
GAS TRANSMISSION CONTRACT

No. / / /

concluded on in Warsaw, between:

..... with its
registered office in, entered into the
..... under number kept by
.....

NIP tax identification number:;
REGON statistical number:, with the share capital ofPLN and
paid-in capital of PLN,
represented by:

- 1.
- 2.

hereinafter referred to as the Shipper,

and

Gas Transmission Operator GAZ-SYSTEM S.A. with its registered office in Warsaw at ul.
Mszczonowska 4, entered into the Register of Companies of the National Court Register,
kept by the District Court for the Capital City of Warsaw, 12th Commercial Division, under
number 0000264771,

NIP tax identification number: 527-243-20-41;
REGON statistical number: 015716698, with the share capital of PLN 3,741,886,442, paid in
full,
represented by:

- 1.
- 2.

hereinafter referred to as the Transmission System Operator or "TSO",

hereinafter jointly referred to as the Parties,

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LIST OF APPENDICES CONSTITUTING INTEGRAL PART OF CONTRACT

- Appendix No. 1 Certified true copy of the original:
- Copy of the register of companies of TSO;
 - Power of attorney confirming powers of persons signing the Contract to represent and contract liabilities on behalf of the TSO.
- Appendix No. 2 Original copies or certified true copies of the original:
- Copy of the register of companies of the Shipper;
 - Decision confirming issue of REGON statistical number;
 - Decision confirming issue of Tax Identification Number (NIP).
- Certified true copy of the original Shipper licence or declaration signed by persons authorised to represent the Shipper that the activity pursued by the Shipper does not require the licences provided for by the Energy Law Act or, in the absence of a licence on the Contract conclusion date, a promise of a licence and/or a representation signed by a person authorised to represent the Shipper, stating that a licence will be submitted not later than 15 days prior to commencing the transmission service.
- Appendix No. 3 Proof of establishment of financial security or a representation stating that a good performance guarantee will be presented not later than 6 months prior to the first year of providing the transmission service.*
- Appendix No. 4 Annual nomination.
- Appendix No. 5 Technical appendix – technical conditions concerning measurement systems and the rules for conducting measurements in entry and exit points (shall be specified 1 month before the date of commencement of the performance of the transmission service).
- Appendix No. 6 Contact details of dispatcher and operational services (shall be specified 1 month before the date of commencement of the performance of the transmission service).
- Appendix No. 7 Rules and regulations for the additional capacity allocation procedure in Lasów entry point*

* *If applicable*

Whereas:

1. This Contract is concluded within the frame of a Procedure aimed at providing additional capacity at the Lasów entry point, conducted by the TSO, in the course of which the Shipper has submitted a bid and confirmed the intention to order from the TSO the performance for its benefit of gas transmission service.
2. For the purpose of performing the service for the benefit of the Shipper, it shall be necessary to modernise gas pipelines in Lower Silesia and to modernise UGS Wierzchowice.
3. The gas transmission services shall commence once the modernised gas pipelines in Lower Silesia have been commissioned, taking into account the restrictions arising from the modernisation of UGS Wierzchowice.

the following contract (hereinafter referred to as the “Contract”) was made:

1 REPRESENTATIONS AND WARRANTIES

1.1 The Shipper hereby represents and warrants to the TSO, that:

- 1.1.1. it has the ability and authority to enter into this Contract;
- 1.1.2. is fully authorised and possesses all the corporate authorisations required to conclude this Contract and to sign the accompanying documents or signed on the basis thereof, as well as to perform all the obligations resulting therefrom;
- 1.1.3. no additional licences or authorisations are required from the Shipper upon which the validity and effectiveness of the transactions foreseen under this Contract would be dependent;
- 1.1.4. he has undertaken all the actions required by law in order to conclude this Contract;
- 1.1.5. once this Contract has been concluded, it shall constitute an effective and binding source of obligations of the Shipper which shall be fully enforceable in relation thereto;
- 1.1.6. both the conclusion and the performance of this Contract by the Shipper shall not constitute any breach of any of its obligations (contractual or any other in nature), binding provisions of the law, rulings or administrative decisions binding upon the Shipper. Any actions in pursuance of the provisions of this Contract shall not constitute a breach of the provisions of any other contracts, agreements, settlements, decrees, decisions or any other regulations binding upon the Shipper.

