



THE BALTIC PIPE PROJECT

ADDITIONAL GAZ-SYSTEM'S S.A. RULES FOR THE OPEN SEASON 2017

The present document contains additional rules of the Gas Transmission Operator GAZ-SYSTEM S.A. (hereinafter referred to as “GAZ-SYSTEM S.A.”) for the participation in the Open Season 2017, organized by GAZ-SYSTEM S.A. and Energinet under the Baltic Pipe Project. The document constitutes Appendix 4 to the Open Season 2017 Rules, which sets forth joint rules of both TSOs for the allocation of the OS 2017 Capacity made available in the Open Season 2017.

1. DEFINITIONS

- 1.1. Unless otherwise regulated in the Open Season 2017 Rules, the capitalized terms in this document shall have the meaning set out below:
 - 1.1.1. **“TNC of GAZ-SYSTEM S.A.”** shall mean Transmission Network Code established pursuant to the applicable provisions of law and posted on the GAZ-SYSTEM’s S.A. website. GAZ-SYSTEM’s S.A. Rules refer to the TNC of GAZ-SYSTEM S.A. approved by the President of ERO by the decision of 3 February 2016 sign DRR-4322-2(18)/2015/2016/AN/MP, or to every next version of the TNC of GAZ-SYSTEM S.A. which will replace or change the aforementioned version of the TNC of GAZ-SYSTEM S.A.;
 - 1.1.2. **“Non-Secured Credit Line”** shall mean a credit line of the Participant, fixed by GAZ-SYSTEM S.A. for the Participant on the basis of the documents submitted by the Participant in order to determine the amount of the financial security;
 - 1.1.3. **“Bid”** shall mean Phase 1 Bid or Phase 2 Bid;
 - 1.1.4. **“Polish OS 2017 Capacity Agreement”** shall mean a conditional transmission service agreement for provision of gas transmission services at the Entry Point Baltic Pipe (DK->PL) or the Exit Point Baltic Pipe (PL->DK), and enabling the Participant to access the transmission network of GAZ-SYSTEM S.A., containing conditions precedent for the entry into force of the gas fuel transmission obligation, concluded between the Participant and GAZ-SYSTEM S.A. as the result of the allocation of the OS 2017 Capacity within the Open Season 2017. The Polish OS 2017 Capacity Agreement shall take the form of a conditional capacity allocation and transmission ability allocation (PP/PZ), and constitute an annex to the framework transmission agreement;
 - 1.1.5. **“Polish System”** shall mean the transmission system located in Poland, owned and operated by GAZ-SYSTEM S.A.;

- 1.1.6. **“Energy Law”** shall mean the Energy Law act of 10 April 1997 (consolidated text: Journal of Laws of 2017, item 220), applicable in the Republic of Poland;
- 1.1.7. **“GAZ-SYSTEM’s S.A. Rules”** shall mean the present document, setting forth additional rules for participation in the Open Season 2017 determined by GAZ-SYSTEM S.A.;
- 1.1.8. **“Information Exchange System”** shall mean a system used by GAZ-SYSTEM S.A. to post information on the website www.gaz-system.pl and exchange technical and commercial information between GAZ-SYSTEM S.A. and market participants;
- 1.1.9. **“Tariff of GAZ-SYSTEM S.A.”** shall mean a Tariff established pursuant to the applicable provisions of law and posted on GAZ-SYSTEM’s S.A. website. The GAZ-SYSTEM’s S.A. Rules refer to the version of the GAZ-SYSTEM’s S.A. Tariff approved by the President of ERO by the decision of 17 January 2017, sign DRG.DRG-2.4212.59.2016JDo1, or to every next version of the Tariff of GAZ-SYSTEM S.A. which will replace or change the aforementioned version of the Tariff of GAZ-SYSTEM S.A.;
- 1.1.10. **“ERO”** shall mean the Energy Regulatory Office;

2. DOCUMENTS REGULATING THE OS 2017

- 2.1. The present document along with the provisions of the Open Season 2017 Rules, as well the terms and conditions concerning the provision of the transmission services defined in the TNC of GAZ-SYSTEM S.A. and the Tariff of GAZ-SYSTEM S.A., regulate the Polish part of the Open Season 2017. The Open Season 2017 Rules, including appendices, such as this GAZ-SYSTEM’s S.A. Rules, were developed by GAZ-SYSTEM S.A. on the basis of the allocation methods as defined in the document “Baltic Pipe Project. Transmission capacity allocation methods under Open Season 2017”, approved by the President of ERO by the decision of 24 March 2017, sign DRR.WRG.7129.2.1.2017.AKI.
- 2.2. Submission of the Phase 1 Bid or Phase 2 Bid to GAZ-SYSTEM S.A. shall mean that the Participant accepts the provisions of the Open Season 2017 Rules, the GAZ-SYSTEM’s S.A. Rules, the applicable TNC of GAZ-SYSTEM S.A., the applicable Tariff of GAZ-SYSTEM S.A., and the draft of the Polish OS 2017 Capacity Agreement. Within the scope of the Polish part of the Open Season 2017, to all matters not regulated by the Open Season 2017 Rules, GAZ-SYSTEM’s S.A. Rules or its Annexes, the provisions of the applicable versions of the TNC of GAZ-SYSTEM S.A. and the Tariff of GAZ-SYSTEM S.A. shall apply.

