

# **MVM Partner Energiakereskedelmi Zártkörűen Működő Részvénytársaság**

**NATURAL GAS TRADING**

## **GENERAL TERMS OF BUSINESS**

**These General Terms of Business shall apply to users transferred to the supply services of the legal successor NKM Energia Zrt. through divisive merger as a result of the divisive merger of the competitive market Retail Division of MVM Partner Zrt. (1031 Budapest, Szentendrei út 207-209., Company registration number: 01-10-044818) into NKM Energia Zrt with the effective date of 31<sup>st</sup> March 2020. They shall remain in force and applicable until the expiry of existing contracts with the users affected by the legal succession or until they are amended by mutual agreement.**

**Where these General Terms of Business and its annexes and appendices mention MVM Partner Zrt., MVM Partner or Licensee, the application of these terms for the purposes of the above paragraph shall be interpreted as NKM Energia Zrt. (registered office: 1081 Budapest, II. János Pál pápa tér 20., company registration number: Cg .: 01-10-140263).**

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## **1. TERM AND SCOPE OF THE GENERAL TERMS OF BUSINESS, DEFINITIONS, DETAILS OF THE LICENSEE**

### **1.1. Term and scope of the General Terms of Business**

#### **1.1.1. Term of the General Terms of Business**

These General Terms of Business shall enter into force with the approval decision by the Hungarian Energy and Public Utilities Regulatory Authority (hereinafter: the Authority) and shall for the period of time under the conditions specified in the operating license of MVM Partner Zrt. The validity of the General Terms of Business shall extend to the activity and field of activity specified in the operating license of MVM Partner Zrt. (Hereinafter: MVM Partner or Licensee) and the commercial relations with the licensees and the system users who do not qualify as licensees. Under Section 121 of the Vhr, the Licensee shall be obliged to review its General Terms of Business every six months, otherwise it shall be entitled to review them. The amended General Terms of Business shall also enter into force with the approval of the Authority and, unless otherwise agreed, shall also apply to contracts concluded before the entry into force.

#### **1.1.2. Scope of the General Terms of Business**

Under the current legal framework, the supply of natural gas to Users and natural gas traders takes place through the cooperation of licensed natural gas industry businesses through their systems of contractual relationships. In order to fulfill its obligations under its contracts with the Users, the Licensee entrusts so-called fulfilment partners in the persons of the transmission, distribution and storage licensees.

The purpose of these Natural Gas Trading General Terms of Business (hereinafter: the "General Terms of Business") is for the Licensee to enable the Users purchasing natural gas from it to get to know in detail the rules of the natural gas trading service provided by it that are binding for both parties.

These General Terms of Business are in accordance with Act XL of 2008 on the Supply of Natural Gas (hereinafter: the "GET") and Government Decree 19/2009 (I.30.) on the implementation of the provisions of Act XL of 2008 on the Supply of Natural Gas. Government, decree (hereinafter: "Vhr") and other relevant decrees, as well as the provisions of the Operating and Commercial Regulations (hereinafter: "OCR").

The unique circumstances and conditions exclusively concerning the two Parties, the User and the Licensee (hereinafter: the "Parties" or "the Contracting Parties") are contained in the natural gas trading contract concluded between the Parties (the "Individual Contract"). In the Individual Contracts concluded with its Users, MVM Partner Zrt. may deviate from the General Terms of Business within the frameworks of the GET, the Vhr and the OCR, taking into account the relevant competition law regulations. In the event of any discrepancy between the General Terms of Business and the Individual Contract, the provisions of the Individual Contract shall prevail.

### **1.2. Definitions**

The terms used in the Business Rules shall be understood in accordance with the definitions set out in the GET, the Vhr, other relevant legislation and the OCR.

Terms defined in the General Terms of Business:

Cooperating natural gas network	The transmission pipeline bordered by and connected with the interconnection points, the distribution pipeline connected with the transmission pipeline, the natural gas storage facility, and the partially isolated system.
Distribution licensee	The company holding the natural gas distribution operating license issued by the Hungarian Energy and Public Utility Regulatory Authority under the Get.
Parties	The Licensee and the User or other natural gas trader in a contractual relationship with the Licensee.
User	The user concluding a contract with the Licensee to use natural gas trading and/or other services or establishing a legal relationship with the Licensee regarding the provision of such services.
Over-consumption	The receipt of natural gas in excess of the maximum daily, monthly, quarterly or gas yearly heat volume determined in the Individual Contract.
Natural gas quality	The natural gas quality defined under Standard MSZ 1648:2000
Authority	The Hungarian Energy and Public Utility Regulatory Authority.
Quality error	The provision of natural gas quality other than that specified in the contract.
Operating license	The operating license determined under Section 114 of the GET.
Transmission System Operator	The transmission system operator appointed by the Authority to perform the tasks of representation management and coordination related to the cooperating natural gas network determined in the GET.
Transmission System Administrator	The licensee performing the transmission of natural gas and the operation, maintenance and development of the transmission pipelines.
Storage Licensee	The company holding the natural gas storage operating license issued by the Hungarian Energy and Public Utility Regulatory Authority under the GET.
Business Secret	Business secrets shall mean all such facts, information, other data related to the business activity or the compilations made therefrom that are not publicly known or not easy to access for the persons performing the concerned business activity and which, if obtained, used, disclosed or published by unauthorized persons, would injure or threaten the owner's lawful financial, economic or market interests provided that party lawfully owning it is not liable for failing to preserve the secret appropriately.
General Terms of Business	These General Terms of Business

Meaning of the abbreviations used in the General Terms of Business:

EET	Energy Interest Reconciliation Council
GET	Act XL of 2008 on the Supply of natural gas
PTK	Act V of 2013 on the Civil Code
MSZ	Hungarian Standard
MKEH	Hungarian Trade Licensing Office
MSZKSZ	Hungarian Hydrocarbon Stockpiling Association
OCR	The Operational and Commercial Regulations of the Hungarian Natural Gas Network
Vhr	Government Decree 19/2009. (I. 30.) on the implementation of the provisions of Act XL of 2008 on the Supply of natural gas

### 1.3. Data related to the Licensee

MVM Magyar Villamos Művek Zártkörűen Működő Részvénytársaság, as the Founder, established MVM Partner Energiakereskedelmi Zártkörűen Működő Részvénytársaság as its own wholly-owned subsidiary in accordance with the Companies Act in force at the time of its foundation.

According to the Memorandum of Association of MVM Partner Zrt:

The company name of the company	<b>MVM Partner Energiakereskedelmi Zártkörűen Működő Részvénytársaság</b>
The abbreviated company name of the company	<b>MVM Partner Zrt.</b>
Name of the Company in a foreign language	<b>MVM Partner Energy Trading Ltd.</b>
The registered office of the company	<b>1031 Budapest, Szentendrei út 207-209.</b>
Duration of the company	<b>founded for an indefinite period</b>
Date of commencement of operation	<b>2003.01.01.</b>
The business year	<b>lasts from 1st January to 31st December each year</b>

## 2. PRESENTATION OF ACTIVITIES PERFORMED AND SERVICES PROVIDED BY THE LICENSEE, LIST OF USER GROUPS SUPPLIED BY THE LICENSEE

### 2.1 Presentation of the activity performed and the services provided by the Licensee

The activities of the Licensee include the trade of natural gas, meaning the commercial purchase and sale of natural gas for non-private use in return for consideration, as well as the provision of services related to the supply of natural gas.

The Licensee's Organizational Structure is presented in Appendix 1.

The Licensee sells natural gas and provides other services on the basis of contractual relations.

It mainly provides the following services related to the sale of natural gas:

- delivery of the amount of natural gas to the delivery points corresponding to the current needs of the User,
- quantitative and financial accounts,
- capacity and natural gas trade

The use of the services provided by the Licensee shall be possible under the scope of these General Terms of Business and the Individual Contract prepared by the Licensee and concluded on the basis of and the general terms of contract set forth in Chapter 7 of these General Terms of Business. The fee for the services provided by the Licensee shall be determined taking into account the rules of the competitive market.

## **2.2 User groups supplied by Licensee**

- Users not eligible for universal service
- non-domestic users eligible for universal service
- natural gas traders

## **3. RELATIONS WITH THE EXTERNAL ENVIRONMENT, SUPERVISORY BODIES, USERS AND SYSTEM ADMINISTRATORS**

### **3.1 Relations with supervisory bodies; tasks performed by the supervisory bodies for the users**

Relations with the authorities and other relations:

- Hungarian Energy and Utilities Regulatory Authority (the Authority)
- Consumer protection Authority
- Hungarian Trade Licensing Office
- National Data Protection and Freedom of Information Authority

The nature of the relations:

- Based on the powers specified in the GET, the Authority ensures the operation of the Licensee in accordance with the binding regulations of the law and the authorities, and performs the official supervision over the Licensee. The main tasks of the Authority are, in particular: (i) the issue of licenses required to carry out the activity subject to licensing, (ii) approval of the General Terms of Business elaborated by the licensees, (iii) management of user complaints falling within its competence (in particular, in the following subjects: suspension or disconnection of the user from natural gas supply due to issues of settlement, invoicing, payment of fees, metering or late payment, and the reconnection of users to the natural gas supply following the settlement of their debts in case of users not classified as domestic users).
- In order to enforce consumer protection, the Licensee shall cooperate with the Authority, the consumer protection authority and consumer social advocacy organizations. Advocacy organizations ensure the representation of the interests of Users.
- Pursuant to the Data Protection Act, on the basis of reports received, the National Data Protection and Freedom of Information Authority conducts investigations to verify the fulfilment or violation of the obligations set forth in the Data Protection Act.

Other relations:

- It has a contractual relationship with the transmission system administrator and, if required, with the storage and distribution licensees,
- It has commercial relations with natural gas producers, sellers and buyers.

### **3.2 Organization and operation of communications with Users**

In carrying out its natural gas trading activities, the Licensee shall act in accordance with the legal requirements and taking into account the needs and expectations of users; in addition, it has developed the organization and operating order of user relations in accordance with the requirements and principles of the integrated management system complying with the requirements of standards MSZ EN ISO 9001: 2009, MSZ EN ISO 14001: 2005 and MSZ 28001: 2008.

In order to satisfy the needs of the Users, to manage their notifications, to investigate and remedy their complaints and grievances and to provide information to the Users, the Licensee shall operate a customer service for the customers, with the possibility of contact in person, in a written form, by telephone and through the Internet.



The Licensee shall also ensure the administration of affairs related to the use of the distribution network in accordance with the above.

The Licensee shall be available to customers:

- in response to inquiries by post (in writing), electronically and by fax,
- through its telephone customer service in case of telephone and electronic inquiries, and
- in addition, it shall be available to accept and administer inquiries in person at the Licensee's customer service offices, in case of users eligible for universal service.

If the User has made its electronic contact details available to the Licensee and has expressly consented to the use of electronic communication, the natural gas trader shall be entitled to respond to written (electronic, letter and fax) requests electronically without further prior notice, until the User's statement of revocation is received in this respect.

Forms of user contact and information:

- operation of a customer service office,
- electronic contact
- contact by phone,
- contact by post (in writing) and by fax,

The Licensee shall receive the submissions filed by the Users in writing at the customer service office against certificate of receipt and shall retain them retrievably for the appropriate limitation period.

The Licensee shall be entitled to mail the letters or other documents to the Users with a scanned or printed signature; the document sent in this way shall be considered a document signed by the Licensee. The User shall be entitled to forward the document he/she has signed to the Licensee by e-mail in scanned form; such a document received by the Licensee by e-mail shall be deemed signed by the User on condition that the User is obliged to forward the original signed copy to the Licensee without delay. The User shall ensure that no document forwarded by e-mail should be sent by unauthorized persons from the User's e-mail address.

### **3.3 Information regularly provided to users or may be provided to users under a natural gas trading contract**

The information provided to users on the basis of a contractual obligation to provide information or in response to other inquiries may include, in particular, information related to:

- a) its general operation related to the natural gas market;
- b) contracting or the amendment of a contract in case of competence;
- c) settlement of accounts,
- d) invoicing or the settlement of invoices;
- e) the quality of service;
- f) breach of contract and damages caused, and
- g) other purposes.

In accordance with legal regulations, the Licensee shall make its General Terms of Business available to the Users at its customer service office and on its website, and, in the event of their change, publish the fact of the change and other information important for the Users on its website, and ensure continuous updating of the published information. Further, the trader shall also inform the User during the conclusion and amendment of the contract about the contact details of energy consumer advisory or advocacy organizations operating in its service area (including the addresses of their websites), which may provide information on energy efficiency improvement measures and programs, energy reference values related to energy consumption, and descriptions about the

reduction of consumption of appliances operating on natural gas.

### **3.4 Relations with System administrators**

The Licensee shall perform its activity based on the GET and the Vhr, its operating license, the OCR, the legal regulations in effect, as well as the contracts concluded with the natural gas storage licensee, the transmission system administrator and the natural gas distributor. For these purposes, the Licensee enters into contracts with the licensees operating in its service area, such as

- the natural gas storage licensee,
- the transmission system administrator,
- the natural gas distributor,
- and traders.

The Licensee may also enter into a contract with the producer in order to ensure the source of natural gas. The Licensee shall have effective network access contracts concluded with the system administrators at all times. The Licensee shall procure the natural gas necessary for the supply of the Users purchasing natural gas from traders and natural gas producers, to book the capacity in the manner and at the time specified in the OCR to ensure the delivery of the natural gas to the places of consumption, to receive the natural gas at the contract price and sell it to the User in the quantity determined in the contract.

The tasks specified in the legislation related to the distribution of natural gas to the User (buyer) shall be provided by the natural gas distributor on the basis of the distribution network access contract concluded between the natural gas distributor and the User.

## **4. GENERAL REGULATIONS ON THE SAFETY OF NATURAL GAS SUPPLY, DATA PROTECTION AND ENVIRONMENTAL PROTECTION**

### **4.1 Guarantees related to the safe supply of users and the provisions to ensure supply**

On the side of the Licensee, guarantees are primarily meant by

- the financial guarantee provided to the system administrators,
- a well-prepared staff of specialists,
- an appropriate organization able to serve the Users,
- the devices, methods and technologies needed to perform the commercial activity,
- a data traffic and IT system satisfying the relevant provisions of the OCR,
- the contracts concluded for the procurement of natural gas and the network access contracts concluded with the transmission, distribution and storage system administrators,
- and the existence of the regulatory conditions needed to perform the licensed activity under extraordinary circumstances.

The Licensee shall manage its natural gas resources in such a way that it can fully satisfy the natural gas delivery obligations undertaken in its contracts with its Users, except for the maintenance or malfunctions of the transmission or distribution network, accidents, or force majeure, provided that the capacity and availability of the cooperating natural gas network permits this.

A restriction of consumption imposed due to malfunctions, maintenance works or lack of resources, regardless of the reasons why it was imposed or scope of users affected, shall in all cases be deemed the lawful refusal of the service.

## **4.2 Guarantees related to data protection**

### **4.2.1 General rules**

The Licensee (as data controller) shall manage the personal data of the Users and the personal data needed and sufficient for the identification of the payer determined under Point 4, Paragraph (1), Section 1 of the Vhr for the purposes of performing its licensed activity, invoicing the fees determined in the natural gas trading contract, as well as enforcing the other claims arising from the contract and fulfilling the obligations of cooperation and data provision included in the Operational and Commercial Regulations, in accordance with the provisions of Act CXII of 2011 on the right to information self-determination and freedom of information.

Data needed to identify the User:

- natural person users: name, address, place and date of birth, mother's name,
- non-natural person users: name, registered office, tax number, company registration number (other registration number).

In the field of data protection, the primary task of the Licensee, as the data controller, shall be to determine the scope of (user) personal data it processes concerning natural persons, the method of data processing, and to ensure that the constitutional principles of data protection and data security requirements are enforced, and to prevent unauthorized access to, alteration, transmission and unauthorized disclosure, deletion, destruction or use, as well as accidental destruction and damage of the said data, as well as their inaccessibility resulting from changes in the technology used.

The basic purpose of the processing of the User's personal data is to make the natural gas service available to the User, to invoice the value of the services used by the User, to recover or collect the invoiced but unpaid amounts, to check the correctness of the invoiced and paid fees and the correctness of the fee calculation, and to take further measures, as well as inform the Users about the current sales and marketing promotions, if the User consents to such data processing.

Data management shall include any operation or set of operations performed on the data, regardless of the procedure applied, in particular regarding their collection, recording, saving, organization, storage, alteration, use, retrieval, transmission, disclosure, coordination or connection, blocking, deletion and destruction, as well as the prevention of the further use of the data, recordings of sound or images.

