

GENERAL TERMS AND CONDITIONS OF THE TRANSMISSION CONTRACT (GTC)

effective as of 1 November 2020

1. OBJECT OF THE TRANSMISSION CONTRACT (the "CONTRACT") AND BASIC OBLIGATIONS OF THE PARTIES

- 1.1. The available capacity (contracted capacity) shall be made available at a physical entry point to the transmission system (FPWE) or a physical exit point from the transmission system (FPWY) on the basis of the capacity allocation (PP) and at the time specified therein. Conclusion of or any changes to the capacity allocation (PP) shall be subject to the procedure set out in the Contract and in the Transmission Network Code (hereinafter referred to as: the "TNC"). A new capacity allocation (PP) accepted for execution for a FPWE or FPWY shall replace the existing capacity allocation (PP) and shall become effective as of the date specified therein.
- 1.2. The order for the transmission service i.e. the transportation of gaseous fuel through the transmission system and the balancing service, shall be placed with the TSO on the basis of the transmission ability allocation (PZ). Conclusion of or any changes to the transmission ability allocation (PZ) shall be subject to the procedure set out in the Contract and the TNC. A new transmission ability allocation (PZ) accepted for execution for an entry point (PWE) or exit point (PWY) shall replace the existing transmission ability allocation (PZ) and shall become effective as of the date specified therein.
- 1.3. All the terms defined in the TNC shall retain the same meaning in this GTC.
- 1.4. The TSO may introduce changes to the GTC, in whole or in part, in particular in case of a change of law, a change to the Tariff or a change to the TNC or in other justified cases.
- 1.5. The changed or new contents of the GTC shall be implemented in the following way:
 - 1.5.1. The TSO shall inform the System User in writing about the changes to the wording of the GTC.
 - 1.5.2. The new or changed GTC presented by the TSO shall become binding for the System User after thirty (30) days of receiving the information referred to in point 1.5.1, unless the System User terminates the Contract pursuant to its provisions, including the provisions of point 7.5 of the GTC.

2. FINANCIAL SECURITY

- 2.1. In order to protect the interests of the entities the TSO has concluded the Contract with and to ensure the

operational security and reliability of the system, the System User shall demonstrate its financial standing that confirms its financial capacity to fulfil its financial obligations towards the TSO by setting a financial security according to the rules set forth in point 2 (hereinafter referred to as: the „Financial Security“).

- 2.2. The provisions of point 2 shall not be applicable to a System User that has its registered office in an EU member state or a member state of the European Free Trade Association (EFTA) a party to the Agreement on the European Economic Area (EEA) and confirms to the TSO that it has a financial rating of at least:

- 2.2.1. Baa2 for Moody's; or
- 2.2.2. BBB for Standard & Poor's, or
- 2.2.3. BBB for Fitch.

- 2.3. The Financial Security may be set in the following forms:

- 2.3.1. cash deposit made to a bank account specified by the TSO in the Contract, refundable after the settlement of completed transmission services, together with bank interest at a rate agreed for such account at the time when such deposit is made, less any costs of maintaining the account and costs of a bank transfer, in case when the deposit together with the bank interest is not used to satisfy the claims of the TSO, or

- 2.3.2. an irrevocable and unconditional bank guarantee, payable on first demand of the TSO, which has been accepted by the TSO, issued, as applicable, by a bank established in the territory of a Member State of the European Union or an EFTA Member State being a party to the EEA Agreement, provided that such bank meets the following criteria:

- (i) is not covered by restrictive measures adopted under existing legislation, including European Union legislation adopted pursuant to Article 215 of the Treaty on the Functioning of the European Union (OJ EU C 326/47, 26.10.2012), in respect of the provision of financial, banking or investment services, including assistance in issues or any other activity relating to transferable securities and money market instruments,

- (ii) holds a current rating from one of the following credit rating agencies: Moody's, Standard & Poor's or Fitch (level required not lower than Baa2 for Moody's, BBB for Standard & Poor's, BBB for Fitch), or

- 2.3.3. an irrevocable and unconditional surety accepted by the TSO, being subject to Polish law, payable at

the TSO's first request, issued by the parent company of the System User's holding group which has its registered office in the territory of a Member State of the European Union or an EFTA Member State being a party to the EEA Agreement, provided that the following criteria are met:

(i) the parent company in the System User's holding group is not covered by restrictive measures adopted under existing legislation, including European Union legislation adopted pursuant to Article 215 of the Treaty on the Functioning of the European Union, in respect of the provision of financial, banking or investment services, including assistance in issues or any other activity relating to transferable securities and money market instruments,

(ii) the parent company in the System User's holding group holds a current rating from a credit rating agency (level required not lower than Baa2 for Moody's, BBB for Standard & Poor's, BBB for Fitch) and has submitted, in the form of a notarial deed, a declaration of submission to enforcement including the obligation to pay monies up to the amount specified therein pursuant to Article 777 of the Code of Civil Procedure (Journal of Laws 2019.1460, consolidated text of 05.08.2019 as amended – hereinafter: "CCP"),

(iii) the surety of the parent company in the System User's holding group may be granted for a value of up to 10% of that company's share capital.

