TICKETING SERVICE CONTRACT

executed by and between:

Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna in Warsaw

and

[·]

[Option "Stocks on Customer's gas"]

Warsaw, on this day of [·] 2018

Definitions

In this Contract, the following words and expressions shall have the following meanings:

1. **Selling Price** – unit price specified in Appendix No. 2 to the Contract for which the Fuel Gas comprising the Emergency Stock is sold;
2. **Resale Price** – unit price specified in Appendix No. 2 to the Contract for which the Fuel Gas comprising the Emergency Stock is resold upon expiration of the Contract;
3. **Emergency Stock Replenishment Price** – unit price specified in Appendix No. 2 to the Contract at which Fuel Gas from PGNiG portfolio used for Emergency Stock Replenishment is paid for;
4. **Gas Day** – as defined in the TNC;
5. **Business Day** - as defined in the TNC;
6. **PGNiG Group** – means Polskie Górnictwo Naftowe i Gazownictwo S.A. and all its subsidiaries and affiliates with Polskie Górnictwo Naftowe i Gazownictwo S.A. (whether direct or indirect) within the meaning of the Law of 15 September 2000 – the Code of Commercial Companies (Journal of Laws 2017, section 1578, as amended).
7. **TNC** – The Transmission Network Code currently in place, drawn up by the Transmission System Operator and implemented under the Power Law;
8. **Storage Facility** – a storage facility or a group of storage facilities specified in the Contract and used for holding fuel gas, including for tankless storage of natural gas, owned or operated by an energy company, except for such part thereof as is used for production purposes and except for units used exclusively to fulfil tasks of transmission system operator;
9. **Gas Month** – as defined in the TNC;
10. **Contract Term** – the term for which the Agreement is executed, as referred to in § 6 section 1 of the Contract;
11. **Storage System Operator (SSO)** – Gas Storage Poland Sp. z o.o. - an energy company involved in the storage of fuel gas, whose duties are laid down in the Power Law, designated as the Operator by the President of URE.
12. **Transmission System Operator (TSO)** – Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A. - an energy company involved in the transmission of fuel gas, responsible for network traffic in the gas transmission system, the duties of which are laid down in the Power Law, designated as the Operator by the President of URE.
13. **Monthly Fee** – fee payable for the provision of Ticketing Service, specified in Appendix No. 2 to the Contract;
14. **Compensatory Charge** – a charge referred to in § 3 section 6 of the Contract, specified in Appendix No. 2 to the Contract;
15. **Fuel Gas** – has meaning identical to the definition of "Natural Gas" in the Law on Stocks, i.e. means high-methane or nitrogen-rich natural gas in any physical state, including liquefied natural gas (LNG) and compressed natural gas (CNG);
16. **Intermediary Gas Entity** – an intermediary gas entity within the meaning of the Law on Excise Duty;
17. **Power Law –** The Law of 10 April 1997 - the Power Law (i.e. Journal of Laws 2017 section 220, as amended);
18. **President of URE** – means the President of Energy Regulatory Office (Urząd Regulacji Energetyki, URE);
19. **OTC Point** - Virtual Exit Point within the meaning of TNC;
20. **Entry/Exit Point to/from Storage Facility** - an Entry/Exit Point on a connection to storage facilities or groups of storage facilities, the EIC of which was indicated in §7 of the Contract;
21. **Gas Year** – as defined in the TNC;
22. **Rules of Storage Services** – the Rules of Storage Services of the SSO currently in place;

23. **Force Majeure** – as defined in the TNC;

24. **SSO Tariff** – the tariff of Gas Storage Poland Sp. z o.o. currently in place;

25. **Contract** – the legal relationship between the Parties covering the provision of the Ticketing Service;

26. **Storage Agreement** – a Fuel Gas storage agreement executed by and between PGNiG and SSO;

27. **Transmission Agreement** – a Fuel Gas transmission agreement executed by and between PGNiG and TSO;

28. **Ticketing Service** – as defined in § 1 section 1 of the Contract;

29. **Law on Energy Efficiency** – means the Law of 20 May 2016 on Energy Efficiency. (Journal of Laws 2016 section 831, as amended).

30. **Law on Excise Duty** – means the Law of 06 December 2008 on Excise Duty (i.e. Journal of Laws 2017 section 43, as amended);

31. **Law on Stocks** – means the Law of 16 February 2007 on Stocks of Crude Oil, Petroleum Products and Natural Gas and on the Procedures to be Applied in the Event of Threat to National Fuel Security or Disruptions on the Petroleum Market (Journal of Laws . 2017 section 1210, as amended).

32. **Emergency Stock** – Fuel Gas held in a Storage Facility, wherein Customer's emergency stock was created within the meaning of the Law on Stocks.

This **Agreement on the provision of services involving the fulfilment of delegated mandatory stockholding of natural gas obligations** (the "**Agreement"**) was executed in Warsaw on the day of [·] 2018 by and between:

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

having its registered base in Warsaw (01-224) at ul. Marcina Kasprzaka 25, entered into the register of entrepreneurs of the National Court Register under entry no. KRS 0000059492, registry files kept by the Local Court for the Capital City of Warsaw in Warsaw, XII Business Department of the National Court Register, with share capital of PLN 5,778,314,857.00, fully paid-in, assigned the tax identification number NIP 525-000-80-28 (**"PGNiG"**),

represented by:

……

……

and

(2) [...]

Customer's ACER code: [·].

(the "**Customer**"),

represented by:

……

……

PGNiG and the Customer shall be jointly referred to as the "**Parties**", and each of them separately as a "**Party**".

WHEREAS:

A. The Customer is obligated to maintain Emergency Stock of natural gas in association with the [*performance of business operations within the scope of foreign trade in natural gas (copy of decision granting the license of foreign trade in natural gas has been attached as Appendix No. 1 to the Contract / performance of imports of natural gas*][1];

B. On the day of [·], President of Energy Regulatory Office, URE issued to the Customer a decision verifying the quantity of Emergency Stocks of natural gas in the quantity of [·] (say: [·]) MWh (a copy of said decisions has been attached as Appendix No. 1 to the Contract) for the period from 1 October [·] until 30 September [·];

C. PGNiG provides the service of implementing tasks within the scope of maintaining Emergency Stocks of natural gas, referred to in Article 24b of the Law on Stocks (the "**Ticketing Service**");

D. [The Customer intends to commission PGNiG to maintain the Emergency Stocks of natural gas within the scope of Ticketing Service in the quantity ensuing from the decision of the President of URE, referred to in Section B. above. /The Customer intends to commission PGNiG to maintain a part of Emergency Stocks of natural gas within the scope of Ticketing Service, i.e. [·] % (say: [·] per cent) of the quantity of Emergency Stocks of natural gas determined in the decision adopted by the President of URE, as referred to in Section B. above.][2]

E. [The Customer hereby represents that at the moment of execution hereof it is the Intermediary Gas Entity within the meaning of the Law on Excise Duty (a certified copy of the competent tax authority's confirmation stating that it has received a notice of the Customer's intention to start operating as an Intermediary Gas Entity has been appended hereto as Appendix No. 1).][3]

THE PARTIES RESOLVED TO EXECUTE THE CONTRACT IN THE FOLLOWING WORDING:

§ 1 [Subject-Matter of the Contract]

[1] To be selected in keeping with actual status quo.
[2] To be selected at Customer's discretion.
[3] Applicable in the case when the Customer is Intermediary Gas Entity.

1. PGNiG shall provide to the Customer the Ticketing Service, referred to in Art. 24b section 1 of the Law on Stocks, consisting in the holding of Emergency Stock in fulfilment of delegated stockholding obligations.
2. The Customer shall pay PGNiG the Monthly Fee specified in Appendix No. 2 to this Contract.

§ 2 [Volume of emergency stocks held – Article 24 b) section 3 item 1 of the Law on Stocks]

During the Contract Term, the volume of Emergency Stock shall be [·] (say: [·]) MWh.

§ 3 [Performance of the service – Article 24 b) section 3 item 2 of the Law on Stocks]

1. Upon commencement of the Contract Term, PGNiG shall transfer to the Customer the ownership of the entire Emergency Stock held in a Storage Facility and shall deliver it to the Customer, and the Customer shall offtake the Emergency Stock and pay the amount equal to the product of (i) the Fuel Gas volume held as the Emergency Stock and (ii) the Selling Price. The Fuel Gas shall be delivered and ownership thereof shall be transferred to the Customer at the Storage Facility.
2. The Parties acknowledge that − as at the Contract date and in accordance with the Rules of Storage Services, if the obligation to hold the Emergency Stock ceases to apply or the Contract is terminated (for any reason), the Customer is obliged to offtake the Fuel Gas that comprised the Emergency Stock. The offtake referred to in the preceding sentence shall take place no later than by the end of the Offtake Period, within the meaning of the Rules of Storage Services, in which the obligation ceased to apply or the Contract was terminated, and if such circumstances occur beyond an Offtake Period or due to technological reasons it is not possible to offtake the Fuel Gas by the end of the current Offtake Period - the offtake shall take place by the end of the nearest Offtake Period. Depending on the settlement model specified in section 3 below, the offtake shall be made through (i) resale by the Customer of the Fuel Gas previously held as Emergency Stock, on the terms defined in section 4 below, or through (ii) delivery of the Fuel Gas at an OTC Point pursuant to section 5 below. For the avoidance of doubt, the Customer represents that it is aware of the SSO's procedure, defined in the Rules of Storage Services, for selling the Emergency Stock that has not been offtaken.
3. The Customer undertakes to offtake Fuel Gas based on the following model: ["Resale at Storage Facility" / "Delivery at OTC Point".][4]
4. In the case of "Resale at Storage Facility", the resale referred to in section 2 shall be effected according to the following rules:
    a. Resale by the Customer shall take place on a date indicated by PGNiG, within the aforementioned period specified in the Rules of Storage Services;
    b. The title to and risk related to the Fuel Gas previously held as Emergency Stock shall be transferred to PGNiG at the Storage Facility;
    c. PGNiG shall pay to the Customer the equivalent of the product of the Resale Price, the amount of which has been specified in Appendix No. 2 to the Contract (but not higher than the Selling Price), and the volume of the Fuel Gas previously held as Emergency Stock; the payment deadline shall be 10 (ten) days from the delivery of a correctly made out invoice, but no earlier than 10 (ten) days from the termination of the Contract;
    d. The title to and risk related to the Fuel Gas previously held as Emergency Stock shall pass to PGNiG once the amount due from PGNiG is credited to the Customer's bank account.
5. In the case of "Delivery at OTC Point", the delivery referred to in section 2 shall be effected according to the following rules:
    a. The delivery shall take place within 40 (forty) days immediately after the obligation to hold Emergency Stock ceases to apply or the Contract is terminated, as referred to in section 2 above; the Parties shall agree on the offtake profile (Weekly Nominations) no later than three Business Days prior to

[4] The selection depends upon Customer's decision

commencement of the offtake; the Contracted Capacity, at which Fuel Gas will be delivered at an OTC Point will amount to [·] kWh/h.

b. The Fuel Gas previously held as Emergency Stock shall be delivered to the Customer at the OTC Point;

c. The document specifying the rules of delivering the Fuel Gas previously held as Emergency Stock, in accordance with the terms set out in the Contract and in this section 5, is attached as Appendix No. 3 to the Contract;

d. The quantity of Fuel Gas previously held as Emergency Stock that has not been offtaken in accordance with the Contract due to circumstances for which the Customer is liable, shall be settled according to the "Resale at the Storage Facility" model in line with section 4, with the proviso that in such case PGNiG shall also charge the Customer with a fee for the amount of Fuel Gas that has not been offtaken corresponding to the fee for long-term separated storage service on a firm basis charged in accordance with the SSO Tariff for the working capacity in respect of the period during which the Fuel Gas should have been offtaken.