- 2.3. Subject to mandatory provisions of law, GAZ-SYSTEM S.A. cannot be held responsible for any misinterpretation or usage of data contained in this document.
- 2.4. Apart from the legal frame of the Open Season 2017, on the Polish side, the Open Season 2017 is also based on the provisions of point 7.1.13 of the TNC of GAZ-SYSTEM S.A.

3. REGISTRATION PROCEDURE

- 3.1. Within the Phase 1 or Phase 2 registration deadline set forth in the Open Season 2017 schedule, posted by GAZ-SYSTEM S.A. on the website www.gaz-system.pl no later than four (4) weeks prior to the lapse of the registration deadline, the entities interested in participation in the Open Season 2017 shall submit to GAZ-SYSTEM S.A. the documents necessary for registration as a Participant with GAZ-SYSTEM S.A., in writing, against a confirmation of receipt to the mailing address specified for Open Season 2017, and send scans of copies of the documents submitted pursuant to point 3.2- 3.3 by email to the following address: openseason@gaz-system.pl. The registration forms and the documents submitted pursuant to point 3.2- 3.3 posted at a post office to the mailing address as specified in point 10 and by email after expiry of the registration deadline indicated in the schedule of Open Season 2017 shall be rejected.
- 3.2. In order to register as a Participant with GAZ-SYSTEM S.A a properly completed Registration form, in line with the template published by GAZ-SYSTEM S.A. under Open Season 2017 as Appendix 4.C to the Open Season 2017 Rules, should be submitted to GAZ-SYSTEM S.A. Furthermore, the Registration form should be accompanied by:
 - 3.2.1. documents that confirm the legal form of business activity of the Participant, including the original current excerpt from the appropriate court registry of the applicant, issued in accordance with the principles of the country of applicant's establishment, not earlier than thirty (30) days before the submission of the Registration form;
 - 3.2.2. if the Registration form is not signed by a statutory body of the applicant in accordance herewith, an original or a notarized copy of (and apostilled, as the case may be) power of attorney issued to the signatory of the Registration form or another document confirming the right of the signatory to represent the applicant, and which contains an authorisation to sign the Registration form and all related documents on behalf of the applicant;

- 3.2.3. a document evidencing the equity capital of the applicant, if this information cannot be deduced from the document referred to in point 3.2.1;
 - 3.2.4. documentation for evidencing all current ratings of the applicant's creditworthiness.
- 3.3. The applicants who do not have a framework transmission agreement concluded with GAZ-SYSTEM S.A., should submit to GAZ-SYSTEM S.A. along with the Registration form, the originals or photocopies of the following documents and certificates certified as a true copy by a person authorised to represent the applicant or a lawyer or a solicitor, in order to conclude the framework transmission agreement:
- 3.3.1. a power of attorney or other documents confirming the right of persons representing the applicant to conclude on its behalf the framework transmission agreement with GAZ-SYSTEM S.A.;
 - 3.3.2. a document confirming the assignment of a tax identification number for the purposes of the tax on goods and services to the applicant established in European Union's member state, if this information cannot be deduced from the document referred to in point 3.2.1;
 - 3.3.3. the applicant established in the Republic of Poland additionally submits a certificate of REGON statistical number if this information cannot be deduced from the document referred to in point 3.2.1;
 - 3.3.4. the applicant operating in the Republic of Poland has to submit the promise of concession, a copy of the license, the decision of the appointment as an operator or a statement signed by the person authorised to represent the applicant that the operations carried out by the applicant do not require a license provided by Energy Law;
 - 3.3.5. a power of attorney for the people authorised to represent the applicant in the procedure of concluding capacity allocation or ability allocation upon the completion of the Open Season 2017 via the Information Exchange System;
 - 3.3.6. the applicant intending, upon the completion of the Open Season 2017, to take part in available capacity allocation procedure in the auction may present a power of attorney for the individuals that will represent the applicant in the course of the auction at the Auction Platform or another platform specified by GAZ-SYSTEM S.A., in accordance with the template published on GAZ-SYSTEM's S.A. website.