2.4. System User may establish a Financial Security for the benefit of the TSO in the form of a promissory note and a declaration of submission to enforcement in the form of a notarial deed, including the obligation to pay monies up to the amount specified therein under Art. 777 of the CCP in accordance with the specimen published on the TSO's website, subject to fulfilment of the following conditions:

(i) the System User has its registered office on the territory of a Member State of the European Union or an EFTA Member State being a party to the EEA Agreement;

(ii) for the last four years, the System User has continuously used contractual capacity at a FPWE or a FPWY, and has paid its obligations to the TSO on time.

2.4.1. When the System User has established the financial security in the form of a promissory note together with a declaration submission to enforcement in the form of a notarial deed, but no longer fulfils the conditions (i) or (ii) referred to in point 2.4 above, within five (5) business days from the day on which the above conditions stopped to be fulfilled, the System User shall present the Financial Security in an appropriate form to the TSO. In case when the

Financial Security is not renewed, the TSO shall have the right to change the form of the Financial Security submitted in the form of a promissory note together with a declaration of submission to enforcement in the form of a notarial deed, to a Financial Security in the form of a cash deposit through drawing a sum from the previous Financial Security. The change of the form of the Financial Security shall be applicable up to the amount of the Financial Security as calculated in accordance with point 2.5 at the date such change takes place.

2.5. The amount of the Financial Security set by the System User, for each gas day, shall not be lower than:

2.5.1. one hundred twenty five per cent (125%) of the value of the System User's obligations towards the TSO in a single gas day constituting the sum of:

2.5.1.1. the obligations unpaid by the System User (including the obligations not yet matured) resulting from the invoices issued by the TSO for the System User decreased by the TSO's obligations towards the System User resulting from the Commercial Transmission Report which have not been paid by the TSO, and

2.5.1.2. the System User's obligations resulting from the potential amount of the daily imbalance charge calculated on the basis of the balance of mutual obligations of the TSO and the System User for all the gas days which have not been included in the invoice for the balancing services. The balance of the mutual obligations shall be calculated as the provisional DIN multiplied by the average monthly CSRB which are published on the website of the TSO for the previous month,

or

2.5.2. twice the amount of the charge for the transmission services provided during a given gas month calculated on the basis of the capacity allocation (PP) of a System User and the valid Tariff,

or

2.5.3. PLN 150,000.00 when the System User has a transmission ability allocation (PZ),

depending on which of the above values indicated in point 2.5.1, point 2.5.2 or point 2.5.3 is the highest one for a given gas day, subject to the principles for resumption of transmission services set out in clause 2.20.

2.6. The Financial Security shall be calculated for each gas day. The amount of the Financial Security shall be calculated by the System User itself pursuant to point 2.5. The Financial Security shall be set not later than five (5) business days before the provision of the transmission services by the TSO commences.

2.7. The Financial Security for the balancing group.

- 2.7.1. Pursuant to the provisions of the TNC the Financial Security regarding the balancing services for the whole balancing group shall be set by the Shipper responsible for the commercial balancing of the entire balancing group (ZUP_{BG}). The rules set forth in point 2 shall apply to balancing the whole balancing group, unless otherwise provided for in point 2.7.
- 2.7.2. In case the System User is a participant of a balancing group (ZUP_{UG}), the settlements in respect of the imbalance of the System User shall be made solely between the TSO and ZUP_{BG} for the balancing group. The above mentioned does not include the payment of the charge related to financial neutrality of balancing which is billed with each Shipper separately.
- 2.7.3. After signing the appendix 4 to the Contract the System User shall assume the role of the Shipper which is responsible for commercial balancing of the entire balancing group (ZUP_{BG}) and for making the payments to the TSO for the aggregate imbalance of all ZUP_{UG}.
- 2.7.4. For the purposes of determining the value of the Financial Security to be provided by a Shipper that is a ZUP_{UG} but not the ZUP_{BG}, the obligations of that ZUP_{UG}, as referred to in point 2.5.1.1 and the principles set out in point 2.5.2 shall be taken into account, and the obligations referred to in point 2.5.1.2 and the principles set out in point 2.5.3 shall not be taken into account.
- 2.7.5. For the purposes of determining the value of the Financial Security of a ZUP_{BG}, the obligations of that ZUP_{BG} as referred to in point 2.5.1.1 and the aggregate value of the obligations referred to in point 2.5.1.2 for all the Shippers that are participants of the balancing group (ZUP_{UG} and ZUP_{BG}) as well as the principles set out in points 2.5.2 and point 2.5.3 shall be taken into account.
- 2.7.6. The suspension of transmission services provided for the ZUP_{BG}, pursuant to point 2.11, 2.13 or 2.15 shall result in the dissolution of the balancing group for commercial balancing of which the ZUP_{BG} is responsible. The dissolution of the balancing group shall take effect from the gas day in which the provision of transmission services for the ZUP_{BG} was suspended pursuant to point 2.11, 2.13 or 2.15.
- 2.7.7. A ZUP_{UG} that is a participant of the balancing group dissolved pursuant to point 2.7.6 shall be called upon without delay from the suspension of transmission services provided for the ZUP_{BG} by the TSO, to establish the appropriate Financial Security in accordance with the general rules set out in point 2, within forty eight (48) hours from that notice, failing which the provision of transmission services may be suspended. The above mentioned notice shall be sent by email or through the Information Exchange System (hereinafter the "IES").
- 2.8. The term of validity of the Financial Security shall expire three (3) months after the period for which the capacity (PP) or the transmission ability (PZ) has been allocated.
- 2.9. The System User shall submit to the TSO the due Financial Security fourteen (14) business days before the expiry of the existing Financial Security.
- 2.10. In case of long-term services provided for a period longer than one (1) year, the TSO shall accept the possibility of setting the Financial Security for a period not shorter than one gas year, subject to its renewal twenty (20) business days before it expires.
- 2.11. In case the Financial Security referred to in point 2.9 and point 2.10 is not renewed, the TSO shall call upon the System User, by email or through the IES, to renew the Financial Security within forty eight (48) hours of such notice. If the System User fails to renew the Financial Security within the deadline set by the TSO, the TSO shall have the right to suspend transmission services for that System User as of the beginning of the following gas day after the expiry of the deadline set by the TSO. The TSO shall also have the right to change the form of the Financial Security submitted in a different form than in cash, including in the form of a promissory note together with a declaration of submission to enforcement in the form of a notarial deed, to a Financial Security in the form of a cash deposit through drawing a sum from the previous Financial Security. The change of the form of the Financial Security shall be applicable up to the amount of the Financial Security as calculated in accordance with point 2.5 at the date such change takes place.
- 2.12. The TSO shall have the right to verify the level of Financial Security for the previous gas day on a daily basis, to check it for consistency with the level indicated in point 2.5 or point 2.20. When it is discovered that the level of Financial Security is not sufficient, the provisions of point 2.13 or point 2.15 shall apply.
- 2.13. If the Financial Security of the System User in the previous gas day was lower than fifty percent (50%) of the Financial Security level required pursuant to point 2.5, the TSO, at the moment when forty eight (48) hours have passed from the beginning of the following gas day, shall suspend the performance of the transmission services for the System User without calling upon it to supplement the Financial Security. The System User shall be informed about suspending the transmission services by means of an e-mail or IES at the moment when the TSO decides to suspend the provision of transmission services.