### **4.2.2 Processing Users' personal data**

In order to register Users, invoice to Users and collect the related fees, the Licensee shall handle the following data in addition to the data specified in the natural gas trading contracts:

- the User's ID,
- the ID of the Place of consumption (POD)
- the date and duration of consumption,
- the volume of consumption,
- the capacities needed to supply the User,
- the gas fee and the other data related to the payment of fees and debts,
- the events related to the conclusion and termination (expiry) of the contract,
- available data of company registration and any other data that may be necessary for the performance and enforcement of the provisions of the contract during the term of the contractual relationship.

### **4.2.3 Data processing, data transmission**

The data of the User specified under this point may be transferred to the following parties to the extent necessary for the purpose of data processing pursuant to Section 125 (4) of the GET:

1. the natural persons or business organizations that, based on the relevant contracts, perform the activities related to contracting, meter reading, invoicing, delivery, the management of the payment of fees and claims, the management of distribution, the technical installation, review, checks and disconnection of the places of consumption, or customer service activities,
2. to organizations entitled to settle legal disputes related to invoicing and distribution based on the agreement of the parties,
3. to the competent national security bodies, investigative authorities, prosecutors, and courts for the purposes of the protection of national security, national defense and public safety, as well as for the prosecution of publicly actionable criminal offences,
4. to the bailiff under the provisions of Act LIII of 1994 on Judicial Enforcement,
5. the consumer protection authority.

Furthermore, of the data of the User specified in this section, the data necessary for the purposes of data processing may be transferred to the Authority, which the Authority shall process in accordance with the relevant provisions of Act CXL of 2004 on the general rules of administrative proceedings and services.

In case of points 1-2 and 4 in the above list, the user shall be notified at the same time as the data is transferred.

The notification may be made with reference to the relevant legal provision or these General Terms of Business. The organizations determined under points 1-2 and 4 above shall be bound by the same obligation of confidentiality with regard to the data transmitted as the data controller. By signing the natural gas trading contract, the User expressly consents to the Licensee's processing of the User's data, thus, in particular, their recording, automated processing and analysis by computer means.

### **4.2.4 The duration of data processing**

All such documents related to the User or the data content of these documents recorded in the computer system, that document the occurrence of an economic event and thus qualify as accounting documents, shall be stored by the Licensee until the retention period specified in the applicable tax and accounting rules. Such documents shall include, in particular, the contracts and related documents, the amendments thereof, as well as the invoices, payment receipts, the certificates and documents of checks and interventions. The User expressly agrees that the Licensee shall process the data provided by the User for the purposes of implementing the legal relationship between them and performing the natural gas trading activities, as well as exercising the rights and fulfilling the obligations arising from the Individual Contract between the Licensee and the User, during the time period open for the enforcement of claims arising from the Individual Contract.

### **4.2.5 Provisions related to data security**

The Licensee shall treat the information and data it has obtained in connection with the service as confidential in accordance with the provisions of the applicable legislation. It shall make all reasonable efforts to protect the personal data of the users it manages against unauthorized access, alteration, disclosure, deletion, damage or destruction.

According to Act CXII of 2011 on the right to information self-determination and freedom of information, the User shall be entitled to:

- request information about the processing of his/her data and have access to his/her data,
- request the correction of his/her data,
- request the modification of his/her data in case of any changes,
- in the case of data processing based on consent, request the deletion or blocking of his/her data,
- object to the processing of his/her personal data if the conditions specified by law are met.

The information shall be free of charge if the person requesting the information has not yet submitted an information request to the data controller for the same set of data in the current year. In other cases, with the exception of the change of traders, the Licensee shall provide the data in some cases against the payment of HUF 1,000 per case. The amount already paid shall be reimbursed if the data have been processed unlawfully or if the request for information has led to a correction. The Licensee shall provide the requested information in writing in a comprehensible form as soon as possible after the submission of the request for information, but no later than within 25 days.

#### **4.2.6 The User's legal remedies**

If the User considers that his/her rights have been infringed in connection with the processing of his/her personal data, he/she may request information from the Licensee and request the correction or deletion or blocking of his/her personal data, with the exception of mandatory data processing. If he/she do not consider the above procedure to be satisfactory, then the User may turn to the court or initiate proceedings at the National Authority of Data Protection and Freedom of Information.

In case of the infringement of the User's rights, as well as in cases under Section 21 of Act CXII of 2011 on the right to information self-determination and freedom of information, the User may turn to the court against the data controller. The Licensee, as a data controller, shall compensate the damages caused by the unlawful processing of the User's data or the violation of data security requirements, and if it infringes User's right to privacy by unlawfully processing the data or violating the data security requirements, the User may claim compensation for aggravated damages. The Licensee shall be exempted from liability for the damage caused and the obligation to pay the compensation for aggravated damages if it proves that the damage or the violation of the User's right to privacy was caused by an unavoidable cause outside the scope of data processing. Furthermore, no indemnification shall be required and no compensation for aggravated damages may be claimed if the damage or the infringement of rights caused by the violation of the right to privacy resulted from the intentional or grossly negligent conduct of the User.

#### **4.2.7 Confidentiality**

The User and the Licensee shall keep confidential all information classified as trade secrets and all other confidential information communicated or disclosed to each other. Such data and information may be used only for the exercise of rights and obligations arising from the legal relationship between them, to the extent necessary and, with the exception of any obligation under the law, they may not be disclosed or made available to third parties without the prior written consent of the other Party.

### **4.3 Environmental regulations and the provisions ensuring compliance with the regulations**

The activities and tasks of the Licensee related to environmental protection are regulated on the one hand by the GET, as well as the operating license issued by the Authority, and on the other hand by the Act LIII of 1995 on the General rules of environmental protection.

In the course of its commercial activities, the Licensee considers the national environmental regulations to be binding on itself and expects the other party to comply with them during the conclusion of its contracts. The Licensee shall regularly evaluate the environmental factors and impacts related to its activities, and take the necessary measures to continuously improve its environmental performance.

## **5. NATURAL GAS TRADING SERVICES AND THE QUALITY CHARACTERISTICS OF THE TRADED NATURAL GAS**

### **5.1 The quality characteristics of the natural gas trading activity ensured by the licensee**

In the cooperating natural gas network, compliance with the quality requirements is a common goal, which the licensees achieve in the course of their own activities and their cooperation with each other.

The quality characteristics of the services provided by the Licensee shall comply with the provisions of the legislation and the OCR, as well as the conditions set out in the Individual Contracts concluded with the Users.

The Licensee shall ensure the quality requirements of the activity it performs by:

- observing the rules related to the quality requirements of standards, regulations and procedures regarding the natural gas traded,
- determining the detailed conditions and standards of its service in bilateral contracts,
- and through other reasonable and prudent conduct, measures and procedures (e.g. measurement of user satisfaction).

### **5.2 Quality standards of the natural gas traded**

For general commercial purposes, the Licensee shall trade natural gas complying with the effective version of the standard for the quality of natural gas (currently: MSZ 1648: 2000) and Annex 11 of the Vhr. Based on individual needs, the parties may agree on different quality characteristics in their natural gas trading contract, provided that the system administrator licensees providing the service also agree to this, taking into account any differences due to the geographical and hydraulic location of each handover-receipt point.

### **5.3 Procedures of checking gas quality**

The quality of the natural gas shall be measured by the transmission system administrator with a permanently operating on-site natural gas chromatograph built into the transmission network, and the inspections shall be performed in an accredited laboratory. The relationship between the quality parameters and quantity measurement is included in the relevant section of the OCR.

In the event of quality complaints related to the supplied gas, the Licensee shall proceed according to the provisions under section 7.10.

## **6. METHODS AND DETAILED RULES FOR MEETING USER NEEDS, AND RULES FOR REPORTING CHANGES AT THE USER**

### **6.1 Procedure and rules for informing the applicant**

The Licensee examines the received requests and notifies the applicant of the result. If it is possible to satisfy the indicated needs regarding both the natural gas volume and the capacity, the Licensee shall prepare its contract offer.

Upon the User's application for contracting, the Licensee shall make its statement within 15 calendar days the latest as to whether it can send a contract offer to the potential User.

The precondition for making an offer is that the User sends the Licensee the data requested by the Licensee for the purposes of the offer.

If the Licensee considers that it has the conditions of sale, it shall send its contract offer, then its draft contract, and information to the User noting that, even if the offer is accepted without any disagreement, the contract will only be concluded if the User complies with the requirements set out in sections 7.1 and 7.7 of these General Terms of Business.

The Trader shall no longer be bound by its offer if the User fails to send his/her signed declaration of acceptance of the offer (duly signed in the case of a non-natural person User) within the individually determined deadline set in the Trader's binding offer, or the data or documents listed under section 6.2 of these General Rules of Business.

If the User has signed the contract with a disagreement, the contract will not be concluded and the disagreement shall be considered a new offer. In this case, the Licensee may decide to negotiate with the User or reject his/her offer. The Licensee shall send its related statement to the potential User no later than within 15 days from the receipt of the disagreement. As part of the consultations concluded between the parties, the terms included in the draft contract will be negotiated and recorded to the satisfaction of both parties.

The Individual Contract shall not include such customs that the Parties agreed to apply during their previous business relationship, if any, or the practices that they established between them, nor shall it contain any customs that are widely known and regularly applied in the given business by the parties to similar contracts.

If MVM Partner Zrt makes an offer to the applicants for a standard product that can be used under non-customized conditions and there is a change in the conditions developed and published by MVM Partner Zrt, then MVM Partner Zrt shall publish the change of the affected conditions on its website without delay. MVM Partner Zrt shall send a new offer complying with the changes to those applicants who have not yet made their declaration regarding their acceptance of the offer sent to them in respect of the given standard product and in relation to whom the Licensee is still bound by its offer. The period the Licensee is bound by its offer shall start with the receipt of this new offer.

MVM Partner Zrt shall not be obliged to apply the new, more favorable conditions to those Users with whom the Individual Contract has already been concluded prior to the publication of the announcement pursuant to the previous paragraph. However, if MVM Partner Zrt decides to provide the new and more favorable contractual conditions to the already contracted Users, it may initiate the amendment of the Individual Contract by mutual agreement.

## **6.2 List of data and documents requested from the applicant and method of submission**

Applications for the purchase of natural gas and other services shall be submitted to the Licensee in writing in the form of a request for quotation.

A set of data shall be attached to the applications, with the content elements related to the given applicant:

- general data of the applicant:
  - name
  - address
  - name of person authorized to represent the user
  - name of registering court and number of registration
  - name of bank and bank account number (managed in HUF or other currencies)
  - EU tax number
  - statistical ID number or entrepreneurial business license number,
  - name and contact details of contact person (telephone, email, fax)
- the POD identifier applied by the system administrator directly supplying the place of consumption
- the requested annual/quarterly/monthly heat quantity (MJ, or, in case of Users not eligible for universal service, kWh)
- the requested start date and expectable duration of using the requested performance
- the monthly consumption expectable at the place of consumption
- peak quantity of consumption for each point of delivery/receipt
- the necessary technical specifications, e.g. pressure demand at the output of the transfer station or the points

- of delivery/receipt, or, for example, the data related to load speed in case of industrial power stations
- if the User not eligible for universal service already has access to service needed to satisfy the needs but not purchased from the Licensee, the credible certification of the existence of such service
- certificate on the financial guarantee
- the amount of the natural gas stored in the natural gas storage facilities for the User by the trader or universal provider supplying the User at the given moment
- information related to the restriction category
- period of planned annual major downtime
- other special needs.

If requested by MVM Partner Zrt, the User shall also provide data on the following:

- the nature of consumption (dependent on / independent of temperature, interruptible / non-interruptible, seasonal),
- the place of consumption / point of delivery/receipt,
- volume of purchased capacity,
- classification in user profile,
- the registered capacities under the relevant section of the legislation and the value of the capacities allocated to the applicant under the OCR, or the transmission and storage capacities booked for the User by the trader or universal provider supplying the User at the given moment.

### **6.3 Characteristics of online or paper-based natural gas trading contracts**

The Licensee does not use electronic contracting; accordingly, it is a general rule that the Individual Contract between the Licensee and the User shall always be set out in writing.

### **6.4 Procedure applied in case of changes at the User**

The User shall notify the Licensee immediately of any changes that may have occurred in the User's data, contact details or the User's distribution network access contract.

The Licensee and the User agree in the Individual Contract on the method of regulating changes in the User's person. In doing so, they shall follow the relevant legal provisions, in particular the regulations set out in the GET and the Vhr.

If the User's legal successor wishes to replace the legal predecessor, the Parties shall conduct consultations on the conditions of the transfer and the transfer of contractual rights and obligations, including the additional financial security that may be required in the event of a change in creditworthiness. In the event of failure of the consultations, the Parties shall terminate the Individual Contract while enforcing the terms and conditions of the termination of the Individual Contract.

## **7. GENERAL CONTRACT TERMS**

### **7.1 General scope of contracts**

The Licensee shall draw up and conclude its commercial contracts on the basis of the Civil Code (hereinafter: the PTK), the GET, the Vhr, the related legal regulations, the OCR and these General Terms of Business. The general content elements of the contracts are included in Annex 3, which may vary depending on the User and the type of transaction.

The natural gas trading contracts concluded between the Licensee and the User (the "Individual Contract") shall enter into force on the date specified in the contract or, failing that, on the date the contracts are signed by both Parties.



The legal relationship between the Licensee and the Users shall be regulated jointly by these General Terms of Business and the concluded Individual Contract, noting that if there is a discrepancy between the General Terms of Business and the Individual Contract, then the provisions of the Individual Contract shall prevail.

The Licensee reserves the right to unilaterally amend the General Rules of Business and the GTC. In addition to publishing the unilateral change on its website, the Licensee may, in its sole discretion, inform its Users by a separate information letter or in another written form, e.g. with the information added to the letter including the invoice. If the amendment contains provisions unilaterally detrimental to the User, the User may terminate the Individual Contract with a notice period of at least 30 days within 30 days from the date of the publication of the change on the website. If the User does not terminate the Individual Contract within this period, the payment of the first invoice issued after the expiry of the above deadline shall be deemed that the User has read and expressly accepted the amended provisions of the General Rules of Business. The amendment shall enter into force with the approval of the Authority.

By signing the Individual Contract, the User declares that:

- a) if the User previously had or at the time of signing the Individual Contract still has a valid natural gas trading contract, it has lawfully terminated it or ensures that it will be lawfully terminated until the entry into force of the Individual Contract, or authorized the Licensee to terminate such contract until that date;
- b) the User is a company or institution validly existing under Hungarian law, which has all the rights and authorizations on the basis of which it becomes entitled to enter into the Individual Contract, to sign all documents related to the Individual Contract, and to fulfill the obligations undertaken in the Individual Contract;
- c) the conclusion of the Individual Contract is not subject to the provisions of Act CXLIII of 2015 on Public Procurement. (hereinafter: the "Kbt"), or the User is exempted from the conduct of a public procurement procedure on the basis of the provisions of the Kbt, or the procedure under the Kbt was completed before the conclusion of the contract;
- d) no bankruptcy, liquidation or winding-up proceedings are pending against the User and the User has no knowledge that any third party has filed an application against it to initiate such proceedings;
- e) there are no enforcement proceedings under way against the User, nor any litigation, out-of-court or arbitration proceedings on the basis of which enforcement proceedings concerning the supply of natural gas or the payment of fees may be initiated against the User, and no such proceedings have been pending;
- f) the User has the registered capacities available to be booked by the Licensee (it is included in the system administrator's records); and
- g) The User is entitled to use the place(s) of consumption to be supplied under the Individual Contract as owner, tenant or on the basis of any other legal title.

The Licensee shall not examine the correctness of the User's declaration under this section at the time of concluding the Individual Contract, but if the User's declaration is incorrect at the time of concluding the Individual Contract, then the Individual Contract shall not be concluded or the Licensee shall be entitled to terminate the Individual Contract with immediate effect if the incorrectness of the declaration is revealed at a later time. In the event of the termination or failure of conclusion of the Individual Contract for such a reason, the User shall pay a contractual penalty to the Licensee in the amount of 20% of the contracted annual gas volume specified in the Individual Contract multiplied by the gas fee, unless the Individual Contract sets out a higher contractual penalty.

