01-224, 25 Marcina Kasprzaka Street, entered in the Register of Entrepreneurs of the National Court Register (KRS) under KRS number 0000059492, for whom the registration file is kept by the District Court for the Capital City of Warsaw in Warsaw, 12<sup>th</sup> Commercial Division of the National Court Register, with share capital in the amount of PLN 5,900,000,000, fully paid-up, with tax identification number (NIP): 525-000-80-28 (hereinafter “**PGNiG**”):

1. Mr/Mrs [...], with Personal Identity Number (PESEL) / ID card Number [...] – [...]
2. Mr/Mrs [...], with Personal Identity Number (PESEL) / ID card Number [...] – [...]
3. Mr/Mrs [...], with Personal Identity Number (PESEL) / ID card Number [...] – [...]

each of them individually, authorizing to:

1. represent before Gas Transmission Operator GAZ-SYSTEM S.A., Gas Storage Poland Sp. z o.o., President of the Energy Regulatory Office and the minister competent for energy related matters, and to perform any legal or factual actions with respect to these parties to the extent required for obtaining approvals for the execution of the Confirmation Notice to the Framework Agreement for provision of Ticketing Service, and specifically to:
  - a. request Gas Storage Poland Sp. z o.o. to confirm the availability of storage capacity to be used for the mandatory stock corresponding to the volume determined by the decision of the President of the Energy Regulatory Office, by presenting a copy of such decision, and to provide the specifications of the storage facility to be used for keeping the mandatory stocks of natural gas under the Ticketing Service, in order to verify the technical capability for delivering such stocks to the gas system;
  - b. apply to Gas Transmission Operator GAZ-SYSTEM S.A. for the verification of the technical capability for delivering the mandatory stocks of natural gas to the gas system within the maximum period of 40 days;
  - c. present the Framework Agreement and the draft of the Confirmation Notice agreed with the Customer, as well as the result of the verification of the technical capability for delivering the gas stock to the gas system, for the purposes of their approval by way of a decision to be issued for the benefit of the Customer;
  - d. present the President of the Energy Regulatory Office with a copy of the executed Confirmation Notice;
2. represent the Customer before Gas Transmission Operator GAZ-SYSTEM S.A., Gas Storage Poland Sp. z o.o., President of the Energy Regulatory Office and the minister competent for energy related matters, and to perform any factual actions with respect to these parties to the extent required for the performance of the Framework Agreement for provision of Ticketing Service, and specifically to:
  - a. provide the minister competent for energy related matters and the Transmission System Operator with information on:

- i. the volume of mandatory stocks of natural gas validated by the President of ERO and on the technical capabilities to deliver such volumes to the gas system within up to 40 days, validated by the gas transmission system operator or a combined gas system operator;
  - ii. the actual level of mandatory stocks of natural gas held and the location of their storage, based on the status as at 15 September of each year.
- b. provide the minister competent for energy related matters and the President of the Energy Regulatory Office with information on measures undertaken between 1 April of the preceding year and 31 March of the current year with a view to ensuring fuel security of the state in respect of foreign trade in natural gas, and on the performance of the Customer's obligation to hold mandatory stocks of natural gas;
- c. approach the Gas Transmission Operator GAZ-SYSTEM S.A. to acquire information on the volume of the mobilised Mandatory Stock and the details of the entities for the benefit of which such mobilisation took place.

The power of attorney expires upon expiry of the employment relationship between the proxy and PGNiG.

Each of proxies is entitled to grant further powers of attorney in favour of employee or employees of PGNiG (further proxies are entitled to grant further powers of attorney on the same terms).