- 2.14. If the suspension of providing the transmission services, referred to in point 2.11, point 2.13 or point 2.15, takes place on the day which is holiday pursuant to the provisions of law or on Saturday, the suspension of providing the transmission services shall take place at the beginning of the gas day commencing on the following day which is not holiday or Saturday.
- 2.15. If the Financial Security of the System User on the previous gas day was lower than the Financial Security level required pursuant to point 2.5 but equal to or higher than fifty percent (50%) of the Financial Security level required pursuant to point 2.5, the TSO shall call upon the System User in writing or by means of an e-mail or the IES to supplement the Financial Security by 15:00 hours of the gas day following the gas day on which the TSO called upon the System User to supplement the Financial Security. In case of not supplementing the Financial Security by the System User, the TSO shall suspend the transmission services to the System User at the moment when forty eight (48) hours have passed from the beginning of the gas day on which the System User should have supplemented the Financial Security.
- 2.15.1. The TSO may refrain from calling upon the System User to supplement the Financial Security if the amount of the Financial Security in the previous gas day was lower than the required level by an amount not exceeding PLN 1,000.00.
- 2.16. If 15:00 hours of the gas day, referred to in point 2.15, falls on the day which is holiday pursuant to the provisions of law or on Saturday, the term for supplementing the Financial Security pursuant to point 2.15 shall expire at 15:00 of the following day which is not holiday or Saturday.
- 2.17. The Financial Security in form referred to in point 2.3.1 shall be regarded as supplemented at the moment when the TSO's bank account has been credited at least with the amount that falls short of the level of Financial Security required under point 2.5 or point 2.20.
- 2.18. The suspension of transmission services referred to in point 2.11, point 2.13 and point 2.15 shall result the inability of the Shipper to submit a nomination or its rejection by the TSO in accordance with the provisions of the TNC, and termination of the transmission ability allocation (PZ) for WPWE_{GG}/WPWY_{GG} and WPWE_{PPG}/WPWY_{PPG} points. The TSO shall inform the Gas Exchange about taking the above measures.
- 2.19. Within the period of suspension of the transmission services pursuant to point 2.11, 2.13 and 2.15 the delivery of the gaseous fuel to the Customers of the System User shall be continued by the TSO and the amounts of the gaseous fuel off-taken by such Customers shall be allocated pursuant to the provisions of the TNC. However, in case when the System User informs the TSO about launching the supply of last resort or three (3) business days from the moment of suspending the transmission services have passed and the System User does not supplement the Financial Security to the required level, or the Financial Security is not renewed, within that period, the supply of the gaseous fuel by the System User shall be ceased and the amounts off-taken by the Customers of the System User within the whole period of suspension of the transmission services of the System User shall be allocated to the supplier of last resort.
- 2.20. The resumption of transmission services for the System User shall be possible on condition that the Financial Security established by the System User for a given gas day is not lower than that:
- 2.20.1. two hundred percent (200%) of the value of the System User's obligations towards the TSO in a given gas day, corresponding to the sum of:
- 2.20.1.1. outstanding obligations of the System User resulting from invoices issued to the System User by the TSO, less the TSO's obligations towards the System User resulting from the Commercial Transmission Report which have not been paid by the TSO, and
- 2.20.1.2. obligations of the System User arising from the amount of the potential imbalance fee determined on the basis of the balance of mutual obligations of the TSO and the System User for all gas days which have not yet been covered by a balancing invoice. The balance of mutual obligations shall be calculated as the product of the provisional DIN and the average monthly CSRB for the previous month, as published on the website of TSO,
- or
- 2.20.2. three times the charge for transmission services provided during a given gas month, as determined on the basis of the capacity allocation (PP) of a given System User and the applicable Tariff,
- or
- 2.20.3. PLN 400,000.00,
- depending on which of the values indicated above in point 2.20.1, point 2.20.2 or point 2.20.3 is the highest one for a given gas day. The principles concerning the required Financial Security, as set out in point 2.20 shall apply to the System User for a period of three (3) consecutive months starting from the date of the resumption of transmission services by the TSO.
- 2.21. If, during the period of suspension of transmission services pursuant to point 2.11, point 2.13 or point 2.15, the level of the System User's Financial Security is consistent with the provisions of 2.20, the transmission service shall be resumed by the TSO at the beginning of the gas day falling on a business day, not later than after the lapse of the gas day following the gas day in which the Financial Security was supplemented, except for the transmission ability allocation (PZ) for WPWE_{GG}/WPWY_{GG} and WPWE_{PPG}/WPWY_{PPG} points, for