6. Pursuant to provisions under section 2, the offtake of Fuel Gas may be effected based on one of the two models. During the Terms of Contract, the Customer may request PGNiG to replace the "Resale at Storage Facility" with the "Delivery at OTC Point" model, and PGNiG will be bound by such request. The Customer shall be obliged to pay the Charge for Model Change, the amount of which shall be defined in Appendix No. 2 to the Contract. The Ticketing Service model may be changed by executing an annex to the Contract. Prior to the execution of the annex, the Customer shall be obligated to acquire the approval of the President of URE to the execution of such annex, in keeping with the rules, set forth in Article 24b sections 6 and 7 of the Law on Stocks. A change of model shall come into force as at the effective date of such annex.

§ 4 [Conditions ensuring the appropriate volume and quality of emergency stocks held − Art. 24b section 3 item 3 of the Law on Stocks]

1. PGNiG has entered into the Storage Agreement with the SSO, under which the SSO ensures the appropriate volume of Emergency Stock. PGNiG shall manage the quality of the Emergency Stock held under this Contract, in particular by choosing a Storage Facility (in particular: a group of storage facilities) where the Emergency Stock is created. At the Customer's request, PGNiG shall request the SSO to issue a confirmation that the Emergency Stock meets the quality requirements set out in the TNC.

2. Throughout the Contract duration, PGNiG shall not use the Emergency Stock for its own needs. PGNiG shall not contract any other entity to provide the Ticketing Service.

§ 5 [Procedures applied in the course of maintenance of emergency stocks of natural gas, release and replenishment of natural gas emergency stocks following release − Art. 24b section 3 item 4 of the Law on Stocks]

1. PGNiG shall immediately notify the Customer of any release of the Emergency Stock by the TSO and shall provide the Customer with any relevant information obtained from the SSO, including in particular the information on the volumes of the Emergency Stock released

2. Following a release of the Emergency Stock, PGNiG shall replenish it up to the volume specified in § 2 above. PGNiG shall replenish the Emergency Stock by injecting its own Fuel Gas to the Storage Facility within four months from the last day of the month when the release took place. In certain justified cases, a person indicated by PGNiG, acting under a separate authorisation from the Customer, may apply to the minister competent for energy for extension of that period by up to eight months.

3. If the Emergency Stock is released, the Customer shall pay PGNiG an amount equal to the product of (i) the volume of Fuel Gas injected to replenish the Emergency Stock and (ii) the Emergency Stock Replenishment Price. Ownership of the injected Fuel Gas shall be transferred to the Customer upon completion of the Emergency Stock replenishment process. The Fuel Gas shall be delivered and ownership thereof shall be transferred to the Customer at the Storage Facility.

§ 6 [Term of the Contract − Art. 24b section 3 item 5 of the Law on Stocks]

1. This Contract is concluded for the period of [1 Gas Year, i.e. from 06:00 a.m. on 1 October 2018 until 06:00 a.m. on 1 October 2010.("**Contract Term**"). /2 Gas Years, i.e. from 06:00 a.m. on 01 October 2018 until 06:00 a.m. on 01 October 2020 ("**Contract Term**"). /3 Gas Years, i.e. from 06:00 a.m. on 01 October 2018 until 06:00 a.m. on 01 October 2021 ("**Contract Term**").][5]
2. The Customer shall be obligated to promptly deliver to PGNiG the decision verifying the volume of Emergency Stocks of natural gas issued by the President of URE to the Customer in relation to subsequent Gas Year of the Contract Term, but not later than within 3 (three) Business Days from the delivery date of such decision to the Customer. Shall the volume of Customer's Emergency Stocks of natural gas for subsequent Gas Year ensuing from the decision of the President of URE be different (be higher or lower) than the volume of Emergency Stock held within the scope of this Contract in the preceding Gas Year, the Contract will be automatically terminated at the end of preceding Gas Year. In the case of automatic termination of the Contract, the Customer will be obligated to pay the Compensation Fee to PGNiG, in the amount set forth in Appendix No. 2 to the Contract.[6]
3. The Contract shall not be terminated as provided under section 2 above, when the Parties execute an annex hereto adjusting the volume of Emergency Stock prior to the beginning of a subsequent Gas Year (relevant adjustment shall also be applied to the amount of Monthly Fee in keeping with the formula, described in Appendix No. 2 to the Contract). The Customer shall be obligated to acquire the approval of the President of URE to the execution of such annex in keeping with the rules, set forth in Article 24b sections 6 and 7 of the Law on Stocks. The annex shall come into force at the beginning of subsequent Gas Year. Upon the beginning of subsequent Gas Year, the decision issued by the President of URE to the Customer revising the volume of Emergency Stocks of natural gas for given Gas Year becomes a part of Appendix No. 1 to the Contract.[7]
4. From effective date of the annex, referred to in section 3 above, a Party shall transfer ownership to the other Party and hand-over thereto the part of Emergency Stock held within the Storage Facility in the amount equal to the difference between the value binding for the preceding Gas Year and the value binding for subsequent Gas Year, whereas the other Party shall offtake such part of Emergency Stock and undertakes to pay - depending upon whether the transfer of ownership of part of Emergency Stock is effected to the benefit of the Customer or PGNiG - the amount calculated as the product of: (i) absolute value of the difference referred to above, and (ii) the Selling Price, the amount of which has been determined in Appendix No. 2 to the Contract or the amount calculated as the product of (i) absolute value of the difference indicated above, and (ii) the Resale Price, the amount of which has been determined in Appendix 2 to the Contract. The Fuel Gas shall be delivered and ownership thereof shall be transferred at the Storage Facility.[8]
5. The procedure of adjusting the volume of Emergency Stock, referred to in section 3, does not apply when an increase in the volume of Emergency Stock for subsequent Gas Year could cause exceeding the limit in the amount of two times the volume of Emergency Stock held in 1 Gas Year. Under the circumstances described in preceding sentence, i.e. an increase in the volume of Emergency Stock for subsequent Gas Year by more than twice, the Contract will remain in force, and the volume of Emergency Stock will not be altered.[9]
6. [In the annex to the Contract adjusting the volume of Emergency Stock, the volume of Emergency Stock for subsequent Gas Year will be equal to the percentage rate of Customer's emergency stocks set forth in the decision of the President of URE for subsequent Gas Year (such percentage rate being set forth by the Customer in section D. of the Preamble hereof).][10]

§ 7 [Place of holding emergency stocks – Art. 24 b section 3 item 6 of the Law on Stocks]

1. During the Contract Term, the emergency stocks of natural gas shall be held at [·] (EIC Code: [·]); Storage Facility [·].

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[5] In the case referred to in Article 25 section 5 of the Law on Stocks, i.e. the emergence of the obligation to maintain a mandatory stock of natural gas in the course of gas year, the Contract will be executed from the date of emergence of such obligation to maintain a mandatory stock of natural gas by the Customer and will expire at the end of given Gas Year.

[6] This section is not applicable to the Contract executed for the 1 Gas Year.

[7] This section is not applicable to the Contract executed for the 1 Gas Year.

[8] This section is not applicable to the Contract executed for the 1 Gas Year.

[9] This section is not applicable to the Contract executed for the 1 Gas Year.

[10] Shall apply when the Customer holds within the scope of Ticketing Service only a part of Emergency Stocks of natural gas. This section shall not apply to the Contract executed for 1 Gas Year.

2. EIC of the Entry/Exit Point to/from Storage Facility: [•].

§ 8 [Performance of the obligations to prepare and provide information referred to in Art. 27 section 2 of the Law on Stocks – Art. 24b section 3 item 7 of the Law on Stocks]

1. [PGNiG, acting on the Customer's behalf under a power of attorney (the power of attorney shall be provided in standard form attached as Appendix No. 6A hereto at Contract execution), shall present to the minister competent for energy and the President of URE information concerning / The Customer shall present to the minister competent for energy and the President of URE information concerning][11]:
   a. the actual volume of emergency stocks of natural gas held and the place of their storage as at 15 September – by 20 September of each year;
   b. actions taken in the period from 01 January to 31 December of the preceding year in order to ensure national fuel security with regard to gas trading with abroad or imports of natural gas and performance of the obligation to hold emergency stocks of natural gas – by 15 May of each year.
2. If the Customer has granted PGNiG a relevant power of attorney within the scope referred to in section 1 item b. above, the Customer will be obligated to provide sufficiently in advance, at least 10 Business Days prior to the expiry of the statutory time limit, information on actions taken in the period from 01 January to 31 December of the preceding year in order to ensure national fuel security with regard to gas trading with abroad or imports of natural gas and performance of the obligation to hold emergency stocks of natural gas. If the Customer grants PGNiG a relevant power of attorney to that extent, but fails to provide PGNiG with the above information by the deadline referred to above, the Parties shall deem that the Customer has performed the above obligation on its own.[12]

§ 9 [Rules of cooperation in the event of an inspection carried out by the President of URE with respect to performance of the obligations referred to in Art. 24 of the Law on Stocks – Art. 24b section 3 item 8 of the Law on Stocks]

1. The Parties undertake to cooperate in the event of an inspection by the President of URE regarding the Contract performance, in particular by:
   a. Sharing information about the inspection;
   b. Sharing information and documents to enable quick and effective responding to inquiries from the President of URE and providing the President of URE with requested information;
   c. Appointing contact persons to facilitate communication between the Parties in the inspection period;
   d. Scheduling frequent and regular meetings between the appointed persons in order to facilitate the flow of information and enable quick and effective responding to the inquiries from the President of URE.
2. For the avoidance of doubt, the Parties agree that neither of them shall be authorised to represent the other Party during the inspection by the President of URE.

§ 10 [Provisions concerning amendments to this Contract and its termination – Art. 24b section 3 item 9 of the Law on Stocks]

1. Upon any change of rates and prices in the SSO Tariff, the Monthly Fee shall be revised and recalculated based on the formula defined in Appendix No. 2 to this Contract. Such revision of the Monthly Fee shall not provide grounds for termination of this Contract.
2. The Customer may terminate this Contract with effect on the effective date of any amendment to generally applicable laws resulting in total abolition of its obligation to hold Emergency Stocks. In such event, the Customer shall pay to PGNiG (i) the Monthly Fee pro rata to the part of the Gas Month in which such legislative amendment became effective, and (ii) the Compensation Fee specified in Appendix No. 2 to this Contract.
3. Termination of this Contract shall not affect the enforceability of any claims, including monetary claims, which arose prior to Contract termination.

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[11] At Customer's discretion. Shall the Customer hold only a part of Emergency Stocks of natural gas within the scope of this Contract, the Customer will meet the information obligation on its own.

[12] Applicable when the Customer grants power of attorney for the performance of obligations, referred to in section 1.