- 3.4. All documents submitted to GAZ-SYSTEM S.A. in accordance with points 3.23.2 - 3.3 should be submitted in Polish. In case of translated documents, the officially sworn translation shall be provided.
- 3.5. GAZ-SYSTEM S.A. shall only register the Participants who have a framework transmission agreement concluded with GAZ-SYSTEM S.A. Submission of the Registration form, together with the required appendices, by the applicant, who does not have a framework transmission agreement concluded with GAZ-SYSTEM S.A., shall be equivalent to submitting an application for a conclusion of a framework transmission agreement within the meaning of section 6.2.1 of the TNC of GAZ-SYSTEM S.A. The applicants, who in the course of the registration procedure, conclude the framework transmission agreements, subject to the fulfilment of the requirements specified in points 3.1, 3.23.2, and 3.4 shall be registered as the Participants.
- 3.6. Within two (2) Business Days after obtaining the Registration form, GAZ-SYSTEM S.A. shall assess compliance of the documents submitted by the applicant with the provisions of points 3.1 - 3.5. If the Registration form or any other documents submitted along with the Registration form is incomplete or incorrect, GAZ-SYSTEM S.A. shall request that the applicant supplements or corrects such document within three (3) Business Days.
- 3.7. If the applicant, who submitted the Registration form, does not have a framework transmission agreement concluded with GAZ-SYSTEM S.A., within one (1) Business Day after obtaining the complete and correct Registration form, GAZ-SYSTEM S.A. shall send to the applicant a draft of the framework transmission agreement in line with a template published under the Open Season 2017. The applicant shall return to GAZ-SYSTEM S.A. the unilaterally signed framework transmission agreement within four (4) Business Days in writing, against a confirmation of receipt to the mailing address specified in point 10, and send a scan of the original of the unilaterally signed framework transmission agreement by email to the following address: openseason@gaz-system.pl. GAZ-SYSTEM S.A. shall send the applicant a signed transmission agreement by recorded delivery post within four (4) Business Days of the date of delivery of the framework transmission agreement that is signed by the applicant. The provisions of point 3.1, second sentence, shall apply accordingly.
- 3.8. If the applicant fails to comply with any of the commitments specified in points 3.1 - 3.7, the registration of the applicant shall be rejected.

4. OPEN SEASON 2017 PHASE 1

4.1. Submission of the Order to Proceed

4.1.1. Within the Phase 1 Deadline, the interested Participant can submit the Order to Proceed.

4.1.2. The Participants, who are interested in submitting the Order to Proceed, should proceed as follows:

4.1.2.1. Fill a form of Order to Proceed with the company details and a request for the allocation of OS 2017 Capacity. Return the form (original) by registered post or courier duly signed by authorised person(s) to GAZ-SYSTEM S.A. to the mailing address specified in point 10, no later than within the Phase 1 Deadline. Send the scan of the form by email to: openseason@gaz-system.pl.

4.1.2.2. If the Order to Proceed is not signed by a statutory body of the Participant or an authorised person, in accordance with the documents submitted during the registration procedure, an original or a notarized copy of (and apostilled, as the case may be) a power of attorney issued to the signatory of the Order to Proceed or another document confirming the right of the signatory of the Order to Proceed to represent the Participant, and which contains an authorisation to sign the Order to Proceed on behalf of the Participant.

4.1.3. For the avoidance of any doubts, only an Order to Proceed submitted by means of a template published by GAZ-SYSTEM S.A. as Appendix 1 to the Open Season 2017 Rules, accompanied by the relevant documents specified in point 4.1.2.2, shall be considered valid.

4.1.4. GAZ-SYSTEM S.A. shall reject the Order to Proceed if one of the following situations occurs:

4.1.4.1. it is submitted by an entity which had not been registered as a Participant with GAZ-SYSTEM S.A.;

4.1.4.2. it does not comply with the requirements specified in point 4.1.2.;

4.1.4.3. the Participant did not submit a Phase 1 Bid to Energinet for the OS 2017 Capacity as a bundled capacity of a relevant Point offered by Energinet under the OS 2017, corresponding to the amount as specified in the Order to Proceed submitted to GAZ-SYSTEM S.A., or such a Phase 1 Bid submitted by the Participant to Energinet was rejected by Energinet due to

the non-compliance with the requirements specified by Energinet for the submissions of a valid Phase 1 Bid in the Open Season 2017.