which the System User should reapply for transmission ability allocation in accordance with the provisions of the TNC.

2.22. Should the System User, despite the suspension of the transmission services pursuant to point 2.11, 2.13 or 2.15, not supplement the Financial Security, the TSO may terminate the Contract with the System User, the capacity allocation (PP) or the transmission ability allocation (PZ) pursuant to point 7.7.2, point 7.12.3.1 or point 7.14.3.1 respectively.

2.23. The TSO may reduce the Financial Security (to the required level, determined in accordance with these GTC), at the request of the System User, within fourteen (14) days of the delivery of the System User's request to reduce the Financial Security submitted to the TSO in writing, provided that there are no overdue payments due from the System User to the TSO, and taking into account the amount of the current obligations of the System User towards the TSO, to an amount not lower than the amount calculated for a given gas day in accordance with point 2.5. The reduction shall be effected by transferring an appropriate amount of money to the bank account indicated in the request together with interest due less the costs of maintaining the bank account and the costs of bank transfer, in case when the Financial Security is established in the form of a cash deposit, or by communicating the consent to reduce the amount of the Financial Security to the System User.

3. DISCLOSURE AUTHORISATION

3.1. The System User hereby authorizes the TSO to pass any information related to the performance of this Contract to the interoperating system operators, to the extent specified in the TNC.

4. TYPES OF CHARGES AND TERMS OF PAYMENT

4.1. The charges for the capacity made available shall be calculated in accordance with the valid Tariff.

4.2. When not included in the Tariff, the charges for the provision of transmission services and balancing shall be calculated in accordance with the provisions of the Contract, GTC and the TNC.

4.3. The System User undertakes to make timely payments of the amounts due to the TSO. In the event that the System User does not use gas transmission service for the reasons attributable to the System User, in particular due to the lack of sufficient storage capacity, lack of capacity in the interoperating systems, the System User shall be obliged to pay the applicable charges in accordance with the Tariff.

4.4. In the event of a change to the Tariff or in case when a new Tariff becomes effective, the System User shall adopt such Tariff for application as of the date specified by the TSO.

4.5. The TSO shall issue invoices with the contents conforming to the valid legal regulations. The TSO may issue separate invoices in respect of the services provided in for the balancing of the group E high-methane natural gas (GZ-50) and for the balancing of the Lw sub-group low-methane natural gas (GZ-41.5).

4.6. The following documents may constitute the basis for the application of charges:

4.6.1. basic invoice issued by the TSO to System Users with capacity allocation (PP) and transmission ability allocation (PZ) for performed services, including the allocated firm capacity, and the allocated interruptible capacity for the previous gas month and for the auction premium.

4.6.2. adjustment invoice – issued by the TSO within the scope of the transmission services for:

4.6.2.1. balancing and congestion management services, including the imbalance charge, other charges calculated pursuant to the TNC, as well as the charge related to financial neutrality of balancing,

4.6.2.2. the capacity overruns,

4.6.2.3. the performance of services on the basis of proven additional costs incurred by the TSO,

as well as in case of the occurrence of any errors in the billing and invoicing and in case of admitting a complaint filed by the System User,

4.6.3. invoice issued by the TSO to the Shipper using exclusively transmission ability allocation (PZ) at the virtual point, in respect of balancing and for the performance of services on the basis of proven additional costs incurred by the TSO.

4.6.4. interest note - issued by the TSO in the event that the payment terms are exceeded by the System User.

4.7. CRG_E, CRG_{LW}, CSRBE, CSRBLW, KCK_E, KCSE, KCK_{LW}, KCSLW and the rates of charges set out in the TNC are exclusive of the value added tax (VAT). VAT is applied in accordance with the valid provisions of the tax law.

4.8. Monthly billing and invoicing in respect of the performance of the Contract:

4.8.1. By the fourth (4th) day of the month following the month the billing relates to, the TSO shall issue a basic invoice to the System User with a capacity allocation (PP) and transmission ability allocation (PZ) in respect of the allocated capacity, in accordance with point 4.6.1, including the day-ahead product and intraday product for the previous gas month.