2. OBJECT OF THE CONTRACT

- 2.1. The object of the Contract is the reservation of capacity at Lasów entry point number ID 272411 for the purpose of providing gas transmission services over the transmission systems operated by the TSO to the exit point (exit points) and provision of contracted capacity by the TSO at these points.

Year	Entry point Lasów			Exit point (A)*			Exit point(B)*		
	Firm capacity (m ³ /h)	Interrupted capacity and certainty level (m ³ /h)	Estimates annual volume (m ³)	Firm capacity (m ³ /h)	Interrupted capacity and certainty level (m ³ /h)	Estimates annual volume (m ³)	Firm capacity (m ³ /h)	Interrupted capacity and certainty level (m ³ /h)	Estimates annual volume (m ³)
2012									
2013									
2014									

- 2.2. The gas transmission service shall be performed under firm/interrupted conditions.*
- 2.3. During the period of contracted capacity limitation, the Shipper shall be obliged to reduce gas offtake in the exit point and to reduce supply in the entry point to the amount set up for a given level of limitation.*
- 2.4. Within 2 (two) months from the completion of the modernisation of UGS Wierzchowice and after giving a written notice, the interrupted contracted capacity of the entry point, defined in clause 2.1, shall be converted into firm contracted capacity. The conversion of interrupted capacity to firm capacity will take place as at the date indicated in a representation of the TSO delivered to the Shipper. Until the conversion, the charges for the transmission services shall be calculated for firms and interrupted capacity in accordance with the Tariff in force.*
- 2.5. The TSO does not guarantee the provision of the transmission services in the transmission system in Poland in the years for which no exit points and their corresponding capacities have been specified.*
- 2.6. Agreeing the exit point (points) and the contracted capacity at those points shall require an annexe to the Contract, concluded by 30 June of the year preceding the gas year, in which the transmission service is to be provided; to this end the Shipper shall submit to the TSO a supplementary order (supplementary form) by 30 April of the year preceding the gas year in which the transmission service is to be provided. The contracted capacity at the exit points will be determined in accordance with the Regulations of the procedure aimed at providing additional capacity at Lasów entry point (henceforth: the "Regulations").*
- 2.7. If the contracted capacities at the exit points are not agreed upon in accordance with the provisions of clause 2.6, the TSO shall reduce the contracted capacity at Lasów entry point to a quantity corresponding to the sum of the contracted capacities at the exit points agreed by the Parties.*
- 2.8. Subject to the provisions of the Contract, the rights and obligations of the Parties and the rules and principles for performance of transmission services have been described in detail in the Tariff and the Transmission Network Code established in pursuance of the provisions of the law. On the day of concluding the Contract, the provisions of the Transmission Network Code dated, hereinafter referred to as the "TNC" shall be applicable to the Contract. By signing the Contract, the Shipper confirms that the currently valid and binding copy of the tariff and the TNC has been provided thereto and that the Shipper has familiarised himself with the content thereof.
- 2.9. In the event of any conflicts between any of the provisions of the Contract and any of the Appendices, the tariff or the TNC, the provisions of the Contract shall prevail.
- 2.10. Any terms defined in the tariff or the TNC shall have the same meaning in the Contract.
- 2.11. The time references used in the Contract shall correspond to Central European Time.

3. RIGHTS AND OBLIGATIONS OF TSO

- 3.1. Within the scope and under the conditions specified in the Contract and the TNC, the TSO shall in particular undertake to:
 - 3.1.1. transmit gas in the volume conveyed by the Shipper from the entry point to the exit point (exit points), pursuant to the contracted capacity specified in clause 2.1 of the Contract,

* If applicable

- 3.1.2. maintain at exit points the quality parameters of gas specified in the TNC, provided that the Shipper supplies the gas at the entry point according to the quality parameters specified in the TNC,
- 3.1.3. ensure at the exit point the gas pressure specified in the TNC, provided that the Shipper performs his obligations specified in the Contract and the TNC, affecting the said parameters;
- 3.1.4. immediately inform the Shipper of any circumstances affecting the performance of the obligations of the Parties that have been specified in the Contract,
- 3.1.5. cooperate with the operator of the German system or power companies in order to ensure the reliable and effective operations of the intersystem gas pipeline.