- 4.1.5. The document specified in point 4.1.2.2 shall be submitted to GAZ-SYSTEM S.A. in line with the provisions of point 3.4.
 - 4.1.6. The provisions of points 3.1, second sentence, point 3.6 and 3.8 shall apply accordingly to the process of submission and acceptance of the Order to Proceed.
 - 4.1.7. Within the Phase 1 Deadline, the Participant may alter or withdraw its Phase 1 Bid submitted to GAZ-SYSTEM S.A. by submitting a new Order to Proceed in accordance with the provisions above or by making a statement on withdrawing the Phase 1 Bid. As every Participant may submit to GAZ-SYSTEM S.A. only one Order to Proceed, the new Order to Proceed will replace the previous version thereof, and the previous version will be disregarded. Thus, each Order to Proceed, which the Participant wishes to place, shall be stated in a new bidding form and the new bidding form must be completed in line with the provisions of point 4.1.
- 4.2. Evaluation of the Orders to Proceed submitted in Phase 1 of the Open Season 2017
- 4.2.1. Promptly from the Phase 1 Deadline, GAZ-SYSTEM S.A. will evaluate the Orders to Proceed submitted in the Phase 1 of the Open Season 2017 and assess if the total amount of requested OS 2017 Capacity in the Orders to Proceed for the Entry Point Baltic Pipe (DK->PL) is sufficient in order to continue the Baltic Pipe Project as the Fast Track Project, pursuant to the level as specified by GAZ-SYSTEM S.A. in point 4.2.3, subject to the provisions of point 4.2.4.
 - 4.2.2. In the evaluation process, GAZ-SYSTEM S.A. shall only take into account the Phase 1 Bids for the Entry Point Baltic Pipe (DK->PL) accepted by GAZ-SYSTEM S.A. and Energinet.
 - 4.2.3. In order to acknowledge by GAZ-SYSTEM S.A., that the total amount of the OS 2017 Capacity of the Entry Point Baltic Pipe (DK->PL), demanded in the Orders to Proceed, is sufficient to continue the Baltic Pipe Project as the Fast Track Project, the total amount of the OS 2017 Capacity ordered in the Entry Point Baltic Pipe (DK->PL) should be, as minimum 10,058,250 kWh/h for each Gas Year made available under the Open Season 2017.
 - 4.2.4. If the level specified pursuant to point 4.2.3 is reached, GAZ-SYSTEM S.A. shall assess that the total amount of OS 2017 Capacity of the Entry Point Baltic Pipe (DK->PL) requested in the Orders to Proceed is sufficient for GAZ-SYSTEM S.A. to continue the Baltic Pipe Project as the Fast Track Project, subject to the provisions

of point 4.2.5. If the total OS 2017 Capacity requested in the Phase 1 Bids is below 10,058,250 kWh/h at the Entry Point Baltic Pipe (DK->PL) in any of the 15 Gas Years, GAZ-SYSTEM S.A. may still, at its sole discretion, decide to pursue the Fast Track Project, after making further assessments of the Baltic Pipe Project's feasibility on the basis of the submitted Phase 1 Bids and dialogue with Energinet, subject to the provisions of point 4.2.5.

4.2.5. Nevertheless, the Fast Track Project shall only be pursued if, according to the assessment of both TSOs, total capacity made available under the Open Season 2017, requested in the Phase 1 Bids accepted by both TSO, is sufficient to continue the Baltic Pipe Project as the Fast Track Project.

4.2.6. If both TSOs decide, that the Baltic Pipe Project will not be pursued as the Fast Track Project, GAZ-SYSTEM S.A. shall be entitled to undertake the actions set out in the OS 2017 Rules, including to adapt the draft of the Polish OS 2017 Capacity Agreement to the amended Baltic Pipe Project implementation schedule, in particular, by amending the conditions precedent for the obligation to provide gas fuel transmission services.

5. FINANCIAL SECURITY

5.1. Within the Open Season 2017, in order to submit an effective Phase 2 Bid, GAZ-SYSTEM S.A. shall demand from the Participants establishment and maintenance of the financial security in form of and amount as determined pursuant to the provisions of point 5.

5.2. Following the receipt of the Registration form, GAZ-SYSTEM S.A. will determine the Non-Secured Credit Line of the Participant. The Non-Secured Credit Line shall be used to determine whether the Participant shall be obliged to provide financial security in connection with its Phase 2 Bid, in line with point 6.1.2.1.

5.3. Within five (5) Business Days from the date of the approval of the Participant's registration, the Participant will be notified of the decision made by GAZ-SYSTEM S.A. regarding the amount of the Non-Secured Credit Line of the Participant. The Non-Secured Credit Line will be determined as an equivalent of:

5.3.1. ten per cent (10%) of the Participant's equity capital, provided that a credit rating of AAA or similar (highest rating from the relevant rating agency) was granted to the Participant;