4.8.2. By the twenty eighth (28th) day of the month following the month the billing relates to, the TSO may issue an adjustment invoice to the System User when the necessity arises to account for any

- additional charges due for the previous month in accordance with point 4.6.2.
- 4.8.3. By the twenty eighth (28th) day of the month following the month the settlement relates to, the TSO shall issue an invoice to a Shipper comprising the amounts due in connection with the settlement of balancing services and other charges applied in accordance with the TNC for the previous gas month as well as the charges for the performance of services on the basis of proven additional costs incurred by the TSO.
- 4.8.4. By the twenty eighth (28th) day of the month following the month the settlement relates to, the System User shall issue an invoice for balancing as well as the fee due in consideration of the financial neutrality of balancing, in accordance with the terms and conditions set out in the TNC.
- 4.8.5. In the billings with System Users, the TSO shall take account of the transition from summer time to winter time and from winter time to summer time. In such cases the gas day shall be longer or shorter by an hour respectively.
- 4.8.6. Following prior arrangements between the TSO and the System User made using digital channels, the offset the mutual receivables of the TSO and the System User resulting from the performance of the Contract shall be allowed.
- 4.9. Sending and receiving of invoices:
- 4.9.1. the invoices along with the attachments evidencing the basis for issuing them shall be made available by means of IES. The notification invoices and the attachments supporting documents that have been made available shall be sent by e-mail to the address indicated in the IES,
- 4.9.2. the System User shall send the invoice referred to in point 4.8.4:
- 4.9.2.1. by registered mail or shall deliver it by other agreed means, against a confirmation of receipt, to the TSO's address specified in this Contract in case of the invoices issued only in paper form,
- 4.9.2.2. in electronic form, issued and sent pursuant to article 106n of the Value Added Tax Act of 11 March 2004 (for consolidated text see Journal of Laws of 2020, item 106) and meeting the following conditions:
- 4.9.2.2.1. the invoice is sent by the System User in electronic form from the e-mail address indicated in the Contract to the e-mail address of the TSO indicated in the Contract, as a PDF-file attachment,
- 4.9.2.2.2. the e-mail address of the System User for sending the invoice is only the e-mail address indicated in the Contract,
- 4.9.2.2.3. the domain of the System User has the positive reputation. The negative reputation shall cause that delivering e-mail messages is ceased,
- 4.9.3. Only the invoice meeting the conditions set forth in point 4.9.2.2 is regarded as effectively delivered to the TSO.
- 4.9.4. the TSO may decide to prevent the System User from sending the invoices in electronic form pursuant to point 4.9.2.2 on which the TSO shall inform the System User in writing. The decision takes effect for the System User after seven (7) days from submitting to the System User the notification in writing. In such case the System User shall send the invoices to the TSO pursuant to the rules set forth in point 4.9.2.1.
- 4.10. Method and terms of payment:
- 4.10.1. The amounts arising from the invoices are payable by a bank transfer to the bank account of the Party specified in the Contract.
- 4.10.2. The invoices issued by the TSO shall be payable within fourteen (14) days from the invoice issuance date.
- 4.10.3. The invoices issued by the System User shall be payable within fourteen (14) days of being delivered in accordance with point 4.9.2,
- 4.10.4. In the event of the TSO's failure to collect the invoice referred to in point 4.9.2.1 which has been sent to the TSO's correspondence address, such invoice shall be deemed delivered upon the lapse of fourteen (14) days after the posting date.
- 4.10.5. The date of payment of the amounts due is the date on which the creditor's bank account is credited,
- 4.10.6. When no specific document for which the payment is being made by the System User is indicated in the bank transfer, each such payment shall be credited towards the oldest receivables, including, in the first place, statutory default interest applicable to commercial transactions.
- 4.11. Default:
- 4.11.1. Any default on the payment of the financial liabilities shall result in the interest for delay in commercial transactions for each day of delay. The amount of interest that accrues shall be payable on the basis of an interest note issued by a Party, within fourteen (14) days of the date of delivery of such note,
- 4.11.2. The TSO shall have the right to enforce the Financial Security, as referred to in point 2, in the event that:
- (i) The System User defaults on the payment for the services provided by the TSO, at least fourteen (14)

days after the date it was due, following a prior notification of the System User by the TSO by email or through the IES, or in writing of the potential termination, according to the discretion of the attachment TSO, of the capacity allocation (PP), transmission ability allocation (PZ) or the Contract, as the case may be, and setting an additional fourteen (14) days' deadline for payment of overdue and current amounts due, or

(ii) The TSO suspends the provision of transmission services to that System User, or

(iii) The TSO terminates the Contract with the System User concerned, or

(iv) The System User fails to renew the Financial Security in accordance with the provisions of point 2.9 or point 2.10.

4.11.3. Termination of the Contract shall not release the System User from the obligation to pay the entire amount due, together with the applicable interest,

4.11.4. Any complaints with respect to invoices should be notified by the System User immediately upon discovering any irregularities, and in any case not later than before the lapse of the statute of limitations of the claim,

4.11.5. In the event when the complaint concerns errors in the invoice calculation, the System User shall make a timely payment of the correctly calculated amount that is agreed with the TSO,

4.11.6. The filing of a complaint by the System User other than one that concerns calculation errors shall not release the System User from the obligation to pay the amounts due arising from the invoices,

4.11.7. The TSO shall consider the complaint within fourteen (14) days of the date of its receipt and immediately advise the filing party that its complaint has been admitted, rejected or about further course of action to be taken,

4.11.8. In the event that the complaint is admitted, the TSO shall issue an adjustment invoice within seven (7) days of the date of admitting the complaint and shall send such adjustment invoice to the System User forthwith. The overpayment, if any, shall be applied towards future payments due and billed in the next invoice to be issued, unless the System User demands a refund thereof within seven (7) days of the receipt of the adjustment invoice, in which case the refund shall be transferred to the bank account of the System User within fourteen (14) days of the receipt of the refund demand.