### Appendix No. 3 to the Framework Agreement – Terms of delivery of the Mandatory Stock

These Terms of delivery of the Mandatory Stock at OTC Point (hereinafter referred to as the “**Terms**”) constitute Appendix No. ... to the Framework Agreement for provision of Ticketing Service of ..... executed in Warsaw, on ..... 2015 (hereinafter “**Framework Agreement**”, between:

**Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**

[...] (hereinafter “**Customer**” or “**Recipient**”),

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#### § 1. Definitions

The following terms when used in the Framework Agreement or in a Confirmation Notice shall have the meaning specified below:

1. **Gas Day** – shall have the meaning as specified in TNC;
2. **Business Day** – shall have the meaning as specified in TNC;
3. **TNC** – means the currently applicable Transmission Network Code prepared by the TSO and implemented in accordance with the Energy Law;
4. **Gas Month** – shall have the meaning as specified in TNC;
5. **Contracted Capacity** – means the maximum quantity of Gaseous Fuel specified in a Confirmation Notice and expressed in kWh/h, which can be taken by the Recipient during one hour;
6. **Weekly Nomination** – means the nomination for individual Gas Days of a given Gas Week, broken down by hour;
7. **Transmission System Operator (TSO or Operator)** – shall have the meaning as specified in TNC;
8. **Gaseous Fuel** – shall have the meaning as specified in TNC;
9. **Virtual Point** – shall have the meaning as specified in TNC;
10. **Renomination** – means the change of an approved Weekly Nomination made by the Recipient;
11. **Force Majeure** – shall have the meaning as specified in TNC;
12. **Emergency Situation** – shall have the meaning as specified in TNC;
13. **Tariff** – means the schedule of prices and charges, as well as the terms and conditions of the use thereof, applied by the Seller according to the Energy Law, used as the basis for settlements in respect of the sale and supply of Gaseous Fuel to the Recipient by the Seller;
14. **TSO Tariff** – means the schedule of prices and charges, as well as the terms and conditions of the use thereof, applied by the Operator, used as the basis for settlements in respect of the Gaseous Fuel transmission service;
15. **Gas Week** – means the period between 6.00 a.m. on Monday in the current week and 6.00 a.m. on Monday in the week following the current week;

#### § 2. The terms of delivery of the Mandatory Stock

21. These "Terms of delivery of the Mandatory Stock at OTC Point" set out the terms of delivery of Gaseous Fuel constituting the Mandatory Stock under the circumstances referred to in clause 4.7 d) of the Framework Agreement.
22. Should the Operator fail to comply with the quality parameters of the Gaseous Fuel or with the quality standards applicable to the service provided to the Recipient, the Recipient shall be entitled, upon demand, to receive a discount established in the manner and according to the procedure stipulated in the TSO Tariff.
23. The TNC shall constitute an integral part of these Terms.
24. The Recipient shall submit Weekly Nominations according to the principles set out in Appendix No. 2 to these Terms. On each Gas Day, the Recipient shall be obliged to take Gaseous Fuel according to the Daily Quantities specified in Weekly Nominations.
25. The Parties agree that the Seller shall not transfer on the Recipient the imbalance charges or charges for deviation from the nominations, imposed on him by the Operator.
26. The quantity of sold and off-taken Gaseous Fuel shall be determined on the basis of nominations submitted and accepted for execution by the TSO. Upon the completion of the delivery of Gaseous Fuel, PGNiG shall draw up a "Delivery Report" according to Appendix No. 1 to these "Terms", and deliver the same to the Customer.

### § 3. Suspension and limitation of the delivery of Gaseous Fuel

- 3.1. The delivery of Gaseous Fuel by the Seller under a given Confirmation Notice may be suspended or limited when:
  - (a) the TSO is conducting operational, diagnostic, maintenance, repair, modernization or connection works concerning the gas network or measurement systems which have a direct impact on the Seller's performance of the subject of the Agreement;
  - (b) there is an Emergency Situation in the gas network which poses a threat to human life or health, for the natural environment or the safety of property;
  - (c) circumstances justifying the restriction of the deliveries of Gaseous Fuel pursuant to the provisions of the Stockpiling Act or other regulations of generally applicable law which govern the application of measures aimed at ensuring the security of natural gas supply materialize.
- 3.2. In the event of suspension or limitation of the supply of Gaseous Fuel by the Operator resulting from the provisions of law or the TNC, the Seller's liability to the Recipient shall be limited to the level of the Operator's liability towards the Seller for the suspension or limitation of the supply of Gaseous Fuel.

Appendix No. 1 to the Terms of delivery of the Gaseous Fuel at the OTC Point – Form of delivery report

Re: Confirmation Notice ... to the Framework Agreement for provision of Ticketing Service

Quantity of Gaseous Fuel in the withdrawal period from .... to ...