4. This Contract may be terminated by either Party at one month's notice, with effect at the end of a Gas Month, in the event of a gross breach of its terms by the other Party, continuing in spite of the Party having received a prior notice requiring it to discontinue the breach and remedy its effects within an appropriate time limit set for that purpose, not shorter than 14 (fourteen) days. In such event, if the Contract is terminated by PGNiG, the Customer shall pay to PGNiG the Compensation Fee indicated in Appendix No. 2 to this Contract. If the loss sustained exceeds the Compensation Fee amount, PGNiG shall have the right to seek damages in excess of the Compensation Fee amount in accordance with the general provisions of the law.
5. In the event that the Customer, under circumstances indicated in § 17 section 2 of the Contract, fails to establish security in due time, in such form and for such amount as specified by PGNiG, PGNiG shall once again call upon the Customer to establish the security within the time limit of 5 (five) Business Days from the date of receipt of such repeated demand. If the security is not established within the time limit set in the repeated demand, PGNiG shall have the right to terminate this Contract with immediate effect. In the event described in the paragraph below, the Customer shall be obliged to pay to PGNiG the Compensation Fee referred to in Appendix No. 2 to this Contract. If the loss sustained exceeds the Compensation Fee amount, PGNiG shall have the right to seek damages in excess of the Compensation Fee amount in accordance with the general provisions of the law.
6. In the event of failure to create the security referred to in § 17 section 3 of this Contract (concerning the security in the case of Emergency Stock release) at such time, for such amount and in such form as specified by PGNiG, PGNiG shall have the right to terminate this Contract with immediate effect. In the event described in the paragraph below, the Customer shall be obliged to pay to PGNiG the Compensation Fee referred to in Appendix No. 2 to this Contract. If the loss sustained exceeds the Compensation Fee amount, PGNiG shall have the right to seek damages in excess of the Compensation Fee amount in accordance with the general provisions of the law.
7. In the event that security established in respect of the payments expires in whole or in part during the Contract Term for any reason, the Customer shall be obligated to establish new security on terms satisfactory to PGNiG. The validity of the new security shall commence on the expiration date of former security. In the event that security expired and no new security has been established as required under this paragraph, PGNiG shall have the right to terminate this Contract with immediate effect and the Customer shall be required to pay to PGNiG the Compensation Fee referred to in Appendix No. 2 to this Contract. If the loss sustained exceeds the Compensation Fee amount, PGNiG shall have the right to seek damages in excess of the Compensation Fee amount in accordance with the general provisions of the law.
8. In the event the Customer fails to deliver to PGNiG the documents confirming the establishment of the security referred to in § 17 section 1 below or fails to establish such security, PGNiG will have the right to terminate this Contract with immediate effect and the Customer shall be required to pay to PGNiG the Compensation Fee referred to in Appendix No. 2 to this Contract. If the loss sustained exceeds the Compensation Fee amount, PGNiG shall have the right to seek damages in excess of the Compensation Fee amount in accordance with the general provisions of the law.

§ 11 [The Parties' liability for failure to abide by the Contract terms – Art. 24b section 3 item 10 of the Law on Stocks]

1. The liability of PGNiG for any damage incurred by the Customer as a result of or in connection with non-performance or improper performance of its obligations under this Contract shall be limited to the Monthly Fee due for the effective term of this Contract; however, this limitation of liability shall not apply to any damage wilfully inflicted upon the Customer.
2. Subject to the mandatory laws, mutual liability of the Parties shall be limited to the direct loss. The Parties shall not be liable for any ceased profits. Each of the Parties shall be liable for the actions or omissions, of any persons through the agency of whom it performs its obligations under this Contract, or to whom it delegated the performance of such obligations, as for its own actions or omissions
3. The Parties acknowledge that the entry into this Contract shall not affect the Customer's potential liability under the Law on Stocks, including in particular under Art. 63 of said Law.
4. The Customer undertakes that shall the circumstances occur, under which running business operations is subject to provisions of the Power Law that require a licence for trading in Fuel Gas, the Customer will run such operations exclusively upon the acquisition of such license. The Customer undertakes to cover the entire loss incurred by PGNiG in the case when the Customer is running the operations, referred to the preceding sentence, without the required license.
5. The Customer shall be held liable for the losses incurred by PGNiG in consequence to the failure to notify PGNiG within the time limits prescribed in the Contract of the loss of the right to exemption from excise duty, change in the destination of Fuel Gas or loss of the status of Intermediary Gas Entity (the obligations, referred to in § 13, § 14 and §15 of the

Contract). PGNiG shall be vested with the right to be indemnified by the Customer in the amount necessary to cover any costs, expenditures and penalties incurred by PGNiG in association with Customer's failure to provide the information referred to above.

§ 12 [Payments under this Contract]

1. The Monthly Fee set forth in Appendix No. 2 to the Contract shall be payable for each Gas Month in arrears. For the avoidance of doubt, the Parties hereby confirm that the amount of Monthly Fee shall remain unaltered during the period from the release of Emergency Stock until the replenishment of Emergency Stock is completed. In the case of change in SSO Tariff, the amount of Monthly Fee shall be changed upon the rules set forth in § 10 section 1 of the Contract. Invoices for payment of the Monthly Fee shall be issued to the Customer no later than by the 5th (fifth) Business Day of the following Gas Month. The Monthly Fee shall be payable by the 14th (fourteenth) day of the month following the Gas Month during which the Ticketing Service was provided, on condition of prior delivery of relevant invoice.
2. Invoices for other payments, including those ensuing from § 3, 5 and 6 shall be issued to the Customer after the end of the Gas Month to which a given payment relates.
3. Any other amounts due under this Contract, particularly amounts due in connection with sale of the Emergency Stock, shall be payable within 14 (fourteen) days from invoice issue date, but not earlier than 5 (five) days from the date of delivery of invoice, unless the Customer is obliged to pay the Selling Price in advance.
4. Unless specific provisions under the Contract provide otherwise, contractual penalties, damages or other payments due in connection with any non-performance or improper performance of this Contract shall be payable on the basis of debit notes issued by authorised Parties, within 30 (thirty) days from issue date of given debit note with demand of payment, but not earlier than 5 (five) days from the delivery to the other Party of a debit note with payment notice.
5. Shall the payment date fall on a statutory holiday, the effective date will be postponed until next Business Day. The Monthly Fee and other payments due under this Contract shall be paid in Polish Zlotys (PLN), unless the Contract provides otherwise. Any amounts due under this Contract shall be paid to the bank account indicated in the Contract. A change in bank account number shall require a statement made in writing, in compliance with the rules of representation and will not be deemed an amendment to the Contract. The date of payment of the amounts due shall be deemed the date such amounts are credited to the bank account of PGNiG. Untimely payment of due amounts shall result in the charging of interest for delay in compliance with the Law on payment deadlines in commercial transactions of 08 March 2013 (Journal of Laws 2016, section 684).
6. PGNiG shall be vested with the right, but not an obligation, to compensate any amounts due for payment thereto by the Customer against Customer's receivables.
7. Any amounts due under this Contract shall be paid to PGNiG's bank account No.: [·].
8. Sale of Fuel Gas shall be subject to excise duty payable on the terms specified in the Law on Excise Duty. For the avoidance of doubt, in each case where the Customer is not an Intermediary Gas Entity as defined in the Law on Excise Duty, in particular the Selling Price, Resale Price and the Emergency Stock Replenishment Price shall be increased by an appropriate amount of excise duty in accordance with applicable regulations. Excise duty rates shall be charged in keeping with the generally binding provisions of the law.
9. The prices and fee rates applicable to any settlements under this Contract are net amounts exclusive of excise duty and value added tax (VAT), and also exclusive of any costs incurred by the Parties in connection with sale of Fuel Gas, related to performance of the obligations defined in the Energy Efficiency Law. The prices and fee rates referred in the preceding sentence shall be increased by excise duty rates, VAT tax and costs incurred by the Parties in association with the performance of obligations, stipulated under the Energy Efficiency Law, in keeping with the generally binding provisions of the law.
10. Complaints relating to invoices or other accounting documents shall be lodged immediately, and in any case no later than within 30 (thirty) days of the document receipt. Lodging a complaint shall not be deemed a release from the obligation to timely pay any amounts due.

§ 13 [Excise duty]

The Customer hereby undertakes to:

a. no later than on the day before the issue date by PGNiG of invoice concerning the sale of the Fuel Gas comprising the Emergency Stock, the Customer shall be obligated to submit to PGNiG the "Customer's statement on the allocation of Fuel Gas for the purposes of excise duty calculation" using the form attached as Appendix No. 4 to the Contract, which, upon its receipt by PGNiG, shall become an integral part of the Contract and shall be used to perform obligations under the Contract, with the proviso that this obligation shall not apply to a Customer who has provided PGNiG with an original document or a copy, certified as a true copy, confirming the receipt of a notice, issued by a competent tax authority, of its intention to commence business activities as an Intermediary Gas Entity; PGNiG represents that it is an Intermediary Gas Entity within the meaning of the Law on Excise Duty Failure to deliver within the time limit referred to above of aforementioned documents shall authorise PGNiG to charge excise tax based on the highest rate;
b. perform its disclosure obligations under the Law on Excise Duty, in particular notify PGNiG in writing of a change in allocation of Fuel Gas for the purposes set out in the Law on Excise Duty, provide PGNiG with an original document or a copy thereof, certified as a true copy, confirming the receipt of a notice of its intention to commence business activities as an Intermediary Gas Entity and notify PGNiG of its loss of the status of an Intermediary Gas Entity, with the proviso that an update of the list of Intermediary Gas Entities, published on the websites of the Ministry of Finance, shall not release the Customer from this obligation.

§ 14 [Obligations ensuing from EMIR and REMIT regulations]

1. The Customer undertakes to perform its disclosure obligations arising under Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 04 July 2012 on OTC derivatives, central counterparties and trade repositories (EMIR);
2. The Customer:
    a. undertakes to perform its disclosure obligations arising under 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) and under 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) (hereinafter referred to as the "**Implementing Regulation**");
    b. represents that it is a market participant within the meaning of Regulation (EU) No 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency (REMIT), subject to section 3 below.
3. In connection with the provision of Ticketing Service, it is PGNiG that should be deemed a 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 during the period in which the Ticketing Service is provided, PGNiG shall remain the holder of Fuel Gas owned by the Customer. To fulfil the above obligation, PGNiG is a party to an agreement with the SSO.
4. In the absence of a clear indication to the contrary in their correspondence, the Parties shall exchange information which is not inside information 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).
5. In order to ensure the possibility of performing the technical tasks defined in the Rules of Storage Services, in particular in the case of failure to offtake the Emergency Stock by the Customer upon expiry of the Contract Term, and in order to ensure proper performance of the reporting requirements under the REMIT regulation, the Parties agree that after the Fuel Gas that comprised the Emergency Stock is sold, PGNiG shall remain the holder of such Fuel Gas for these purposes.
6. If the Emergency Stock is released during the Contract Term, the Fuel Gas used in connection with the Emergency Stock release shall be delivered or paid for in the manner and on the terms specified in the Law on Stocks. . The obligation to report such transactions under the REMIT regulation shall rest with the Customer.

