



RULES OF THE BINDING OPEN SEASON PROCEDURE AT THE ENTRY/EXIT POINT POLAND-SLOVAKIA

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1. GENERAL INFORMATION

By the procedures of these Rules, Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A. (hereinafter referred to as “**GAZ-SYSTEM**”) and EUSTREAM A.S. (hereinafter referred to as “**EUSTREAM**”) plan to determine the level of market Participants’ binding demand for transmission capacity at the Entry/Exit Point Poland – Slovakia. This new interconnection point will be accessible after construction and commissioning of the Gas Interconnection Poland - Slovakia.

GAZ-SYSTEM and EUSTREAM jointly conduct this Open Season Procedure, which is necessary for assessing the level of construction costs of the Gas Interconnection Poland - Slovakia which will be covered by the market demand and making the Final Investment Decision on construction of the Gas Interconnection Poland - Slovakia. The Open Season Procedure shall consist of the binding phase only in which the transmission Capacity on the Gas Interconnection Poland – Slovakia will be allocated, based on principles settled in Annex 1.

1.1. DESCRIPTION OF THE PROJECT

EUSTREAM and GAZ-SYSTEM are progressing with the preparation of the construction of a new bi-directional pipeline connecting the Slovak System owned by EUSTREAM with the Polish System owned by GAZ-SYSTEM, with length of approximately 158 km.

The main purpose for the construction of the Gas Interconnection Poland - Slovakia is to establish firm capacity between the Polish System and the Slovak System in the amount of:

Direction	kWh/h	MWh/d	bcm(n)/y (indicative)	mcm(n)/d (indicative)	cm(n)/h (indicative)
PL- SK	5 998 333	143,960	4.7	12.90	537 413
SK- PL	7 274 583	174,590	5.7	15.64	651 758

Gas Interconnection Poland - Slovakia will ensure the diversification of sources, routes and stability of gas supplies to both countries, as well as will enhance the competitiveness of the internal gas market. Gas Interconnection Poland – Slovakia will enable the Polish market participants to access the so-called Southern Corridor, which enables to obtain gas from production areas such as the Caspian and the Eastern Mediterranean region. As a result of commissioning of the Gas Interconnection Poland - Slovakia, Slovak market participants will be able to import gas being offered on the Polish market, especially the gas obtained in the regasification process in the LNG terminal.

The Project would significantly increase energy security in the whole CEE and SEE region by increasing the diversification of gas supplies and reducing current level of dependency on gas supplies from a single gas supply source. Implementation of the Project will increase the security of supply level and bring other benefits not only to the Polish and Slovak markets, but also to the other EU Member States (including the Balkan region) and Ukraine as well, covering particularly the most vulnerable CEE and SEE regions.

Realization of the Gas Interconnection Poland – Slovakia project requires designing and construction of a pipeline from the Slovak Gas Compressor Station Veľké Kapušany to the Polish - Slovak border and from the Polish - Slovak border to the Strachocina Gas Node, together with the construction of a new Gas Compressor Station in Strachocina. Realization of the Gas Interconnection Poland – Slovakia also includes **the necessary reinforcements of internal gas grid in South-Eastern Poland**, i.e. the construction of a gas pipeline Pogórska Wola – Tworzeń, the construction of a gas pipeline Tworóg – Tworzeń and the construction of a gas pipeline Strachocina – Pogórska Wola.

1.2. INFORMATION ABOUT EUSTREAM

EUSTREAM is the gas transmission system operator on the territory of the Slovak Republic operating the high-pressure gas transmission system interconnected with major gas lines in Ukraine, Austria and the Czech Republic and since July 2015 with the Hungarian gas transmission system.

Since 1972, EUSTREAM has secured the transmission of more than 2.3 trillion cubic meters of natural gas across the territory of the Slovak Republic. The company therefore successfully continues the tradition of the Slovak gas industry, which dates back over 150 years. EUSTREAM allows access to the gas transmission network and offers its customers transmission services on a transparent and non-discriminatory basis. The access regime is in full compliance with existing legislation and gas industry standards. The business partners of EUSTREAM include major energy companies from EU and non-EU member states.

The certification procedure in which EUSTREAM was verified to be in compliance with the requirements of independency within a vertically integrated gas undertaking was completed on 22 November 2013 when the Ministry of Economy certified EUSTREAM as an ITO (independent transmission operator). The decision of the Ministry of Economy followed the decision issued by the RONI on 28 October 2013.

1.3. INFORMATION ABOUT GAZ-SYSTEM

The core business of GAZ-SYSTEM is transportation of gas through transmission network on the

territory of Poland, providing gas to distribution network and to final customers connected with transmission system. On 13 October 2010 the President of the Energy Regulatory Office (hereinafter referred to as: "President of ERO") issued a decision, whereby GAZ-SYSTEM obtained a status of Transmission System Operator on the territory of Poland until 31 December of 2030.