Gas Day	Quantity of Gaseous Fuel (in kWh)
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16.	
17.	
18.	
19.	
20.	
21.	
22.	
23.	
24.	
25.	
26.	
27.	
28.	
29.	
30.	
31.	
32.	
33.	
34.	
35.	
36.	
37.	
38.	
39.	
40.	
TOTAL	kWh



**The procedure for submission of Weekly Nominations and Renominations.****I. Submission of Weekly Nominations.**

- 1) On every Wednesday in any Gas Week, until 2 p.m., the Recipient shall submit a Weekly Nomination to the Seller, specifying the Daily Quantities of Gaseous Fuel it intends to take on particular Gas Days in the following Gas Week, broken down by hour. The last Weekly Nomination submitted within the above date shall be taken into consideration. A failure to submit a Weekly Nomination within the above date shall result in adopting the zero (0) volume by the Seller on particular Gas Days of the following Gas Week.
- 2) The Recipient shall have the right to change the quantities specified in a Weekly Nomination by submitting a Renomination. An approved Renomination shall become the current Weekly Nomination.
- 3) The Recipient may submit Renominations, following the procedure specified below:
  - a) Until 12:00 – for the next and subsequent Gas Days. The last Renomination submitted within the above date shall be taken into consideration.
  - b) 3 hours before the hour to which a given change refers. The right shall be applicable from 2:00 p.m. before the delivery day until 02:00 a.m. on the delivery day. The last Renomination submitted in every hour shall be taken into consideration.
- 4) The Seller may reject a Weekly Nomination or Renomination in case when it does not conform to Agreement or for lack of technical capacity to perform it. The Seller shall immediately inform the Recipient about the fact of rejecting a Weekly Nomination or Renomination and about the volumes they are capable of supplying to the Recipient. In such case, the volumes specified by the Seller shall become the valid Weekly Nomination.
- 5) Hourly gas quantities specified in Weekly Nominations and Renominations shall not exceed the Contracted Capacity.
- 6) The information mentioned in this Appendix No. 4 shall be submitted by the Parties using an electronic system for submitting Weekly Nominations and Renominations, in accordance with Appendix No.1 to the Agreement.
- 7) In the case of failure of the system mentioned in section 6 above, the method of submitting a Weekly Nomination or Renomination shall be immediately agreed upon by telephone with the Seller. An emergency procedure for the submission of Weekly Nominations and Renominations has been specified in section III below.
- 8) In the case of Gaseous Fuel purchase performed at a Virtual Point, the Recipient is obliged to submit an identical Nomination to TSO both to the Operator and to the Seller.

**II. IT system**

As the primary channel for the submission of Weekly Nominations and Renominations and transmission of responses with the approval or rejection of the submitted Weekly Nominations and Renominations, the Parties shall use the electronic system accessible at: <https://nominacje.pgnig.pl>.

User accounts will be created in the IT system for the individuals representing the Recipient who are entitled to make arrangements and take decisions related to the submission and approval of Weekly Nominations and Renominations. The logins and passwords will be sent to the appropriate addresses of the Recipient. During the first logging to the system, the Recipient will be asked to accept the Rules for system use. The Recipient will then be forced to change the password into a unique proprietary password. The Recipient shall be responsible for protecting the login and password. The Seller bears no liability for any consequences related to the loss of such information by the Recipient.

The website offers a functionality whereby the information concerning the demand as well as Weekly Nominations and Renominations may be input either manually or using an MS Excel file. Detailed instructions for using the IT system are available after logging to the system in the “Pomoc” (Help) section. If needed, the Seller’s dispatcher services should be contacted.

The browser recommended for the use of the IT system is Internet Explorer, version 8.0 or higher and the operating systems allowing the installation of the MS Silverlight plug-in downloadable from: <http://www.microsoft.com/silverlight/>. The system is also supported by other popular browsers which are compatible with the MS Silverlight plug-in.

The Recipient shall immediately notify to the Seller the lack of possibility to submit a Weekly Nomination or Renomination. After the confirmation by the Seller's dispatching services of an electronic system failure, the Recipient may use the Emergency Procedure described below.