The Individual Contract shall be concluded between the Licensee and the User for a definite or indefinite period of time in accordance with the provisions of the Individual Contract. Unless expressly provided otherwise in the Individual Contract, the term of the Individual Contract concluded for a definite period of time shall be extended

for another year unless the User or the Licensee notifies the other Party in writing of its intention to terminate the contract at least 180 days before its expiration. In the event of an extension under this paragraph, the terms and conditions of the Individual Contract shall remain unchanged, however, the Licensee shall have the right to unilaterally increase the unit price of natural gas in accordance with Section 7.5 of these General Terms of Business after the original expiration date. Notification of the User pursuant to this paragraph shall only result in the termination of the Individual Contract if, on the date of expiry of the Individual Contract, the User has paid all its debts to the Licensee arising from the Individual Contract. In the absence of contractual performance by the User, the Individual Contract shall remain in force with unchanged content and shall terminate on the day when the User has paid all its debts to the Licensee in full. The extension of the contract under this paragraph may be exercised more than once for an indefinite period, unless otherwise agreed by the Parties.

Only the owner of the place of consumption may act in relation to the natural gas supply of the place of consumption and the extent of the purchased capacity, and the owner may only transfer its related rights to a third person renting the place of consumption using it based on any other legal title, if it has no overdue invoices payable to the Licensee or the natural gas distributor. The owner shall make a written statement on the transfer of such rights to the Licensee and the system administrator maintaining records under Paragraph (5), Section 72 (5) of the GET. In the absence of a written statement, a natural gas trade contract may not be concluded for the supply of a new user of the place of consumption and only the owner of the place of consumption shall have the right to book capacities.

The lawful user of the property shall be entitled to book capacity up to the extent of the transferred right to book capacities. The owner of the place of consumption may exercise the right to book the purchased capacities again when the rental or other title to use the property has expired, or if the parties have agreed in writing to revert the right to book capacities and this agreement has been presented to the Licensee and the competent natural gas distributor, and if the owner does not have any overdue invoices payable to the Licensee or the natural gas distributor.

If the access of the lawful user of the place of consumption to the network is suspended due to a breach of contract or a provision of law, the owner of the place of consumption may again act in relation to transferred capacities if itself or the person with the right to dispose of the capacity provides the guarantees and conditions necessary to lift the suspension and settles any overdue invoices payable to the creditor. If the right to book capacities is returned to the owner of the place of consumption and these capacities are also booked under a contract, the owner of the place of consumption shall replace the previous holder of the right in the capacity contracts.

## **7.2 Rights and obligations of the Parties**

### **7.2.1 Rights and obligations of the Licensee**

The Licensee shall at all times comply with the provisions of its operating license and maintain its commercial activities during the term of the Individual Contract concluded with the User.

If the Licensee's gas procurement sources become unavailable for a period of more than 30 days due to unforeseeable reasons other than Force Majeure or are limited to such an extent that the Licensee cannot undertake to supply the User at the fees specified in the Individual Contract, the Licensee shall be entitled to initiate amendments to the Individual Contract. If the Parties cannot agree on the amendment of the Individual Contract within 30 days, the Licensee shall be entitled to terminate the Individual Contract. However, the Licensee may not refer to its own wrongful conduct in order to terminate the Individual Contract.

### **7.2.2 The rights and obligations of the User**

The User shall keep in force the distribution contract concluded by him/her during the term of the Individual Contract.

The User shall to pay the fees specified in the Individual Contract against an invoice or debit note in accordance with the provisions of the Individual Contract. Unless otherwise agreed, the User shall pay the amount of the invoice or debit note no later than the due date specified in the Individual Contract or the General Rules of Business.

Due to disruptions of the natural gas supply or crisis situations, or in the event of malfunctions in natural gas transmission or natural gas distribution, restrictions may only be ordered in the order and to extent of restrictions approved by the Authority, affecting the minimum number of users necessary. The User shall implement the restriction in accordance with instructions of the transmission system administrator or the distributor forwarded by the Licensee or sent directly to the User; otherwise, the transmission system administrator or the distribution licensee shall technically exclude the User from natural gas supply for the duration of the restriction. The restriction category of the User and the period specified for the implementation of the self-restriction, as well as the legal consequences due to the refusal of the restriction are included in the Individual Contract.

By signing the Individual Contract, the User obtains the right to use the services detailed in the Individual Contract. By signing it, the User agrees to comply with the provisions of the relevant legislation and the OCR at all times.

The User shall receive the natural gas at the delivery/receipt points in the quantity and quality specified in the Individual Contract and pay the Licensee the price of the natural gas and the related fees in accordance with the provisions of the Individual Contract and the General Terms of Business.

By signing the Individual Contract, the User mandates and authorizes the Licensee to obtain all the data and documents necessary for the supply of natural gas at the place of consumption instead of him/her and on his/her behalf from the authorities and the competent distribution licensee. The User may not pass on the natural gas received to third parties without the prior written consent of the Licensee and the relevant permits.

The User shall provide the Licensee with all the information necessary it needs in order to fulfil its obligations and exercise its rights arising from the Individual Contract, the General Rules of Business and the applicable legislation. Thus, in particular but not exclusively, the User shall inform the Licensee within 15 calendar days during the term of the Individual Contract if the ownership or other legal title related to the place of consumption based on which the User was entitled to enter into the Individual Contract terminates, is modified or such a change is expected to take place.

The User shall report to the Licensee any changes in his/her data included in the Individual Contract within 15 calendar days. In case of the User's failure or delay to make this report, the Individual Contract shall remain in force with the original content, and the User shall accordingly be liable for the payment of the fee of his/her consumption, the legal consequences in case of a breach of contract, and all other consequences resulting from the delayed fulfilment of the obligation to report the change (including the liability to pay any compensation).

The User shall purchase the entire natural gas demand of the place of consumption from the Licensee during the term of the Individual Contract. The User accepts that in the event of a breach of this requirement, the Licensee may terminate the Individual Contract with immediate effect. The User grants the Licensee the right and opportunity to make an offer for the supply of all further new places of consumption.

The User shall provide the Licensee with the necessary contractual guarantees, if stipulated by the Individual Contract. The User shall comply with the provisions of the Individual Contract and these General Rules of Business Rules during the consumption of natural gas.

The User shall be entitled to make objections in writing, in person, by electronic means or by telephone to any of the conditions of the Licensee's performance. The Licensee shall investigate the User's complaints and grievances.

The User shall provide the Licensee with the data as stipulated in the Individual Agreement with the regularity

prescribed therein. The User shall send the volume of natural gas he/she require for the given gas day to the Licensee in full compliance with the conditions set out in the Individual Contract (especially regarding the deadline, frequency, data content, format).

### **7.3 Obligations and rights of the Licensee related to capacity booking, Commitment of the Licensee to return the transferred capacity**

The User instructs the Licensee to book and use transmission, distribution and storage capacities in accordance with the relevant sections of the OCR and Paragraph (8), Section 72 of the GET. The User shall make his/her rights of disposal over the capacities available to them at the system administrators available to the Licensee for the duration of the Individual Contract. The User undertakes to provide the Licensee with all the statements and correct data necessary for the conclusion and performance of the network access agreements determined above.

In order to supply the User, the Licensee books capacity to the extent necessary on the supplier, distribution, generation and storage networks. The booked capacities ensure the Licensee access to its natural gas resources and entitles the Licensee to transport, store and transmit natural gas through the networks of the system administrators. In the event of a change of traders, the concerned natural gas traders shall consult with the system operators on the detailed conditions of the transfer of the gas transmission station and distribution delivery point capacities reserved for the supply of the User between the natural gas traders as specified in a separate legal regulation.

If the Individual Contract is terminated for any reason, the Licensee's right to book capacities shall revert to the User, and the Licensee shall transfer or offer the relevant transmission, distribution and storage capacities to the User or the natural gas trader designated by the User in accordance with applicable legislation. No consideration or reimbursement can be requested for the transfer and return of the right of booking capacities.

During the change of traders, the Licensee shall cooperate with the other party during the transfer of capacities from or to the User or the commercial licensee designated by the User. The rules for the delivery/receipt of the booked capacities necessary for the supply of the User are set out in Paragraphs (3) and (4), Section 26/B of the Vhr. If the consultations on the transfer of capacity due to a change of traders fail the User and the relevant natural gas trader may submit a request to the Authority under Paragraph (6), Section 26/B of the Vhr. Based on Paragraph (3), Section 26/B of the Vhr, in the event of a change of traders, the User or the new natural gas trader concluding a contract with them shall book the capacity booked by the previous natural gas trader for the User's supply and made available to them again after the termination of the contract until the end of the capacity booking period. Exceptions to this shall be the transmission feed-in capacity, the transmission release capacity related to entry into storage, and the storage capacity, in respect of which the new natural gas trader may refuse to receive or book in part or in full.

### **7.4 Handling unique conditions**

The Licensee provides its services on a contractual basis. In the absence of an agreement, the Licensee will not provide services.

The contracting parties may agree in a manner different from the terms of these General Terms of Business, but in matters not covered by the Individual Contract, the provisions of these General Terms of Business shall apply.

If the General Terms of Business and the Individual Contract regulate an issue in a contradictory or otherwise different way, the provisions set forth in the Individual Contract shall prevail.

### **7.5 Conditions of pricing, determination of prices, conditions of price changes, procedure to be applied in case of price changes**

The prices to be applied by the Licensee are included in the Individual Contract concluded with the User, which

the Licensee shall be entitled to change primarily on the basis of an agreement concluded with the User based on the mutual agreement of the Parties.

If the legislation concerning the pricing of natural gas or the fees of services related to the access to the networks or the tariffs of the system administrators change, the new official fees shall become part of the Individual Contract existing between the Parties, about which the Licensee shall notify the User in writing at the earliest reasonable time.

If the economic and market conditions change in an unpredictable manner to such an extent that the Licensee would suffer significant financial loss without increasing the prices applied in the Individual Contracts, the Licensee may unilaterally increase the fees applied in relation to its Users, while notifying the Users, except if this is expressly excluded by the Parties in the Individual Contract.

In the event of a unilateral price increase, the User may terminate the Individual Contract in writing with a 30-day notice period within 15 days of receiving the related notification.

The price of natural gas determined in the Individual Contract does not include the VAT (value added tax), the HUSA fee and the excise tax, or other taxes, other fees or amounts payable by the Licensee, which the Licensee shall charge to the User in the amount or to the extent determined in the currently valid legislation. Any taxes, other fees or amounts payable by the Licensee arising as a result of supplying the User that may be introduced after the conclusion of the contract or the amount of which is changed after the conclusion of the contract may be passed on to the User automatically but in the same amount. The Licensee shall be entitled to pass on to the User in an unchanged amount any new financial burden introduced by legal regulations or an authority that the Licensee has to pay in connection with the natural gas service covered by the Individual Contract and which would not be reimbursed to it from elsewhere, where the passing on of such amounts is not expressly prohibited by law. In this case, the Licensee shall be entitled to review the natural gas price specified in the Individual Contract and amend it in view of the change in the legal regulations according to the conditions set forth in the General Terms of Business.

In case of the extension of an Individual Contract concluded for an indefinite period of time, or an Individual Contract concluded for a definite period of time under section 7.1, the Licensee shall be entitled to unilaterally modify the purchase price of natural gas following the date of the original expiry. In this case, the User may terminate the Individual Contract by ordinary notice in writing within 15 days of the User's notification of the notified unit prices, but with a notice period of at least 30 days. If it is not terminated by the User, the Individual Contract will remain effective with the amended content. The list prices belonging to the formula included in the Individual Contract shall be determined on the basis of the official communication platforms specified in the Individual Contract. If the value of a parameter required for the price calculation is not published or is not determined during the price calculation period, the available last value of the missing parameters shall be taken into account when the preliminary contract price is calculated. The final contract price shall be determined after all parameters have become available. The Licensee shall issue an invoice or a document deemed to be similar to an invoice regarding the difference between the preliminary and the final price that may occur due to the absence or correction of the publication, as follows: The Licensee shall issue an invoice about the positive difference according to the final price if the final price exceeds the preliminary price. If the final price is lower than the preliminary price, the Licensee shall issue a document regarding the negative difference, deemed to be similar to an invoice. If any of the above publications ceases to exist or changes in such a way that it is no longer possible to follow changes in the market value of the related goods (as initially agreed by the Parties), the Parties shall agree within two months on new published parameters appropriate to the nature of the original publication. Until a new agreement is concluded, the Parties shall provisionally apply the latest applicable gas price, which shall be adjusted following the agreement is reached. If the Parties are unable to reach an agreement within two months,

either Party shall be entitled to terminate the Agreement in writing with 30 days' notice. The above mentioned last applicable gas price will also apply during the notice period. If, as a result of any change in legal regulations, resolution issued by authorities or any other circumstance outside the common will of the Parties, the volumes of natural gas sold under the Individual Contract should be subject to central price regulation and, as a consequence, the Licensee would be obliged to sell natural gas to the User below the contract price (hereinafter: "Price Regulation"), the Licensee shall be entitled to terminate the Individual Contract on the date of entry into force of the Price Regulation, at its own discretion.

## **7.6 Rules and procedures applicable in the event of malfunctions, restriction and interruption**

In accordance with the relevant sections of Government Decree 265/2009 (XII.1.) on the Restriction of natural gas consumption, utilization of the safety stockpiling of natural gas and other necessary measures to be taken in the event of a natural gas supply crisis (hereinafter: the Government Decree), the Licensee developed internal regulations (malfunctions, crisis action plan) for the management of malfunctions and crisis situations, which are in line with the principles set out in the GET, the rules set out in the Government Decree and the relevant chapter of the OCR.

The professional and operational management of natural gas supply crisis situations shall be performed by the transmission system administrator. It is the task of the system administrator to reduce the consequences of the natural gas supply crisis and to take the necessary measures to restore the balance of the cooperating gas network.

The Licensee shall make every effort to prevent the occurrence of the crisis situation, cooperate with the system administrator in the elimination of the crisis situation and in the implementation of the relevant professional instructions; furthermore, in accordance with the Government Decree, it shall provide data to the transmission system administrator and the competent distribution licensees to determine the order of restrictions. The Licensee also requests its contracted partners to cooperate in resolving the situation.

According to the Government Decree, the relevant system users and licensees are obliged to keep their data provided for the restriction order up-to-date and to verify their correctness and applicability.

It is the Users' right and obligation to compile the restriction classification of their own consumption, which is included in the data provided and the contracts concluded by the Licensee according to the statement of the Users. The definition of each restriction category is contained in the relevant section of the Government Decree. Domestic consumers cannot be restricted.

The concluded contracts include the obligation of the User's self-limitation applicable in case of restrictions, and the possibility and method of any intervention by the Licensee.

### **7.6.1. Interruption of natural gas supply**

Under Section 78 of the GET, in the absence of other technical solutions, the system administrator may interrupt natural gas transmission, natural gas distribution and storage for the minimum required number of users and for the shortest possible period of time in case of system maintenance, transformation, renovation, development, replacement and the connection of a new User. The start date and foreseeable duration of the interruption, as well as the necessary safety measures, must be communicated to the Users and the relevant licensees at least 15 days in advance (at least 3 months in the case of planned preventive maintenance). In the case of planned preventive maintenance, the failure or delay of the prior notification or the unjustified extension of the announced interruption shall entail the obligation to pay a surcharge under Paragraph (3), Section 78 of the GET. The Authority shall be entitled to assess the justification for the extension. The User shall have the obligation to tolerate and cooperate during the maintenance if he/she were notified about the maintenance in accordance of

the relevant provisions of the OCR and the GET.

### **7.6.2. Disruptions in natural gas supply**

In the event of disruptions in natural gas supply, the User shall carry out the instructions of the transmission system administrator and the natural gas distributor, regardless of his/her rights and obligations contained in his/her Individual Contract, and bear the resulting damage. If necessary due to the disruption in natural gas supply, the transmission system administrator may order a reasonable restriction of the natural gas consumption of the Users. The restriction may be ordered in the order of restrictions and to the extent approved by the Authority, affecting the minimum number of users necessary. Users shall implement the restriction in accordance with the instructions of the transmission system administrator. If the User fails to comply with the above obligation, the transmission system administrator or the natural gas distributor to network of which the user is connected shall be entitled and obliged to technically exclude the user from the natural gas supply for the duration of the restriction. If the user subject to restriction consumes natural gas from the restricted volumes, he/she shall pay the transmission system administrator a surcharge calculated as fifty times the maximum price of the balancing gas offered for purchase on the last unrestricted gas day corresponding to the volume of natural gas thus consumed. The restriction shall be implemented on the basis of the restriction schedule approved by the Authority; the Licensee shall immediately inform the User of the restriction declared. Taking into account the categories defined by law, the restriction classification of the performances contracted by the User shall be fixed in the Individual Contract concluded between the Parties. The system operator shall immediately notify the Licensee of the natural gas supply disruption and keep it informed. The Licensee shall notify the User immediately after becoming aware of the occurrence of a natural gas supply disruption and the related measures.