The Company carries out transmission activity on the basis of the transmission network on the territory of the Republic of Poland which is owned thereby.

On 22 September 2014 GAZ-SYSTEM obtained a decision issued by the President of ERO granting a certificate of independence in ownership unbundling model in relation to the gas network owned by GAZ-SYSTEM.

1.4. DEFINITIONS

1.4.1. Unless otherwise defined in these Rules, any terms defined in the Rules of Allocation, constituting Annex 1 hereto, shall have the same meaning in this Rules. Other capitalized words and terms used in the content of the Rules, shall have the same meaning as explanations indicated below:

- 1.4.1.1. Creditworthiness Assessment – the assessment of the creditworthiness of the Participant as described in Article 3.2.2 herein;
- 1.4.1.2. Energy law – the Energy law act of 10 April 1997 (consolidated text in the Journal of Laws No. 2012.1059, as amended), applicable in the Republic of Poland;
- 1.4.1.3. ERO - the Energy Regulatory Office;
- 1.4.1.4. Final Investment Decision - positive or negative decision adopted by EUSTREAM and GAZ-SYSTEM about construction of the Gas Interconnection Poland – Slovakia;
- 1.4.1.5. Negative Final Investment Decision - decision adopted by one or by both Parties which constitutes the final and irrevocable termination of the Project;
- 1.4.1.6. Operational Order of EUSTREAM - the applicable Operational order of the regulated entity EUSTREAM as the transmission system operator, approved by the RONI and published on the official EUSTREAM website. The Operational order represents an integral part of the Rules as Annex 3;
- 1.4.1.7. Positive Final Investment Decision – decision adopted by both Parties that finally and irrevocably confirms the Parties' will to initiate construction works

of the Gas Interconnection Poland – Slovakia;

- 1.4.1.8. RONI – the Regulatory Office for Network Industries, National Regulatory Authority in Slovakia;
- 1.4.1.9. Rules – this document, describing the rules of conducting the Open Season Procedure on the Gas Interconnection Poland - Slovakia, and Annexes thereto;
- 1.4.1.10. Tariff of EUSTREAM – applicable price decision issued by the RONI on the basis of generally binding legal regulations which determines the tariffs applicable to the respective capacities in the entry/exit points (including the Entry-Exit Point Poland-Slovakia) and procedures for their application; for the purpose of the Open Season Procedure the tariffs specified in Article 5.1. of the Rules in conjunction with the price decision of RONI No. 0103/2014/P as amended, which constitutes Annex 7 to the Rules, shall be applied;

1.5. LEGAL BASIS

- 1.5.1. The Rules shall describe the principles of conducting the Procedure and the rights and obligations of entities participating in the Procedure. The Rules constitute a binding document that outlines the requirements of GAZ-SYSTEM and EUSTREAM towards the Participants of the Procedure.
- 1.5.2. In addition to the provisions of the Rules, terms and conditions concerning the provision of the transmission services on the Gas Interconnection Poland - Slovakia are defined in the following documents:
 - 1.5.2.1. Operational Order of EUSTREAM;
 - 1.5.2.2. Tariff of EUSTREAM;
 - 1.5.2.3. TNC of GAZ-SYSTEM;
 - 1.5.2.4. Tariff of GAZ- SYSTEM.
- 1.5.3. Submission of the Binding Bid shall mean that the Participant accepts the provisions of the Rules, applicable Operational Order of EUSTREAM, applicable TNC of GAZ-SYSTEM and applicable version of the Tariff of EUSTREAM and the Tariff of GAZ-SYSTEM. To all matters not regulated by the Rules or its Annexes, the provisions of the applicable versions of the Operational Order of EUSTREAM, TNC of GAZ-SYSTEM and the Tariff of EUSTREAM and the Tariff of GAZ-SYSTEM (Annexes 3, 4, 7, 8 to the Rules) shall apply.
- 1.5.4. Subject to mandatory provisions of law, Parties cannot be held responsible for any

misinterpretation or usage of data contained in this document and the Parties do not accept any liability of any kind for acts, consequences, losses, etc., arising from the information or from inaccuracy, incompleteness, or omissions in the contents of this publication; this shall not apply in case of provided misleading information .

- 1.5.5. Open Season Procedure is based on the Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC, the Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation No 1775/2005/EC, the applicable national legislation in Poland and Slovakia and ERGEG Guidelines for Good Practice on Open Season procedure of 21 May 2007, ref: C06-GWG-29-05c. The abovementioned regulations ensure transparency and equal treatment of all Participants of the Procedure.
- 1.5.6. On the Polish side, the Open Season Procedure is also based on the provisions of point 7.1.13 of the TNC of GAZ-SYSTEM.