Emergency Procedure

In the case of a failure in the Seller's electronic system, which is confirmed by the Seller, Weekly Nominations and Renominations shall be submitted after agreement has been made with the Seller on the form of submitting them, i.e. by means of communication methods indicated in Appendix No.2 (telephone, fax or email address: ([nominacje@pgnig.pl](mailto:nominacje@pgnig.pl))).

File formats and the principles for file compilation

The data should be sent in an ASCII text file (txt) or in an Excel file (xls,xlsx). The file shall comprise information on a Weekly Nomination or Renomination, by individual days of the Gas Week. All fields should be filled out with appropriate values. Any blank fields related to the quantities of Gaseous Fuel will be treated as if the notified value was equal to zero (0). In the case of Renominations, any change of daily volume will be taken into consideration in accordance with the provisions of the Agreement.

Designation of file names (.xls, .xlsx and .txt):

NTddmmyyyynameww.xls or NTddmmyyyynameww.txt, (NT dd mm yyyy name ww) **where:**

**NT** – a letter designation at the beginning of the file name.

**dd** – a two-digit number which stands for the day – it is always the Monday in the week to which a Weekly Nomination or Renomination refers.

**mm** – a two-digit number which stands for the month to which a Weekly Nomination or Renomination refers (the month in which Monday falls).

**yyyy**– a four-digit number representing the year to which a Weekly Nomination or Renomination refers (the year referring to Monday).

**name** – the name of Station given by the Seller (it can be abbreviated)

**ww** – the number of a Weekly Nomination, Renomination in a given Gas Week (numbers running consecutively from 01 to 99). The numbers are counted from the first Weekly Nomination, Renomination submitted via the emergency communication procedure.

Sample xls sheet

Point ID	Counterparty ID	Name	Year	Month	Day	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday

**Sample txt file**

Each line refers to a different entry or exit point. Each field within a line is divided by semi-colons, as in the following example:

Point ID; Customer ID Code;Name;rrrr;mm;dd;d1;d2;d3;d4;d5;d6;d7

[Instructions for filling in the sheet:](#)

**Point ID** – point number assigned by the Seller

**Counterparty ID Code** – a four-character code UWXY assigned to the Recipient by the Operator

**Name** – the name of the Station provided by the Seller

**yyyy** – a four-digit number representing the year a forecast of demand, Weekly Nomination or Renomination refers to (the year refers to Monday in a given week).

**mm** – the number stands for a month to which a Weekly Nomination or Renomination refers (the month refers to a Monday).

**dd** – the number that stands for a day – it is always the Monday in the week to which a Weekly Nomination or Renomination refers.

**Monday ... Sunday** (d1..d7) – values of amounts provided in Weekly Nominations and Renominations for consecutive days of the week starting from Monday (d1), expressed in kWh with accuracy of 1 kWh.

[A sample filled sheet:](#)

Example concerning the first Weekly Nomination for the 6<sup>th</sup> week of 2010 (from 8 February 2010 to 14 February 2010) for the station called "Przykład" (Example).

A) Name of the xls file: NT08022010Example01.xls

Name of the sheet: Sheet1

Content of the sheet called Sheet1:

Point ID	Counterparty ID	Name	Year	Month	Day	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
123456	UWXY	Example	2010	2	8	41291	39640	39640	39640	39640	39640	39640

**Note:**

Set the format of cells in rows as 'general'.

Months from January to September should be designated with a single-digit number.

Days from 1 to 9 should be designated with a single-digit number.

B) Name of a txt file: NT08022010Example0.txt

Content:

123456;UWXY;Example;2010;2;8;41291;39640;39640;39640;39640;39640;39640

**Note:**

Months from January to September should be designated with a single-digit number.

Days from 1 to 9 should be designated with a single-digit number.



UWXY – a four-character Customer Code assigned to the Recipient by the Operator

**Appendix No. 4 to the Framework Agreement – Confirmation of the freezing of funds deposited on a bank account**

City, .....

.....  
./bank's stamp/ phone:

**CONFIRMATION  
of freezing of funds on a bank account**

On behalf of the Bank:

(bank's details in line with the format of the Account Holder's details below), hereinafter: the "Bank",

we confirm that, at the request of the Account Holder

**[details according to the format from the introductory section of the Framework Agreement]**

on the account number .....

we have irrevocably frozen the funds designated to secure the amounts payable under agreement(s) ..... (number and date of agreement)

in the amount of ..... (in words: ...) PLN (collateral amount).