§ 15 [Obligations stipulated in the Law on Energy Efficiency]

1. In association with its business operations, the Customer hereby undertakes to purchase and offtake Fuel Gas for the purpose of utilisation for its own needs or for the purpose of resale, in compliance with the declaration,

submitted in keeping with the provisions under section 2 below. Shall a change in the purpose of utilisation by the Customer of Fuel Gas require it to acquire a license as stipulated in the Power Law, the Customer will be obligated to promptly notify PGNiG of such fact and on such license held.

2. The prices, fees and charges stipulated in the Contract, and in particular the Selling Price, Resale Price or the Emergency Stock Replenishment Price, shall not include the costs incurred by the Parties in association with the sale of Fuel Gas, and ensuing from the performance of obligations set forth in the Energy Efficiency Law. Such costs shall be added by virtue of a declaration of a Party on the purpose of Fuel Gas consumption for the needs of performance of the obligations set forth in the Energy Efficiency Law. The Parties hereby undertake to submit, in the Gas Month in which the Fuel Gas has been sold, and at the latest by the day preceding the issue date of invoice for given Gas Month, the declaration of the purpose of Fuel Gas consumption for the needs of performance of the obligations set forth in the Energy Efficiency Law, in keeping with Appendix No. 5 to the Contract. Shall the Customer fail to submit the declaration on the purpose of Fuel Gas consumption by the day preceding the issue date of invoice, PGNiG will increase the prices, fees and charges stipulated in the Contract, and in particular the Selling Price, Resale Price or the Emergency Stock Replenishment Price, by the costs of implementation of the obligations stipulated in the Energy Efficiency Law to the total volume of Fuel Gas. Shall the Customer submit the declaration of the purpose of Fuel Gas consumption after the issue date of invoice, PGNiG will promptly issue a correction of an appropriate invoice. The costs referred to above have been indicated in Appendix No. 2 to the Contract.

§ 16 [Additional provisions concerning the performance of the Contract]

1. [PGNiG, acting on behalf of the Customer under a power of attorney (such power of attorney being granted on a standard form attached hereto as Appendix No. 6A at Contract execution) / the Customer, acting on its own][13], shall provide the TSO with information on the site where the Emergency Stocks are held in order to enable it to check the technical feasibility of supplying these stocks to the gas system − by 15 June of each year.
2. The Customer shall be obligated to promptly provide PGNiG with information on the results of verification by TSO of the technical feasibility of supplying Emergency Stocks of natural gas to the gas system within maximum 40 days.
3. PGNiG shall be obligated to provide SSO, TSO, ME, URE and other administrative bodies with information on the provision of Ticketing Service to the Customer to the extent required under generally binding provisions of the law, including in particular: (i) the Contract Term, (ii) the volume of Emergency Stock held to the benefit of the Customer, (iii) the offtake power of Fuel Gas comprising Emergency Stock held to the benefit of the Customer, and shall provide such entities and bodies upon their demand with any clarifications concerning the provision of Ticketing Service.
4. For the purpose of performance of obligations under the Rules of Storage Services, PGNiG shall be authorised in particular to deliver to SSO the photocopies of (i) decisions of President of URE verifying the volume of Emergency Stocks of natural gas issued to the Customer and (ii) decisions of the President of URE approving the draft Contract.
5. Promptly, but within 14 days at the latest from the execution of the Contract, the [Customer unilaterally / person indicated by PGNiG acting by virtue of power of attorney][14], shall deliver a copy of the Contract to the President of URE.
6. The Parties hereby confirm that PGNiG shall be authorised to move to TSO or SSO on behalf of the Customer for information on the volume of Fuel Gas comprising the basis for accounts for offtaken emergency stocks of natural gas, referred to in Article 52a of the Law on Stocks (the power of attorney shall be granted in the form consistent with the form presented in Appendix No. 6B to the Contract at Contract execution).
7. In the course of Contract performance, the Parties shall comply with the following acts in place: TNC and Rules of Storage Services. The Parties shall cooperate to timely submit the documents or fulfil other requirements, expected in association with a possible amendment to the law, TNC or to Rules of Storage Services.

[13] At Customer's discretion. Shall the Customer hold only a part of Emergency Stocks of natural gas within the scope of this Contract, the Customer will meet the information obligation on its own.
[14] At Customer's discretion.

8. The Parties hereby undertake to provide each other with any information, necessary for proper performance of the Contract.
9. The Customer hereby represents that it is a party to binding Transmission Agreement with the TSO, by virtue of which it is vested with the right to use the capacities at the Virtual Point or that the Transmission Agreement with the TSO, authorising the Customer to use the capacities at Virtual Point, will be executed by the Customer within the time limit allowing the performance of the Contract.

§ 17 [Security in respect of payments]

1. [Pursuant to the execution of the Contract, the Customer is obligated to maintain security backing the payments under the Contract in the form of [·], for the total amount of [·], for the period from 1 October 2018 until [·] (year). The Customer shall be obligated to deliver to PGNiG the documents confirming the establishment of security at the latest on the commencement date of the Contract Term (i.e. 01 October) and to maintain such security throughout the entire period indicated in the preceding sentence. The validity term of security for payments provided under this section shall expire no earlier than after all amounts due and payable under the Contract have been paid and no earlier than 3 (three) months after the expiry date of the Contract. PGNiG shall return the security for payments to the Customer before the date specified in the preceding sentence on condition that the Customer has paid all amounts due and payable under the Contract. Shall the security for payments be provided in the form of a cash deposit, the security will be established on PGNiG bank account no.: [·].][15]
2. If during the Contract Term:
   a. the Customer defaults on payment of any amounts due and payable under the Contract (for the avoidance of doubt – regardless of whether such amounts have been disputed or not) in excess of a gross Monthly Fee, and such amounts are not paid within 14 (fourteen) days of receipt of an additional written payment notice by the Customer; or
   b. the Customer covered one of the credit rating agencies: Fitch, S&P, Moody's or another credit rating agency which also covers PGNiG loses its rating or its rating is downgraded below BB- (Fitch or S&P) or Ba3 (Moody's), provided that the Customer is covered by one of these agencies; or
   c. the Customer is listed as a debtor in databases of credit reference agencies operating under the Law of 09 April 2010 on Disclosure of Business Information and Exchange of Business Data (i.e. Journal of Laws 2014, item 1015, as amended) or is listed in the register of insolvent debtors maintained under the Law of 20 August 1997 on the National Court Register (i.e. Journal of Laws 2013 section 1203, as amended).

   or

   d. the security provided is insufficient to secure the payments arising under this Contract,

- the Customer shall, at the request of PGNiG, provide additional security for an amount defined by PGNiG in respect of payments arising under the Contract within 10 (ten) Business Days of receipt of such written request from PGNiG. The amount of the security shall not exceed three times the amount specified in subsection a.

3. PGNiG may, taking into consideration Customer's current credit worthiness and market condition, including a considerable increase in gas prices on the Polish and/or foreign markets, render the replenishment of Emergency Stock dependent upon provision by the Customer of an additional security, without prejudice to the possibility to terminate the Contract by PGNiG in keeping with provisions under § 10 section 6 of the Contract.
4. The security referred to in sections 2 and 3 above shall be provided in one of the following forms:
   a. a bank or insurance guaranty which should be irrevocable, unconditional and made in writing and which should be issued by an entity rated not lower than 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 require prior approval by PGNiG;
   b. block on funds in a bank account confirmed by the account bank in a statement attached hereto as Appendix No. 7, with an authorisation to withdraw the blocked funds granted by the Customer to PGNiG pursuant to a power of attorney attached hereto as Appendix No. 8. Such block may only be applied to funds in a bank account held with an entity rated not lower than BBB+ (S&P or Fitch) / Baa1 (Moody's);

[15] Applicable in the case when given Customer is found to be obligated to maintain security.

c. a cash deposit which shall be paid into a bank account specified by PGNiG and shall be returned to the Customer following settlement of the completed Contract, with bank interest calculated at a rate set for the bank account in the period when the deposit was made, less wire transfer costs;
d. statement on submission to enforcement within the meaning of provisions under Article 777 § 1 sections 4-6 of the Law of 17 November 1964 - Code of Civil Procedure, under conditions acceptable to PGNiG prior to the submission of statement by the Customer;
e. any other form agreed by the Parties.

5. Having provided security, the Customer may, at its option, provide new security in accordance with section 4 to replace the existing one, provided that the terms and conditions of such new security are approved by PGNiG prior to its creation and are not inferior to those of the security to be replaced. Where the form of security is changed, PGNiG shall immediately release the previously provided security, i.e. shall in particular unblock funds in a bank account, return the original bank or insurance guarantee or return the cash deposit. The previous security shall be released no earlier than on the date when the new security is created.
6. PGNiG may at any time and at its own discretion enforce its claims, together with interest, arising under this Contract against the security, starting with the claims that have been due and payable for the longest time. Claims satisfied in this way shall set off the amounts due and payable by the Customer.
7. The security provided under section 2 hereof shall be released (i) no later than 6 (six) months after the date it was provided, on condition that the outstanding amounts are paid up and the Customer does not default on payment of any amounts due and payable in that period, or (ii) immediately after the circumstances set out in section 2 subsections b. and c. cease to exist, or (iii) immediately after all the amounts due and payable have been paid up if the Contract expires.
8. If the Customer does not issue full-year financial statements, the Customer shall, at the request of PGNiG, provide its full-year financial statements for the preceding financial year with auditor's opinion or the F-01 report (report on income, costs, net profit or loss and expenditure on fixed assets prepared for the purposes of public statistics).

§ 18 [Confidentiality]

1. Without prejudice to provisions under section 2, the Parties agree that any information relating to the Contract, or to the contents or conduct of negotiations of the Contract, and any information obtained from the other Party, or from its representatives or advisers, with respect to the execution and performance of this Contract (hereinafter referred to as "**Confidential Information**") shall be treated as confidential and that, subject to provisions under section 3, no Confidential Information, including information relating to the existence of this Contract, shall be disclosed in any manner, whether in whole or in part, without prior consent of both Parties made in writing.
2. For the purposes of this Contract, Confidential Information shall be deemed not to include the information which:
   a. has been made publicly available without violating this Contract;
   b. was known to the receiving Party prior to its provision by the disclosing Party.
3. Each of the Parties may without the consent of the other Party disclose Confidential Information:
   a. if ordered to do so by a court, law enforcement agency or administrative authority, including the President of URE, ACER or the European Commission, in accordance with any requirements arising under mandatory provisions of the law, or to pursue its rights before a court or administrative authority;;
   b. the disclosure of which is required under generally applicable provisions of the law.
4. For any violation of the obligations laid down in this Article, the Party in breach of this Contract by reason of disclosing Confidential Information shall pay to the other Party, at its written notice, a contractual penalty of PLN 100,000.00 (one hundred thousand Polish Zloty). Notwithstanding a contractual penalty payment notice, the other Party may also seek compensation in excess of the contractual penalty against the Party in breach of this Contract.
5. The confidentiality obligations laid down in section 1 above shall remain in force for a period of 3 (three) years from the expiry of this Contract or its rescission in result to the termination of or withdrawal from this Contract.

§ 19 [Renegotiation clause]

1. Shall the situation on the gas market in the Republic of Poland be subject to significant change, and shall such change exert direct influence upon the extent or manner of Contract performance, each of the Parties may request the other Party to commence negotiations concerning the amount of Monthly Fee. Such request should be made as a written

notice and should be delivered to the other Party in accordance with this Contract. The notice should contain a request for renegotiation of the Monthly Fee provided for in the Contract and grounds for the request referring to reasons for renegotiation of the Monthly Fee specified in this section.