2. PARTICIPATION IN THE OPEN SEASON PROCEDURE

2.1. General rules

- 2.1.1. The Capacity allocation rules for the Entry/Exit Point Poland-Slovakia, including requirements for successful submission of the Binding bid, are regulated in Annex 1 – Rules of Allocation.

2.2. Confidentiality

- 2.2.1. Unless otherwise provided in these Rules or as a result of any law or regulation, the Parties acknowledge that any data, information or notification to be prepared by the Participants in the Procedure that will be handed over to any Party shall be considered as confidential. The Parties declare that such confidential information shall only be used in connection with the Open Season Procedure.
- 2.2.2. Unless otherwise provided in these Rules or as a result of any law or regulation, by the registration in the Open Season Procedure the Participant agrees to treat any data, information or notification exchanged with any Party in the Open Season Procedure as confidential information.
- 2.2.3. The abovementioned confidentiality obligations of the Participants and the Parties do not apply to any information, which at the date of the Participant's registration is in the public domain or subsequently enters the public domain without fault of the Participant

and/or any Party or which must be transmitted to a third party or a public authority as a result of any law, decision of a court or decision of a competent public authority. When disclosure is made to any third party appropriate safeguards shall be made as a prerequisite to such disclosure to prevent the said third party from making any further disclosure of such information without the consent of the Participant and/or any Party.

2.2.4. Notwithstanding the above, the Parties are entitled to disclose, in an aggregated and anonymous form, any information (including confidential information) obtained in connection with the Open Season Procedure, to the market users, during the planned meetings, workshops and in the market screenings, as well as to any public authorities (national and European Union) within the scope of cooperation with those authorities aiming at execution of the Project.

2.3. Information campaign

2.3.1. Parties will provide the Participants with all the necessary information in respect of the Open Season Procedure by means of regular updates at Parties' websites and/or by sending e-mails to the Participants.

3. FINANCIAL SECURITY

3.1. GENERAL GUIDELINES ON THE FINANCIAL SECURITY

3.1.1. The Parties within the Open Season Procedure shall demand the following financial securities:

3.1.1.1. the security for the conclusion of the Transmission Contract, submitted by the Participants together with the Binding Bid;

3.1.1.2. the security for the proper fulfilment of the Transmission Contract, submitted by the Participants, who, as a result of the Open Season Procedure, concluded the conditional Transmission Contracts, upon the call from EUSTREAM and GAZ-SYSTEM, issued before the Final Investment Decision is adopted.

3.1.2. The detailed provisions concerning the form and amount of each of the above mentioned financial securities are set forth in points 3.2 - 3.3 below.

3.2. SECURITY – SLOVAK PART

3.2.1. Security for the conclusion of the Transmission Contract

3.2.1.1. Together with a Binding Bid the Participant shall submit a security for the

conclusion of the Transmission Contract in cash in EUR or in the form of an irrevocable, unconditional bank guarantee payable on first demand, issued by a bank having an external credit rating at least Baa3 Moody's grade or equivalent from S&P or Fitch, in an amount calculated in line with the provisions as specified in this Article. The guarantee shall be valid throughout the period of the Procedure, up until 31 December 2016. In order to determine the security amount, the maximum contractual Capacity out of the annually/quarterly ordered contracted Capacities, specified in the Binding Bid, shall apply, in accordance with the rules herein below:

- 3.2.1.1.1. for the contractual Capacity below 200,000 kWh/h - 34,000 EUR;
- 3.2.1.1.2. for the contractual Capacity of a minimum of 200,000 kWh/h or above - 57,000 EUR.
- 3.2.1.2. The security for the conclusion of the Transmission Contract may be submitted in the form of cash collateral – payable on the account of Eustream:
IBAN SK59 0200 0000 0000 0012 5858
- 3.2.1.3. Binding Bids (offers) submitted without a proper security issued shall not be subject to analysis within the framework of the Procedure.
- 3.2.1.4. EUSTREAM shall be entitled to use the security (cash collateral or bank guarantee) in the full amount thereof, if the Participant fails to fulfil its obligations resulting from the submitted Binding Bid, particularly in the following situations:
 - 3.2.1.4.1. in case of Overbooking when the Participant, who submitted a Binding Bid for the Capacity which will be allocated in the Auction, in accordance with the Rules, does not submit an offer in the first round of the Auction or if the offer submitted by the Participant is not equal to the offer submitted in the Binding Bid;
 - 3.2.1.4.2. the Participant fails to conclude a Transmission Contract (or a framework transmission agreement with GAZ-SYSTEM), in accordance with point 5.3.4 of Annex 1, in spite of Final Allocation done by the Parties.
- 3.2.1.5. The security for the conclusion of the Transmission Contract shall be refunded within 14 (fourteen) days in the following cases:
 - 3.2.1.5.1. EUSTREAM terminates the Procedure without conclusion of Transmission Contracts, from the serious reasons in accordance

with point 7.7 or in the case referred to in point 5.3.2 of Annex 1,

- 3.2.1.5.2. Transmission Contract is concluded,
- 3.2.1.5.3. as a result of the Open Season Procedure no Capacity was allocated to the Participant.
- 3.2.1.5.4. submission by Participant a statement of resignation from participation in the Open Season Procedure in case of failure to meet the deadlines set out in the Schedule due to the EUSTREAM's or GAZ-SYSTEM's fault.