The above-mentioned amount has been frozen for the benefit of **Polskie Górnictwo Naftowe i Gazownictwo S.A.** with its registered office in Warsaw, address: 01-224, 25 Marcina Kasprzaka Street, entered in the register of entrepreneurs of the National Court Register (KRS) under KRS number 0000059492, for whom the registration file is kept by the District Court for the Capital City of Warsaw in Warsaw, 12<sup>th</sup> Commercial Division of the National Court Register, with share capital in the amount of PLN 5,900,000,000, fully paid-up, with tax identification number (NIP): 525-000-80-28.

The withdrawal of the frozen funds may only be made for the benefit of Polskie Górnictwo Naftowe i Gazownictwo S.A. on the basis of the relevant power of attorney. The release of the frozen funds prior to the expiry of the term for which they have been frozen may take place subject to a prior authorisation in writing by Polskie Górnictwo Naftowe i Gazownictwo S.A.

The Bank undertakes not to close the account on which the funds are frozen until it receives a written consent to do so from Polskie Górnictwo Naftowe i Gazownictwo S.A.

(signatures)

Warsaw, .....

**POWER OF ATTORNEY**

**[Customer's details according to a format consistent with the introductory section of the Framework Agreement]**

hereby grants

**Polskie Górnictwo Naftowe i Gazownictwo S.A.** with its registered office in Warsaw, address: 01-224, 25 Marcina Kasprzaka Street, entered in the register of entrepreneurs of the National Court Register (KRS) under KRS number 0000059492, for whom the registration file is kept by the District Court for the Capital City of Warsaw in Warsaw, 12<sup>th</sup> Commercial Division of the National Court Register, with share capital in the amount of PLN 5,900,000,000, fully paid-up, with tax identification number (NIP): 525-000-80-28

a irrevocable power of attorney to withdraw funds from the bank account of [the Customer] maintained by

... (bank designation)

number .....

in the amount of ..... PLN (in words: .....) (collateral amount)

This power of attorney is granted in order to secure receivables under agreement(s) (number and date of agreement).

The present power of attorney is irrevocable until a written instruction to release the frozen funds is received from Polskie Górnictwo Naftowe i Gazownictwo S.A.

Signature(s) of the person(s) granting the power of attorney is (are) consistent with the specimen signature card.

.....

(company stamp and signatures and stamps of authorised representatives of the company)

.....

(bank's stamp and signatures and stamps of persons representing the bank where the account is to be frozen)

**Appendix No. 6 to the Framework Agreement – Form of statement**

**Form of the Recipient's statement concerning the intended use of Gaseous Fuel for the purposes of the calculation of excise duty<sup>1</sup>**

1. The Customer represents that they **are / are not**<sup>2</sup> a Gas Reseller (within the meaning of the Act on Excise Duty).
2. The Customer represents that as of the **date of submitting this representation / starting from [                      date ]**<sup>3</sup>, the Gaseous Fuel purchased under the Agreement shall be used for the following purposes, which have been specified for the calculation of excise duty:

No.	Intended use of the gaseous fuel	Excise duty rate <sup>4</sup>	The percentage share of the entire volume purchased under the Agreement <sup>5</sup>
1.	for heating purposes: 1) for the carriage of goods and passengers by rail; 2) for combined heat and power generation; 3) agricultural, horticultural, piscicultural works, and in forestry; <input type="checkbox"/> 4) in mineralogical, electrolytic and metallurgical processes and for chemical reduction; 5) in energy-intensive plant using gas products, which has implemented a system aimed at achieving environmental protection objectives or at	Exempted from excise duty <sup>6</sup>	

<sup>1</sup> Recipient is released from the obligation to submit this statement if it has a status of a Gas Reseller and it has delivered to the Seller an original or a authenticated copy of an acknowledgement of receipt of notification of the intention to commence business operations as an Gas Reseller issued by a relevant tax authority.