2. If the written notice specified above is delivered to a Party, the Parties shall, in good faith and with respect for each Party's legitimate interests, immediately enter into renegotiations of the Monthly Fee in order to agree upon a Monthly Fee that would take account the changed market conditions underlying the renegotiation request. If within 3 (three) months following the delivery date of the written notice the Parties fail to reach an agreement, such agreement being based on execution within the aforementioned time limit of an appropriate annex to relevant Contract amending the Monthly Fee (unless the Parties make a joint statement during the renegotiations to the effect that the Monthly Fee need not be amended), each of the Parties may submit the ensuing dispute for resolution by the Court of Arbitration, which shall set the Monthly Fee taking into account the changed market conditions underlying the renegotiation request.
3. By the time the Parties reach the agreement referred to in section 2 or the Court of Arbitration makes a final award on the Monthly Fee to apply to settlements between the Parties, the Monthly Fee specified in such settlements shall be the Contract indicated in the Contract, unless the Court of Arbitration sets a provisional monthly fee in a separate decision. Once the Monthly Fee is set by the Court of Arbitration, the Parties shall adjust their payments made under the Contract from the date when the request for change of the Monthly Fee was delivered to the date when the Monthly Fee was finally set by an agreement between the Parties or an award of the Court of Arbitration.
4. For the avoidance of doubt, if the Parties fail to reach an agreement referred to in section 2, neither Party shall be entitled to terminate the Contract.
5. Shall the Parties set forth a new Monthly Fee by an agreement referred to in section 2 above or shall it be determined by the Court of Arbitration, as specified in section 3 above, the Parties agree that the new Monthly Fee will come into force as at the effective date of an annex to the Contract reflecting the amendment referred to above the execution of an annex to the Contract is subject to prior consent of the President of URE, as provided for in Art. 24b sections 6 and 7 of the Law on Stocks). If a new Monthly Fee (including a provisional monthly fee set by the Court of Arbitration, as provided for in section 3 above) applies to a period before the relevant annex to the Contract becomes effective, any difference between the existing and new Monthly Fee paid in that period shall be settled based on relevant correction invoices. If the Customer refuses to sign the annex to the Contract reflecting the amendment referred to above, such refusal shall be deemed a gross breach of the Contract within the meaning of § 10 section 4 of the Contract, and PGNiG shall be entitled to terminate the Contract in accordance with the procedure provided for in § 10 section 4 of the Contract. The Parties agree that upon signing of the annex to the Contract, Appendix No. 2 to the Contract shall be amended exclusively to reflect the new Monthly Fee.
6. Each Party's right to request renegotiation of the Monthly Fee shall be limited in such way that it may be exercised by a Party only once for each Gas Year.
7. If a dispute referred to in section 2 arises between the Parties, the arbitration proceedings shall be held in accordance with the following rules:
    a. the arbitration proceedings shall be instigated by serving a notice of arbitration on the other Party or otherwise in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law ("UNCITRAL Arbitration Rules");
    b. the dispute shall be finally resolved by the Court of Arbitration in accordance with the UNCITRAL Arbitration Rules in effect as at the relevant Contract execution date, except for any provisions thereof that may be contradictory to the provisions under this § 19;
    c. the arbitrators, including the presiding arbitrator, must have appropriate experience and qualifications, in particular in the gas market and principles of economy of the Republic of Poland, and must be experienced in resolution of disputes over business contracts and must all be fluent in the Polish language;
    d. the Court of Arbitration shall consist of three arbitrators, whereas each of the Parties shall appoint one arbitrator, and the two arbitrators appointed by the Parties will appoint the third arbitrator to serve as the presiding arbitrator. If either of the Parties fails to appoint an arbitrator within 30 (thirty) days from instigation of the proceedings, or if the two arbitrators appointed by the Parties fail to appoint the presiding arbitrator within 30 (thirty) days from the date when the second arbitrator is appointed, the missing arbitrators (presiding arbitrator, as applicable) shall be appointed, at the request of either Party, by the chair of the Arbitration Council at the Polish Chamber of Commerce in Warsaw;

e. the arbitration proceedings shall be carried out in Polish language, whereas this rule shall also apply in relation to the documents presented by the Parties in the course of the proceedings, witness testimonies, expert opinions and any other evidence.
f. the arbitration proceedings shall be held in Warsaw, the Republic of Poland;
g. the award issued by the Court of Arbitration shall be final and binding on the Parties.

§ 20 [Force Majeure]

A Party affected by Force Majeure shall immediately notify the other Party of the occurrence and expected duration of the Force Majeure. A Party affected by Force Majeure is obligated to make every effort to mitigate and overcome the effects of Force Majeure and its impact on the performance of obligations under the Contract. If, as a result of Force Majeure, a Party is unable to fulfil its obligations under the Contract in whole or in part, but it has complied with the requirements referred to above, then the Party affected by Force Majeure is not deemed to be in breach of this Contract and will be relieved from the fulfilment of its obligations under this Contract for the duration of the Force Majeure. For the avoidance of doubt, an amendment to generally applicable laws resulting in complete abolition of the Customer's obligation to hold Emergency Stocks of natural gas shall not constitute an event of Force Majeure.

§ 21 [Final provisions]

1. Subject to the provisions of section 2, neither Party may, without the other Party's approval, transfer all or a part of its rights and obligations under this Contract to a third party.
2. If PGNiG's corporate structure or business is reorganised, PGNiG shall have the right to transfer, upon prior written notice to the Customer, its rights and obligations under the Contract to another company of the PGNiG Group ("New Obligor") involved in the business of Fuel Gas trading. If PGNiG intends to avail itself of this right, it shall notify the Customer in writing of the planned transfer of its rights and obligations under the Contract to the New Obligor and shall specify the effective date of such transfer.
3. Any notices, statements and other official correspondence between the Parties in connection with the Contract must be in writing, on pain of nullity, and must be delivered by courier service or sent by registered mail to the addresses of the Parties specified in section 4 below, whereas the Parties shall be vested with the right to deliver such communications in advance by electronic mail (delivery in electronic form may be effected exclusively for information purposes and will not relieve the Parties from the duty of delivery thereof in writing in keeping with the provisions under this sentence). Any communications delivered by electronic mail to the e-mail addresses specified in the Contract may only refer to organisational and technical matters not related to binding statements by the Parties with effect on the existence or contents of the Contract. Any change of address for correspondence shall be effective from the date immediately following the day when the other Party received a written notification of the address change, delivered in accordance with this section 3.
4. Any notices, statements and other official correspondence between the Parties in connection with the Contract shall be delivered to the following addresses for correspondence:

    a. To the Customer:

    _____

    b. To PGNiG:

    _____

Data of persons for operating contacts:

    a. To the Customer:

    _____

    b. To PGNiG:

_____

5. Without prejudice to specific provisions hereunder, any amendments hereto require an annex to the Contract made in writing under the clause of nullity. The effectiveness of any amendment to the Contract, other than a change to prices, fees and charges in the SSO Tariff, to be made in a manner approved by the Customer in Appendix No. 2 to the Contract shall be conditional upon approval by the President of URE, given in the proper form and in accordance with the appropriately followed procedure described in Article 24b sections 6 and 7 of the Law on Stocks.
6. Any disputes arising under or in connection with this Contract shall be resolved by the court of general jurisdiction competent for the registered office of PGNiG.
7. If any provision of this Contract becomes invalid, this shall not affect the validity of its other provisions.
8. This Agreement has been made in 2 (two) original copies, one for each of the Parties.
9. The following Appendices constitute and integral part of this Contract:
    a. Appendix No. 1 – Documents concerning the Customer;
    b. Appendix No. 2 – Prices and fees;
    c. Appendix No. 3 – Rules of Emergency Stock Delivery;
    d. Appendix No. 4 – Standard form of the Customer's statement on the allocation of Fuel Gas for the purposes of excise duty allocation;
    e. Appendix No. 5 – Standard form of Customer's declaration on the purpose of Fuel Gas consumptions for the needs of performance of the obligations set forth in the Energy Efficiency Law.
    f. Appendix No. 6 – Standard forms of power of attorney.
    g. Appendix No. 7 - Standard form of statement on block of assets on account.
    h. Appendix No. 8 – Standard form of power of attorney to collect blocked assets.

On behalf of PGNiG:	**On behalf of the Customer:**
_____	_____
_____	_____

Appendix No. 1 to the Contract

Documents concerning the Customer

(copy of decision of the President of URE verifying the volume of Emergency Stocks of natural gas; copy of Customer's license; copy of confirmation issued by a competent tax body of receipt of notice of Customer's intention to commence business operations as Intermediary Gas Entity)

Appendix No. 2 to the Contract

Prices and fees

1.	Selling Price (§ 3 section 1 of the Contract)	**$Sp = TGE_{DA_P}$ + PLN X/MWh** where: **TGE_{DA_P}** – arithmetic mean of the TGEgasDA index values (TGE Day Ahead) with delivery from 01 April until 30 September of Gas Year preceding the Gas Year in which sale is effected, expressed in PLN/MWh
2.	Resale Price (§ 3 section 4 item c. of the Contract) for 1 Gas Year	**$Rp = Min(TGE_{MA_K}; SP)$** where: **TGE_{MA_K}** – arithmetic mean of clearing prices at which GAS_BASE_M monthly gas supply contracts are settled, traded on the Polish Power Exchange futures market, with delivery in the calendar month following the last full calendar month of Contract Term, expressed in PLN/MWh. The arithmetic mean shall be calculated from prices quoted in the following period: from the last calendar day in the month preceding the last full calendar of Contract Term and each day of the last full calendar month of Contract Term. Daily settlement prices are published on the Polish Power Exchange website. (www.tge.pl). **Sp –** Selling Price in 1 Gas Year
	Resale Price (§ 3 section 4 item c. of the Contract) for 2 Gas Year[16]	**$Rp = Min(TGE_{MA_K}; SP)$** where: **TGE_{MA_K}** – arithmetic mean of clearing prices at which GAS_BASE_M monthly gas supply contracts are settled, traded on the Polish Power Exchange futures market, with delivery in the calendar month following the last full calendar month of Contract Term, expressed in PLN/MWh. The arithmetic mean shall be calculated from prices quoted in the following period: from the last calendar day in the month preceding the last full calendar of Contract Term and each day of the last full calendar month of Contract Term. Daily settlement prices are published on the Polish Power Exchange website. (www.tge.pl). **Sp –** Selling Price, understood as: $Sp = \frac{W_0 \times Cs_0 + W_1 \times Cs_1}{W_0 + W_1}$ where: V_i – volume of the emergency stock defined in the Contract for the 1st Gas Year (V_0) or volume by which the emergency stock was increased in the 2nd (V_1) Gas Year Sp_i – Selling Price in 1 (Sp_0) or 2 (Sp_1) Gas Year
	Resale Price (§ 3 section 4 item c. of the Contract) for 3 Gas Year[17]	**$Rp = Min(TGE_{MA_K}; SP)$** where: **TGE_{MA_K}** – arithmetic mean of clearing prices at which GAS_BASE_M monthly gas supply contracts are settled, traded on the Polish Power Exchange futures market, with delivery in the calendar month following the last full calendar month of Contract Term, expressed in PLN/MWh. The arithmetic mean shall be calculated from prices quoted in the following period: from the last calendar day in the month preceding the last full calendar of Contract Term and each day of the last full calendar month of Contract Term. Daily settlement prices