3.2.2. Creditworthiness Assessment

- 3.2.2.1. Following the receipt of the Binding Bid, accompanied with the required documents, EUSTREAM will perform the Creditworthiness Assessment of the Participants for the Slovak System.
- 3.2.2.2. Without prejudice to the obligation to submit documents attached to the Binding Bid in accordance with the Rules of Allocation, EUSTREAM may request further information from the Participant deemed necessary to perform the Creditworthiness Assessment.
- 3.2.2.3. The Creditworthiness Assessment will be realized by EUSTREAM on the basis of the Participant's credit rating from Moody's, Standard & Poor's or Fitch (or lack of such rating) as set forth below. In the event that the Participant has received ratings from more than one rating agency, the lowest rating will be used.
- 3.2.2.4. For the Creditworthiness Assessment of the Participant, EUSTREAM is entitled, but not obliged, to take into account the credit rating of the Participant's parent company. In such a case the Participant is obliged to submit documents of its parent company, i.e. (i) documents that confirm the legal form of business activity, including the original up to date excerpt from the appropriate court registry of companies of parent company, issued in accordance with the principles of the country of Participant residence, not earlier than 30 days before the date of Bidding Bid submission, (ii) original and notarized signature of authorized representative(s), and (iii) evidence of actual credit rating including details about the rating agency (in case the Participant does not have a credit rating, then a statement to this effect is required), and in addition a parental guarantee that the Participant's parent company irrevocably, unconditionally, binding guarantees on first demand for

all liabilities of the Participant towards EUSTREAM stemming from the Open Season Procedure and subsequent Transmission Contract. EUSTREAM will inform about its decision on taking into account the credit rating of the parent company for the creditworthiness assessment of the Participant.

3.2.2.5. In order to assess the creditworthiness of the Participants EUSTREAM differentiate between three categories:

3.2.2.5.1. Category A: For the Participants with an investment grade rating, i.e. companies with rating equal to or above Baa3 Moody's grade (or equivalent from S&P or Fitch).

3.2.2.5.2. Category B: For the Participants with no investment rate grading but with rating equal to or above B3 Moody's grade (or equivalent from S&P or Fitch).

3.2.2.5.3. Category C: For the Participants with no rating or with rating equal to or lower to Caa1 Moody's grade (or equivalent from S&P or Fitch) or with rating from other agencies.

3.2.2.6. The Participant is obliged to inform EUSTREAM of any change in the Participant's (or, if applicable, its parent company's) credit rating and/or, if it ceases to have a credit rating. If any change in the Participant's (or, if applicable, its parent company's) credit rating occurs or if it ceases to have a credit rating or any negative market information occurs, EUSTREAM shall have the right to revise its Creditworthiness Assessment and the level of the financial security which the Participant shall provide in connection with allocated Capacity. EUSTREAM shall notify such Participant on revision of its Creditworthiness Assessment and the Participant is obliged to adjust its financial security to the required level. Notwithstanding the above the EUSTREAM have a right any time after the Capacity Allocation to request information necessary for the Creditworthiness Assessment and the Participant is obliged to submit the required documents.

3.2.2.7. The financial security respecting Creditworthiness Assessment shall be considered as the security for the proper fulfilment of the Transmission Contract and shall be calculated respectively according to the provisions of point 3.2.3.

3.2.3. Security for the proper fulfilment of the Transmission Contract

3.2.3.1. Without prejudice to the provisions of point 3.2.1 the Participant shall provide

a security for the proper fulfilment of the Transmission Contract in the form of an irrevocable, unconditional bank guarantee payable on first demand or as cash collateral upon call of EUSTERAM, issued for six (6) weeks before the adoption of the Final Investment Decision for the Project. The deadline for providing the security is one month after the call is accomplished. In case of cash collateral the same bank account number shall be applied as stipulated in point 3.2.1.2. For the purpose of provision of the bank guarantee, only a bank having an external credit rating at least Baa3 Moody's grade or equivalent from S&P or Fitch shall be used. The minimal amount of security requested as per operational order shall be valid for the whole period of the required transmission capacity plus additional two months.

3.2.3.2. The amount of the security for the proper fulfilment of the Transmission Contract to be provided by the Participant shall:

3.2.3.2.1. for Category A Participants be equal at least to the fee expected to be paid by the Participant for capacity during the two months of the highest allocated capacity;

3.2.3.2.2. for Category B Participants be equal at least to the fee expected to be paid by the Participant for capacity during the four months of the highest allocated capacity,

3.2.3.2.3. for Category C Participants be equal at least to the fee expected to be paid by the Participant for capacity during the six months of the highest allocated capacity.