### **7.6.3. Natural gas supply crisis, restrictions**

On the proposal of the Authority, the Government shall establish in a resolution the fact and degree of the crisis situation or the end of the crisis situation. The Licensee shall immediately notify its Users of the occurrence of a natural gas supply crisis. The professional and operational management of the natural gas supply crisis situation shall be performed by the system operator licensee. The Licensee shall make every effort to prevent the occurrence of the crisis situation, shall cooperate with the system operator in the elimination thereof, and shall implement the professional instructions of the system operator. During the measures, the restriction of the User's consumption shall receive special priority. Taking into account the categories defined by law, the restriction classification of the performances contracted by the User shall be set out in the Individual Contract concluded between the Parties. In order to provide objective and professional information to users in the event of a natural gas supply crisis, the Authority shall establish and operate a Crisis Information Office.

Under Section 13 of the Vhr, the transmission system administrator and the natural gas distributor shall keep the data provided for the order of restrictions up-to-date at all times and to use them in accordance with the procedure related to the restrictions in the event of restrictions. The Individual Contract concluded with the User shall contain:

- a) the contracted performance for each restriction category,
- b) the user's self-limitation obligation to be applied in the event of restrictions,
- c) the possibility of intervention by the connecting system administrator and the method of implementation, including the restriction of the natural gas performance of the user supplied via the target pipeline, and
- d) for users in whose case the restriction of his/her natural gas consumption would result in the release of substances seriously threatening human life or health or the environment, the temperature limit below which harmful substances are likely to be released into the environment, and

e) the user's obligation to report any changes of data.

#### **7.6.4. Responsibility for the availability of the cooperating natural gas network**

Unless otherwise agreed by the Parties, the place of performance of the Individual Contracts by the Licensee shall be the delivery/receipt point of the place of consumption. The delivery of the natural gas purchased by the User to the delivery/receipt point shall be the obligation of the transmission system administrator in case of Users supplied from the transmission line or the natural gas distributor in the case of Users connected to the distribution line, noting that the Licensee shall be liable if the gas supply is not available to the User due to the fact that the Licensee does fails to exercise or fails to exercise properly the right over the capacities transferred to it.

The Licensee shall not be liable to the User for the performance of the transmission system administrator or the natural gas distributor, or for the availability of any element of the cooperating natural gas network even if it jointly manages the Individual Contract and the distribution network access contract. In the event of non-conforming performance of the transmission system administrator or the natural gas distributor (under-supply, quality defect, etc.), the User shall only be entitled to take action against the transmission system administrator or the natural gas distributor.

### **7.7 Requirements for the contracting partner, optional financial guarantees for users over 20 m<sup>3</sup>/hour**

#### **7.7.1 General rules**

Of the requirements expected from the contracting partner, the cooperation expected from the contracting partner and the full performance of the obligations imposed on the contracting partner shall be essential.

Additional requirements for the contracting party include financial stability and the reliability of short and long term purchase forecasts. The Licensee reserves the right to rate its prospective Users in terms of their financial stability and long term partnership. The Licensee makes its offer in view of this, possibly stipulating the provision of a financial guarantee (advance payment, bank guarantee, documentary credit, i.e. letter of credit, surety, security deposit, lien, right of set-off, i.e. compensation, assignment, bill of exchange, etc.) in accordance with its applicable internal rules.

#### a) A contracting partner holding a license under the GET

The criteria applied in case of a contracting partner (buyer) holding a license under the GET shall include, in particular, that it should:

- have the operating license issued by the Authority,
- have the bank guarantee or other guarantee securing the contract.

#### b) A non-domestic contracting partner not holding a license under the GET

The contracting requirements and compliance criteria applied in case of a non-domestic User purchasing natural gas for his/her own purposes:

- a declaration stating that it is not the subject of bankruptcy, enforcement, liquidation or winding-up proceedings,
- a declaration of commitment to comply with the relevant provisions of the OCR,
- the submission of the original copies or certified copies of the signatures of the persons entitled to represent,
- submission of a certificate issued by the account-holding bank(s) stating that there are no outstanding pending items, a bank guarantee or other security that may secure the Individual Contract.

The Licensee may waive some of the above conditions depending on the type, duration, value and content of the individual contracts to be concluded.



## **7.7.2 Financial guarantees**

### **7.7.2.1. Obligation to provide guarantee**

The Licensee shall be entitled to perform the User's risk analysis before concluding the natural gas trading contract and after its conclusion during the term of the Individual Contract.

If, on the basis of the analysis, the Licensee considers the User's financial situation and solvency to be risky, it may decide that the signing or entry into force of the natural gas trading contract or, in the case of a risk analysis performed during the term of the contract, further natural gas sales shall be subject to the provision of guarantee.

If the User refuses to provide the guarantee requested by the Licensee, the Licensee may refuse to enter into a natural gas trading contract or, in case of a risk analysis performed during the term of the Individual Contract, initiate the disconnection of the User from the supply of natural gas or terminate the contract with extraordinary termination with immediate effect.

### **7.7.2.2. Rules of the guarantees**

The Licensee may request the Licensee to provide in particular but not exclusively the following guarantees:

- lien,
- surety,
- security deposit,
- bank guarantee, prompt collection order regarding the user's bank account,
- prepayment, and
- other guarantees determined in the natural gas trading contract.

The bank guarantee acceptable as financial guarantee may be issued by a financial institution established in the country and accepted by the Licensee, which shall be for a specified amount in HUF, valid for a definite period of time, and where the Licensee shall be named as the beneficiary. Only such bank guarantee may be accepted as financial guarantee in which the financial institution undertakes to unconditionally fulfill the claim submitted by the Licensee within 3 banking days the latest.

The User shall make all the declarations and other legal acts (in the form required by the Licensee and the law) within the term specified by the Licensee necessary for the guarantees stipulated by the Licensee to be validly established (especially regarding the registration of lien applied to movable and immovable property for the benefit of the Licensee).

The User shall ensure the maintenance and protection of the property and rights pledged for the benefit of the Licensee. The Licensee shall be entitled (also on site) to check whether the coverage and guarantee of the transaction forming the basis of the contract is adequate without disturbing the business and commercial activities of the User.

The User shall immediately inform the Licensee in writing about the changes in the value and salability of the guarantees. If the ratio between the value of the assets pledged as guarantee and the User's outstanding debt changes to adversely for the Licensee compared to the ratio existing at the time of concluding the contract, the User shall restore the original ratio by supplementing the guarantee or in another manner accepted by the Licensee by the deadline determined by the Licensee.

It shall be deemed a serious breach of contract if the User fails to supplement the existing guarantees at the request of the Licensee in the manner and within the deadline specified by the Licensee. Initiated by the User, the Licensee may but shall not be obliged to waive any guarantees that, in its opinion, are no longer necessary to

secure its claims arising from the contract.

The Licensee shall be entitled to obtain all documents that it deems necessary to examine in connection with the provision, handling, processing and enforcement of the guarantees. At the same time, it shall be entitled to initiate the necessary authority or court proceedings in relation thereto, as well as to use a facilitator to preserve and enforce the security. All costs incurred in connection with the establishment, securing, management and enforcement of guarantees shall be borne by the User, unless otherwise agreed.

The value of the guarantees shall be taken into account at the value determined by the Licensee and their total value may exceed the total debt of the user. When offering the guarantee, the User shall state in writing whether and to what extent the collateral offered by them has already been pledged in connection with another transaction. Further, the User shall also declare that the guarantee offered is free of litigation and claims. The Licensee shall be entitled to decide on the acceptance of the Offered guarantee, noting that no guarantee in violation of a legal prohibition may be offered and the Licensee will not accept such guarantee. The other rules of guarantees shall be regulated in a separate guarantee agreement.

The guarantee contracts and related declarations and other documents shall form an integral part of the natural gas trading contract.

## **7.8 Requirements of quantitative settlement and payment**

### **7.8.1 Calculations applied during metering and settlement**

The Licensee uses the measurement procedures used by the transmission system administrators and distribution licensees as a service, as it does not have its own metering equipment and does not use its own metering calculations. The volume of natural gas is measured and its quality is determined on the basis of the relevant section of the OCR, the relevant sections of the General Terms of Business of the transmission system administrator and distribution licensees. If the transmission system administrator or distribution licensee does not provide the Licensee with the metering data required for settlement, the Licensee shall be entitled to issue an invoice to the User for an estimated volume corresponding to the monthly contracted volume specified in the Individual Contract or 1/12 of the annual contracted volume. After the transmission system administrator or distribution licensee has provided the necessary metering data, the Licensee shall issue a corrective invoice based on the actual consumption.

The Licensee excludes all liability that may arise from the procedures applied by the system administrator licensees.

If the consumption metering equipment or metering system installed at the place of consumption is owned by the User, in accordance with the agreement between the natural gas distribution licensee or the transmission system administrator licensee and the User, the User shall ensure the operation, maintenance, authentication and preservation of the condition of the consumption metering equipment or metering system.

In addition to the contractual fees, the Licensee shall be entitled to invoice the incurred fees for transmission, distribution, storage and odorization, as well as for the excise duty and the fee related to the safe storage of natural gas to the User in accordance with the Decree on Network access fees and the OCR. The Licensee shall pass on to the User the surcharges and other costs of nomination deviations, excess of capacity, balancing, and non-compliance with the interruption/restriction of consumption to its Users in accordance with the relevant legal regulations and the relevant provisions of the OCR, by issuing an invoice or debit note. The amount of the surcharges is included in the relevant legislation and the relevant chapters and annexes of the OCR, as well as in the current tariff decree on the network access tariff.

The Contracting Parties shall determine the price of the natural gas sold, the fee for the service, the pricing of the products and the method of establishing the volume on which the settlement is based in the Individual Contract concluded between them.

If the consumption metering equipment installed at the User does not measure or incorrectly measures the consumption (hereinafter: erroneous metering), or the calibration time of the consumption metering equipment has expired, its data may not serve as a basis for settlement. If either Party becomes aware of an error in settlement metering, it shall immediately notify the other party and the natural gas distributor by telephone and in writing (by letter, fax or e-mail). If the meters are faulty, the consumption data shall be determined in accordance with the General Terms of Business of the natural gas distributor.

The User shall be entitled to settle the invoice issued in connection with the erroneous metering within the same time as the duration of the erroneous or missed invoicing, in equal installments.

The User may initiate the replacement of the gas meter with another gas meter of the type and capacity corresponding to the production size series, if

- a) the sum of the nominal performances of the gas-fueled appliances operating at the User is less than 115 m<sup>3</sup>/h and the nominal performance of the installed gas meter is more than 100 m<sup>3</sup>/h, or
- b) the nominal performance of the User's gas meter is 15% higher than the sum of the nominal performances of the installed gas-fueled appliances.

The service provider shall have such an initiation reviewed by the distributor within 30 days, taking into account the available technical data (nominal performance of the installed gas meter and number performance of operating appliances, annual gas consumption).

After the completion of the review process, the service provider shall settle the consumption applying a fee corresponding to the performance of the technically justified gas meter from the date of notification. If the distributor replaces the gas meter based on the review, the cost of purchasing a new gas meter shall be borne by the owner of the gas meter. The cost of establishing a gas meter connection related to the meter change shall be borne by the User, except if the distributor fails to carry out the justified gas meter change within 3 months.

### **7.8.2 The basis, conditions, period and rules of settlement**

The basis of settlement between the Licensee and the User at each place of delivery shall be the following:

- in case of users with capacity fee: the User's booked hourly natural gas capacity;
- in case of users with base fee:
  - in case of users paying distribution base fee under Point e), Paragraph (1), Section 1 of Government Decree 11/2016 (IX.14.) on the Rules relating to the application of natural gas network access fees, special fees and connection fees and belonging to the sales category pursuant to Paragraphs c)-e), Paragraph (2), Section 22, the nominal (total) capacity of the consumption metering devices,
  - in case of users paying distribution base fee under Point f), Paragraph (1), Section 1 of Government Decree 11/2016 on the Rules related to the application of natural gas network access fees, special fees and connection fees, and belonging to the sales category pursuant to Points c)-e), Paragraph (2), Section 22, the booked hourly capacity;
- the User's daily reporting of needs/nomination;
- the settlement metering and allocations of the transmission system administrator and the distributor;
- monthly contracted volumes or, in the absence of a valid contract, the
- estimated volume established by the Licensee; and
- the records taken and jointly approved on a regular basis.

If the data on the booked capacity or the total nominal capacity of the consumption metering devices provided by

the User during the bidding or the conclusion of the contract contradicts the data provided by the distribution licensee, then the data provided by the distribution licensee shall form the basis of settlement. If such a discrepancy is found, the Licensee shall inform the User of this fact and shall also provide the User with the data provided by the distribution licensee.

The settlement period is the period between two meter readings on which the settlement is based. The Licensee shall break down the volumes of natural gas for the settlement period into gas days according to the algorithm described in Annex 2 and then summarize the gas day quantities for the invoicing periods. The basic unit of time for the invoicing period is the gas month.

The User acknowledges that, according to the legislation in force in Hungary and the OCR, the system administrators operating the distribution networks are entitled and obliged to determine the consumed quantity. The User acknowledges that, according to the valid legal regulations and the OCR, the system administrators operating the distribution networks are entitled and obliged to determine the consumed quantity. It is the responsibility of the distribution licensee to determine the consumed quantity even in the event of a failure of the metering equipment. If no data is received from the distribution licensee, the Licensee shall be entitled to use the quantity for the given month specified in the contract as the basis for invoicing. Based on the data provided by the distribution licensee after the elimination of the fault of the metering equipment, the Licensee shall settle with the User in the next gas month on the basis of the actual quantity consumed.

If the user has a gas meter with a nominal capacity of less than 20 m<sup>3</sup>/h, the natural gas distribution licensee may apply profile-based accounting, the operation of which is regulated by the OCR. Profile-based invoicing is a method by which the natural gas distribution licensee uses mathematical algorithms to determine the user's consumption up to the time of reading the gas meter. The Licensee shall be entitled to issue the invoice on the basis of the final allocation of the natural gas distributor at the end of the month or, in the absence of that, on the basis of the proportional part of the contracted quantity.

With regard to quantitative performance and settlement, the Parties shall consider the delivery/receipt expressed in heat quantity to be decisive, as agreed.

If the User does not agree with the consumption determined by the competent system operator during the quantitative settlement, and the Licensee becomes aware of this, the Licensee shall contact the competent system operator in order to investigate and settle the complaint.

According to the terms of the Individual Contract, the User shall pay the price of natural gas and the system usage fees, as well as other fees specified in separate legal regulations.

In the event of a change in the official network access fees after the conclusion of the Individual Contract, the changed official fees shall become part of the valid Individual Contract, unless otherwise provided by the Parties.

### **7.8.3 Needs reporting (nominating)**

With the exception of users paying base fees, Users not eligible for universal service shall specify its natural gas needs for a given gas day to the Licensee with the deadline, frequency, contents and format determined in the Contract, unless otherwise provided for in the Individual Contract.

### **7.8.4 Allocation, meter reading**

During the allocation procedure, the system administrator licensees determine the amount of natural gas consumed by the User on a given gas day, as well as the amount of natural gas purchased and sold by the Licensee. The detailed rules for allocation are contained in the relevant section of the OCR and the detailed rules

for profile-based allocation are set out in the relevant annex to the OCR.

At the places of consumption equipped with consumption metering equipment suitable to transmit data remotely, the transmission network administrator or the territorially competent natural gas distribution licensee shall obtain the data measured by metering system through its transmitting telemechanical system in accordance with the legislation in force and the provisions of the OCR. The allocation of the consumption related to gas meters of Users not equipped with consumption metering equipment suitable for remote transmission of data shall be based on a profile-based invoicing system, which also forms the commercial volume settlements between the parties.

The natural gas consumption determined for the gas day during the gas month may change during the month-end reallocation by the system administrators after the gas month. For contracting parties concerned by profile-based invoicing, the exact and final determination of the volume of natural gas consumed will be made after reading the gas meters.

In the settlement periods between meter readings, the commercial quantitative settlement shall take place according to Section 115/F of the Vhr and, in addition, on the basis of the profile-based settlement applied by the distribution licensee or, in its absence, on the basis of the contracted quantities. The timing and order of meter readings is regulated by the distribution licensees in their general terms of business.

The Licensee shall provide access to the results of the allocation on its IT platform to the users performing nomination by providing them with a unique identifier.

The user shall provide access to the distribution licensee or its representative to its premises in order for the distribution licensee to read the consumption meter equipment and check the consumption metering equipment. Regarding the rules related to meter reading, the provisions of the general terms of business of the distribution licensee shall apply.