[16] Not applicable to the Contract executed for the 1 Gas Year.
[17] Not applicable to Contracts executed for 1 Gas Year or 2 Gas Years.

		are published on the Polish Power Exchange website. (www.tge.pl). **Sp –** Selling Price, understood as: $Sp = \frac{W_0 \times Cs_0 + W_1 \times Cs_1 + W_2 \times Cs_2}{W_0 + W_1 + W_2}$ where: V_i – volume of the emergency stock defined in the Contract for the 1st Gas Year (V_0) or volume by which the emergency stock was increased in the 2nd (V_1) or 3 (V_2) Gas Year Sp_i – Selling Price w 1 (Sp_0), 2 (Sp_1), or 3 (Sp_2) Gas Year
3.	Emergency Stock Replenishment Price (§ 5 section 3 of the Contract)	**P_{ESR} = TGE_{DA_U} + PLN X/MWh** where: **TGE_{DA_U}** – arithmetic mean of the TGEgasDA index values (TGE Day Ahead) – calculated for 4 months running from the last day of the last month in which the Emergency Stock was released, or the replenishment period if the Contract Term ends before replenishment of the Emergency Stock is completed, expressed in PLN/MWh.
4.	Monthly Fee for Model Change (§ 3 section 6 of the Contract)	**P_{CMC}** = **8.80** PLN/MWh * **V_{CMC}** where: **P_{CMC}** – Charge for Model Change **V_{CMC}** – volume of Emergency Stock as at effective date of Model Change
5.	Monthly Fee (§ 1 section 2 of the Contract)	**P_0 = PLN X** **$P_0 = Pb_0 + Pz_0$** where: **Pb_0 = PLN Y** **Pz_0 = PLN Z** **P_0** – Monthly Fee **Pb_0** – base component of Monthly Fee **Pz_0** – variable component of Monthly Fee
6.	Adjustment of Monthly Fee in connection with a change of rates and prices in the SSO Tariff (§ 10 section 1 of the Contract)	In the case of a change in prices, fees or rates in the SSO Tariff, to the extent they relate to services provided on a firm basis as a package, the Monthly Fee shall be updated by multiplying the variable component of the existing Monthly Fee by a coefficient calculated as the ratio of the weighted average fee for the storage service provided on a firm basis, calculated based on the amended tariff, to the corresponding weighted average fee calculated based on the SSO Tariff effective on the day of dd-mm-yyyy (*presentation of offer from Appendix No. 2*). A detailed method of calculating the updated Monthly Fee is presented below. **$P_1 = Pb_0 + Pz_0 * (T_1/T_0)$** where: **$P_1$** – updated Monthly Fee Pb_0 – base component of Existing Monthly Fee

		Pz_0 – variable component of Existing Monthly Fee $\mathbf{T_0}$ = [w_1*GIM_Kawerna_1p_0/n_0 + w_2*GIM_Sanok_1p_0/n_0 + w_3*MZW_1p_0/n_0] $\mathbf{T_1}$ = [w_1*GIM_Kawerna_1p_1/n_1 + w_2*GIM_Sanok_1p_1/n_1 + w_3*MZW_1p_1/n_1] **GIM_Kawerna_1p_0** – fee for the ordered package in the GIM Kawerna 1p tariff group, specified in the fuel gas storage tariff effective on dd-mm-yyyy (*the day on which the offer of Appendix No. 2 was presented*) **GIM_Sanok_1p_0** – fee for the ordered package in the GIM Sanok 1p tariff group, specified in the fuel gas storage tariff effective on dd-mm-yyyy (*the day on which the offer of Appendix No. 2 was presented*) **MZW1p_0** – fee for the ordered package in the MZW1p tariff group, specified in the fuel gas storage tariff effective on dd-mm-yyyy (*the day on which the offer of Appendix No. 2 was presented*) **n_0** –package working capacity in firm long-term storage service, specified in the fuel gas storage tariff effective on dd-mm-yyyy (*the day on which the offer of Appendix No. 2 was presented*) **GIM_Kawerna_1p_1** – fee for the ordered package in the GIM Kawerna 1p tariff group, specified in the amended fuel gas storage tariff **GIM_Sanok_1p_1** – fee for the ordered package in the GIM Sanok 1p tariff group, specified in the amended fuel gas storage tariff **MZW1p_1** – fee for the ordered package in the MZW1p tariff group, specified in the amended fuel gas storage tariff **n_1** –package working capacity in firm long-term storage service, specified in the amended fuel gas storage tariff **w_1, w_2, w_3** – coefficients reflecting the share of total storage capacities on a firm basis in individual storage facilities on dd-mm-yyyy (*the day on which the offer of Appendix No. 2 was presented*). The coefficients shall have the values shown in the table below: w_1: **0.49**; w_2: **0.20**; w_3: **0.31**
7.	Adjustment of the Monthly Fee in relation to a change in the volume of Emergency Stock (§ 6 section 3 of the Contract)[18]	**Decrease in the volume of Emergency Stock** If a change in the volume of Emergency Stock consists in its decrease relative to the figure specified in the Contract, the updated Monthly Fee shall be calculated in the following manner. $$P_1 = Pb_0 + Pz_1$$ $$Pz_1 = Pz_0 * (V_1/V_0)$$ where: **P_1** – updated Monthly Fee **Pb_0** – base component of Monthly Fee **Pz_0** – variable component of Monthly Fee

[18] Not applicable in the case of Contract executed for the period of 1 Gas Year.

		Pz_1 – variable component of updated Monthly Fee **V_0** – volume of Emergency Stock (indicated in the Contract) **V_1** – updated volume of Emergency Stock **Increase in the volume of Emergency Stock** If a change in the volume of Emergency Stock consists in its increase relative to the figure specified in the Contract, the updated Monthly Fee shall be calculated in the following manner. $$P_1 = P_0 * (V_1/V_0)$$ where: **P_0** – Monthly Fee **P_1** – updated Monthly Fee **V_0** – volume of Emergency Stock (indicated in the Contract) **V_1** – updated volume of Emergency Stock
8.	Compensation Fee (charged, for example, when the Customer's obligation to hold Emergency Stock ceases to apply in full based on the Contract)	$$Ko = Pb_0 * N$$ where: **Ko** – Compensation Fee **Pb_0** – base component of Monthly Fee **N** – number of months from the date of event triggering the obligation to pay the Compensation Fee to dd-mm-yyyy (*expiration of Contract Term*)
9.	Cost of white certificates (§ 15 section 2 of the Contract)	The prices are exclusive of any costs incurred by PGNiG in connection with gas supply to the Customer to perform the obligations stipulated under the Energy Efficiency Law. Such costs shall be added based on Customer's statement, attached as Appendix 5 to the Contract, on the Fuel Gas allocation for the purposes of fulfilment of the obligations stipulated in the Energy Efficiency Law, if such an obligation arises. The unit cost for the volume subject to the obligation arising under the Energy Efficiency Law amounts to 95% of the buy-out price for the supply period, converted to PLN/MWh. The unit cost for the current buy-out prices is: - for the 2018 volume: ……. PLN/MWh In the following years, the cost will increase 5% on year/year basis (2019: ….. …… PLN/MWh; 2020: ……. …… PLN/MWh; 2021: …… PLN/MWh). These figures may change during the Term of the Contract should the Energy Efficiency Law be amended. Amendments to the Energy Efficiency Law, if any, shall not require an amendment to this Contract.

Appendix No. 3 to the Contract

Rules of Emergency Stock Delivery

These Rules for Emergency Stock Delivery at an OTC Point (**"Delivery Rules"**) are attached hereto as Appendix No. 3.

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§ 2. Zasady wydania Zapasu Obowiązkowego 23

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§1. Definitions

In the event of any discrepancy between the following terms and the terms used in the Contract, the following terms shall prevail:

1. **Gas Day** – as defined in the TNC;
2. **Business Day** - as defined in the TNC;
3. **TNC** – The Transmission Network Code currently in place, drawn up by the Transmission System Operator and implemented under the Power Law;
4. **Gas Month** – as defined in the TNC;
5. **Contracted Capacity** –the quantity of Fuel Gas in kWh/h specified in the Contract which the Customer is required to offtake at the OTC Point immediately after the obligation to hold the Emergency Stock ceases to apply or the Contract is terminated. The Contracted Capacity shall be calculated as the average hourly quantity required to offtake the entire Fuel Gas previously held as Emergency Stock within a period of 40 days.
6. **Weekly Nomination –** a nomination for each Gas Day of given Gas Week, broken down into hours;
7. **Transmission System Operator (TSO or Operator)** – as defined in the TNC;
8. **Fuel Gas** – as defined in the TNC;
9. **Virtual Point** – as defined in the TNC;
10. **Renomination** – a change to the approved Weekly Nomination made by the Customer;
11. **Force Majeure** – as defined in the TNC;
12. **Emergency** – as defined in the TNC;
13. **TSO Tariff** – the Operator's prices and charging rates and the terms and conditions of their application to the settlement of the Fuel Gas transmission service;
14. **Gas Week** – period from 06.00 a.m. on Monday of current week until 06.00 a.m. on Monday of the following week;

§2. Rules of Emergency Stock Delivery

1. These Rules govern the delivery of Fuel Gas held as Emergency Stock in a situation described in § 3 section 5 of the Contract.
2. If the Operator fails to meet the Fuel Gas quality parameters or service quality standards of the Customer, the Customer shall be entitled, at its request, to a discount determined in accordance with the TSO Tariff.
3. The TNC constitutes an integral part of these Rules.
4. The Customer shall submit Weekly Nominations in accordance with the requirements set out in Appendix No. 2 to these Rules. Every Gas Day, the Customer shall offtake the Daily Quantities of Fuel Gas as specified in the relevant Weekly Nomination.
5. The Parties acknowledge that PGNiG shall not transfer to the Customer any charges imposed on it by the Operator as a result of imbalance or failure to satisfy any nominations.
6. The quantity of Fuel Gas sold and offtaken shall be determined on the basis of submitted nominations accepted by the TSO. After completion of the Fuel Gas delivery, PGNiG shall prepare a "Delivery Report" in accordance with Appendix 1 to these Rules and shall submit it to the Customer.

§3. Suspension and reduction of Fuel Gas supply

1. PGNiG may suspend or reduce Fuel Gas supply under a relevant Contract if:
   (i) the TSO is carrying out operating, diagnostic, maintenance, repair, upgrade or interconnection works on the gas grid or metering systems, directly affecting the performance of the Contract by PGNiG;
   (i) an Emergency has occurred in the gas grid, posing a risk of death or injury, an environmental risk, or a risk of property damage;
   (ii) circumstances arise which give grounds for reducing Fuel Gas supply under the Law on Stocks or other generally binding provisions of the law governing the implementation of measures aimed at ensuring gas supply security.
2. If the event of suspension or reduction of Fuel Gas supply by the Operator pursuant to applicable laws and regulations or the TNC, the liability of PGNiG towards the Customer shall be limited to the amount of Operator's liability towards PGNiG for suspension or reduction of Fuel Gas supply.