3.2.3.3. The security for the proper fulfilment of the Transmission Contract shall be calculated on the basis of EUSTREAM's tariffs as defined by point 5.1. For the avoidance of doubt the security for the proper fulfilment of the Transmission Contract already comprises the security requested as per Operational Order to be provided in connection with the requests for Capacity (only covering the booking under this Open Season Procedure). After six months of performance of the respective Transmission Contract concluded with EUSTREAM, the Participant may request from EUSTREAM a reduction of the provided financial security to the level of two months of the highest allocated capacity of the Participant and EUSTREAM shall consider such request. This is without prejudice to the right of EUSTREAM to request replacement of the security as per Operational Order in case the financial security provided by the Participant is used for satisfaction of its due

obligations.

3.3. SECURITY – POLISH PART

3.3.1. Security for the conclusion of the Transmission Contract

3.3.1.1. Together with a Binding Bid the Participant shall submit a security for the conclusion of the Transmission Contract, in an amount calculated in line with the provisions as specified below. In order to determine the security amount, the maximum contractual Capacity out of the annually/quarterly ordered contracted Capacities, specified in the Binding Bid, shall apply, in accordance with the rules herein below:

3.3.1.1.1. for the maximum contractual Capacity below 200,000 kWh/h - 150,000 PLN;

3.3.1.1.2. for the maximum contractual Capacity of a minimum of 200,000 kWh/h or above - 250,000 PLN.

3.3.1.2. If the security is submitted in cash it has to be deposited in PLN to the following GAZ-SYSTEM bank account No. 94114019770000580301001031 and has to be entitled as „Procedura udostępnienia przepustowości w punkcie połączenia międzysystemowego Polska - Słowacja." (“Capacity Allocation Procedure in interconnection point Poland-Slovakia”).

3.3.1.3. The security can also be made in the form of an irrevocable and unconditional bank or insurance guarantee, payable upon the first demand of the TSO, which content was accepted by the TSO. The bank guarantee has to be issued by a financial institution with a current rating obtained from any of the following rating Agencies: Moody's – minimum acceptable rating level: Baa2, Standard&Poor's or Fitch – minimum acceptable rating level: BBB. The guarantee shall be valid throughout the whole period of the Procedure, up until 31 December 2016. The bank (insurance) guarantee shall be subject to the provisions of Polish laws. If the guarantee has not been issued in the Polish language, it shall be submitted to the TSO together with a sworn translation into Polish.

3.3.1.4. Binding Bids (offers) submitted without a proper security issued shall not be subject to analysis within the framework of the Procedure.

3.3.1.5. GAZ-SYSTEM shall be entitled to use the security (cash collateral or bank or insurance guarantee) in the full amount thereof, if the Participant fails to fulfil its obligations resulting from the submitted Binding Bid, particularly in the

following situations:

- 3.3.1.5.1. in case of Overbooking when the Participant, who submitted a Binding Bid for the Capacity which will be allocated in the Auction, in accordance with the Rules, does not submit an offer in the first round of the Auction or if the offer submitted by the Participant is not equal to the offer submitted in the Binding Bid;
- 3.3.1.5.2. the Participant fails to conclude a Transmission Contract (or a framework transmission agreement with GAZ-SYSTEM), in accordance with point 5.3.4 of Annex 1, in spite of Final Allocation done by the Parties on his behalf.
- 3.3.1.6. The security for the conclusion of the Transmission Contract shall be refunded within 14 (fourteen) days in the following cases:
 - 3.3.1.6.1. GAZ-SYSTEM terminates the Procedure without conclusion of Transmission Contracts, from the serious reasons in accordance with point 7.7 thereof in the case referred to in point 5.3.2 of Annex 1,
 - 3.3.1.6.2. Transmission Contract is concluded,
 - 3.3.1.6.3. as a result of the Open Season Procedure no Capacity was allocated to the Participant,
 - 3.3.1.6.4. submission by Participant a statement of resignation from participation in the Open Season Procedure in case of failure to meet the deadlines set out in the Schedule due to the EUSTREAM's or GAZ-SYSTEM's fault.

3.3.2. Security for the proper fulfilment of the Transmission Contract

- 3.3.2.1. Without prejudice to the provisions of point 3.3.1, the Participant shall submit a security for the proper fulfilment of the Transmission Contract in cash in PLN or in the form of the bank or insurance guarantee in an amount calculated in line with the provisions of the Transmission Contract upon call of GAZ-SYSTEM, issued for six (6) weeks before the adoption of the Final Investment Decision for the Project. The deadline for providing the security is one month after the call is accomplished.