- 5.3.2. seven and a half per cent (7.5%) of the Participant's equity capital, provided that a credit rating of AA or similar (second highest rating from the relevant rating agency) was granted to the Participant;
 - 5.3.3. five per cent (5%) of the Participant's equity capital, provided that a credit rating of A or similar (third highest rating from the relevant rating agency) was granted to the Participant;
 - 5.3.4. two and a half per cent (2.5%) of the Participant's equity capital, provided that a credit rating of BBB+ or similar (fourth highest rating from the relevant rating agency) was granted to the Participant;
 - 5.3.5. none for Participants with lower or no credit rating.
- 5.4. The Non-Secured Credit Line will be established by GAZ-SYSTEM's S.A. on the basis of the equity capital of the Participant as determined by GAZ-SYSTEM S.A. and the Participant's credit rating from Moody's, Standard & Poor's or Fitch as set forth above. In the event that the Participant has received ratings from more than one rating agency, the lowest rating will be used to determine the Non-Secured Credit Line.
 - 5.5. The Participant is obliged to inform GAZ-SYSTEM S.A. of any new credit rating. Such new credit rating may cause GAZ-SYSTEM S.A. to revise the Non-Secured Credit Line.
 - 5.6. In case the expected amount payable for the use of the OS 2017 Capacity in the Entry Point Baltic Pipe (DK->PL) during the Gas Year, in which the Participant has requested the highest amount of the OS 2017 Capacity, in line with the Phase 2 Bid that the Participant is going to submit to GAZ-SYSTEM S.A., exceeds the Participant's Non-Secured Credit Line determined for such a Participant, the Participant shall provide a financial security, in the amount determined in line with point 5.7, in the form of a bank guarantee submitted in line with point 5.8, or a cash collateral submitted in line with point 5.9. In case the Phase 2 Bid submitted by the Participant concerns the OS 2017 Capacity for the Exit Point Baltic Pipe (PL->DK) exclusively, or, based on the Phase 2 Bid, which the Participant intends to submit to GAZ-SYSTEM S.A., the expected receivable for the use of the OS 2017 Capacity in the Exit Point Baltic Pipe (PL->DK) in any Gas Year is higher than the receivable determined in accordance with the previous sentence, the obligation of the Participant to establish the financial security shall be determined based on the expected amount of receivable for the use of the OS 2017 Capacity in the Exit Point Baltic Pipe (PL->DK) in the Gas Year, in which the Participant applied for the highest amount of that OS 2017 Capacity.

- 5.7. The amount of the security to be provided by the Participant shall be equal to the difference between (i) the fee expected to be paid by the Participant to GAZ-SYSTEM S.A. for the use of the OS 2017 Capacity at the Entry Point Baltic Pipe (DK->PL) during the Gas Year, for which the Participant in the Phase 2 Bid will request the highest amount of OS 2017 Capacity, and (ii) the Participant's Non-Secured Credit Line, subject to provision of point 5.6 sentence 2, which apply accordingly. The fee for the OS 2017 Capacity shall be calculated on the basis of GAZ-SYSTEM's S.A. indicative transportation costs as announced by GAZ-SYSTEM S.A. under the Information Package No.2 published by GAZ-SYSTEM S.A. upon the commencement of the OS 2017 Phase 2.
- 5.8. The financial security may be submitted in the form of an irrevocable, non-transferable, and unconditional bank guarantee, payable upon the first demand of GAZ-SYSTEM S.A., issued by a bank with a current rating obtained from a rating agency (the minimum acceptable level Baa2 for Moody's, BBB for Standard & Poor's, BBB for Fitch), which content was accepted by GAZ-SYSTEM S.A. In the event that the relevant bank has received ratings from more than one rating agency, the lowest rating will apply. The bank guarantee shall be subject to the provisions of Polish law. If the guarantee has not been issued in the Polish language, it shall be submitted to GAZ-SYSTEM S.A. together with a sworn translation into Polish. The expiry date of the bank guarantee should fall on the last day of the second (2nd) month after the end of the sixth Gas Year in which the Participant would like to use the transmission services of GAZ-SYSTEM S.A. in the Point determined pursuant to the provisions of point 5.6. In case the Participant's Phase 2 Bid covers a shorter period of providing transmission services than six Gas Years, the date of expiry of the bank guarantee should fall on the last day of the second (2) month after the end of the last Gas Year, in which the Participant intends to benefit from the transmission services provided by GAZ-SYSTEM S.A. in the Point determined in accordance with the provisions of the point 5.6. GAZ-SYSTEM S.A. may accept a financial security valid for the period not shorter than one year, provided that such security is renewed for, at least, one year, within fourteen (14) Business Days prior to the expiry of its validity, in accordance with the provisions specified in point 5.
- 5.9. If the financial security is submitted in cash, it shall be paid in PLN to the following GAZ-SYSTEM's S.A. bank account: 94114019770000580301001031, and shall be entitled „Open Season 2017.”