4.12. Settlement of disputes arising from invoicing and payments:

4.12.1. If a dispute arises between the System User and the TSO regarding any invoices issued by the TSO, the Parties shall make all reasonable efforts to

expediently settle the dispute through negotiations,

4.12.2. If the Parties fail to reach an agreement within thirty (30) days of the date of delivery of the demand to amicably settle the dispute, the disputed matters shall be settled by a competent common court of law.

5. TRANSFER OF RIGHTS AND OBLIGATIONS UNDER THE CONTRACT

5.1. The System User hereby expresses its consent to the assignment of all or any part of the rights and obligations of the TSO hereunder onto a third party, including any subsidiary company of the TSO.

5.2. The System User shall have the right to resell or make available the capacity allocation (contracted capacity) (PP) subject to the terms set forth in the TNC.

6. RESTRICTIONS IN THE TRANSMISSION OF GASEOUS FUELS

6.1. The System User and its Customers shall reduce their off-take of gaseous fuel in accordance with the announcements made by the TSO according to the procedure and principles set out in the Act of 16 February 2007 on stocks of crude oil, petroleum products and natural gas, the principles of proceeding in circumstances of a threat to the fuel security of the State and disruption on the petroleum market (Journal of Laws of 2020, item 411, consolidated text of 12.03.2020) and the related implementing regulations.

6.2. The levels of acceptable hourly and daily reductions of the off-take of gaseous fuel for each degree of supply rationing (contracted capacities), per System User, including its Customers taking gaseous fuel directly from the transmission system, shall be specified in a gas limitation scheme approved by the President of the Energy Regulatory Office (the President of ERO).

6.3. For the duration of gas curtailment measures, the TSO shall provide the gas transmission service in accordance with the gas limitation scheme approved by the President of ERO and the applicable degrees of supply rationing.

7. TERMINATION OF THE CONTRACT, CAPACITY ALLOCATION (PP) AND TRANSMISSION ABILITY ALLOCATION (PZ)

7.1. The Contract shall terminate:

7.1.1. at any time by written agreement of the Parties,

7.1.2. on the date of expiry of legally required licences for conducting the activity under the Contract, or the decision on designation as an operator, if the validity of the licence has not been extended or if the Party or its legal successor has not received

- a new licence that would enable a continued performance of the Contract,
- 7.1.3. upon the lapse of the time limit specified by the decision of the President of ERO obliging a Party to continue its economic activity despite the expiry of the licence, unless the validity of the decision has been extended, or the Party or its legal successor obtained a new decision enabling the continued performance of the Contract,
 - 7.1.4. immediately after the TSO has received information that the President of the ERO has issued a legally binding decision on the revocation of a licence or on the revocation of a decision conditioning the undertaking activities related to the performance of the Contract, unless the System User, within seven (7) days of the decision on the revocation of the licence becoming final and binding, presents the TSO with a statement signed by persons authorised to represent the System User that the activity undertaken by the System User does not require a licence under the Energy Law Act (Journal of Laws of 2020 item 833, consolidated text of 11 May 2020).
 - 7.1.5. upon the lapse of the Contract termination notice period.
- 7.2. The Party affected by the circumstances described in points 7.1.2 or point 7.1.3 or point 7.1.4 shall be obliged to inform the other Party in writing at least fourteen (14) days in advance of the date on which the Contract is to be terminated.
 - 7.3. The System User shall have the right to terminate the Contract subject to one-month notice in the following circumstances:
 - 7.3.1. in case of a failure by the TSO to perform the services specified herein for the period of thirty (30) consecutive days,
 - 7.3.2. in case of a breach by the TSO of any material provisions of the TNC, Tariff or this Contract and a failure to remove such breach in a reasonable time.
 - 7.4. In the event of refusal to accept changes to the TNC or a new TNC, the System User shall have the right to terminate this Contract within fourteen (14) days from the date of its publication subject to fourteen (14) days' notice period or other (i.e.: shorter or longer) indicated by the System User but in any case not later than on the day preceding the entry of the changes, or the new TNC, into force, or without a prior notice and such termination shall be effective on the gas day preceding the entry of the changes, or the new TNC, into force. In case when the amended or new TNC enters into force within a notice period, the System User shall apply the amended TNC, or the new TNC during the rest of notice period.
- 7.5. After the receiving the information referred to in point 1.5.1, the System User shall have the right to terminate the Contract within fourteen (14) days of the date of receiving the information about the changes of the GTC, subject to fourteen (14) days' notice period.
 - 7.6. In the event when the Tariff changes exclusively with respect to the prices and tariff rates, the System User shall not have the right to terminate this Contract, neither in full nor in part. In the event when the terms and conditions for the application of the prices and tariff rates change, the System User shall have the right to terminate this Contract in full, or to terminate the capacity allocation (PP) with respect to the part concerning a type of capacity products which have been affected by the change of the terms and conditions for the application of prices and tariff rates, within fourteen (14) days of the date of the publication of a new or amended Tariff, subject to fourteen (14) days' notice period.
 - 7.7. The TSO shall have the right to terminate the Contract subject to fourteen (14) days' notice in the following circumstances:
 - 7.7.1. when the System User is in payment default for at least thirty (30) days after the such payment was due, despite a prior notice of the intention to terminate this Contract and setting of an additional deadline of at least two (2) weeks for the payment of the outstanding and current obligations sent either in writing or by email or through the IES, and the System User, despite the lapse of the additional deadline, fails to pay all current and outstanding obligations within thirty (30) days after the lapse of the original due date,
 - 7.7.2. a failure to extend the validity or to supplement the Financial Security to the full amount in the cases and in the form specified in these GTC, despite a prior demand to supplement it within the prescribed period, served either in writing or by email or through the IES,
 - 7.7.3. a failure by the System User to observe the gas curtailment measures that have been introduced in accordance with the valid provisions of the law or provisions of the TNC,
 - 7.7.4. when the System User has not had an active capacity allocation (PP) or transmission ability allocation (PZ) for a period longer than one (1) year,
 - 7.7.5. in case of a breach by the System User of any material provisions of the TNC, Tariff, Contract or GTC and a failure to remove such breach in a reasonable time.
 - 7.8. Neither Party shall have the right to terminate the Contract if the circumstances that constitute the grounds for its termination were caused by a force majeure, subject to point 7.9.