4. EXECUTION OF THE PROJECT AFTER CONCLUSION OF THE TRANSMISSION CONTRACTS

- 4.1. In accordance with the procedure described in the Rules of Allocation, as the result of Final Allocation, GAZ – SYSTEM and EUSTREAM shall conclude the Transmission Contracts with the Participants, for whom the Capacity of the Entry-Exit Point Poland-Slovakia has been allocated, in accordance with templates being the Annexes 5 and 6 hereto. Moreover, with the Participants taking part in the Open Season Procedure without concluded binding transmission agreement, GAZ – SYSTEM shall conclude the framework transmission agreement in accordance with a template constituting the Annex 12 hereto.
- 4.2. Conclusion of the Transmission Contracts imposes an obligation on GAZ-SYSTEM and EUSTREAM to take the Final Investment Decision (positive or negative) and further steps according to the provisions of the Rules and both Transmission Contracts. The Parties shall inform without undue delay all Participants on the Final Investment Decision.
- 4.3. Transmission Contracts, compliant with the drafts annexed to the Rules (Annex 5 and Annex 6) shall oblige the Parties to provide gas transmission services in the Entry-Exit Point Poland-Slovakia starting from 1st January 2021, subject to the provisions of points 4.4 - 4.8, under the following conditions precedent:
 - 4.3.1. adoption of the Positive Final Investment Decision by the 1st of July 2019;
 - 4.3.2. completion of the construction works on both sides of the border and commissioning of the Gas Interconnection Poland – Slovakia by 1 January 2021.
- 4.4. The Parties shall notify without undue delay all Participants on the adoption of the Positive Final Investment Decision (point 4.3.1), as well as on commissioning of the Gas Interconnection Poland – Slovakia (point 4.3.2).
- 4.5. If the conditions set forth in points 4.3.1 and 4.3.2 are fulfilled later than on the day when the Parties should commence providing the gas transmission services in the Entry/Exit Point Poland-Slovakia to the Participant under the relevant Transmission Contract, then the commencement date of providing the gas transmission services to the Participant shall be postponed to the first Gas Day of the Gas Month following the Gas Month in which the Participants received the notification about the fulfillment of both conditions set forth in points 4.3.1 and 4.3.2.
- 4.6. In case of delay of commissioning of the Gas Interconnection Poland – Slovakia, the Parties will have the right to postpone the starting date of providing the transmission services pursuant to the concluded Transmission Contracts without being liable, subject to mandatory provisions of law and without paying any compensation for any consequence arising from such delay. In such case the Parties shall inform the Participants who concluded the Transmission Contracts in due time and keep the Participants informed on

new estimated date of commissioning. Such a postponement will have no impact on tariffs for the access to the transmission network and natural gas transmission agreed in the concluded Transmission Contracts, with the exception of annual escalation, as may be applicable. For the avoidance of any doubts, such delay does not give the Participants the right to terminate the Transmission Contract. For the avoidance of doubts, for the period of postponement of providing the transmission services, the Participants shall not be obliged to pay any transmission fees according to the Transmission Contracts.

- 4.7. If, despite the delay of commissioning, the technical status of the Gas Interconnection Poland – Slovakia will allow operation on an interruptible basis, then, until the commissioning of the Gas Interconnection Poland-Slovakia, the relevant Capacities of the relevant Participants shall be transformed into corresponding interruptible Capacities, in accordance with the Tariff of EUSTREAM and/or the Tariff of GAZ-SYSTEM and principles defined in this Rules and the price regulation. The Parties shall without undue delay notify the relevant Participants on the commencement of providing the gas transmission services in the Entry/Exit Point Poland-Slovakia on an interruptible basis. The obligation of the Parties to provide gas transmission services on an interruptible basis shall enter into force on the first Gas Day of the Gas Month following the Gas Month, in which the relevant Participants were notified about the commencement of providing the gas transmission services in the Entry/Exit Point Poland-Slovakia on an interruptible basis.
- 4.8. In case of delay of commissioning of the Gas Interconnection Poland - Slovakia beyond 1 January 2023 (the “Long stop date”), or in case that by the date specified in point 4.3.1 EUSTREAM and GAZ-SYSTEM do not adopt a Positive Final Investment Decision, the respective stipulations of the Transmission Contract regulating the obligation of EUSTREAM and GAZ-SYSTEM to provide transmission services according to the respective Capacities of the Entry-Exit Point Poland – Slovakia, shall not enter into force and the affected Participants and the Parties shall have the right to terminate the Transmission Contracts with no liabilities, subject to mandatory provisions of law and with no possibility of the Participants to claim against the Party/Parties for damages or to seek another form of legal compensation. In such a case any security (if collected) will be fully released to the Participant.
- 4.9. The Parties have the right to terminate the Transmission Contracts in line with the provisions set out in the Rules or in the Transmission Contracts.