## **7.8.5 Rules of invoicing and management of invoice complaints**

### **7.8.5.1. Invoicing**

The quantity of natural gas supplied during the settlement period is determined by reading the consumption metering equipment installed at the User's connection point, or by retrieving the data measured by the metering system through the transmitting telemechanical system by the relevant distribution licensee or its agent. The distribution licensee shall send the Licensee the data on which the invoicing is based.

The daily profile consumption is determined with the help of the daily average temperatures determined from the data measured by the OMSZ on an hourly basis using arithmetic average calculations, on the basis of which the Licensee breaks down the amount of heat determined on the basis of the natural gas reading report issued by the Distribution Licensee on a daily basis. By summing up the daily heat quantities (quantity) thus obtained, the actual, read consumption of the invoicing period is determined, which forms the basis of invoicing.

The calculation is based on the daily heat quantity, where the product of the daily volume of natural gas measured in cubic meters and converted to standard condition (15° C and 101,325 Pa) and the value of the average daily calorific value determined per receipt point is rounded to two decimal places.

The system usage fee arising in connection with the supply of the User shall be paid by the Licensee to the distribution, transmission and storage licensees, and the Licensee shall be entitled to pass on these fees to the User, which the User shall pay to MVM Partner Zrt as described in the Individual Contract.

The User shall pay the purchase price of the received natural gas and fulfil his/her other payment obligations to the Licensee by bank transfer on the basis of the invoice or debit note issued by the Licensee until the due date specified in the Individual Contract. The invoice or debit note shall be deemed to be financially settled when the relevant amount has been credited to the licensee's bank account.

Invoicing and payment can be made in Hungarian forints or other currencies (e.g. EUR, USD). The procedure for currency conversion is regulated by the Parties in the Individual Contract in the event that invoicing and payment are made in Hungarian forints, but the price is determined in foreign currency.

The consumption metering equipment shall be read at least once a year (or quarterly in the case of profile-based invoicing at the request of the universal service user). In the event of the meter reading is missed if the meter reading is not taken, the invoicing period shall be extended until the actual reading. During this period, the Licensee shall be entitled to issue a partial invoice regarding the date of the missed meter reading as follows:

- If the natural gas distribution licensee is unable to read the meter, the partial invoicing shall be based on the quantity according to the final distributor allocation at the end of the given month.
- If the actual meter reading is then available, then the quantity actually consumed must be divided for the period between the two known meter readings and a settlement invoice shall be issued.
- If no allocated quantity is available, the current partial invoice for the current month shall be issued on the basis of the contracted monthly quantity.

#### **7.8.5.2. Invoice objection**

##### **7.8.5.2.1. General rules**

The User shall be entitled object to the invoice filed to them with the Licensee within the limitation period in writing, describing the error.

If the User makes an objection to the invoice, he/she shall pay the Licensee the amount not disputed in the objection to the invoice within the original payment deadline, unless otherwise agreed by the contracting parties. After the account dispute is closed, (i) if the objection to the invoice was justified, the Licensee shall issue a correction invoice to its previous account, (ii) if the objection to the invoice was unfounded, the User shall pay the unpaid part of the original invoice in accordance at the same time settling the relevant legal consequences (e.g. interest on arrears, contractual penalty, etc.).

##### **7.8.5.2.2. Contents of the invoice objection**

The invoice objection shall include the number and date due date of the disputed invoice, the final amount of the invoice, the disputed amount and the basis of the dispute. If the debtor (User) does not submit an invoice objection to the amount included in the invoice issued by the creditor (Licensee) within the above deadline, the payment obligation included in the invoice shall be deemed recognized no later than on the day of the payment deadline indicated on the invoice.

##### **7.8.5.2.3. The procedure of invoice objections**

The Licensee and the User shall strive to make every effort to settle the disputed amount within the shortest time possible. The Licensee and the User shall first of all attempt to settle their legal disputes related to the invoice objections amicably and, if necessary, conclude a conciliation meeting, about which a written record shall be made.

#### **7.8.5.2.4. Successful invoice objection**

If the Licensee recognizes the User's objection in part or in full (successful invoice objection), it shall amend or cancel the disputed invoice. The Licensee shall submit the correction invoice to the User in a documented manner within 1 working day after the conclusion of the negotiation.

If the User or the Payer does not pay the amount indicated in the modification invoice within the set deadline, it shall be considered as late payment. If the User is entitled to a refund in connection with the objection, the Trader shall refund the amount within 8 days of its relevant notification.

#### **7.8.5.2.5. Unsuccessful invoice objection**

If the User recognizes its payment obligation during the invoice objection process (unsuccessful invoice objection), it shall fulfill its payment obligation by the due date of the originally sent invoice. If the payment deadline indicated in the original invoice has already expired, the User shall pay the amount concerned by the invoice objection within 5 (five) working days from the conclusion of the dispute or the agreement reached, along with the interest on arrears determined for the period between the original due date of the invoice and the date of the actual payment as specified in the contract concluded with the Licensee.

#### **7.8.5.2.6. Deadline of the invoice objection process**

If within 15 (fifteen) days from the receipt of the invoice objection the involvement of the distribution licensee is required and the Licensee and the User cannot settle the dispute contained in the invoice objection within 30 (thirty) days, the parties shall proceed regarding the disputed part of the invoice in accordance with the chapter of this General Terms of Business on the resolution of legal disputes.

### **7.9 Rules and procedures for breach of contract and irregular consumption**

#### **7.9.1 Cases of breach of contract and irregular consumption**

##### **7.9.1.1 Breach of contract by the Licensee**

- a) quality defect: the performance is affected by quality defect if there is a deviation from the quality stipulated in the Individual Contract that exceeds the extent specified therein. The duration of a quality defect is the period from the last measurement day prior to the date of sampling of the examined and challenged sample to the date of elimination of the quality defect, or the amendment of the Individual Contract. Possible consequences of the breach of contract under this paragraph: compensation for damages
- b) unjustified restriction or interruption of the supply of natural gas; possible consequences of breach of contract under this paragraph: contractual penalty, compensation
- c) providing natural gas in a quantity lower than the minimum quantity specified in the Individual Contract for a specified period (under-delivery); possible consequences of breach of contract under this paragraph: compensation
- d)
- e) delay in starting the provision of the service according to the contract or reconnecting the User to the supply; possible consequences of breach of contract under this paragraph: contractual penalty, compensation
- f)

##### **7.9.1.2 Breach of contract by the User**

- a) the User fulfils its obligations late or only partially or fails to fulfil its obligations related to the payment of fees, penalties, surcharges or other amounts payable to the Licensee stipulated in the Individual Contract or other amounts payable to the Licensee under the Individual Contract. Possible consequences of breach

- of contract under this paragraph: default interest; termination with immediate effect, suspension of the natural gas service (delays over 15 days; over 30 days in case of non-domestic users eligible for universal service; more than 90 days in case of district heating production licensees)
- b) malfunction of the system used by the Licensee due to the fault of the User. Possible consequences of breach of contract under this paragraph: termination with immediate effect, compensation
  - c) receipt of natural gas in a quantity lower than the minimum quantity specified for the period in the Individual Contract (under-consumption) (except for domestic consumers eligible for universal service). Possible consequences of breach of contract under this paragraph: surcharge. If the Parties agree in the Contract on the receipt of a minimum quantity of natural gas, the payment obligation related to the consumption of natural gas not reaching this quantity (under-consumption) shall be a surcharge that is the penalty for the breach of contract and compensation for the damage caused, and is therefore VAT-free. The surcharge shall be due to the Licensee on an objective basis, regardless of the User's attributability.
  - d) receipt of natural gas in excess of the maximum quantity for the period specified in the Individual Contract (over-consumption) (except for domestic consumers eligible for universal service). Possible consequences of breach of contract under this paragraph: surcharge. If the Parties agree in the Individual Contract to limit the quantity of natural gas (maximum quantity), the payment obligation related to the use of natural gas in excess of the upper service limit (over-consumption) is a surcharge that includes an increased fee for natural gas consumption and subject to VAT. The surcharge is due to the Licensee on an objective basis, regardless of the User's attributability.
  - e) non-compliance with the provisions related to interruptible service. Possible consequences of breach of contract under this paragraph: surcharge.
  - f) in the case of a new User, a delay in starting the gas consumption according to the contract. Possible consequences of breach of contract under this paragraph: contractual penalty.
  - g) if the User and the Licensee agree on settlement on the basis of the gas meter reading dictated by the User and the difference between the corrected heat quantity read by the territorially competent distribution licensee and the corrected heat quantity read and dictated by the User for any invoicing period is greater than  $\pm 10\%$  of the corrected heat quantity read by the territorially competent distribution licensee. Possible consequences of breach of contract under this paragraph: contractual penalty, compensation.
  - h) payment in a currency other than the currency specified in the individual contract.
  - i) the User refuses to provide financial guarantee (e.g. bank guarantee, security deposit) in accordance with the General Terms of Business or the Individual Contract, or fails to fulfill its obligation to provide guarantee or replenish the bank guarantee or fails to do so in accordance with the relevant provisions of the Individual Contract or the GCT. Possible consequences of breach of contract under this paragraph: termination with immediate effect, suspension of natural gas supply.
  - j) failure to provide the data the User undertook to provide or fulfilling this commitment late or improperly. Possible consequences of breach of contract under this paragraph: compensation, contractual penalties.
  - k) breach of confidentiality obligation. Possible consequences of breach of contract under this paragraph: compensation, contractual penalties.
  - l) the User infringes the provisions set out in the Individual Contract, the General Terms of Business or the law other than in the cases listed under this section. Possible consequences of breach of contract: compensation, contractual penalties, surcharges.
  - m) Exceeding the capacity on the part of the User shall be considered non-contractual performance, i.e. when the User exceeds the maximum hourly / daily capacity / capacity stipulated in the Individual Contract at the gas transmission station of the transmission network or the delivery-receipt point serving it. The Licensee may oblige the User to pay a surcharge in accordance with the provisions of the law and the OCR.

### **7.9.1.3 Irregular consumption**

The cases of irregular consumption shall be governed by the general terms of business of the relevant natural gas distributor.



## **7.9.2 Sanctions and consequences**

The Contracting Parties shall stipulate a contractual penalty, a bank guarantee, interest on arrears and compensation as guarantee for the performance of the contract, and may agree on the following other fees and surcharges.

A lawful refusal of performance (e.g. force majeure, malfunctions, natural gas supply emergency, restriction or maintenance) shall not constitute a breach of contract; therefore, it shall give rise to no obligation to pay contractual penalty, compensation or interest on arrears. In that case, the minimum quantity of natural gas and the scope of the availability obligation shall be reduced by the quantity not delivered or not received due to the suspension of the transmission.

### **7.9.2.1 Surcharge and premium**

The obligation to pay surcharge and premium shall not be subject to the conduct of the Party in breach of the contract.

- (i) It shall be considered under-consumption when the User fails to receive the minimum heat quantity contracted for the annual period. The User shall pay a surcharge for this lost amount of heat. In case of under-consumption, the surcharge to be paid is 50% of the heat quantity not received from the minimum heat quantity for the annual period multiplied by the molecular price.
- (ii) It shall be considered over-consumption when the User consumes more than the maximum heat quantity contracted for the annual period. The User shall pay a premium for the over-consumed heat quantity. In case of over-consumption, the premium shall be 25% of the heat quantity received in addition to the maximum heat quantity contracted for the annual period, multiplied by the molecular price.

The surcharge or the premium shall be paid within 10 calendar days of receipt of the invoice or the debit letter, respectively. In addition to the surcharge, the Licensee may also claim payment of its certified damages in excess of the surcharge.

### **7.9.2.2 Contractual penalty**

The condition for the incurrence of the obligation to pay a contractual penalty is the wrongful conduct of the party in breach of contract, in addition to the breach of contract. The contractual penalty is based on the value of the heat quantity affected by the breach of contract, calculated with the contracted gas fee.

The percentage of the contractual penalty shall be:

- 1%/day but no more than 25% in case of an error in availability.

The contractual penalty shall be paid no later than within 10 calendar days from the receipt of the debit note.

### **7.9.2.3 Compensation**

In case of quality defective performance or breach of contract by the Licensee, the User shall be entitled to compensation.

Liability for breach of contract is governed by the Civil Code in force, as well as other relevant legal regulations. The Licensee shall only be liable for direct damages and the extent of its liability for damages may not exceed 10% of the contractual gas fee, except in the case of intentional damage.

The injured party shall notify the other Party about the damage immediately after becoming aware of the damage and submit its claim for compensation, duly substantiated. If the other Party disputes the fact of or its liability for the damage, it shall initiate consultations within 15 calendar days. In case of failure of the consultations, the

provisions of "Governing Law, Settlement of Disputes" shall apply.

#### **7.9.2.4 Other fees, surcharges**

- a) Nomination (demand reporting) deviation surcharge: in case of a deviation from the User's reported demand for each delivery point for a given day to a greater extent than the tolerance level specified in the OCR, the User shall pay a surcharge. The amount of the surcharge is determined by law (MEKH Decree 11/2016 (XI. 14.)). The calculation of the fee shall be based on the difference between the daily heat quantity declared by the User and the daily actual heat quantity. The Licensee shall make every effort to minimize the surcharge during the application and performance of the service. This fee is in any case a penalty, a debit note will be issued, which does not include VAT.
- b) Capacity excess surcharge (performance excess) surcharge: the fee that the party liable for payment of the fee determined in accordance with Points a)-c) and e), Paragraph (2), Section 8 and Paragraph (7), Section 22 (7) of MEKH Decree 11/2016 (XI.14.) shall pay after the maximum hourly excess capacity used unauthorized on a gas day with a gas day average temperature of  $-12.0^{\circ}\text{C}$  or warmer and the amount of which shall be equal to four times the daily transmission or distribution capacity fee according to the price for the given day.

The method of determining the nomination deviation surcharge and the capacity excess surcharge and the subsequent calculation of the capacity fee is set out in the relevant OCR or the law.
- c) Fee and surcharge to be paid in case of non-compliance with the restriction: if the User or the user supplied by it does not comply with the order of restriction, the resulting fees, surcharges and contractual penalties shall be passed on to the User by the Licensee.
- d) Balancing surcharge: if the quantity of the natural gas received at the given delivery points differs from User's reported demand for the given point for the day, the Licensee shall pass the balancing surcharge on to the User in order to cover the costs related to balancing. The amount of this surcharge shall be equal to the total amount of the balancing surcharge to be paid to the transmission system administrator on the basis of the Tariff Regulation, added to the additional costs related to the use of balancing gas.
- e) Interruption surcharge: if the User fails to implement the interruption of the capacity ordered by the transmission system administrator in case of interruptible capacity booking, The Licensee shall charge the interruption surcharge charged by the transmission system administrator on to the User.

The Parties expressly agree that, as described above, the Licensee shall be entitled to submit a debit note or invoice to the User, which the User shall be obliged to settle.

#### **7.9.2.5 Disconnection of the User**

##### a) General rules

The Licensee shall only initiate the suspension or disconnection of the User from the supply as a final resort, in case of failure of the notice sent to the Users, for the purposes of reducing damages.

If the User has overdue debt towards the Licensee in excess of 15 (fifteen) calendar days arising from the Individual Contract concluded with the Licensee, the Licensee shall be entitled to suspend the supply of natural gas to the User or to make the further supply subject to additional conditions. In this case, the Licensee shall be entitled to supply natural gas to the User only on condition that the User pays an amount equivalent with 120% of the total price of the natural gas to be supplied to the Licensee, but not more than the summary of the total price of the natural gas to be supplied and the amount of the User's debts before the delivery of the natural gas starts. The amount paid by the User shall be used by the Licensee to settle the oldest debt of the User. The part of the amount in excess of the amount of previous debts shall be considered the price paid for natural gas.

##### b) Disconnection of non-domestic users eligible for universal service

If the non-domestic consumer eligible for universal service is more than 30 days late in fulfilling its payment obligation, the Licensee shall be entitled to initiate the disconnection of the place of consumption at the natural gas distributor.

The notification related to the disconnection and the consequent interruption of service shall be communicated to the non-domestic consumer entitled to universal service by means of a registered letter with acknowledgement of receipt or in another manner suitable for certifying receipt by the non-domestic consumer eligible for universal service, as specified by law. This letter or notification by other manner suitable for the certification of receipt shall include the User's identification number, the User's name, the User's address, the address of the Place of Consumption, the serial number and due date of the overdue invoice, and the amount of overdue debt.