- 7.9. If a force majeure or the elimination of its effects lasts longer than sixty (60) days, either Party shall have the right to terminate the Contract with immediate effect.
- 7.10. Either Party may terminate the Contract without stating the reason with the effect as of the end of the gas year, provided that the termination notice is served by 1 June of the gas year.
- 7.11. The TSO shall inform the Gas Exchange about the termination of the transmission ability allocation (PZ) for virtual entry/exit points to/from the Gas Exchange (WPWE_{GG}/WPWY_{GG}) with respect to a given System User.
- 7.12. Termination of capacity allocation (PP):
- 7.12.1. The performance of the capacity allocation (PP) shall be terminated in the following cases:
- 7.12.1.1. upon the lapse of the last day of the validity term specified in the capacity allocation (PP),
- 7.12.1.2. upon a written agreement between the Parties,
- 7.12.1.3. upon the termination of the Contract,
- 7.12.1.4. in the event of a complete change of supplier at a given point,
- 7.12.1.5. upon the lapse of the termination notice period for the capacity allocation (PP).
- 7.12.2. The System User may terminate the capacity allocation (PP) at a physical point in the case when:
- 7.12.2.1. the TSO fails to perform the obligations under the capacity allocation (PP) at the physical point for the period of thirty (30) consecutive days,
- 7.12.2.2. the occurrence of a force majeure results in the incapability to use transmission services on the terms set out in the capacity allocation (PP) or the Contract for a period exceeding thirty (30) days.
- 7.12.3. The TSO may terminate the capacity allocation (PP) when the following circumstances apply with respect to a physical point:
- 7.12.3.1. The System User fails to extend the validity of the Financial Security or supplement the Financial Security to the full amount of the Financial Security, despite a previous demand to extend the validity (renew) or supplement the Financial Security within a specified period of time, delivered in writing, delivered by email or through the IES,
- 7.12.3.2. in other events of a breach by the System User of any material provisions of the TNC, Tariff, Contract or GTC with respect to the capacity allocation (PP) and a failure to cure the effects of such default in due time,
- 7.12.3.3. in the event of a force majeure resulting in the incapability to provide transmission services under the terms set out in the capacity allocation (PP), or the Contract, for a period exceeding thirty (30) days.
- 7.12.4. The Party entitled to terminate the capacity allocation (PP) due to the reasons described in point 7.12.2 or in point 7.12.3. above, shall provide the other Party with a notice in writing stating the reasons for and the date of the termination of the capacity allocation (PP). The date of termination of the capacity allocation (PP) shall not be earlier than fourteen (14) days from the date of delivery of such notice. Until such time, the Parties shall make efforts to remove the reasons for and the effects of the circumstances that justify the termination of the capacity allocation (PP). If such efforts prove to be inconclusive or, for objective reasons, are bound to fail, the capacity allocation (PP) shall be terminated on the date specified in the notice or on a different date agreed between the Parties.
- 7.13. In the event that the System User itself, or the suppliers or Customers the System User is responsible for, cause a threat to the security of the functioning of the transmission system, or the performance of any existing transmission contracts, in particular by delivering gaseous fuel of an inadequate quality for transmission or through an imbalance in excess of the admissible limits, the TSO shall have the right to terminate the Contract with respect to the part concerning the capacity (contracted capacity) (PP) or transmission ability allocation (PZ) at the points that contributed to the occurrence of such threat to the security of the functioning of the transmission system, subject to one (1) month's notice.
- 7.14. Termination of transmission ability allocation (PZ).
- 7.14.1. The performance of the transmission ability allocation (PZ) shall be terminated in the following cases:
- 7.14.1.1. upon the end of the last day of the validity term specified in the transmission ability allocation (PZ),
- 7.14.1.2. on the date of expiry of the capacity allocation (PP) at a physical point that corresponds to transmission ability allocation (PZ) at a contractual point, in accordance with the principles set out in the TNC,
- 7.14.1.3. upon a written agreement of the Parties,
- 7.14.1.4. upon the termination of the Contract,
- 7.14.1.5. upon the lapse of the termination notice period for the transmission ability allocation (PZ) for entry or exit points to a distribution area (PWE_{OSD}/PWY_{OSD}), entry or exit points to a storage facility (PWE_{OSM}/PWY_{OSM}), virtual

entry or exit points from the Gas Exchange (WPWE_{GG}/WPWY_{GG}) and for virtual entry or exit points for the OTC market (WPWE_{OTC}/WPWY_{OTC}), and for virtual points-for transactions concluded on the Gas Trading Platform other than conducted by the Gas Exchange, for which nominations are submitted by the notifying Party with respect to a transaction (PZPT) (WPWE_{PPG}/WPWY_{PPG}).