4. RIGHTS AND OBLIGATIONS OF THE SHIPPER

- 4.1. The Shipper shall benefit from the gas transmission services under the principles specified in the Energy Law Act, the tariff, the TNC and the Transmission Contract. The Shipper shall effect payment for the benefit of the TSO of the fees specified in the Tariff and the TNC.
- 4.2. The Shipper, as an entity benefitting from the gas transmission services, shall observe the terms and conditions of the TNC, and, in particular, shall:
 - 4.2.1. convey for transmission at the entry point and off-take at the exit point gas with the quality parameters specified in the TNC,
 - 4.2.2. provide gas at the entry point at a pressure specified in accordance with the TNC,
 - 4.2.3. transmit for transmission and off-take from the transmission system gas in the quantities specified in the approved nomination for entry and exit points pursuant to the terms and conditions of the TNC,
 - 4.2.4. immediately inform the TSO of any circumstances affecting the performance of the obligations of the Parties specified in the Contract.
- 4.3. The Shipper, as a new seller to the Customer of gas at exit point, moves for the provision of contracted capacity of and exit point.[†]

5. TERM

- 5.1. The term for which this Contract has been concluded.
 - 5.1.1. This Contract has been concluded for a specified term from the day of signing the Contract by the TSO until the last day of performing the gas transmission services specified in clause 5.1.2.
 - 5.1.2. The performance of the gas transmission services shall commence on theday of and shall be performed in the years in which capacity has been reserved at the entry point and the exit points..
- 5.2. The commencement of the provision of the gas transmission services, referred to in clause 5.1.2, is postponed until the date of commissioning of the modernised pipelines in Lower Silesia, not later, however, than by 31.12.2012.
- 5.3. Upon the written request of each of the Parties, the date of commencement of the performance of the gas transmission service specified in clause 5.1.2 may be shifted

[†] *If applicable.*

(delayed) by a period not exceeding twelve (12) months, however, no later than by 1 January 2013. The shift of the date of commencement of the performance of the gas transmission service shall cover the entire object of the Contract and may be effected by each of the Parties only once. A letter regarding this matter shall be sent to the other Party at least one (1) month before the planned date of commencement of the gas transmission services. In this case, the Parties shall not be entitled to any claims in relation to each other, particularly the TSO shall not during this period collect any tariff fees from the Shipper.

- 5.4. The date of commencement of performance of the gas transmission services specified in clause 5.1.2 or 5.2. may also be shifted (delayed) in the event of:
- 5.4.1. a delay in obtaining consents, opinions, decisions or administrative and other legal permits concerning the modernisation of the gas pipelines in Lower Silesia,
 - 5.4.2. any impediments in the modernisation of gas pipelines in Lower Silesia, caused by the necessity to meet the environmental protection requirements or difficult weather conditions.
- 5.5. The shift of the term mentioned in point 5.2. or point 5.4. shall take place by the TSO submitting a unilateral declaration of will, specifying the new date of commencement of performance of the services, drawn up in writing and delivered to the Shipper. In this case, the Shipper shall not be entitled to any claims in relation to the TSO on account of any delay in commencement of the performance of the gas transmission services, unless the delay took place due to the deliberate fault or gross negligence of the TSO.

6. DETAILED PROVISIONS

- 6.1. In order to secure the claims of the TSO for payments pursuant to the conditions of the Contract, the Shipper submits / shall submit not later than six (6) months prior to the commencement of the provision of the gas transmission services[‡] a financial security in the form of certified by forming an element of Appendix No. 3.
- (The Shipper declares, that he is entitled to a financial rating of minimum and, as a proof thereof, he submits the following documents)[§]
- 6.2. A list, including entry point and exit point (exit points) and information about operators of billing points and operators of interoperating system is included in Appendix No. 5.
- 6.3. The minimal amounts of gas that must be transmitted at the entry point to the transmission system by the Shipper and taken into consideration in the nominations and re-nominations submitted by the Shipper shall be specified by the TSO and conveyed to the Shipper 1 (one) month before the date of commencement of performing the transmission service and shall constitute Appendix No. 5.
- 6.4. The annual nomination shall be specified pursuant to the terms and conditions of the TNC and shall constitute Appendix No 4 to the contract. The annual nomination for the year 2012 shall be submitted by the Shipper by 30 October and approved by the TSO by 15 December, with provisions of the TNC applying accordingly.
- 6.5. The technical conditions concerning the measurement systems and the rules for conducting measurements at the entry and exit points shall be confirmed by the TSO

[‡] Depending on the date of commencement of the transmission service provision.