- 5.10. Phase 2 Bids submitted without a proper financial security shall not be subject to analysis within the framework of the Open Season 2017.
- 5.11. GAZ-SYSTEM S.A. shall be entitled to use the financial security (cash collateral or bank guarantee) in the following situations:
 - 5.11.1.1. as a deduction against liquidated damages which the Participant is obliged to pay in line with the provisions of point 6.1.7; or
 - 5.11.1.2. if the Participant fails to conclude a Polish OS 2017 Capacity Agreement, in accordance with point 6.2.6;
 - 5.11.1.3. in line with the provisions of the Polish OS 2017 Capacity Agreement.
- 5.12. In case GAZ-SYSTEM S.A. uses the financial security, the Participant shall be obliged to supplement it.
- 5.13. The security shall be refunded within 14 (fourteen) days in the following cases:
 - 5.13.1. GAZ-SYSTEM S.A. terminates the Open Season 2017 without conclusion of the Polish OS 2017 Capacity Agreement;
 - 5.13.2. as a result of the Open Season 2017, no OS 2017 Capacity was allocated by GAZ-SYSTEM S.A. to the Participant;
 - 5.13.3. in line with the provisions of the Polish OS 2017 Capacity Agreement.
- 5.14. The security deposited in the form of a cash collateral will be refunded together with interest arising from the bank account agreement on which it was held, after deduction of that amount from the cost of running the account and the bank commission for the transfer of money to the Participant's bank account.
- 5.15. The detailed provisions concerning the obligations related to ensuring the financial security after the conclusion of the Polish OS 2017 Capacity Agreement are included in the Polish OS 2017 Capacity Agreement.

6. PHASE 2 OF THE OPEN SEASON 2017

- 6.1. Submission of the Phase 2 Bid
 - 6.1.1. Prior to the lapse of the Phase 2 Deadline, the Participants, who are interested in participating in the Phase 2 of the Open Season 2017, should fill a form of Phase 2 Bid with the company details and a request for the allocation of OS 2017 Capacity. Return the completed Phase 2 Bid form (original) by registered post or courier duly

signed by authorised person(s) to the GAZ-SYSTEM's S.A. mailing address as specified in point 10, no later than prior to the lapse of the Phase 2 Deadline. Send the scan of the form by email to: openseason@gaz-system.pl.

- 6.1.2. The Phase 2 Bid submitted to GAZ-SYSTEM S.A. should be accompanied by:
 - 6.1.2.1. proof of submitting a financial security in line with the requirements specified by GAZ-SYSTEM S.A. in point 5, if necessary;
 - 6.1.2.2. if the Phase 2 Bid submitted to GAZ-SYSTEM S.A. is not signed by a statutory body of the Participant or an authorised person, in accordance with the documents submitted during the registration procedure, an original or a notarized copy of (and apostilled, as the case may be) power of attorney issued to the signatory of the Phase 2 Bid to represent the entity, and which contains an authorisation to sign on behalf of the Participant shall be submitted.
- 6.1.3. For the avoidance of any doubts, only Phase 2 Bids submitted by the means of a template, which constitutes Appendix 2 to the Open Season 2017 Rules, accompanied by the relevant documents specified in point 6.1.2, shall be considered valid.
- 6.1.4. The Phase 2 Bids submitted to GAZ-SYSTEM S.A. and accompanying documents, if required, shall be submitted in accordance with the provisions of point 3.4.
- 6.1.5. The provisions of points 3.1, second sentence, 3.6, 3.8, and 4.1.7 shall apply accordingly to the process of submission and acceptance of the Phase 2 Bids by GAZ-SYSTEM S.A.
- 6.1.6. GAZ-SYSTEM S.A. shall reject the Phase 2 Bid if one of the following conditions occurs:
 - 6.1.6.1. it is submitted by an entity which had not been registered as a Participant with GAZ-SYSTEM S.A.;
 - 6.1.6.2. it does not comply with the requirements specified in points 6.1.2 - 6.1.5 above;
 - 6.1.6.3. the Participant did not submit a Phase 2 Bid to Energinet for the OS 2017 Capacity as a bundled capacity of a relevant Point offered by Energinet under the OS 2017, corresponding to the amount as specified in the Phase 2 Bid submitted to GAZ-SYSTEM S.A., or such a Phase 2 Bid submitted by the Participant to Energinet was rejected by Energinet due to the non-

compliance with the requirements specified by Energinet for the submissions of a valid Open Season 2017 Phase 2 Bid.

- 6.1.7. If both TSOs announce that the level of the Orders to Proceed submitted and accepted in the Open Season 2017 Phase 1 is sufficient to continue the Baltic Pipe Project as the Fast Track Project, then the Participant, who does not submit a Phase 2 Bid including the amount of OS 2017 Capacity at least equal to or higher than the amount included in the Phase 1 Bid of such a Participant, in accordance with the requirements specified in these GAZ-SYSTEM's S.A. Rules, shall be liable to pay the liquidated damages to GAZ-SYSTEM S.A. in the amount of 100.000,00 PLN (one hundred thousand zlotych).
 - 6.1.8. The allocation of OS 2017 Capacity shall be done by GAZ-SYSTEM S.A. in line with the provisions of the Open Season 2017 Rules, to the Phase 2 Bids accepted by GAZ-SYSTEM S.A. and Energinet.
- 6.2. Concluding the Polish OS 2017 Capacity Agreements
- 6.2.1. The conclusion of the Polish OS 2017 Capacity Agreements, which include the results of the Capacity allocation process under the Open Season 2017 Phase 2 provided to the Participants, shall depend on the outcomes of the procedures specified in point 6.2.2 and the result of the Economic Test performed by Energinet in line with the Open Season 2017 Rules.
 - 6.2.2. Prior to entering into the Polish OS 2017 Capacity Agreements including the outcomes of the allocation process of OS 2017 Capacity under the Open Season 2017 Phase 2 provided to the Participants, GAZ-SYSTEM S.A., with full respect for third party access to the transmission network stipulated in Energy Law and rules of transmission capacity allocation resulting from 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, in particular for rule of Participants' equal treatment, shall implement the following internal procedures:
 - 6.2.2.1. the Economic Test, which will be conducted in line with the applicable provisions of law. Details of the Economic Test will be published in the Information Package No. 2, and
 - 6.2.2.2. the internal procedure for obtaining corporate approvals for the conclusion by GAZ-SYSTEM's S.A. of the Polish OS 2017 Capacity Agreements, which