When the User disconnected from the natural gas supply has settled all its overdue debts and the amount of the natural gas network access fees, special fees and connection fees determined in MEKH Decree 13/2016. (XII. 20.), the Licensee shall initiate the reconnection of the User to the supply no later than 24 hours after becoming aware of it; failure to comply with this obligation shall be considered a substantial breach of contract by the Licensee.

c) Disconnection of district heat production licensee users

Under Paragraph (1), Section 29/B of the GET, the Licensee shall only be entitled to initiate that the natural gas distributor shall disconnect from the natural gas supply such district heat production licensees that supply district heat providers supplying domestic users or separately managed institutions or that, as a district heat provider licensee, supplies district heat services to domestic users or separately managed institutions, as specified in the act on district heat services, if the conditions below are jointly met:

- i. the district heat producer is more than 90 days late with its payment obligation,
- ii. the natural gas trader has notified the district heat producer on at least two occasions of its debt, and
- iii. the consultations conducted on granting a payment extension or payment in instalments has failed.

If the district heat production licensee User disconnected from the natural gas supply settles all its overdue debts, as well as all the other costs specified in the decree pursuant to Paragraph (3), Section 106 of the GET, the Licensee shall initiate the reconnection of the district heating producer licensee to natural gas supply no later than within 24 hours from the payment of the overdue debts and costs; failure to comply with this obligation shall constitute a substantial breach of contract by the natural gas trader.

**7.9.2.6 Exemption from disconnection from natural gas supply**

Institutions of social care, child welfare, child protection, health care or public education (hereinafter: public institution user) performing tasks under state or local government competence specified in a separate legal regulation may initiate the granting of an exemption from disconnection due to their late payment (hereinafter: moratorium) at the Licensee and the natural gas distributor. The moratorium covers the period initiated by the public user, but may not be outside the period between 15th October of the year in question and 15th April of the following year.

If the public institution user complies with the conditions specified in the GET and the separate legislation, the Licensee and the natural gas distributor are obliged to ensure the moratorium for the period specified in the request submitted by the public utility user.

If the public institution user complies with the obligations set out in the GET and the separate legislation, the disconnection of the public utility user from the natural gas supply due to late payment may not be initiated during the moratorium, without prejudice to the right of the Licensee and the natural gas distributor to initiate court proceedings or other legal action to enforce their claims.

The public institution user may repeatedly initiate the granting of the moratorium if it has fully fulfilled his payment obligations arising from the previous late payment and the obligations arising from the previous moratorium.

The Licensee and the natural gas distributor providing the moratorium may not pass on the costs incurred as a result of the moratorium to other Users. These costs may not be included in the price of the product or service provided by the Licensee and the natural gas distributor, directly or indirectly, in any form, nor may they be invoiced separately. These costs shall be borne by the Licensee and the natural gas distributor, with the exception of the supply of goods, services and interests delivered for the public institution user and to be paid by the public institution user.

If the public institution user has initiated the provision of the moratorium in accordance with the GET and as specified in the separate legislation, the Licensee and the natural gas distributor may not terminate the contract concluded with the public institution user with reference to late payment.

In the case of a moratorium, the maintainer of the public institution user shall be liable for the debts of the public institution user incurred during the moratorium as a simple guarantor in accordance with the provisions of the Section 6:419 of the Civil Code.

### **7.9.3 Restoration of the contractual conditions**

The User shall notify the Licensee in writing of the termination of the causes of any breach of contract, suspension or exclusion. Upon receipt of the notification from the User and reimbursement of the incurred costs, the competent system administrator shall restore the gas supply on behalf of the Licensee in accordance with the general terms of business of the system administrator.

The natural gas service may be restored if the following conditions are met:

- the User has terminated the defaulting conduct or condition,
- the User has paid the price of the gas volume as determined in the Contract and fulfilled its other payment obligations (arrears, interest on arrears, surcharge, contractual penalty, etc.).

The administrative and technical procedures for breach of contract and irregular gas consumption shall be detailed in the general terms of business of the transmission system administrator or the territorially competent distribution licensee.

### **7.9.4 Sanctions applicable in case of late payment**

#### **a) Interests**

If the User fails to pay the amount payable under the Individual Contract on the relevant due date, the User will be in arrears. The User shall pay interest on arrears on the overdue and unpaid amount for the period of the delay, i.e. from the first day of the delay until the day of the actual payment. The rate of the interest on arrears shall depend on the currency specified in the Individual Contract as the currency of invoicing and payment. Unless otherwise provided in the Individual Contract, the rate of the interest on arrears shall be equal to the interest on arrears rate determined in the Civil Code.

The User shall pay the cumulated interest on arrears to the Licensee on the working day following the receipt of the written payment notice of the Licensee. The amount of the interest on arrears shall be calculated by the parties on the basis of the days actually elapsed, taking into account a 360-day year. The interest on arrears shall be paid in the currency in which the amount on which the interest on arrears is based is specified in the payment

conditions under the contract concluded between the parties.

The obligation to pay interest also arises if the party in default is excused from its delay.

If the delay exceeds the period according to the procedure applied in the event of non-fulfillment of the payment obligation, the Licensee may legally refuse to deliver the natural gas supply.

b) Collection flat rate

In case of late payment, the Licensee shall be entitled to enforce the collection flat rate under the provisions of Act IX of 2016 on the collection flat rate in accordance with the provisions of Act IX of 2016 on the collection flat-rate. The User, as the debtor, is not obliged to pay the collection flat rate if its delay is excused during the enforcement of the claim for the collection flat rate.

c) Set-off

If the User has an overdue payment obligation towards the Licensee, the Licensee shall be entitled to set off the overdue debt of the User against the payment obligation the Licensee may have to the User arising from the Individual Contract and to inform the User about this at the same time.

The Licensee shall be entitled to use the amount credited to its bank account first for the costs, then for the settlement of the interest on arrears payable by User, and use the remaining part to settle the User's other debts that became overdue the earliest. The Licensee shall notify the User in writing about the payment obligations of the User it settled using the amount paid by the User.

## **7.10 Rules of administering user complaints and managing complaints**

### **7.10.1. Recording the complaints received**

The User may forward his/her complaint to the Licensee in writing, electronically, by telephone or in person, at the contact details indicated in the General Terms of Business (Annex 1). A complaint that is not made in writing must be recorded in a record. Complaints received by the Licensee shall be registered and the Licensee shall keep them until the expiry of the limitation period. The Licensee shall provide a written confirmation of the receipt of written complaints submitted to the Licensee's customer service. The Licensee may also provide information by telephone on the receipt of complaints not submitted in person.

The Licensee shall ensure that the administration of complaints is documented by assigning unique reference numbers in case of administration by telephone. The Licensee shall disclose the unique case number to the User during the process by telephone. The Licensee may decide not to examine a repeated submission made by the same User with the same content as the content of the previous, substantially answered submission, as well as complaints submitted anonymously.

### **7.10.2. Management of complaints received (documentation of consultations, deadline for responding)**

The Licensee shall settle the complaint by contacting the User directly. Within 15 (fifteen) days after the receipt of the complaint, the Licensee shall examine the received complaint and fulfill its obligation to respond in writing.

If necessary, within 8 (eight) days from the receipt of the submitted complaint, the Licensee and the competent system administrator shall clarify among themselves which of them has the right or obligation to act in the given case and to hand over the submitted complaint to the acting party. The User shall be informed immediately in writing of this.

If the submitted complaint is related to the activities of both the sales and distribution of natural gas and, as a result, concerns another licensee apart from the Licensee, the Licensee shall immediately contact the concerned

party (parties) in order to clarify the competences and respond to the complaint as soon as possible. The licensees shall make the necessary consultations with each other within 15 (fifteen) days as to which of them has the right or obligation to act in the given case. The User shall be informed of the completion of this step in writing. In this case, the deadline for resolving the complaint shall be 15 (fifteen) days after the expiry of the 15 (fifteen) day period available for clarification of competences.

If the User does not receive a substantive response to the complaint within the specified deadline or the User does not accept the response, it may apply to the Consumer Protection Authority or the Authority, where the submitted request (complaint) shall contain at least the following:

- contact details of the complaining user (address, if available, telephone number and electronic address);
- place of consumption of the concerned user;
- a brief description of the subject of the request, supported by available documents, including in particular the Licensee's response letter to the User's enquiry, the acknowledgement issued by the Licensee on the complaint submitted to the Licensee in a written form or by telephone, the unique case number received at the time of making the complaint by telephone or the document certifying that the letter was posted;
- specification of the requested action;
- the signature of the complaining user.

### **7.10.3. Possibility of applying different rules**

The rules of communication and the rules of settling disputed issues and complaints may be stipulated differently in the contracts concluded with each User. The rules of communication depends on the type of each transaction and whether the User is Hungarian or foreign.

## **7.11 Cases of contract termination; amendment of the contract**

### **7.11.1. Cessation and termination of the contract**

a) The Licensee may terminate the Individual Contract with immediate effect in the following cases:

- in cases of breach of contract so defined by law, the GCT or the Individual Contract, except for the occurrence of a force majeure event;
- the User assigns his/her rights or obligations under the Individual Contract without the prior approval of the Licensee;
- the User submits an application for the opening of bankruptcy proceedings to the competent court; or the User's insolvency is established by a final order of the competent court; or the decision-making body of the User makes a decision declaring termination (liquidation) without a legal successor;
- in the case of a licensee buyer under the GET, the Authority suspends or revokes its operating license;
- the guarantee stipulated in the Individual Contract is terminated for any reason or is not available;
- in case of a change in legislation in case of the provisions of the General Terms of Business; and
- the User fails to fulfill his/her payment obligation on time, and the disconnection of the User is justified under Sub-points a)-c), Section 7.9.2.5.

b) The User may terminate the Individual Contract with immediate effect in the following cases:

- in cases of breach of contract so defined by law, the GCT or the Individual Contract, except for the occurrence of a force majeure event;
- the Licensee's operating license is suspended or revoked and it is no longer entitled to engage in natural gas trading activities under the scope of the Individual Contract without having an authorized legal successor;

- the Licensee submits an application for the opening of bankruptcy proceedings to the competent court; or the insolvency of the Licensee is established by a final order of the competent court; or the decision-making body of the Licensee makes a decision declaring termination (liquidation) without a legal successor.
- c) Other cases of termination of the Unique Contract:
- the Individual Contract concluded for a definite period of time terminates upon the expiry of the definite term, unless the Individual Contract or the GTC provide otherwise;
  - the Parties may terminate the Individual Contract at any time by mutual agreement;
  - the Individual Contract concluded for an indefinite period of time shall be terminated if either Party terminates it in accordance with the provisions of the Individual Contract or the GTC;
  - in the event of the dissolution of either Contracting Party without a legal successor.

If the User wishes to withdraw from the Individual Contract after the conclusion of the Individual Contract but before the actual performance by the Licensee begins, the Licensee may request the payment of an abortive fee from the User. The amount of the abortive fee shall be the equivalent of the three (3) months' average consumption calculated at the contract price calculated on the basis of the annual contracted quantity fixed in the Individual Contract. The abortive fee goes to the Licensee on an objective basis, so the Parties exclude the possibility of reducing the abortive fee.

If the User wishes to terminate the Individual Contract of a definite period of time before its expiry or the Individual Contract of an indefinite period before the opening of the notice period (the record date arrives) without the Licensee's substantial breach of contract justifying this, the User may initiate the termination of the Individual Contract by mutual agreement. The Licensee may make its consent to the termination by mutual agreement conditional on the User paying the Licensee a cancellation penalty in an amount equal to the fee for the average consumption of at least two (2) months fixed in the termination agreement but not exceeding the financial equivalent of the quantity of consumption for the remaining period of the contract ("Contract Termination Fee"). The amount of the fee shall be determined by the Licensee taking into account the annual contracted quantity and the remaining period of the duration of the Individual Contract, as well as the contracted price of natural gas. The contract termination fee shall be due to the Licensee on an objective basis, regardless of attributability.

If, due to a reason under the User's control, the Licensee terminates or withdraws from the Individual Contract with immediate effect, the Licensee may oblige the User to pay a cancellation penalty. The amount of the penalty shall be determined by the Licensee taking into account the annual contracted quantity and the time remaining from the Contract period, as well as the contractual price of natural gas. The cancellation penalty shall be due to the Licensee on an objective basis, regardless of attributability. The provisions of this paragraph shall also apply in the event that the Licensee is unable to commence performance because the change of traders fails for a reason attributable to the User.

If the Licensee unilaterally amends the GTC in a way that is unfavorable to the User in terms of material conditions (excluding amendments based on the law, the decision of the Authority or amendments permitted in cases specified in the law), the Licensee shall inform the Users on its website or in other ways at its own discretion before the amendment enters into force together with the information on the conditions of termination to which they are entitled. In this case, the User shall be entitled to terminate the Individual Contract in writing within 30 days of the publication of the above information on the website. If an amendment to the general terms and conditions has become necessary due to the introduction of a new service and the amendment does not affect the general terms and conditions for services already provided or if an amendment only reduces a fee, this shall not give rise to the User's right of termination.

d) Contract termination procedure

The Party wishing to exercise its right of termination shall send its termination to the other Party in writing in the form of a registered letter with acknowledgement of receipt.

If, for any reason, the party concerned by the termination does not receive the registered letter with acknowledgement of receipt, the delivery of the letter shall be repeated following the verification of the correctness of the postal address. If the repeated delivery fails, the letter shall be deemed to have been delivered on the 10th (tenth) day after the repeated delivery.

Irrespective of the notification, the Parties shall be obliged to fulfill their contractual obligations until the termination of the contract.

Until the occurrence or entry into force of the reason for cessation or termination (including the delivery of the written notice) and regardless of the termination of the Individual Contract, the Parties shall fulfill their obligations under the contract until the date of termination of the Individual Contract.

The cessation or termination of the Individual Contract shall not affect the rights and obligations of either Party arising from the Individual Contract prior to the date of cessation or termination. The Party giving rise to the extraordinary termination of the Individual Contract shall be obliged to compensate the other Party for the damages caused by the termination of the Individual Contract.

If the User terminates the Individual Contract for the purposes of changing traders, the valid provisions of the GET, the Vhr. and OCR shall be followed and these provisions shall also apply to the contents of this section.

The other provisions of the General Contract Terms of MVM Partner Zrt. shall otherwise govern the cessation and termination of the Individual Contract.

e) Change in the person of the User

If a change occurs in the person entitled to use the place of consumption based on any legal title, the original User registered by the Licensee as a user of the Individual Contract for the given place of consumption shall inform the Licensee in writing within 15 days of the change and, if possible, of the identity and contact details of the new holder of the right of use at the place of consumption (the new user), and shall make a notice of termination of the natural gas trading contract (by termination or by initiating the mutual agreement, depending on the type of contract) as set out below. Until the termination of the Individual Contract, the original User shall pay the price of the natural gas consumption at the place of consumption and shall be liable for any breach of contract.

If the original User has a fixed-term Individual Contract or an Individual Contract for an indefinite period with an annual revolving date, which the User intends to terminate before the expiry of the fixed term or the annual revolving date due to the change of users, it shall initiate the termination of the Individual Agreement by mutual agreement in writing at the Licensee. The Licensee shall approve the termination by mutual agreement under the conditions set out in the GTC, against payment of a contract termination fee. The Licensee may waive the payment of the contract termination fee or may reduce its amount if the new user agrees to enter into the new natural gas trade contract with the Licensee with effect from the day following the termination of the original User's Individual Contract. If the original User fails to comply with the obligation to give notification of the change or fulfils this obligation late, it shall fulfill its payment and other obligations arising from the Individual Contract for the relevant place of consumption even if the place of consumption is used by another person, until the termination of the Individual Contract regarding the given place of consumption.

The rate of the contract termination fee is set out in Sub-point c), Section 7.11.1. above.



f) The User's dissolution without legal successor

The User shall inform the Licensee in writing if its dissolution is expected to without legal successor due to winding-up, liquidation or otherwise, or any other event threatens the commencement of proceedings leading to its dissolution without legal successor. The User shall fulfil its related obligation to notify the Licensee without 3 days after becoming aware of the relevant information.

**7.11.2.Amendment of the contract**

The Contracting Parties may amend the Individual Contract in writing by mutual agreement. A change in the User's data (e.g. postal address, main financial institution, account number, etc.), which becomes effective upon its written communication with the other party, does not qualify as a contract amendment. In the event of a change in the underlying legislation in force, either party shall be entitled to initiate an amendment to the contract or, if the legislation provides for the automatic application of its provisions, the change shall also apply to the Individual Contract upon its entry into force in accordance with the law.

The Party initiating the amendment shall set a time limit of no more than 15 days for the other Party to discuss the proposal or declare its acceptance of the proposal, provided that no agreement has yet been reached between them.