[§] If applicable.

and conveyed to the Shipper 1 (one) month before the date of commencement of the transmission service and shall constitute Appendix No. 5.

- 6.6. On TSO request, the Shipper shall sell to the TSO gas for technological purposes and network losses arising from the implementation of the Contract in the amount specified by TSO, which amount, however, shall not exceed by more than 0,8% the amount of gas supplied for transmission at Lasów entry point ID 272411.

7. TERMINATION

- 7.1. The Contract shall be terminated in the circumstances and according to the rules set forth in the TNC.
- 7.2. The Contract shall also be terminated as a result of:
- 7.2.1. the Shipper failing to present a license for gas trade, distribution or transmission, despite the lapse of the time limit specified in the representation forming Appendix No 2;
 - 7.2.2. the Shipper failing to provide the financial security, despite the lapse of the time limit specified in the representation forming Appendix No 3.
- 7.3. The TSO shall have the right to terminate the Contract in whole or in part corresponding to the capacity reserved for the exit point, both with regard to the entry point and the exit point, if the exit point is a point under construction and no connection agreement has been concluded, or there is a threat to the connection of the entity to the transmission network within a time limit allowing gas transmission is the gas year, in which the transmission service is to be provided in accordance with the Contract.

8. AUTHORISATION TO PROVIDE INFORMATION

The Shipper shall authorise the TSO to convey to the operators of interoperating system information connected with the performance of the Contract within the scope specified in the TNC.

9. TYPES OF FEES AND RULES OF PAYMENT

- 9.1. The billing period shall be one gas month.
- 9.2. The fees for the performance of the gas transmission service shall be calculated pursuant to the binding Tariff.
- 9.3. Should the Shipper fail to use the gas transmission service for reasons attributable to the Shipper, particularly due to insufficient storage capacity or lack of capacity in the interconnecting systems after the entry or exit point, the Shipper shall effect payment of the fees pursuant to the Tariff.
- 9.4. The fees not included in the Tariff shall be calculated pursuant to the TNC.
- 9.5. The detailed billing rules have been specified in the Tariff and the TNC.

10. TRANSFER OF RIGHTS AND OBLIGATIONS RESULTING FROM CONTRACT

- 10.1. To be valid, the transfer of rights and obligations resulting from the Contract to a third party requires the written consent of the other Party. This reservation shall not refer to the transfer of cash receivables in order to provide the security of the bank credit or loan.

- 10.2. The Shipper shall be entitled to resell or make available the reserved capacity (contracted capacity) under the terms and conditions stipulated in the TNC.

11. DISPUTE RESOLUTION

- 11.1. Any disputes concerning the performance of the Contract shall be resolved by the Parties by way of negotiations.
- 11.2. In the event of a dispute concerning the quality parameters or amount of gas conveyed for transmission or off-taken from the transmission system that shall not be resolved in the manner specified in Appendix No. 5, the Parties may recourse to a research or measurement laboratory with accreditation awarded or acknowledged by a national accrediting body according to the Act on Conformity Assessment (Journal of Laws of 2004, No 204, item 2087, as amended) for an opinion concerning the subject of the dispute. This opinion shall remain binding upon the Parties. The cost of such an investigation shall be covered by the Party whose reservations shall not find confirmation.
- 11.3. If during thirty (30) days from the day of delivery of the summons to embark on negotiations the Parties shall not reach an agreement, any disputes shall be resolved by the a court of conciliation – Court of Arbitration at the Polish Chamber of Commerce, according to the regulations binding as at the day of signing the Contract. The Parties shall authorise to Panel to adjudicate under the equity principle and pursuant to the prevailing customs. The proceedings shall be conducted in the Polish language.