<sup>2</sup> select as appropriate. The entities considered Gas Resellers within the meaning of the Act on Excise Duty are specifically those which:  
 (a) engage in the resale of natural gas, or  
 (b) use natural gas both for purposes which are exempted from excise duty and for purposes which are not subject to such exemption, or  
 (c) use natural gas both for purposes which are exempted from excise duty and for purposes which are subject to zero duty, and have notified such activity in writing to the relevant head of customs office.

When a Recipient is a Gas Reseller, the Recipient shall be obliged to provide the Seller with an original or authenticated copy of an acknowledgement of receipt of the notification of the intention to undertake business activity as a Gas Reseller issued by the relevant tax authority. The above document shall be delivered within three (3) Business Days of the acknowledgement of receipt of the above notification by a relevant tax authority.

<sup>3</sup> select as appropriate. In the case of Agreement concluded before 1 November 2013, such notification should take place within the date specified in an agreement, no later, however, than on 30 November 2013.

<sup>4</sup> the rules for exemption ad rates specified in the table are compliant with the legal status as of 1 November 2013. They are subject to change in case of relevant amendments to legal regulations.

<sup>5</sup> the percentage share is to be filled in only in cases when the Recipient uses gaseous fuel for various purposes recognised for the purposes of the calculation of excise duty. The share should be specified in relation to the entire volume of the gaseous fuel taken (both for purposes subject to exemption and for those which are subject to excise duty), expressed as percentage with accuracy of two decimal places, so that the sum of individual shares totals 100,00%. In the case when the Recipient specifies the share of gaseous fuel to be used for household heating purposes, the percentage share has to be determined in proportion to the surface area of the real property used for such purposes, taking into account the capacity of heating devices.

<sup>6</sup> the exemption will only be granted when it is indicated in the Agreement that the products will be used for purposes covered by the exemption. [Article 31b section 5 of the Act on Excise Duty]

	<p>energy efficiency improvement.</p> <p><i>[Article 31b section 1 of the Act on Excise Duty]</i></p> <p>for heating purposes by:</p> <p>1) public administration bodies;</p> <p>2) units of the Armed Forces of the Republic of Poland;</p> <p>3) education system entities mentioned in Article 2 of the Act of 7 September 1991 on the education system;</p> <p>4) nurseries and children's clubs mentioned in the Act of 4 February 2011 childcare institutions for children up to the age of 3;</p> <p>5) healthcare entities mentioned in Article 4 section 1 of the Act of 15 April 2011 on healthcare institutions;</p> <p>6) social assistance institutions mentioned in Article 6 point 5 of the Act on social assistance of 12 March 2004;</p> <p>7) organizations mentioned in Article 3 sections 2 and 3 of the Act on Public Benefit Activity and Volunteerism of 24 April 2003.</p> <p><i>[Article 31b section 2 points 2-8 of the Act on Excise Duty]</i></p> <p>for use in the process of electricity generation;</p> <p>for use in the production of energy products.</p> <p><i>[Article 31b section 3 points 2-3 of the Act on Excise Duty]</i></p> <p>for the propulsion of stationary units or for heating purposes related to the propulsion of stationary units, used for the purposes mentioned in Article 31b section points 1-5 of the Act on Excise Duty, or for the purpose of transmission, distribution or storage of gaseous fuel.</p> <p><i>[Article 31b section 4 of the Act on Excise Duty]</i></p>		
2.	<p>for household heating;</p> <p><i>[Article 31b section 2 point 1 of the Act on Excise Duty]</i></p>	<input type="checkbox"/>	Exempted from excise duty <sup>7</sup>
3.	<p>For the propulsion of:</p> <p>a) aircrafts,</p>	<input type="checkbox"/>	Exempted from excise duty <sup>8</sup>

<sup>7</sup> The conditions for exemption:

1) in the case of gas products with the code CN 2711 21 00 (E high-methane natural gas, Ls and Lw low-methane natural gas) – the product quantities being subject to sale must not exceed:

a) 10 m<sup>3</sup>/h – high-methane natural gas of the E group, not more than 8000 m<sup>3</sup> per year, or

b) 25 m<sup>3</sup>/h – low-methane natural gas in the group Lw or Ls, in the group Ln or Lm not more than 10650 m<sup>3</sup> per year;