Appendix No. 1 to the Rules for Fuel Gas Delivery at OTC Point - Standard Form of Delivery Report

Re. the Contract

Quantity of Fuel Gas in the offtake period from … until …

Gas Day	Quantity of Gas Fuel (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

Procedure for submitting Weekly Nominations and Renominations

I. Submitting Weekly Nominations

1) By 14:00 hours on Wednesday of each Gas Week, the Customer shall submit a Weekly Nomination to PGNiG, specifying the Daily Quantities of Fuel Gas it intends to offtake in each hour of each Gas Day of the next Gas Week. The last Weekly Nomination submitted within the time limit specified above shall be considered. Failure to submit a Weekly Nomination within the time limit specified above shall cause PGNiG to assume a quantity of zero (0) for each Gas Day of the next Gas Week.

2) The Customer may change the quantities specified in a Weekly Nomination by submitting a Renomination. Once approved, the Renomination shall become the binding Weekly Nomination.

3) The Customer may submit Renominations:

   a) by 12:00 hours for the next and the following Gas Days. The last Renomination submitted within the time limit specified above shall be considered.

   b) 3 hours before the time to which the change relates. Such Renominations may be submitted from 14:00 hours before the day of delivery to 02:00 hours on the day of delivery. The last Renomination submitted in each hour shall be considered.

4) PGNiG may reject a Weekly Nomination or Renomination if it is not compliant with the Contract or cannot be fulfilled due to technical constraints. PGNiG shall immediately notify the Customer of a Weekly Nomination or Renomination having been rejected and of the quantities it is able to deliver to the Customer. In such case, the volumes specified by the Supplier shall become the binding Weekly Nomination.

5) The hourly gas quantities specified in Weekly Nominations and Renominations may not exceed the Contracted Capacity.

6) The information referred to in this Appendix No. 2 shall be exchanged between the Parties by means of an information technology system designed for submitting Weekly Nominations and Renominations, in accordance with Appendix No. 1 to Appendix 3 to the Contract.

7) In the event of a failure in the system referred to in section 6 above, a method for submitting Weekly Nominations or Renominations shall be immediately agreed with PGNiG by telephone. The emergency method for submitting Weekly Nominations and Renominations is set out in section II below.

8) If Fuel Gas is to be offtaken at a Virtual Trading Point, the Customer must submit an identical Nomination to the TSO, both to the Operator and PGNiG.

9) If there are any discrepancies between nominations submitted by the Parties to the Operator and the Operator applies the “lesser rule” principle in line with the TNC, the Parties shall immediately take steps to deliver/offtake the quantities of Fuel Gas not accepted by the TSO for delivery, including but not limited to the steps to increase the maximum hourly quantity of Fuel Gas that the Customer may offtake in a Gas Day. If necessary, the Customer shall submit a renomination to the Supplier and the Parties shall submit appropriate renominations to the Operator.

II. **IT system**

The main channel for submitting Weekly Nominations and Renominations and for receiving feedback about whether a Weekly Nomination or Renomination has been accepted or rejected is the information technology system accessible from the website: https://nominacje.pgnig.pl.

In the IT system, accounts will be created for Customer’s representatives authorised to make arrangements and take decisions related to submission and approval of Weekly Nominations and Renominations. Logins and passwords will be sent

to the appropriate addresses of the Customer. On the first login to the system, the Customer will be requested to accept the system's Terms of Use. Next, the system will force the Customer to change the password. The Customer will be responsible for protecting its login and password. PGNiG assumes no responsibility for the consequences of loss by the Customer of its login and password.

The website enables manual input of data concerning the demand, Weekly Nominations and Renominations or input via an MS Excel file. After logging in to the system, detailed operating instructions will be available under the 'Help' tab. If necessary, please contact the dispatch services of PGNiG.

The Customer shall immediately notify PGNiG of its inability to submit a Weekly Nomination or Renomination. Once a system failure has been confirmed by PGNiG's dispatch services, the Customer may use the emergency communication method described below.

Emergency communications method

In the event of a system failure which has been confirmed by PGNiG, Weekly Nominations and Renominations must be submitted using a method for their submission previously agreed with PGNiG, i.e. by means of communication channels specified in Appendix No. 2 (by telephone, fax or electronic mail (nominacje@pgnig.pl).

File formats and filing rules

Data shall be submitted using ASCII (txt) text files or Excel (xls, xlsx) files. A file shall contain information regarding the Weekly Nomination and Renomination for each day of a Gas Week. All fields shall be filled in with appropriate values. If a field for nominating the quantity of Fuel Gas is left blank, this shall be treated as a nomination for a quantity of zero (0). In the case of Renominations, a change in daily values shall be made in accordance with the Contract.

File name formats (.xls , .xlsx i .txt):

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

NT - leading letters of the file name.

dd – a two-digit number designating a day (always the Monday of the week to which a Weekly Nomination or Renomination applies).

mm - a two-digit number designating the month to which a Weekly Nomination or Renomination relates (the month in which the Monday falls).

yyyy – a four-digit number designating the year to which a Weekly Nomination or Renomination relates (the year in which the Monday falls).

name – name of a Station provided by PGNiG (abbreviated name allowed)

ww- number of the Weekly Nomination/Renomination in a given Gas Week (sequential numbers from 01 to 99). The numbering starts with the first Weekly Nomination/Renomination submitted using the emergency communication method.

xls worksheet format

UID	Point ID	Counterparty Code	Name	Year	Month	Day	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sur

txt file format

Rows represent individual entry or exit points. The cells in a row are separated by semicolons as shown below:

point ID; Counterparty code;Name;yyyy;mm;dd;d1;d2;d3;d4;d5;d6;d7

Guidelines for filling in worksheets:

UID – additional ID identifying the point, assigned by PGNiG

Point ID – point number assigned by PGNiG

Counterparty Code - four-character code UWXY assigned to the Customer by the Operator

Name - name of Station assigned by PGNiG

yyyy – a four-digit number designating the year to which a Weekly Nomination/Renomination relates (the year in which the Monday of a given week falls)

mm - a number designating the month to which a Weekly Nomination/Renomination relates (the month in which the Monday falls)

dd – a number designating a day, always the Monday of the week to which a Weekly Nomination/Renomination applies

Monday ... Sunday (d1..d7) – quantities specified in Weekly Nominations/Renominations for consecutive days of the week from Monday (d1), stated in kWh, rounded to the nearest whole kilowatt hour.

Example of a filled-in sheet:

Specimen of the first Weekly Nomination for the 6th week of 2010 (08 February to 14 February 2010) for station called "Example".

A) Name of xls spreadsheet: NT08022010Przykład01.xls

Name of sheet: Sheet1

Contents of sheet named Sheet1:

UID	Point ID	Counterparty Code	Name	Year	Month	Day	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Su
0	123456	UWXY	Example	2010	2	8	41291	39640	39640	39640	39640	39640	39

Note concerning contents:

Cells in rows should be formatted with the General format.

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

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

B) txt file name: NT08022010Przykład0.txt

Contents list:

0;123456;UWXY;Example;2010;2;8;41291;39640;39640;39640;39640;39640;39640

Note concerning contents:

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

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

UWXY - a four-character counterparty code assigned to the Customer by the Operator

Appendix No. 4 to the Contract

Standard form of the Customer's statement on the allocation of Fuel Gas for the purposes of excise duty calculation[19]

1. The Customer declares that it **is / ~~is not~~**[20] an Intermediary Gas Entity (within the meaning of the Law on Excise Duty).
2. The Customer declares that **as at the date of this statement** / **starting from [ ] (year)**[21] Fuel Gas purchased under the Contract is allocated as follows for the purpose of calculating excise duty:

No.	Intended use of fuel gas	Excise duty rate[22]	Percentage share in total purchases under the Contract[23]
1.	For heating purposes: 1) for the carriage of goods and passengers by rail; 2) for combined heat and electricity generation; 3) in agriculture, horticulture, fish farming and forestry; 4) mineralogical, electrolytic and metallurgical processes, and for chemical reduction; ☐ 5) by an energy-intensive unit using gas products in which a system has been put in place to achieve environmental protection objectives or to improve energy efficiency. *[Art. 31b. section 1 of the Law on Excise Duty]* For heating purposes in:	Exempt from excise duty[24]	

[19] no such statement is required from a Customer being an Intermediary Gas Entity if the Customer has submitted to PGNiG an original or certified copy of the competent tax authority's confirmation stating that it has received a notice of the Customer's intention to start operating as an Intermediary Gas Entity.

[20] select as appropriate. Within the meaning of the Law on Excise Duty, an Intermediary Gas Entity is in particular an entity:
(a) reselling natural gas, or
(b) using natural gas both for the purposes covered by excise duty exemption and for purposes not exempt from excise duty, or
(c) using natural gas both for purposes covered by excise duty exemption and for purposes to which zero excise duty rate applies,
which has informed the head of the relevant customs office in writing of this activity.

If the Customer is an Intermediary Gas Entity, the Customer is obligated to submit to PGNiG an original or certified copy of the competent tax authority's confirmation stating that it has received a notice of the Customer's intention to start operating as an Intermediary Gas Entity. Such document shall be submitted within three (3) Business Days of the confirmation of receipt of the aforementioned notice by the competent tax authority.

[21] select as appropriate. If the Contract was executed before 01 November 2013, this notification shall take place within the time limit specified in the contract, but no later than on 30 November 2013.

[22] The exemption rules and rates, as set out in the table, reflect the state of law as at 01 November 2013. They may change in the event of any legislative changes.

[23] The percentage share is only entered in if the Customer allocates fuel gas to multiple uses for the purpose of calculating excise duty. It shall be determined in relation to the total volume of fuel gas (both for purposes exempt from and subject to excise duty), as a percentage rate, rounded off to second decimal place, so that the sum of individual shares adds up to 100.00%. When determining the extent to which fuel gas is consumed for household heating, the percentage share shall be determined pro rata to the area of real property used for such purposes, taking into account the power rating of heating appliances.

[24] The exemption is conditional upon statement in the Contract that such products shall be utilised for purposes eligible to exemption. [Art. 31b. section 5 of the Law on Excise Duty]

	1) public administration institutions; 2) units of the Armed Forces of the Republic of Poland; 3) entities of the education system, referred to in Art. 2 of the Law of 07 September 1991 on the Education System; 4) nursery schools and children's clubs referred to in the Law of 04 February 2011 on the Care for Children Under 3 Years of Age; 5) healthcare providers referred to in Art. 4.1 of the Law of 15 April 2011 on Healthcare Activity; 6) social welfare organisational units referred to in Art. 6.5 of the Law of 12 March 2004 on Social Welfare; 7) organisations referred to in Art. 3.2 and Art. 3.3 of the Law of 24 April 2003 on Public Benefit and Volunteer Activities. *[Art. 31b. section 2 items 2-8 of the Law on Excise Duty]* for use in the process of electricity generation; for use in the production of energy products. *[Art. 31b. section 3 items 2-3 of the Law on Excise Duty]* for actuating stationary equipment or for heating purposes related to the actuation of stationary equipment, used for the purposes referred to in Article 31b.1 items 1-5 of the Law on Excise Duty, or for the purposes of transmitting, distributing or storing fuel gas. *[Art. 31b. section 4 of the Law on Excise Duty]*		
2.	for heating purposes in households; *[Art. 31b. section 2 item 1 of the Law on Excise Duty]* ☐	Exempt from excise duty[25]	
3.	For the propulsion: a) of aircraft, b) in the navy, including fishing vessels ☐ - except private sea trips and private recreational flights referred to in Art.32 section 2 of the Law on Excise Duty.	Exempt from excise duty[26]	

[25] The exemption is conditional:
1) in the case of gas products with code CN 2711 21 00 (high-methane gas E, nitrogen-rich gas Ls and Lw) - upon the products being sold in quantities not exceeding:
a) 10 m³/h - group E high-methane gas, not more than 8000 m³ per year, or
b) 25 m³/h - nitrogen-rich gas of Lw or Ls group, Ln or Lm group, not more than 10650 m³ per year;
2) in the case of gas products with code ex CN 2711 29 00 (propane-butane-air, GPP, decompressed propane-butane B/P) - upon the products being sold in quantities not exceeding:
a) 10 m³/h - propane-butane-air gas product, not more than 5000 m³ per year, or
b) 10 m³/h - decompressed propane-butane gas product, not more than 1000 m³ per year;
3) if the aforementioned gas products are sold in quantities greater than those specified above - upon obtaining from the purchaser of the products a statement to the effect that they do not use them for purposes other than running their household, including for the purposes of their business activities, or a statement concerning the quantity of the products used for purposes other than running the household, including for the purposes of their business activities, determined by the purchaser pro rata to the area of the property used for these purposes, taking into account the power of the heating appliances. [Art. 31b. section 6 of the Law on Excise Duty]
For the purposes of applying this exemption, a property wholly used for the purposes of business activities where the consumption of fuel gas does not exceed the quantities specified above is not considered a household. [Art. 31b. section 8 of the Law on Excise Duty]

[26] The exemption is conditional upon the presentation of an invoice issued by PGNiG and of the Customer's statement on the allocation of the gas products for exempt purposes. [Art. 31b. section 9 of the Law on Excise Duty]

	[Art. 31b. section 3 item 1 of the Law on Excise Duty]			
4.	for propulsion of internal combustion engines, save for the purposes listed above, which are eligible to exemption *[Art. 89 section 1 item 12 letter a) second bullet point of the Law on Excise Duty]*	☐	10.54 PLN/GJ[27]	
5.	for heating purposes, save for the purposes listed above, which are eligible to exemption *[Art. 89 section 1 item 13 of the Law on Excise Duty]*	☐	1.28 PLN/GJ[28]	
6.	for purposes other than heating, as additives or admixtures to heating fuels, for the propulsion of internal combustion engines or as additives or admixtures to engine fuels, excluding the purposes listed above, which are covered by exemption *[Art. 89 section 2 of the Law on Excise Duty]*	☐	0 PLN[29]	
Total consumption (shall add-up to 100.00%)				

[27] Subject to excise duty rate ensuing from the generally binding provisions of the law.

[28] Subject to excise duty rate ensuing from the generally binding provisions of the law.

29 Subject to excise duty rate ensuing from the generally binding provisions of the law.

Appendix No. 5 to the Contract

Standard form of Customer's declaration on the purpose of Fuel Gas consumptions for the needs of performance of the obligations set forth in the Energy Efficiency Law.

(Standard form)

Customer's particulars

KRS[30]:

NIP:

REGON:

DECLARATION

I/We hereby declare[31] that in the month of …….. 2018 the Fuel Gas purchased from PGNiG S.A. under Contract [32] No. …… dated ……. was offtaken in the following quantities:

1) for the purpose of further resale in the volume of …… kWh,
2) for internal needs in the quantity of ……. kWh, with the reservation that[33]:
    (a) for non-energy purposes a total of ……. kWh was offtaken;
    (b) for electricity generation a total of …… kWh was offtaken;
    (c) for the purposes of heat generation for end users connected to the grid within the territory of the Republic of Poland, when the total capacity contracted for these customers is at least 5 MW, a total of …….. kWh was offtaken.

On behalf of the Customer:

[30] Fill out if applicable
[31] Strike out the unnecessary
[32] Shall the recipient have more than one Fuel Gas offtake sites specified in the Contract, the Declaration shall be filled-out for each such site separately to the extent it will be applicable.
[33] Fill out if applicable

Appendix No. 6A to the Contract

Standard forms of power of attorney

Warsaw, (date) ... 2018

POWER OF ATTORNEY

Acting on behalf of …, a company with its registered office at [street], [postal code, city], entered into the Business Register maintained by the Local Court for [name of the jurisdiction], [number of the Court division] Business Division of the National Court Register, under entry No. KRS […], and with tax identification number NIP […], [for joint-stock companies – with the share capital of PLN […], paid in full], hereinafter referred to as the "**Customer**", we hereby confer the power of attorney upon:

Polskie Górnictwo Naftowe i Gazownictwo S.A. having its registered office in Warsaw (01-224) at ul. Marcina Kasprzaka 25, entered into the register of entrepreneurs of the National Court Register under entry no. KRS 0000059492, registry files kept by the Local Court for the Capital City of Warsaw in Warsaw, XII Business Department of the National Court Register, with share capital of PLN 5,778,314,857.00, fully paid-in, assigned the tax identification number NIP 525-000-80-28 (**"PGNiG"**),

act as representatives before Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A., the President of URE and the Minister competent for energy and perform all and any acts before those entities insofar as is necessary to perform the Contract, including without limitation:

a. providing Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A. with information on the site where emergency stocks of natural gas are held in order to enable the check of the technical feasibility of supplying these stocks to the gas system – by 15 June of each year.

b. providing the minister competent for energy and the President of URE with information on the actual volume of emergency stocks of natural gas held and on the site where they are held as at 15 September – by 20 September of each year.

c. providing the minister competent for energy and the President of URE with information on actions taken in the period from 01 January to 31 December of the preceding year in order to ensure national fuel security with regard to international gas trading or imports of natural gas and performance of the obligation to hold emergency stocks of natural gas;

d. requesting Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A. or Storage System Operator Gas Storage Poland sp. z o.o. to provide information on the volume of Emergency Stocks released, and in particular of the information, referred to in Art. 52a of the Law.

PGNiG is hereby authorised to delegate the powers granted thereto hereunder to any employee or employees of PGNiG (substitute attorneys-in-fact shall be authorised to grant further such power of attorney upon the same rules).

Appendix No. 6B to the Contract

Standard form of power of attorney

Warsaw, (date) ... 2018

POWER OF ATTORNEY

Acting on behalf of …, a company with its registered office at [street], [postal code, city], entered into the Business Register maintained by the Local Court for [name of the jurisdiction], [number of the Court division] Business Division of the National Court Register, under entry No. KRS […], and with tax identification number NIP […], [for joint-stock companies – with the share capital of PLN […], paid in full], hereinafter referred to as the "**Customer**", we hereby confer the power of attorney upon:

the following employees of **Polskie Górnictwo Naftowe i Gazownictwo S.A.** having its registered office in Warsaw (01-224) at ul. Marcina Kasprzaka 25, entered into the register of entrepreneurs of the National Court Register under entry no. KRS 0000059492, registry files kept by the Local Court for the Capital City of Warsaw in Warsaw, XII Business Department of the National Court Register, with share capital of PLN 5,778,314,857.00, fully paid-in, assigned the tax identification number NIP 525-000-80-28 (**"PGNiG"**),

1. Mr/Ms […] holder of personal identification number PESEL […]– […]; and

2. Mr/Ms […] holder of personal identification number PESEL […]– […]; and

3. Mr/Ms […] holder of personal identification number PESEL […]– […];

and on each of them individually, authorising the said attorneys-in-fact to request Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A., or Storage System Operator Gas Storage Poland sp. z o.o. to provide the volumes of Emergency Stocks of natural gas released, and in particular the information referred to in Article 52a of the Law of 16 February 2007 on Stocks of Crude Oil, Petroleum Products and Natural Gas, and on the Rules to be Followed in the Event of Threat to National Fuel Security or Disruptions on the Petroleum Market (i.e. Dz. U 2017, section 1210, as amended).

This power of attorney shall expire on termination of employment relationship between the attorney-in-fact and PGNiG.

Each of the attorneys-in-fact is hereby authorised to delegate the powers granted to him/her hereunder to any employee or employees of PGNiG (substitute attorneys-in-fact shall be authorised to grant further such powers of attorney upon the same rules).

This power of attorney shall be irrevocable throughout the Terms of Contract concerning the provision of services involving the performance of delegated mandatory stockholding of natural gas obligations, executed in Warsaw on the day of [·] 2018 by and between PGNiG and the Customer.

Appendix No. 7 to the Contract

Standard form of certificate of a block on funds in bank account

City/town:

.....

./Bank seal/tel:

CERTIFICATE

of a block on funds in bank account

On behalf of the Bank:

(bank details according to the Account Holder data format below), hereinafter referred to as the „Bank",

we certify that at the Account Holder's request

[data consistent with the format used in the Recitals of the framework agreement]

in account no. …

we irrevocably blocked funds as security for receivables arising under contract / contracts... (contract number and date)

totalling PLN ..... (say: … Polish Zlotys) (security amount).

The aforementioned amount was blocked for the benefit of **Polskie Górnictwo Naftowe i Gazownictwo S.A.** having its registered base in Warsaw (01-224) at ul. Marcina Kasprzaka 25, entered into the register of entrepreneurs of the National Court Register under entry no. KRS 0000059492, registry files kept by the Local Court for the Capital City of Warsaw in Warsaw, XII Business Division of the National Court Register, with share capital of PLN 5,778,314,857.00, paid in full, and with tax identification number NIP 525-000-80-28.

The blocked funds may only be disbursed to Polskie Górnictwo Naftowe i Gazownictwo S.A. based on appropriate power of attorney. Prior to the expiration of the block, the blocked funds may only be released upon the prior consent of Polskie Górnictwo Naftowe i Gazownictwo S.A. made in writing.

The Bank undertakes not to close the account in which the funds are blocked until a consent is given in writing by Polskie Górnictwo Naftowe i Gazownictwo S.A.

(signatures)

Appendix No. 8 to the Contract

Standard form of power of attorney to collect blocked assets

Warsaw, (date) …..

POWER OF ATTORNEY

[Customer's particulars in format consistent with the Recitals of the Contract]

hereby grants

Polskie Górnictwo Naftowe i Gazownictwo S.A. with its registered office at ul. Marcina Kasprzaka 25, 01-224 Warsaw, Republic of Poland, entered into the register of entrepreneurs of the National Court Register under No. KRS 0000059492, whose registry file is kept by the Local Court for the Capital City of Warsaw in Warsaw, XII Business Division of the National Court Register, with share capital of PLN 5,778,314,857.00, paid in full, and with tax identification number NIP 525-000-80-28,

an irrevocable power of attorney to withdraw from the [Customer's] bank account held with

… (name of the Bank)

No. …

the amount of PLN … (in words: …) (security amount)

This power of attorney is granted to secure receivables arising under contract / contracts... (contract No. and date).

This power of attorney is irrevocable until a written release of the block is received from Polskie Górnictwo Naftowe i Gazownictwo S.A.

Signature(s) of the person(s) granting the power of attorney conform(s) to the signature specimen card.

.....

(Company stamp and signatures and stamps of persons authorised to represent the company)

.....

(Bank stamp and signatures and stamps of persons representing the bank where funds are blocked)