7.14.2. The Shipper may terminate the transmission ability allocation (PZ) subject to thirty (30) days' notice in writing. With respect to WPWE_{GG}/WPWY_{GG} and WPWE_{OTC}/WPWY_{OTC} points the Shipper may terminate the transmission ability allocation (PZ) without the prior notice referred to above, by submitting an appropriate application in the IES at least five (5) days in advance.

7.14.3. The TSO may terminate or cancel the transmission ability allocation (PZ) in the following cases:

7.14.3.1. a failure by the Shipper to extend the validity of or supplement the Financial Security to the full amount of the Financial Security, despite a previous demand to extend the validity (renew) or supplement the Financial Security within a specified period of time, delivered in writing, delivered by email or through the IES,

7.14.3.2. a breach by the Shipper of any material provisions of the TNC, the Tariff, the Contract or these GTC with respect to the transmission ability allocation (PZ) and a failure to cure the effects of such default within the deadline set by the TSO,

7.14.3.3. a force majeure resulting in the incapability to provide the transmission services on the terms set out in the transmission ability allocation (PZ) and the Contract, for a period exceeding thirty (30) days.

7.15. The TSO shall deliver a termination notice to the System User stating the reasons for and the date of the termination of the transmission ability allocation (PZ). The date of termination of the transmission ability allocation (PZ) shall not fall earlier than fourteen (14) days of such notice. Until such time, the Parties shall make efforts to remove the reasons for and the effects of the circumstances entitling to the termination of the transmission ability allocation (PZ). If such efforts prove to be inconclusive or, for objective reasons, are bound to fail, the transmission ability allocation (PZ) shall be terminated on the date specified on the notification or another date agreed between the Parties.

8. LIABILITY

8.1. In the event of a default or defective performance by either Party of any of its obligations under the

Contract, the Party shall be liable in accordance with the terms of the Tariff, Contract and the TNC.

8.2. The Parties shall be liable for a default in or defective performance of their respective obligations, unless the default or defective performance results from circumstances beyond the control of the Party, including those caused by a force majeure.

8.3. Each Party shall be held liable for the actions of its suppliers, customers, partners, subcontractors and other persons it retains to carry out the activities defined in the TNC, to the same extent as for its own actions.

8.4. The Parties shall not be held liable for a default or a defective performance of its obligations when caused by a force majeure, and specifically when a force majeure event led to a default or defective performance of the obligations by ISOs or third parties whom the Party retained to perform the obligations defined in the TNC.


8.5. The Party claiming a force majeure event shall be obliged to notify the other party, without undue delay, of the occurrence of a force majeure event, providing due evidence of its occurrence

8.6. Immediately after the force majeure ends and its consequences are removed, each Party to the transmission contract shall, without any additional request, resume the performance of its respective obligations, which was previously suspended due to the occurrence of a force majeure. Immediately upon resuming the performance of its obligations the Party shall notify the other Party thereof.

9. PROTECTION OF PERSONAL DATA

9.1. In connection with the execution, performance and monitoring of the Contract, each Party will process personal data of persons employed by the other Party or cooperating with the other Party or retained as a sub-contractor of the other Party, which will be shared between the Parties in this regard (including specifically name, surname, email address, telephone number, place of employment, position). The mutual disclosure of the aforementioned personal data by the Parties shall not take place for the purpose of entrusting them to the other Party for processing, and each Party becomes a controller within the meaning of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (hereinafter the "GDPR").

9.2. The System User shall perform, on behalf of the TSO, the disclosure obligation under Article 14(1)-14(3) GDPR with respect to persons whose:

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- 9.2.1. personal data have been made available by the System User to the TSO, and who are authorised contact persons in connection with the performance of the Contract – by introducing these persons to the information provided on the TSO's website in the privacy policy section.
- 9.2.2. personal data have been made available by the System User to the TSO, and who are authorised to perform the Contract on behalf of the System User – by introducing these persons to the information provided on the TSO's website in the privacy policy section.
- 9.3. The TSO shall fulfil the disclosure obligation under Article 14(1)-14(3) GDPR on behalf of the System User in relation to the persons whose personal data the TSO has made available to the System User, and who are authorised to exercise supervision on the part of the TSO, as well as to maintain ongoing contact in connection with the execution of the Contract, and are entitled to perform the Contract on behalf of the TSO – by introducing these persons to the information provided on the website of the System User.
- 9.4. In case when the performance of this Contract requires that the personal data be entrusted for processing by either of the Parties to the Contract, when the other Party is the controller of such data within the meaning of the GDPR, the Parties shall sign a separate agreement on entrusting the processing of personal data.

10. FINAL PROVISIONS

- 10.1. Whenever a notification by email or through the IES is referred to in these GTC, the Parties acknowledge that the delivery of such notification shall be effective upon it is effectively sent.
- 10.2. The System User shall keep the data concerning the users of the IES within its organisation up to date (including contact details for dispatching services) or to inform the TSO immediately of any changes to the details concerning the users of the IES.