object will be the transmission of gas, with the Participants to whom, as a result of the Open Season 2017, the OS 2017 Capacity is to be allocated.

These procedures shall be implemented within the deadlines allowing for the conclusion of the Polish OS 2017 Capacity Agreement in line with the time frames determined in the OS 2017 Rules.

- 6.2.3. GAZ-SYSTEM S.A. shall inform the Participants of the results of the procedures implemented in line with point 6.2.2 by providing the information referred to in point 6.2.4 or 6.2.5.
- 6.2.4. If both Energinet and GAZ-SYSTEM S.A. obtain a positive outcome of the Economic Test performed under the Open Season 2017, and additionally GAZ-SYSTEM S.A. obtains necessary corporate approvals as specified in point 6.2.2.2, GAZ-SYSTEM S.A. shall confirm the allocation of OS 2017 Capacity for individual Participants, in accordance with the outcomes of the Open Season 2017 Phase 2 allocation process of OS 2017 Capacity previously provided to the Participants, subject to amendments thereto, if any, pursuant to the Open Season 2017 Rules, and provide such Participants with the draft of the Polish Open Season 2017 Capacity Agreement in accordance with the template published by GAZ-SYSTEM S.A. prior to the commencement of the Open Season 2017 Phase 1, subject to changes made by GAZ-SYSTEM S.A. pursuant to the provisions of point 4.2.6.
- 6.2.5. If either GAZ-SYSTEM S.A. or Energinet obtains a negative result of the Economic Test, or the necessary corporate approvals are not granted pursuant to point 6.2.2.2, the Polish part of the Open Season 2017 shall be cancelled without allocating any Capacity to the Participants. In such a case, the Participants will be no longer bound by their Bids submitted to GAZ-SYSTEM S.A., and GAZ-SYSTEM S.A. will not be obliged to conclude the Polish OS 2017 Capacity Agreements.
- 6.2.6. Each Participant, who has received from GAZ-SYSTEM S.A. a draft of the Polish OS 2017 Capacity Agreement pursuant to point 6.2.4, shall be obliged to submit to GAZ-SYSTEM S.A. a signed draft of the Polish OS 2017 Capacity Agreement within ten (10) Business Days of the delivery date of such a draft. GAZ-SYSTEM S.A. shall send to the Participant a signed Polish OS 2017 Capacity Agreement within ten (10) Business Days of the date of delivery to GAZ-SYSTEM S.A. of the draft of the Polish OS 2017 Capacity Agreement signed by the Participant. The terms indicated at this point are regarded as kept, if before their expiry the draft of the Polish OS 2017 Capacity Agreement or the Polish OS 2017 Capacity Agreement will be posted at a post office to the mailing address specified in point 10.

7. TARIFFS

- 7.1. The tariff system in Poland is currently based on the provisions of the Energy Law 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.
- 7.2. GAZ-SYSTEM S.A. shall charge the fees for the performance of gas transmission services provided under the Polish OS 2017 Capacity Agreements concluded with the Participants to whom the OS 2017 Capacity was allocated, according to the Tariff of GAZ-SYSTEM S.A. and the TNC of GAZ-SYSTEM S.A. applicable at a given time according to the decision of the President of ERO.
- 7.3. The tariff rates shall be calculated in accordance with the provisions of law applicable from time to time.
- 7.4. The Participant is made expressly aware of the fact that the final tariffs rates for the OS 2017 Capacity will not be determined until the transmission services are rendered to the Participant, in line with the Polish OS 2017 Capacity Agreement.
- 7.5. Within each Phase of the OS 2017, GAZ-SYSTEM S.A. shall publish a non-binding information package concerning the Baltic Pipe Project, containing, among others, indicative costs of transmission through the Baltic Pipe transmission infrastructure.
- 7.6. Such information packages are intended to share non-binding information with the Participants to support their decision-making and allow a more thorough analysis of transmission costs, construction costs, and risk related to the implementation of the Baltic Pipe Project.
- 7.7. The data provided by GAZ-SYSTEM S.A. in the information packages published during the Open Season 2017 should be used only as preliminary signals to the network users. GAZ-SYSTEM S.A. maintains the right to design and publish tariffs independently from the figures stated in the information packages.