If any provision of the Individual Contract should become invalid or unenforceable, this shall not affect the validity of the other provisions of the Individual Contract. In such a case, the Parties shall replace the invalid or unenforceable provision with a valid or applicable provision that is suitable to produce the economic result closest to what the parties wished to achieve with the invalid or unenforceable provision or, if such replacement proves impossible, the Parties shall agree to amend the contract to restore the contractual balance.

**8. CHANGE OF TRADERS**

If the User wishes to change its natural gas trader, the licensees shall arrange this process free of charge, and the licensee may not charge the user a fee in connection therewith. In order to carry out the change of traders, the natural gas trader with whom the User concludes the new natural gas trading contract may also act on the basis of the User's order.

The User may terminate its natural gas trading contract in writing in accordance with the conditions specified in the contract. The termination of the User's natural gas trading contract due to a change of traders shall not affect the validity of the distribution network access contract.

The User and the Licensee may agree on the terms of termination while observing the conditions specified in the GET and the Vhr and the terms and conditions set forth in these General Terms of Business, provided that this does not affect the fulfillment of the obligations of the relevant system administrator related to the change of traders as specified in GET and the Vhr.

The Licensee shall send a written notification to the User and, if the new natural gas trader acts on behalf of the User, to the new natural gas trader within 5 days from the receipt of the termination notice of

- the confirmation of the termination indicating the unique ID number of the place of consumption and the date of termination of the Individual Contract, and deliver the certificates determined in the GET, or
- the contractual conditions not fulfilled at the time of the termination, such as, in particular, any overdue debt at the time of the termination, but only the fact of the debt to the new natural gas trader.

If the notice submitted by the User does not comply with the provisions of (i) the relevant legal regulations, (ii) the provisions of these General Terms of Business or the Individual Contract, (iii) or if the User has an outstanding and unpaid debt to the Licensee at the time of submitting its notice, (iv) or the User has not fulfilled other contractual conditions, the Licensee shall notify the User thereof and provide the User with detailed information on the non-fulfilled contractual conditions, such as, in particular, the overdue debt, as well as the manner of and deadline for their fulfillment. In such a case, the termination notice shall be deemed to be null and void with retroactive effect to the date of its communication until the obligations/contractual conditions specified in the notification have been fulfilled.

In the event of an overdue debt, the Licensee shall specify an additional deadline for the User to settle its outstanding payment obligations. The User shall at the same time fulfill his/her payment obligations becoming due by the end of the additional period. In order to verify the settlement of payment obligations within the additional deadline, the Licensee shall conduct a repeated debt check after the expiry of the additional deadline.

If the User fulfills all his/her payment obligations (existing at the time of termination and becoming due by the end of the additional period) within the additional period specified in the notification, i.e. he/she does not have overdue debt at the time of the repeated debt check, the Licensee shall confirm the termination notice within 5 days the latest and announces the fact of the change of traders and the date of the termination of the Individual Contract to the competent system administrator with the detailed data content according to the OCR. In such a case, the termination notice takes effect on the date of the repeated debt check so the notice period specified in the Individual Contract shall be calculated from the date of the repeated debt check. If the User has fulfilled the contractual conditions by the additional deadline but the change of traders can no longer be concluded within the deadline indicated in the termination, the Individual Contract shall be terminated at the earliest date by which the change of traders is possible.

If the User fails to fulfill his/her payment obligation within the additional period specified in the notification, i.e. he/she has overdue debt at the time of the repeated debt check, the termination will not take effect and if the User still wishes to terminate his/her Individual Contract, he/she must communicate a new notice.

The above provisions shall also be valid in the event that the new natural gas trader acts on behalf of the User.

If the User acts independently, he/she shall send the notification as specified above together with a copy of the last invoice issued by the previous trader after receiving such invoice to the new natural gas trader in due time in order to make it possible for the natural gas trader to fulfill its obligation specified in the GET and the Vhr.

At the same time as the confirmation, the former natural gas trader shall notify the relevant system administrator of the change of traders and the date of termination of the natural gas trading contract as specified in the Vhr.

Immediately upon receipt of the confirmation, but at least 21 days before the date of termination of the natural gas trading contract, the new natural gas trader shall notify the relevant system administrator of the date of entry into force of the new natural gas trading contract, as well as initiate the conclusion or amendment of the network access contract applying the unique ID number of the place of consumption.

In the event of a change of traders, the Licensee and other concerned natural gas traders shall consult the system administrators on the detailed conditions of the transfer of the gas transmission station and distribution delivery point capacities booked for the supply of the User between the natural gas traders as specified in the Vhr. Licensees shall conduct the consultations in such a way that the change of traders should take place no later than 30 days from the notification of the request.

Within 20 days of the termination of the natural gas trading contract, the former natural gas trader shall issue a

final invoice in consultation with the user and the new natural gas trader. The natural gas traders concerned by the change of traders and the User shall cooperate with each other and with the affected system administrators.

In case of the termination of the fixed-term natural gas trading contract, if the User enters into a contract with another natural gas trader with effect from the day following the termination of the natural gas trading contract, the User shall notify the Licensee of the conclusion of the new contract at least 30 days prior to the termination of the fixed-term contract so that the change of traders can become effective on the day following the termination of the fixed-term contract.

If the User fails to meet the deadline specified in the previous paragraph, the Licensee shall not be liable for the fact that the change of traders is not concluded on the day following the termination of the fixed-term natural gas trading contract.

In the event of a change of traders, the User shall provide the Licensee with the following data and information, in addition to those determined under section 6.2:

- name of the new trader;
- name of the user concerned by the change of traders;
- address of the place of consumption concerned by the change of traders (postal code, city, street, house number/topographical lot number);
- POD concerned by the change of traders;
- date of change of traders;
- name of the territorially competent distribution licensee concerned by the change of traders.

## **9. SPECIAL SET OF CONDITIONS REGARDING USERS UNDER 20 M3/HOUR**

### **9.1 Cases of unilateral contract amendment by the Licensee, including the change of prices; temporal scope of the amendment and rules of publication**

If changes can be expected in the conditions of the natural gas trading contract unilaterally modifiable by the Licensee, it shall take the following measures at least 30 days before the changes enter into force:

- publish the content of the amendment in at least one national daily newspaper and at least one local newspaper at least twice;
- publish the amendment in the customer service offices and on its website;
- notify the affected users in writing of the content of the proposed amendment and of the possibility of terminating the contract.

### **9.2 Procedures for handling the change of users**

#### Changes in the User's personal data:

The User shall report to the Licensee in writing any change in his/her personal data, company data, postal address or other data recorded in the contract within 15 days from the occurrence of the change. The notification shall be deemed that the User initiates the amendment of the contract. If the User fails to comply with his/her obligation of reporting such changes, he/she shall be fully responsible for any damages resulting from his/her failure to report the changes.

#### Managing changes in the person of the User:

If the User moves away from the place of consumption or stops using the service, which means that a change occurs in the user's person, the User shall notify the Licensee in writing thereof within 15 days. If the User fails to fulfill his/her obligation to notify the Licensee, he/she shall be responsible for any damages resulting from the failure. In the event that the new user of the place of consumption does not enter into a contract with the Licensee containing the same terms and conditions as the existing contract with the User, the Licensee may oblige the

User to pay a cancellation surcharge. The amount of the surcharge shall be determined by the Licensee taking into account the annual contracted quantity and the period remaining from the Contract period, as well as the contractual price of natural gas. The cancellation surcharge shall be due to the Licensee on an objective basis, regardless of attributability. The rules of termination of the Individual Contract of these General Terms of Business shall otherwise apply to the settlement between the parties.

## **10. MISCELLANEOUS AND CLOSING PROVISIONS**

### **10.1 Economic clause**

If the technical, economic or legal preconditions based on which the Parties agreed on the provisions of the Individual Contract (prices and conditions) undergo a significant, unforeseen change and, as a result, one of the Contracting Parties cannot be required to comply with the provisions of the Contract with unchanged conditions because the intention of the Contracting Parties to strike a fair balance between their mutual economic interests cannot be fulfilled, the affected Contracting Party may request in writing that the provisions of the contract should be adapted to the changed circumstances.

If the Parties fail to agree to amend the provisions of the Individual Contract within 3 months from the receipt of such request by the other Party, the Party concerned shall have the right to apply to the Arbitration Court under the section "Governing Law, Settlement of Disputes". Any claim for the new (amended) provisions of the contract shall exist from the date on which the Party requesting the amendment first requested the new (amended) contractual provisions from the other Party with reference to the changed circumstances.

### **10.2 Governing law, Settlement of disputes**

The rights and obligations of the Parties under the Individual Contract and their interpretation shall be governed by the Hungarian law.

The Licensee and the User shall endeavor to settle amicably any disputes that may arise in connection with these General Terms of Business, the Individual Contract, as well as its performance, breach, termination, validity or interpretation.

In the event that this does not lead to a result, in the case of users eligible for universal service, the court or tribunal having general jurisdiction and competence shall act in the event of any dispute relating to the Individual Contract, depending on the amount in dispute. In other cases, the local court having jurisdiction at the location of the registered office of MVM Partner Zrt shall have exclusive jurisdiction in matters within its jurisdiction.

In legal disputes between licensees under the GET, related to activities under the scope of the GET and related to rights and obligations determined in a legal regulation or in the contract concluded on the basis thereof, the parties stipulate the competence and exclusive competence of the Permanent Court of Arbitration for Energy pursuant to Section 131 of the GET regardless of the amount in dispute or, in the event that the contractual partner is not a domestic consumer, if the amount in dispute exceeds HUF 30,000,000.

The Court of Arbitration shall act in accordance with its own Rules of Procedure. The number of Arbitrators shall be three (3), of whom both Parties shall nominate one person within thirty (30) days of the commencement of the proceedings. The persons elected by the Parties as described above shall nominate a third person who shall also be the chairman of the acting council of the Court of Arbitration. The language of the procedure shall be Hungarian. Unless the Court of Arbitration decides otherwise, the Parties shall bear their own costs incurred in connection with the arbitration procedure.

### **10.3 Force majeure**

It shall not be considered a breach of contract if either of the Parties is unable to fulfill its obligations under the Individual Contract as a result of an external event beyond its control which cannot reasonably be prevented or avoided (force majeure). Unless the Parties agree otherwise in writing, the contractual deadlines shall be

extended in proportion to the duration of the force majeure.

If the duration of the force majeure event exceeds the period specified in the fixed-term Individual Contract, either party shall be entitled to terminate the Individual Contract in writing without any adverse legal consequences, even if it would not otherwise be entitled to do so under the Individual Contract.

Prior to the termination of the Individual Contract, the Parties shall conduct consultations on any amendments to the Individual Contract. If the consultations do not lead to a result within the period specified in the Individual Contract, the possibility of terminating the Individual Contract opens.

The Parties shall immediately inform each other in writing about the threat of force majeure and the occurrence of force majeure, its expected duration, characteristics and impact on the performance of the Individual Contract, as well as the expected date of performance due to the delay.

The lack of funds, or an economic crisis cannot be considered force majeure; such events do not exempt the parties from the performance of the contract.

#### **10.4 The General Terms of Business as general contractual term**

These General Terms of Business and, in particular, Chapter 7 thereof, shall also qualify as general contractual terms and conditions of the Licensee pursuant to Section 6:77 of Act V of 2013 on the Civil Code (hereinafter: the Civil Code). By the publication of these General Terms of Business by the Licensee in accordance with the provisions of the GET, the General Terms of Business shall become part of the Individual Contract concluded with the User in accordance with the provisions of Section 6:78 of the Civil Code.

Budapest, 1<sup>st</sup> March 2018

Dr. Imre Pozsgai  
Senior Legal Counsel  
MVM Partner Energiakereskedelmi Zártkörűen Működő Részvénytársaság

Dr. Roland Czimmer  
Head of Legal Department

#### **Annexes**

Annex 1: Contact information of the customer service of MVM Partner Zrt  
Annex 2: Detailed procedure and parameters applied during settlement  
Annex 3: General content elements of contracts  
Annex 4: Contract template for users under 20m<sup>3</sup>/hours  
Annex 5: Restriction categories

#### **Appendices**

Appendix 1: Organizational structure of the company  
Appendix 2: List of consumer representative bodies

Appendix 3: Legal regulations, standards and internal instructions

The Hungarian Energy and Public Utility Regulatory Authority approved these General Terms of Business of MVM Partner Energiakereskedelmi Zártkörűen Működő Részvénytársaság with its resolution number ..... dated on ..... day of ..... 2018.

### **Customer Service Contact Details of MVM Partner Zrt**

Address of MVM Partner Zrt customer service office:

1138 Budapest, Váci út 150.

Telephone: + 36 40 300 200

Fax: + 36 1 202-0928

Email: [ugyfelszolgalat@mvmmp.hu](mailto:ugyfelszolgalat@mvmmp.hu)

Opening hours: 8:00 a.m. - 4:00 p.m.

(Monday to Friday)

Website: [www.mvmmp.hu](http://www.mvmmp.hu)

## **Introducing the basics of the accounting system**

### **Settlement period**

As a general rule, the trade licence holder and the user settle accounts at the frequency determined in the business regulations, from which the Parties may divert based on a unique agreement.

The frequency of settlement between the trader and the other actors of the system (transmission system administrator, transmission system operator and distribution system operator licence holders, other traders, producers, storage licence holders, organised natural gas market) is regulated by the laws, the supply arrangements and the unique agreements.

### **Metering**

In case of the Users, measurement is by gas meters compliant with the conditions prescribed in the law and by the competent system operator license holders (in accordance with Annex V of the Operational and Trade Regulations.)

The settlement measurements and the reading of the gas meters needed for the accounting are performed by the system operators; they shall provide the trader and the User with the metering data as determined in the Operational and Trade Regulations and the Business Regulations of the competent system operator.

### **Settlement**

During the settlement period the trader establishes the quantity of the gas supplied for the User and the other features needed for the purposes of settlement based on the data gained from the reading of the metering equipment that serves the measurement of the place of consumption and the other data made available to it. The basic time unit of settlement is one gas day.

The settlement of the capacity excess, nomination deviation and balancing surcharges and the balancing energy shall be determined in the unique contracts.

### **Payment terms**

The payment terms and conditions between the trader and the other actors of the gas market (Users, transmission system operator, transmission system administrator, distributor, other traders, producers, storage licence holders, organized natural gas market) are regulated in the laws and unique agreements.



### The calculation process and parameters applied during the accounting process

In order to facilitate uniform settlement, the conversion of the gas quantity read on the gas meter shall be performed as follows:

- at the places of consumption where the measuring circuit automatically performs the conversion to standard condition, the basis of accounting shall be the value of the metered gas quantity;
- at the places of consumption where the measurement of gas pressure and temperature is ensured in addition to measuring operational gas quantity:

$$V_{gn} = V_{\ddot{u}} (P_{\ddot{u}} T_{gn} / P_{gn} T_{\ddot{u}} )$$

where:

$V_{gn}$	gas volume converted to standard condition (m <sup>3</sup> )
$V_{\ddot{u}}$	operational gas volume measured by the gas meter (m <sup>3</sup> )
$P_{\ddot{u}}$	absolute pressure of measurement condition gas
$P_{gn}$	pressure of standard condition gas, 1.01325 bar
$T_{gn}$	temperature of standard condition gas, 288.15 K (15°C)
$T_{\ddot{u}}$	273.15 K + $t_{\ddot{u}}$
$t_{\ddot{u}}$	temperature of measurement condition gas (°C)

- at the places of consumption where the measurement of gas pressure and temperature is not ensured in addition to measuring operational gas quantity:

$$V_{gn} = V_{\ddot{u}} (P_{\ddot{u}} T_{gn} / P_{gn} T_L )$$

where:

$V_{gn}$	gas volume converted to standard condition (m <sup>3</sup> )
$V_{\ddot{u}}$	metered volume of measurement condition gas (m <sup>3</sup> )
$P_{\ddot{u}} = P_b + \Delta_p$	absolute pressure of measurement condition gas
$P_b$	mean value of atmospheric pressure in the accounting period (bar) (mean value of the atmospheric pressure provided by the Natural Meteorology Service for the measurement period)
$\Delta_p$	the excess pressure at the place of measurement (in the gas meter) according to the standard MSZ 7048/1-1983 (mbar)
$P_{gn}$	pressure of standard condition gas 1.01325 bar
$T_{gn}$	temperature of standard condition gas 288.15 K (15°C)
$T_L$	273.15 K + $t_L$

$t_i$  the ambient air temperature of the place of measurement, which is equal to the mean air temperature provided by the National Meteorology Service for the measurement period in case of gas meters installed outdoors.