12. LIABILITY OF PARTIES

- 12.1. In the event of non-performance or misperformance by any of the Parties of any of the obligations resulting from the Contract, the said Party shall be liable under the principles specified in the Contract, the provisions of the Tariff and the TNC.
- 12.2. Neither of the Parties shall be bear any liability for damages for the non-performance or improper performance of the Contract caused by the action of force majeure.
- 12.3. Each of the Parties shall be held liable as for its own actions, for the actions of its suppliers, customers, partners, sub-contractors and any other persons that have been ordered by the given Party to perform the actions specified in the Contract.
- 12.4. Gaz-System shall not be liable for the lack of expansion of the transmission infrastructure in the co-operating Ontras VNG system or the lack of ability to provide the gas transmission service from the Ontras VNG system.

13. FORCE MAJEURE

- 13.1. The Parties shall not be liable for non-performance or misperformance of their obligations caused by the action of force majeure, particularly when the circumstances of the force majeure have caused the non-performance or improper performance of the obligations of operators of interoperating systems or third persons which have been ordered by the Party to perform the obligations specified in the Contract.
- 13.2. The Party pleading the circumstances of force majeure shall without any unnecessary delay inform the other Party of the occurrence of force majeure presenting the appropriate evidence confirming its occurrence
- 13.3. Immediately after the force majeure has ceased and once the effects caused by the action of the force majeure have been removed, each Party without any additional summons shall resume performance of its obligations the performance of which was

previously suspended due to the force majeure. Immediately after resuming performance of its obligations, the Party shall inform the other Party of this fact.

14. PASSING OF RISK

- 14.1. The Parties agree that any risk connected with transmitted gas shall pass to:
 - 14.1.1. the TSO once the gas has been introduced into the transmission system after crossing the Polish border;
 - 14.1.2. the Shipper once the gas has been off-taken at the exit points specified in clause 2.1 of the Contract.

15. GAS TRANSMISSION RESTRICTIONS

- 15.1. The Shipper and his customers shall be obligated to limit gas off-take according to announcements made by the TSO in accordance with terms and regulations specified in the Reserves Act and the resulting executive regulations.
- 15.2. The permissible hourly and daily gas off-take limits for individual supply levels for the Shipper and his customers, acquiring gas directly from the system are specified in the Limits Introduction Plan, approved by the Chairman of ERO.
- 15.3. During the gas consumption limit period, the TSO shall deliver the gas transfer services according to the Limits Introduction Plan, approved by the Chairman of ERO and the introduced supply levels, providing that the amounts of gas delivered by the Shipper to the system's entry point are higher or equal to the amounts received by the Shipper, including his customers, at the exit points.

16. FINAL PROVISIONS

- 16.1. This Contract shall be amenable to and should be interpreted pursuant to the laws of the Republic of Poland.
- 16.2. The Parties warrant that should any part of the Contract be declared void or in any other manner legally defective, the remaining part of the Contract shall remain valid and binding. In the case of provisions declared as void or unenforceable, the Parties shall embark on negotiations in good faith, in order to replace such provisions, if possible, with alternative provisions that shall be valid and enforceable and shall reflect the original intentions of the Parties.
- 16.3. Any amendments to this Contract shall be made in writing in the form of an annexe or else shall be null and void. These provisions shall not pertain to any amendments to the TNC or the Tariff that shall remain binding upon the Parties at the term they have been introduced for application.
- 16.4. Any correspondence connected with the Contract shall be delivered to the following addresses:

TSO:
Gas Transmission Operator GAZ-SYSTEM S.A.
ul. Mszczonowska 4
02-337 Warszawa
fax.:

Shipper:
.....
.....

.....
fax.:

via registered mail, courier delivery or messenger services, with return receipt of delivery. The Parties agree on a fourteen (14) day term for responses to official correspondence.

16.5. The persons authorised to make any declarations connected with the performance of the Contract, without the right to introduce amendments to the Contract shall be:

on the side of the TSO:

on the side of the Shipper:

16.6. Throughout the term of the Contract, each of the Parties shall inform the other Party of any changes in the details stipulated in clause 16.4 and 16.5.

16.7. The contact details of the dispatcher and operational services shall be conveyed to the other Party no later than one (1) month before the date of commencement of performing the transmission services and shall constitute Appendix No. 6.

16.8. This Contract was executed in the Polish language/ the Polish and English languages*** in two (2) identical counterparts – one counterpart of each language version for each Party.***

Signatures of the Parties

TSO

Shipper

*** *if applicable*