8. GOVERNING LAW, DISPUTE RESOLUTION

- 8.1. All matters between GAZ-SYSTEM S.A. and the Participant arisen pursuant to the Open Season 2017 Rules shall be governed by the laws of the Republic of Poland. To any issues not regulated in the Open Season 2017 Rules, the provisions of the TNC of GAZ-SYSTEM S.A. or the Tariff of GAZ-SYSTEM S.A. shall apply. Any disputes between the Participant and GAZ-SYSTEM S.A. arising from or related to the OS 2017 Rules or the GAZ-SYSTEM's S.A. Rules, shall be finally settled under the

Arbitration Rules of the Court of Arbitration at the Polish Chamber of Commerce in force on the date of commencement of the proceeding by an arbitrator or arbitrators appointed in accordance with the said Rules.

9. OTHER PROVISIONS

- 9.1. Subject to the mandatory provisions of law, any cancellation by GAZ-SYSTEM S.A. of the Polish part of the Open Season 2017 in the situation referred to in point 6.2.5 or the situation referred to in point 9.7 of the Open Season Rules shall not create any liability of GAZ-SYSTEM S.A. and shall not entitle the Participants to claim damages from GAZ-SYSTEM S.A. nor to seek another form of legal compensation for failure to conclude the Polish OS 2017 Capacity Agreement.
- 9.2. Any expenses incurred by the Participant in connection with its participation in the Open Season 2017 shall be borne by the Participant and shall not be asserted against GAZ-SYSTEM S.A.
- 9.3. Anytime the present GAZ-SYSTEM's S.A. Rules refer to the delivery of documents or information by email, 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.
- 9.4. GAZ-SYSTEM S.A. represents that it shall be liable for transmission services and proper functioning of the Polish System. GAZ-SYSTEM S.A. shall not be liable for the infrastructure which is not owned by it.
- 9.5. These GAZ-SYSTEM's S.A. Rules do not constitute an offer within the meaning of Article 66 § 1 of the Civil Code of the Republic of Poland (Journal of Laws of 1964 No. 16, item. 93, as amended).
- 9.6. Neither the Participant nor GAZ-SYSTEM S.A. shall be liable towards each other for any loss suffered due to the Open Season 2017 unless the Party suffered loss due to a willful misconduct of the other Party.
- 9.7. GAZ-SYSTEM S.A., in agreement with Energinet, may invalidate the Open Season 2017 for serious reasons at any time. GAZ-SYSTEM S.A. shall inform Participants, and the President of ERO of the cancellation of the Open Season 2017 and specify reasons for such invalidation and, if applicable, an expected date on which the Open Season 2017 may be repeated.

- 9.8. GAZ-SYSTEM S.A. reserves the right to amend or supplement the Open Season 2017 Rules, in particular, before the Phase 2 Deadline, in line with the OS 2017 Rules, or if those changes in order to comply with applicable laws and regulations or by order by the national regulatory authorities or another public authority. Such amendments and supplements will be published on the website of GAZ-SYSTEM S.A., subject to a prior obtainment of the approval of competent authorities, if necessary.
- 9.9. Any new version of, or amendments to, the TNC of GAZ-SYSTEM S.A. or Tariff of GAZ-SYSTEM S.A., approved by the President of ERO, does not constitute a change of the Open Season 2017 Rules and shall enter into force according to the date stipulated in a given document.
- 9.10. These GAZ-SYSTEM's S.A. Rules have been prepared in an English version and a Polish version. The English version is a non-legally binding translation. No discrepancies between the two versions are intended. However, if discrepancies are found in the wording of the two versions, the Polish legally binding version shall prevail.
- 9.11. The following appendices form an integral part of these OS 2017 Rules:
- 9.11.1. Appendix 4.A – TNC of GAZ-SYSTEM S.A.,
 - 9.11.2. Appendix 4.B – Tariff of GAZ-SYSTEM S.A.,
 - 9.11.3. Appendix 4.C – Registration form,
 - 9.11.4. Appendix 4.D – 2015 Framework transmission agreement,
 - 9.11.5. Appendix 4.E – Polish OS 2017 Capacity draft Agreement.

10. CONTACT DETAILS

- 10.1. Any documents and correspondence submitted to GAZ-SYSTEM S.A. in a written form shall be delivered in a sealed envelope and include an annotation: "Open Season 2017" to the following address:

Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A.

Secretariat of Gas Market Department

ul. Mszczonowska 4

02-337 Warszawa

For the attention of: Adam Marzecki/Agnieszka Ozga