2) in the case of gas products with the code ex CN 2711 29 00 (propane-butane-air GPP gas, propane-butane free B/P gas) – the product quantities being subject to sale must not exceed:

a) 10 m<sup>3</sup>/h – of the propane-butane-air gas product, not more than 5000 m<sup>3</sup> per year, or

b) 10 m<sup>3</sup>/h – of the propane-butane free gas product, not more than 1000 m<sup>3</sup> per year;

3) in the case of sales of the above products in quantities higher than the above specified – obtaining a statement of the buyer of such products that it does not use them for purposes other than running a household, including for their business activity, or a statement on the quantity of such products used for purposes other than running a household, including their business activity, specified by the buyer in proportion to the surface area of real property used for such purpose, taking into account the capacity of heating devices. [Article 31b section 6 of the Act on Excise Duty]

For the purpose of implementing the above exemption, no real property shall be deemed as a household, if it is used in its entirety for the purposes of the conducted business operations, where the use of gaseous fuel does not exceed quantities specified above. [Article 31b section 8 of the Act on Excise Duty]

<sup>8</sup> the condition for exemption is an invoice issued by the Seller and a statement of the Recipient on the intended use of gas products meant for such



	<p>b) for navigation, including fishing trips</p> <p>- excluding private trips and private flights organized for private pleasure, which have been mentioned in Article 32 section 2 of the Act on Excise Duty.</p> <p><i>[Article 31b section 3 point 1 of the Act on Excise Duty]</i></p>		
4.	<p>For the propulsion of combustion engines, excluding purposes mentioned above which are subject to exemption <input type="checkbox"/></p> <p><i>[Article 89 section 1 point 12 letter a) second indent of the Act on Excise Duty]</i></p>	11,04 PLN/GJ	
5.	<p>For heating purposes, excluding purposes mentioned above which are subject to exemption <input type="checkbox"/></p> <p><i>[Article 89 section 1 point 13 of the Act on Excise Duty]</i></p>	1,28 PLN/GJ	
6.	<p>For purposes other than heating, as additives or extenders to heating fuels, for the propulsion of combustion engines or as additives or extenders to engine fuels, excluding purposes mentioned above which are subject to exemption <input type="checkbox"/></p> <p><i>Article 89 section 2 of the Act on Excise Duty].</i></p>	PLN 0	
<b>Total consumption (should add up to 100,00%)</b>			

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exemption. *[Article 31b section 9 of the Act on Excise Duty]*

Appendix No. 7 to the Framework Agreement – Statement concerning energy efficiency

Sample statement of the Recipient concerning the intended use of the Gaseous Fuel required for the performance of obligations specified in the Act on Energy Efficiency.

(Sample)

Customer's details

KRS<sup>9</sup>:

NIP number:

Statistical number (REGON):

**STATEMENT**

I/we hereby represent<sup>10</sup>, that in the month of ....., 2015, the Gaseous Fuel purchased from PGNiG S.A. pursuant to the Sale Agreement / the Comprehensive Gas Supply Agreement<sup>11</sup> No. ....of..... was off-taken as follows:

- 1) for the purpose of resale: ..... kWh,
- 2) to cover own needs: .....kWh, with the reservation that<sup>12</sup>:
  - (a) the quantity taken for non-energy uses was: ..... kWh;
  - (b) the quantity taken for electricity generation was: ..... kWh
  - (c) the quantity taken for the purposes of heat generation for end off-takers connected to the network within the territory of the Republic of Poland, provided that the total volume of capacity ordered for such off-takers is equal at least 5 MW, was: ..... kWh.

On behalf of the Recipient:

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<sup>9</sup> Fill in when applicable

<sup>10</sup> Delete if not applicable

<sup>11</sup> If a recipient has more than one place of Gaseous Fuel off-take indicated in the Agreement, the Statement needs to be filled separately for each of those off-take places to which the Statement shall refer.

<sup>12</sup> Fill in when applicable.

**Appendix No. 8 to the Framework Agreement – Contact details**

**Contact details of the Parties**

1. Unless any specific rules for the communication between the Parties have been laid down in this Appendix No. 2, all notifications, representations and other official correspondence between the Parties related to the Agreement shall be delivered to the following mailing addresses:

a) For the Recipient:

\_\_\_\_\_

b) For PGNiG:

\_\_\_\_\_

Details of operational contact persons: