

## Tender Terms and Conditions

### 1. Initial provision

All notions referred to in these Tender Terms and Conditions that commence with a capital letter shall have the same meaning as in the [Rules of Operation](#) and the [Technical Terms and Conditions](#) of POZAGAS a.s. (“POZAGAS”) unless provided for otherwise hereunder.

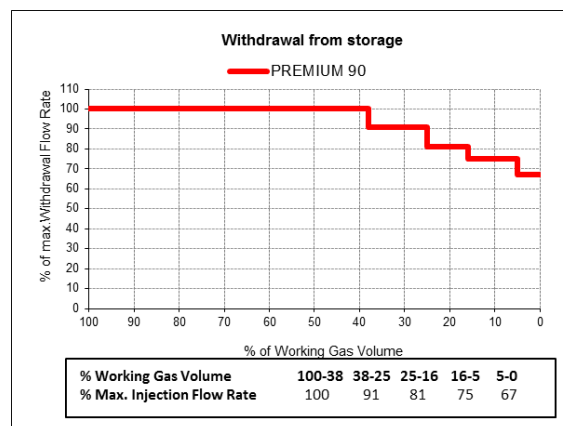
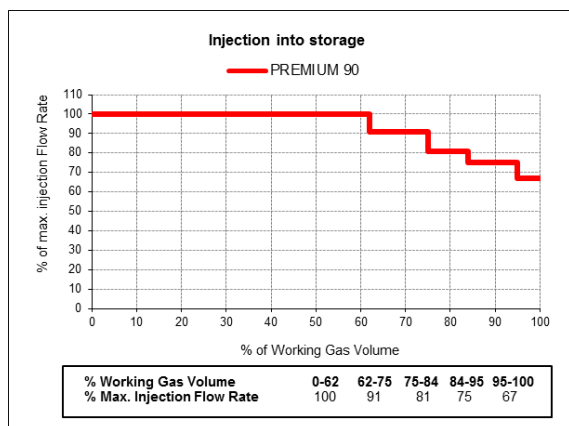
### 2. Storage products offered within Tender

POZAGAS considered while designing the storage capacity into individual products (i) the needs of market participants, (ii) geological-technical possibilities of POZAGAS’ Storage Facility and (iii) economically effective utilization of POZAGAS’ Storage Facility infrastructure.

#### 2.1 Flexible product (Fixed Storage Capacity) - **PREMIUM 90**

- a) Form of service Flexible product (Flexible Bundled Unit pursuant to Section 5.4 of the Rules of Operation, including the option of the multiple cycling of Fixed Storage Capacity during one (1) Contract Year)
- b) Bundled Unit Flexible Bundled Unit (section 5.2 (b) of the Rules of Operation) shall be deemed to have the following parameters:
- Working Gas Volume **9,863** MWh
  - Maximum Injection Flow Rate 120 MWh/Gas Day
  - Maximum Withdrawal Flow Rate 120 MWh/Gas Day

#### c) **Injection/Withdrawal Curve**



- d) Injection/Withdrawal Anytime during the Contract Year allowing for the Shutdown Periods (Contract Year as defined in the Contract on access to storage and storage of gas (hereinafter “Gas Storage Contract”))
- e) Entry-Exit Points one (1) Entry-Exit (Handing-over and Acceptance) Point
- or
- a combination of several Entry-Exit (Handing-over and Acceptance) Points as defined in section 2.3 of these Tender Terms and Conditions

(please refer to the Application for Access to Storage and Gas Storage Services (hereinafter the “Application”))

- f) Contract duration one (1) Contract Year with commencement three (3) days from the capacity allocation in case POZAGAS a.s. and Applicant shall not agree otherwise.

## 2.2 Entry-Exit (Handing-over and Acceptance) Points

POZAGAS offers to the Applicants within marketed storage capacity access to three independent gas infrastructure systems: (i) Transmission Network Slovak Republic, (ii) Distribution Network Slovak Republic and (iii) Virtual Trading Point Austria.

POZAGAS is included into market area Slovakia as well as market area Austria (Market Area East). Utilization of POZAGAS’s capacity is not subject of the fees for entry/exit to/from Market Area East.

Entry-Exit (Handing-over and Acceptance) Point	Market area	Mode of gas processing	Nomination unit	Allocation mechanism
Transmission Network Slovak Republic	SK	Injection and withdrawal	MWh	OBA
Distribution Network Slovak Republic	SK	Withdrawal	MWh	OBA
Virtual Trading Point Austria	AT	Injection and withdrawal	MWh	OBA

Applicants for storage capacity may freely combine in their Application the above mentioned entry and exit points for access into three independent connected networks and respective market areas, and thus utilize the associated advantages.

Should the access to both abovementioned market areas be granted, POZAGAS shall apply the additional fee on ad hoc basis for cross-border utilization of POZAGAS Storage Facility according to [Pricelist](#), i.e. depending the actual cross-border utilization of POZAGAS Storage Facility.

## 2.3 Customization of storage product

### 2.3.1 Bundled Unit parameters

Applicant for storage capacity shall have the right to request in the Application customization of Bundled Unit parameters via allocation of additional Injection Flow Rate and/or Withdrawal Flow Rate.

### 2.3.2 Other parameters

Applicant for storage capacity shall have the right to request the customization of storage service other than described in 2.3.1 of these Tender Terms and Conditions.

The requests under 2.3.1 and 2.3.2 shall be placed in section 2.7 “Comment” of the Application. Applicant is obliged to declare, whether he would or would not be interested in the allocation of requested number of Bundled Units in case his specific request cannot be accepted.

POZAGAS shall evaluate each individual request and allocate additional Injection Flow Rate and/or Withdrawal Flow Rate or requested storage service customization taking into consideration the best economic conditions of the bid and current geological-technical conditions of the Storage Facility.

### 3. Registration of Applicants

In order to register for participation in Tender, all Applicants are obliged to send to POZAGAS at the latest along with their first Application during the Applications Period as provided in section 5 of these Tender Terms and Conditions following documents:

- a) a completed [Registration Form](#) posted on [www.pozagas.sk](http://www.pozagas.sk) under “Capacity sale”.
- b) an extract from the Commercial Register, a business license or similar proof of the Applicant’s main business not older than 30 days. If under relevant national legislation the Applicant is not required to be recorded in any business register, the Applicant shall submit an affidavit to that effect.

Applicants shall deliver the above mentioned documents to POZAGAS, to the address referred to in section 8 of these Tender Terms and Conditions. Applicants shall deliver the original of the document required in accordance with section 3(b) of these Tender Terms and Conditions or its copy authenticated by a notary.

For purposes of registration, POZAGAS shall accept also documents submitted as a part of registration process for preceding tenders or any other ongoing tenders announced by POZAGAS, in case that none of the data have changed since the documents’ submission. The Applicant is obliged to submit the request for acceptance of formerly submitted documents for registration purposes in written form, and to do so at the latest along with the submission of the first Application during the Applications Period by declaration of the word of honor, that submitted data have not changed.

After all documents are received, the Applicant shall be notified about the outcome of the Applicant’s registration, including the outcome of the financial capacity evaluation according to internal rules stipulated by POZAGAS (part of registration) without undue delay in written form (by regular mail or e-mail).

Should the result of financial capacity evaluation be, that the bank guarantee with parameters in accordance with article 24 of the Rules of Operation is required in case of Gas Storage Contract conclusion, only banks having a minimum rating of BBB- (Triple B minus) pursuant to the standards of the rating agency “Standard & Poor’s” respectively an equivalent minimum rating given by the rating agencies “Moody’s” or “Fitch” shall be eligible for provision such bank guarantee. Recommended form for Model bank guarantee is published on [www.pozagas.sk](http://www.pozagas.sk) in section Services/Download.

### 4. Terms of Applications’ submission

- a) A binding [Application](#) form is available on [www.pozagas.sk](http://www.pozagas.sk) under “Capacity sale”.
- b) In his Application the Applicant shall insert the offered storage capacity unit price in form of EUR/MWh of storage capacity working gas volume, rounded to maximum of two (2) decimal places. The total price for the storage capacity shall be determined by multiplying the unit price by the allocated Working Gas Volume.  
In case that Entry-Exit (Handing-over and Acceptance) Point Virtual Trading Point Austria is requested, the offered unit price shall include the costs associated with the reserved capacity of MAB system and capacity of exit point to/from transmission network AT (Speicher MAB).
- c) By submitting his Application, the Applicant shall implicitly confirm that unless so required under relevant regulations, the price indicated in the Application has not been, and shall not be, directly or indirectly, deliberately disclosed by the Applicant to another Applicant and that the Applicant has not been engaged in any activity that might limit free competition under this Tender.
- d) A submitted Application shall be construed as a binding and irrevocable offer by the Applicant to enter into a Gas Storage Contract by which the Applicant shall be committed from the moment the Application is submitted until such time that two (2) hours elapse since the end of the Application Period according to article 5 of these Tender Terms and Conditions.
- e) Under each Offer of Storage Capacity made public in a call for Applications pursuant to section 5 of these Tender Terms and Conditions, each Applicant shall be entitled to submit no more than two (2) Applications.

- f) In one Application the Applicant shall indicate requested number of Bundled Units up to the number of Bundled Units offered within given Offer in accordance with article 2, section 2.1 of these Tender Terms and Conditions.

## **5. Applications Period and Method**

POZAGAS shall place in Offer/Offer of storage capacity until allocating whole offered storage capacity to Applicants.

Offer shall be placed in the form of a publishing the call for Applications as part of Tender MVP/2/2017 (hereinafter “Call for Applications”) on [www.pozagas.sk](http://www.pozagas.sk). POZAGAS shall publish the Call for Applications on the day of the Offer at the latest, between 9:00 a.m. and 4.00 p.m. CET (during working days in Slovak Republic). At the same time POZAGAS shall send a written notice about the Call for Applications by e-mail to all registered Applicants using the contact e-mail addresses indicated in their Registration form.

A Call for Applications shall generally contain the following information:

- a) number of Bundled Units on Offer;
- b) applications Period.

Applications Method:

- a) by e-mailing a scanned Application to: [international.tender@pozagas.sk](mailto:international.tender@pozagas.sk), during the period stated in the Call for Applications; or
- b) by fax sent to the fax number: +421 34 772 2406 (in case of not functioning the e-mail communication).

The Applicant to whom the storage capacity shall be allocated is obliged to submit the original of the Application to POZAGAS no later than three (3) working days from notice of allocating the storage capacity in given Offer.

POZAGAS reserves the right to announce the second round of Applications’ submitting within the given Offer, during the period in which the Application is binding in accordance with section 4(d) of these Tender Terms and Conditions. The second round of Applications’ submitting shall be announced by the written notification sent by e-mail, or fax (in case of not functioning the e-mail communication) to the Applicants, who submitted the Applications within the given Offer. The notification about the second round of Applications’ receiving shall contain the Applications Period for submitting the adjusted Applications and preliminary result of given Applicant in 1<sup>st</sup> round of Offer.

Regarding the adjustment of the Application, the Applicants are entitled to increase the price offered in the initial Application of given Offer, Applicants are not entitled to change other parameters of the Application.

Should the Applicant not use the right according to the preceding sentence, Applicant remains committed by the initial Application according to section 4 (d) of these Tender Terms and Conditions. In case that the Applicant shall modify the Application in other way than describe above, Applicant shall remain committed by the initial Application.

## **6. Evaluating Applications, allocating storage capacity, the Gas Storage Contract**

POZAGAS shall evaluate the received Applications and allocate the offered capacity in accordance with the Rules of Operation, these Tender Terms and Conditions and internal rules stipulated by POZAGAS prior to first Offer using the following criteria ranked by priority:

- a) offered unit price taking into consideration the requests according to section 2.3 of these Tender Terms and Conditions;
- b) number of Entry-Exit (Handing-over and Acceptance) Points;
- c) purpose of storage capacity use.

# Tender for Access to Storage and Allocation of Fixed Storage Capacity No MVP/2/2017 (“Tender”), amended as of 3.10.2018



Underground Gas Storage

ISO 9001, ISO 14001 a OHSAS 18001

In case that considering the criteria from a) to c) it will not be possible to determine the allocation of storage capacity due to equal score, the pro-rata mechanism shall be used.

After evaluating Applications, POZAGAS shall allocate storage capacity to the selected Applicant by sending a written notice by e-mail within two (2) hours from the end of the Applications Period.

Gas Storage Contract – flexible service is available on [www.pozagas.sk](http://www.pozagas.sk) under “Capacity sale”.

## 7. Rights reserved to POZAGAS

- a) POZAGAS shall not reimburse any expenses of Applicants incurred in preparation and submission of Applications and participation in the Tender.
- b) POZAGAS shall be entitled to verify the information concerning Applicants as submitted during their registration and to request additional information. The Applicant shall deliver such information to POZAGAS by the deadline indicated by POZAGAS.
- c) POZAGAS reserves right not to return delivered Applications and other documentation. POZAGAS shall use such provided commercial, confidential or other restricted information exclusively in order to evaluate Applications. If the Application is successful in the Tender, the documentation and information contained therein which hence constitute a part of the Gas Storage Contract, shall be governed by the Rules of Operation. POZAGAS shall reserve the right to exclude from the Tender Applications submitted with the intention of limiting the scope of the use of documents or information contained in the Application.
- d) In addition to the reasons listed under section 10.2 of the Rules of Operation, POZAGAS shall reserve the right to reject an Application where the offered unit price for storage capacity is lower than the minimum unit price for storage capacity set by POZAGAS prior to the Applications Period.
- e) POZAGAS shall at any time be entitled to cancel individual Offer or Tender as whole without any impact on already concluded Gas Storage Contracts within this Tender or modify its terms and conditions without explaining the reasons to the Applicant. POZAGAS shall at any time be entitled to cancel individual Offer without explaining the reasons to the Applicant.
- f) POZAGAS shall reserve the right to reject the Application if:
  - i. an Applicant fails to submit the required documents in the prescribed form by the prescribed deadline pursuant to Article 3 and section 7(b) of these Tender Terms and Conditions;
  - ii. an Applicant fails to fulfill the requirements pursuant to section 4(e) of these Tender Terms and Conditions.
- g) POZAGAS reserves the right to increase total capacity offered in Tender MVP/2/2017 based on actual geological - technical conditions of POZAGAS Storage Facility.

## 8. Contact persons of POZAGAS

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Fax:	+421 34 772 2406
E – mail:	<a href="mailto:international.tender@pozagas.sk">international.tender@pozagas.sk</a>
Address:	POZAGAS a.s., Malé námestie 1, 901 01 Malacky, Slovakia

Done in Malacky, 3.10.2018

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