5. TARIFFS AND ACCESS TO THE SYSTEM

All rules for access to the Gas Interconnection Poland - Slovakia, as well as for setting the respective business terms and conditions, including transmission tariffs, will be in full compliance with the valid regulatory framework of Poland and Slovakia.

5.1. TARIFFS PAYABLE FOR ACCESS AND TRANSMISSION – SLOVAK PART

5.1.1. Gas transmission is a fully regulated activity in the Slovak Republic and tariffs for access to the transmission network and transmission service are determined by the RONI. Tariffs for gas transmission in the Slovak Republic are structured in a fully decoupled entry/exit model.

5.1.2. The tariffs for access to the transmission network and gas transmission for the Entry/Exit point of PL-SK Interconnector are not defined in the applicable price decision of RONI at the time of publication of these Rules; nevertheless the tariffs which would be otherwise applicable in 2016, if the current price decision defines the tariffs for the entry/exit point of the PL-SK Interconnector, would be maximum as follows:

Tariff group* (booked daily capacity)	Initial tariff rate at the entry point PL-SK Interconnector $(P_{0en(n)(m)(t)})$ (EUR/(MWh/d)/y)	Initial tariff rate at the exit point PL-SK Interconnector $(P_{0ex(n)(m)(t)})$ (EUR/(MWh/d)/y)
1. $T_{en1/ex1}$ (up to 18 200 MWh/d)	108.34	185.86
2. $T_{en2/ex2}$ (over 18 200 MWh/d including, up to 416 000 MWh/d)	110.05	188.76

* please note that the final tariff for the capacity group No. 2 is to be calculated from the initial tariff, reflecting the daily capacity factor, according to the formula under Chapter II. of the price decision of RONI No. 0103/2014/P. Final tariffs shall also reflect a duration by applying the Time factor I_t as described in the mentioned price decision.

EUSTREAM declares herewith that tariffs applicable for the transmission capacities allocated in this Binding Open Season Procedure will not exceed the above tariffs at the time of the transmission commencement under these transmission capacities (the tariffs pursuant to this point shall, however, be escalated in accordance with the applicable price decision issued by RONI). If the actual tariffs exceed these indicative maximum tariffs then the Participant has the right to rescind from the gas Transmission Contract within 4 weeks after the respective price decision for the first year of allocated Capacities is issued by RONI.

5.1.3. The applicable rates of tariffs of gas for operational needs are envisaged as follows (the tariffs are calculated as percentage rates from the transmitted gas quantity):

Entry/Exit point PL-SK Interconnector	
Tariff rate at the entry point (%)	0.10
Tariff rate at the exit point (%)	0.70

5.1.4. The applicable neutrality charge is envisaged in the amount of 0.02 €/MWh.

5.1.5. EUSTREAM will inform the Participants without undue delay as soon as the tariffs for the Entry/Exit point of the PL-SK Interconnector will be published by RONI and apply it in its Transmission Contracts.

5.2. POLISH TARIFF MECHANISM

5.2.1. The tariff system is currently based on the provisions of the Energy Law of 10 April 1997 and the Ordinance of the Minister of Economy of 28th June 2013 on the detailed principles of setting and calculation of tariffs and the principles of settlement in trading in gas.

5.2.2. GAZ-SYSTEM shall collect the fees for the performance of gas transmission services rendered under the Transmission Contracts concluded as a result of the Open Season Procedure according to the Tariff and the TNC of GAZ-SYSTEM applicable at a given time according to the decision of the President of ERO.

6. NOTICES AND CONTACT DATA

6.1. Documents and correspondence submitted in written form should be delivered in sealed envelope with notice „BINDING OPEN SEASON PROCEDURE AT THE ENTRY/EXIT POINT POLAND-SLOVAKIA” on one of the following addresses:

Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A.

Sekretariat Pionu Rynku Gazu

ul. Mszczonowska 4

02-337 Warszawa

Attention: Agnieszka Ozga/Artur Gadziomski

eustream, a.s.

Votrubova 11/A

821 09 Bratislava

Attention: Marek Lendvorský

- 6.2. Any and all questions and electronic correspondence on the Procedure must be addressed to the following e-mail addresses: e-mails: openseason@gaz-system.pl; transmission@eustream.sk.
- 6.3. The leading language of correspondence is English. GAZ-SYSTEM will also accept correspondence in Polish and EUSTREAM in Slovak.