During the settlement process the system operator may decide to consider the supercompressibility factor  $K_{sz}$ , thus it may correct the value of the volume of standard condition gas determined according to the above calculations with this factor, based on which the gas volume to be accounted for will be:

$$V_{elsz} = V_{gn} * K_{sz}$$

GENERAL CONTENT ELEMENTS OF CONTRACTS  
IN CASE OF CONTRACTS TO BE SIGNED WITH USERS NOT ELIGIBLE FOR UNIVERSAL SERVICE

**Natural Gas Trading Contracts Signed with Users**

The minimum elements of the natural gas trading contract signed with Users are as follows:

- the User's data (in case of business organisations: name, address/registered office, eligibility for usage, person authorised to represent the company, tax number, company registration number, statistical ID number; in case of natural persons: name, birth place and date, mother's name, residential address, number of sole trader's licence), management of changes in the person of the user;
- the subject of the contract, the detailed prescription of the service;
- the term of the contract and the date of delivery, including the start date of using the service;
- the rules of using the service and the related rules of controlling and documenting;
- meter reading, accounting and invoicing periods;
- the method of financial settlement (invoicing and payment methods), name of financial institute, financial institute ID number (in case of payment by bank transfer), payment rules;
- the data of the places of consumption(s) /feed-in place(s) (address, function, eligibility for usage), the place of delivery, the name and registered office of the natural gas distributor the user directly or indirectly connects to;
- quantity and performance requested for connection points and the place(s) of consumption, quality and pressure characteristics of natural gas;
- terms of system usage, capacity booking and the system operator's service, the rules of the tolerance limits, and the management, documentation and sanctioning of deviations;
- cases and legal consequences of breaches of contract, related guarantees;
- terms of measurement and quality control;
- service fee and terms of accounting and payment;
- expectable monthly consumption/feed-in,
- the extent of licensed rights, purchased and booked capacities;
- the User's restriction classification, the interruptibility of the service, the size of interruptible gas performance, the duration, frequency, annual extent of interruptibility, the minimum time period between two interruptions, the fee reduction for interruptibility or interruption;
- the parties' data reporting obligations;
- the rules of the parties' cooperation, especially in case of malfunctions, crisis situations and limitations; the rules of maintenance;
- the settlement of disputes;
- the conditions of contract extension, termination and cancellation

in case of performance extension, data related to the following are to be added:

- the presently available performance;
- the description of the present supply method;
- the data of the consumption meters for settlement.

### Natural gas sale contract with other licence holders

The minimum content elements of natural gas sale contracts signed with other licence holders:

- Identifiers of the contracting parties;
- The subject of the contract, the parties' rights and obligations,
- The place and duration of contractual delivery,
- The price of natural gas and the method of financial settlement,
- The guarantees given by the parties;
- System usage, method of nomination,
- The parties' responsibility, cases of breach of contract,
- Contract termination and cancellation,
- Other terms considered important by the parties and a provision on the following minimal content elements, obligatory according to the IR (implementing rule):
  - names, registered offices, bank account numbers, statistical IDs, company registration numbers and tax numbers of the contracting parties,
  - start date of system usage,
  - expiry date of the fixed term contract,
  - rules and controls of service usage and the related documentation rules,
  - capacity booking and the related tolerance limits, the rules of managing, documenting and sanctioning deviations,
  - rules of using interruptible consumption,
  - the size of interruptible gas performance, the duration, frequency, annual extent of interruptibility, the minimum time period between two interruptions, the fee reduction for interruptibility or interruption,
  - the procedure rules of restrictions,
  - the quantity, quality characteristics and pressure of natural gas,
  - the rules of measuring natural gas quantity,
  - frequency and rules of measurement and the technical settlement of transfer,
  - data and information reporting obligations,
  - management of outages due to maintenance and force majeure
  - payment terms,
  - legal consequences of breach of contract,
  - rules of cooperation of contracting parties.

It is the prerequisite for the sale contract to take effect that the following conditions are jointly met at the time of concluding the contract:

- Both parties shall have valid operating licences;
- The producer shall have a network connection contract;
- The supplier shall have the appropriate administrative authorisation in case of cross-border natural gas transmission.

MVM Partner Zrt. concludes natural gas trading contracts based on its unique draft contract or the model contract applied by the suppliers.

## NATURAL GAS SALES MODEL CONTRACT

for non-residential consumers with gas meters whose total nominal performance does not exceed 20 m<sup>3</sup>/hour

### 1. CONTRACTING PARTIES

**Name:** MVM Partner Energiakereskedelmi Zártkörűen Működő Részvénytársaság

**Registered office:** 1031 Budapest, Szentendrei út 207-209.

**Tax number:**

**Company registration number:**

**Bank account number:**

as the trader, hereinafter: the Trader

**Name:**

**Registered office / Address:**

**Invoicing name:**

**Invoicing address:**

**Bank account number:**

**Tax number:**

**Company registration number:**

**Telephone/Fax:**

**Email address:**

as the user, hereinafter: the User

**Details of the Payer, if it differs from the user:**

**Name:**

**Registered office / Address:**

**Invoicing name:**

**Invoicing address:**

**Bank account number:**

**Tax number:**

**Company registration number:**

**Telephone/Fax:**

**Email address:**

as the payer, hereinafter: the Payer

### 2. SUBJECT OF THE CONTRACT

Based on this contract, the Trader provides gas supply to the User at the place of consumption determined in the contract, against payment of the fee determined in this contract.

### 3. DETAILS OF THE PLACE OF CONSUMPTION

Address:.....

Measurement point ID: .....

### 4. START DATE OF NATURAL GAS SUPPLY:

.....(year)..... (month).....(day)

### 5. MEASUREMENT OF GAS QUANTITY, OWNERSHIP, GAS METER READING

Frequency of gas meter readings performed by the distributor or its agent: according to the business regulations of the territorially competent distribution licence holder.

### 6. ACCOUNTING AND INVOICING

Accounting is performed after meter reading.

The month of accounting and final invoicing performed by the provider: identical with the month of reading. Expectable annual consumption, which is the quantity forming the basis of partial invoicing at the same time:

.....MJ

**7. THE FEES PAYABLE BY THE USER**

Gas fee: .....HUF/MJ

Fixed system usage fee: HUF/m3/h/yr

Volume-based network access fees: Ft/GJ

The above prices are net prices that do not contain the value added tax, the energy tax, the MSZKSZ (Hungarian Hydrocarbon Stockpiling Association), the odorization fee and other taxes, surcharges or payment obligations prescribed by the legal regulations, administrative or regulatory provisions, or the fees and penalties occurring due to the breach of contract by the User that the Licence Holder is entitled to exercise against the User unless it is expressly prohibited in the law.

The network access fees not proportional to the volume ordered by the User and the volume-based network access fees shall be charged forward as mediated services.

Due date: 30 days after receipt of the invoice.

The User and the Payer have universal liability to pay the invoice issued to the User.

**8. METHOD OF SETTLEMENT**

Annual balanced partial invoicing / Invoicing based on monthly reported meter readings. (Underline as applicable)

**9. METHOD OF FEE PAYMENT, SETTLEMENT OF OVERPAYMENT**

Payment method

Payment by bank transfer

Settlement of overpayment

The Trader shall automatically credit overpayments under the amount of HUF ..... against the next monthly invoice of the consumer.

**10. METHOD OF SETTLING POSSIBLE OVERPAYMENTS**

The Trader shall settle overpayments over the amount determined under Point 9 above by way of crediting it against the next monthly invoice / repayment.

**11. CONTRACT TERM**

This contract is concluded for an indefinite term / this contract is concluded for the gas year lasting from 1<sup>st</sup> October [*year*] 6:00 a.m. to 1<sup>st</sup> October [*year*] 6:00 a.m. as a definite term.

(underline as applicable)

**12. MISCELLANEOUS PROVISIONS**

The Trader's Natural Gas Trading Business Regulations shall form part of this contract as general terms of contract. By signing this contract, the User expressly acknowledges that he/she has understood the Business Regulations and the general terms of contract it contains.

The trader reserves the right to modify its business regulations due to changes in the legal regulations, about which it shall inform the Users as determined in the Business Regulations.

After studying the contract, the parties have signed this contract as it is full accordance with their will. Subsequently with the conclusion of this contract, any contracts previously signed by the parties shall be repealed. By signing this contract, the User acknowledges to have received one original copy of the contract.

In matters not regulated in the contract, the provisions of Act XL of 2008 on Natural Gas Supply, the Civil Code and other applicable legal regulations shall apply.

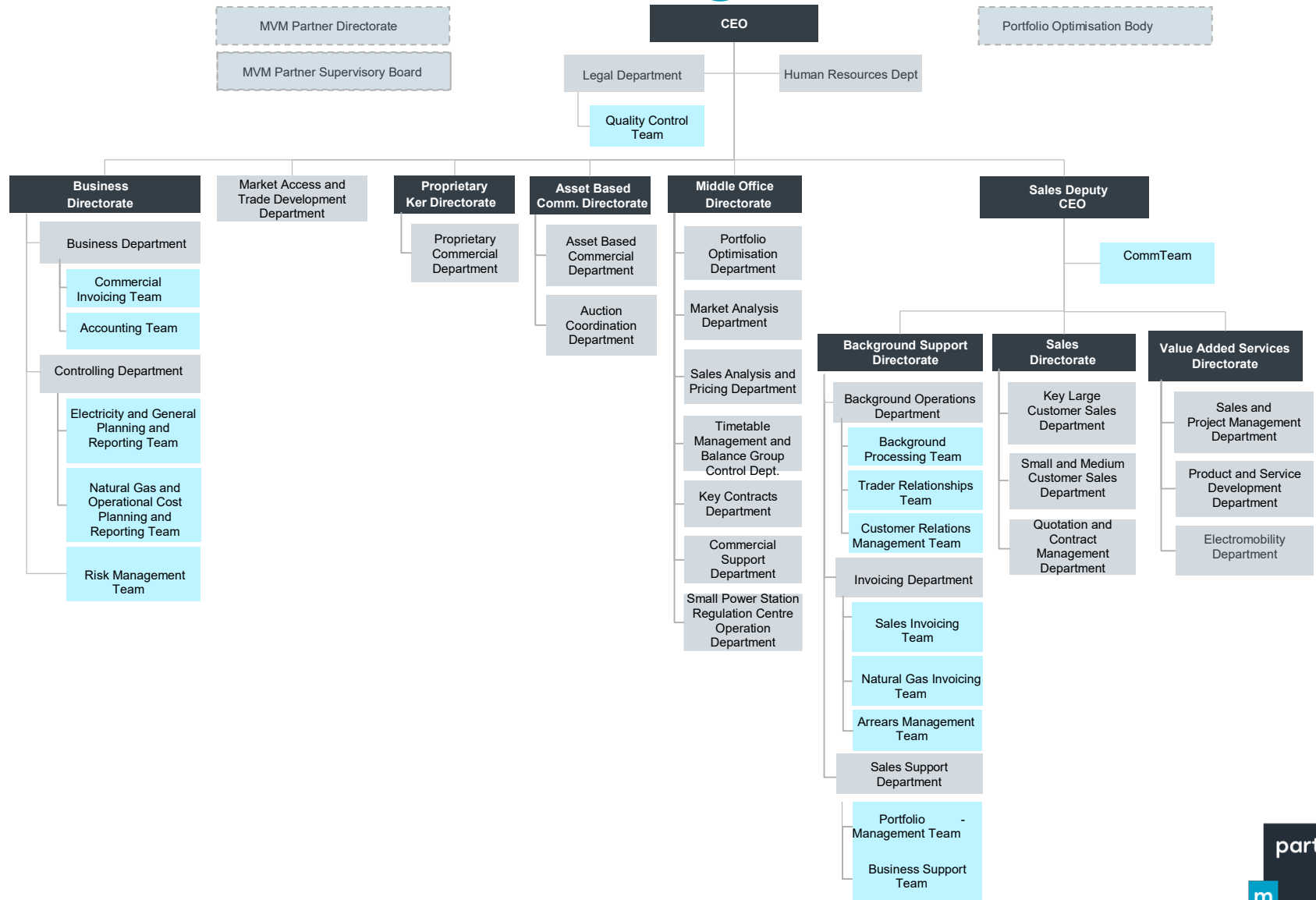
Date: town, year, month, day

Trader

User

Payer

# MVM Partner Zrt. organisational chart



**List of interest organisations**

**Forum of Industrial Energy Consumers**

1097 Budapest, Illatos u. 11/a

Telephone: (36-1) 237-1380, Fax: (36-1) 359-6440

Email: office@ief.hu Website: <http://www.ief.hu>

**Association of Hungarian Energy Consumers**

1091 Budapest, Üllői út 25.; Postal address: 1372 Budapest, Pf.: 433

Telephone: 06-1-210-7116, +36-30-919-2064

Email: [mesz.iroda@freemail.hu](mailto:mesz.iroda@freemail.hu)

**Budapest Metropolitan Government Office, District 5 Office**

1052 Budapest, Városház u. 7.

Telephone:

- authority advisory office: (36-1) 450-2598
- consumer protection info point on overhead costs: (36-1) 450-2592

Email: [fogyved\\_kmf\\_budapest@bfkh.gov.hu](mailto:fogyved_kmf_budapest@bfkh.gov.hu)

**National Consumer Protection Association**

1012 Budapest, Logodí utca 22-24. Telephone: (36-1) 201-4102, Fax: (36-1) 331-7386

Email: [ofebp@axelero.hu](mailto:ofebp@axelero.hu) Website: [www.ofe.hu](http://www.ofe.hu)



## Legal regulations, policies and internal instructions

### EU directives and regulations

Regulation 2009/73/EC	on Common Rules for the Internal Market in Natural Gas and repealing Directive 2003/55/EC
Regulation 715/2009/EC	on Conditions for Access to the Natural Gas Transmission Networks and repealing Regulation 1775/2005/EC
Directive 2004/67/EC	the Measurements serving to ensure the Safety of Natural Gas Supply

### Laws

Act LXXXVII of 1990	on the Establishment of Prices
Act XLV of 1991	on Metrology
Act CXII of 2011	on Information Self-determination and Freedom of Information
Act XLVIII of 1993	on Mining
Act XXVIII of 1995	on National Standardisation
Act LIII of 1995	on the General Rules of Environmental Protection
Act XXXI of 1996	on Fire Control and Technical Rescue and Fire Brigades
Act LXXXVIII of 2003	on Energy Taxation
Act V of 2013	on the Civil Code
Act XXVI of 2006	on Emergency Natural Gas Reserves
Act XL of 2008	on Natural Gas Supply

### Government Decrees

Govt. Degree 127/ 1991.(X. 9.)	on the implementation of the Act on Metrology
Govt. Degree 203/1998.(XII. 19.)	on the implementation of the Act on Mining
Govt. Degree 289/2007 (X. 31.)	on the state subsidy of residential piped gas and district heat consumption
Govt. Degree 19/2009. (I. 30.)	on the implementation of the Act on Natural Gas Supply

### Ministry Decrees

GKM Decree 86/2003. (XII.16.)	on the order of data reporting of the specific natural gas industry undertakings
NGM Decree 11/2013 (III.21.)	on technical safety prescriptions related to gas connection pipelines, user equipment and site pipelines and related tasks of the authorities
GKM Decree 79/2005. (X.11.)	on safety requirements of hydrocarbon transport pipelines and on publishing the Safety Regulations of Carbohydrate Transport Pipelines
NFM Decree 35/2014 (VIII.15.)	on the criteria of determining the natural gas connection fees and the elements of the connection fees

Govt. Decree 256/2009 (XII.1.)	on the restriction of withdrawing natural gas and the use of the emergency natural gas reserves
BM Decree 54/2014 (XII.5.)	on National Fire Protection
KHEM Decree 28/2009. (VI. 25.)	on fixing the tariffs related to natural gas universal service
NFM Decree 35/2014 (VIII.15.)	on the criteria of determining the natural gas connection fees and the elements of the connection fees

### **Standards**

MSZ 1648:2000	Natural Gas for Public Utility Services
MSZ ISO 13443:1998	Natural Gas Standard Reference Conditions
MSZ-09-74.0011-5:1984	Control and Documentation of Gas Odourisation in Public Distribution Systems
MSZ ISO 6974 -6:2009	Determination of Hydrogen, Inert Gas and Carbohydrate Contents /to C8/
MSZ ISO 6976:1997	Calorific Value, Density and Relative Density of Natural Gas
OMH HE 64, HE 75	Verification Procedures of Orifice and Turbine Flow Metering Systems

### **Internal Instructions**

Organisational and Operational Regulations  
 Data Traffic and Information System  
 Quantity, Quality and Financial Accounting System  
 Action Plan for Malfunctions and Emergency Situations