7. OTHER PROVISIONS OF THE RULES

- 7.1. Subject to mandatory provisions of law, cancellation by the Parties of the Open Season Procedure in the situation referred to in point. 5.3.2 of Annex 1 shall not create any liability of the Parties and shall not entitle the Participants to claim against the Party/Parties for damages or to seek another form of legal compensation for failure to conclude the Transmission Contracts.
- 7.2. Any expenses incurred by the Participant in connection with its participation in the Procedure shall be borne by the Participant and shall not be asserted against GAZ-SYSTEM and/or EUSTREAM.
- 7.3. Anytime the present Rules refer to the delivery of documents or information by e-mail, such a document or information is deemed to be delivered upon it is input to the means of electronic communication in such a manner so that a recipient is able to get familiar with the content thereof.
- 7.4. GAZ-SYSTEM and EUSTREAM represent that GAZ-SYSTEM shall be liable for transmission services and proper functioning of the Polish System, that is its ownership on the Polish side of the Entry/Exit Point Poland - Slovakia and EUSTREAM shall be liable for transmission services and proper functioning of the Slovak System, that is its ownership on the Slovak side of the Entry/Exit Point Poland - Slovakia. GAZ-SYSTEM and EUSTREAM shall not be liable for the infrastructure, which is not owned by them.
- 7.5. These Rules do not constitute an offer to the Participants within the meaning of article 66 § 1 of the Civil Code of the Republic of Poland (Journal of Laws from 1964 No16 item. 93 as amended) as well as applicable provisions of § 43a of the Slovak Civil Code (Act No. 40/1964 Coll.) or provision of § 276 (and following) and provision § 281 (and following) of the Slovak Commercial Code (Act No. 513/1991 Coll.).
- 7.6. Neither the Participant, nor GAZ-SYSTEM, nor EUSTREAM, shall be liable towards each other for the loss suffered due to the Procedure unless the party suffered loss due to willful

misconduct of the other party.

- 7.7. GAZ-SYSTEM and EUSTREAM may jointly invalidate the Procedure for serious reasons at any time. GAZ-SYSTEM and EUSTREAM shall inform Participants, ERO and RONI of the cancellation of the Procedure and specify reasons for such invalidation and, if applicable, an expected date on which the Procedure may be repeated.
- 7.8. GAZ-SYSTEM and EUSTREAM reserve the right to amend or supplement the Rules before the date of Binding Bids' submission, including the extension of time limits set out herein, in particular in the case of changes in legal regulations, a need to obtain, unforeseen in the Rules, administrative approvals or decisions from competent authorities, including regulators. Such amendments and supplements will be published on the website of GAZ-SYSTEM and EUSTREAM, subject to a prior obtainment of the approval of competent authorities, if necessary.
- 7.9. Any new version of, or amendments to, the TNC of GAZ-SYSTEM or Tariff of GAZ-SYSTEM, approved by the President of ERO, or any change of the Rules of the GSA Platform, Operational Order of EUSTREAM or Tariff of EUSTREAM does not constitute a change of the Rules and enters into force according to the date stipulated in a given document.

8. GOVERNING LAW, DISPUTE RESOLUTION

- 8.1. All matters between EUSTREAM and Participant arisen pursuant to these Rules shall be governed by the laws of the Slovak Republic. To any issues not regulated in the Rules the provisions of the Operational Order of EUSTREAM or Tariff of EUSTREAM shall apply. Any dispute arising from or related to these Rules and related to EUSTREAM shall be settled by the Court of Arbitration of the Slovak Chamber of Commerce and Industry in Bratislava in accordance with its internal rules and regulations. The place of arbitration shall be Bratislava; its language shall be the Slovak language. The number of arbitrators shall be three (3). The resolution of the Court of Arbitration of the Slovak Chamber of Commerce and Industry in Bratislava shall be final and enforceable.
- 8.2. All matters between GAZ-SYSTEM and Participant arisen pursuant to these Rules shall be governed by the laws of the Republic of Poland. To any issues not Regulated in the Rules the provisions of the TNC of GAZ-SYSTEM or Tariff of GAZ-SYSTEM apply. Any dispute arising from or related to these Rules and related to GAZ-SYSTEM shall be settled by the Court of Arbitration of the Polish Chamber of Commerce in accordance with its internal rules and regulations. The place of arbitration shall be Warsaw; its language shall be the Polish language. The number of arbitrators shall be three (3). The resolution of the Court of Arbitration of the Polish Chamber of Commerce shall be final and enforceable.

9. MISCELLANEOUS

The following Annexes form an integral part of the Open Season Procedure and shall be published at the Parties' websites in due course:

Annex 1: Rules of Allocation for the Entry/Exit Point Poland-Slovakia in the Open Season Procedure

Annex 2: Binding Bid

Annex 3: Operational Order of EUSTREAM (setting the business conditions)

Annex 4: TNC of GAZ-SYSTEM

Annex 5: Transmission Contract template of EUSTREAM

Annex 6: Transmission Contract template of GAZ-SYSTEM

Annex 7: Tariff of EUSTREAM

Annex 8: Tariff of GAZ-SYSTEM

Annex 9: Rules of the GSA Platform

Annex 10: Draft of the power of attorney to registration on GSA Platform for EUSTREAM

Annex 11: Draft of the power of attorney to registration on GSA Platform for GAZ-SYSTEM

Annex 12: Framework transmission agreement template of GAZ-SYSTEM