

Security Agreement

made by and between

RWE Gas Storage CZ, s.r.o. (hereinafter also referred to as the "Storage Operator")

With its registered office at Limuzská 3135/12, 108 00 Praha 10

Registered in the Commercial Register kept by the Municipal Court in Prague, Section C, File 124711

ID number: 27892077, VAT number: CZ 27892077

Email: gs.info@rwe.com

Acting through: Zbyněk Pokorný, Head of Sales
Zuzana Kotyková, Public Affairs Manager

Contract number:

and

Company (hereinafter referred to as the "Storage User")

With its registered office at

ID number:

VAT number:

Acting through:

(hereinafter also referred to as the "Contracting Parties")

I.

Preamble

As at the date of conclusion of the present Agreement, the Storage Operator and the Storage User had entered into an agreement or agreements on gas storage and the provision of other services, dated contract number (hereinafter also referred to as the "Agreements").

II.

Object

1. The Storage User shall provide the Storage Operator with security within the meaning of Section 2012 et seq. of Act No 89/2012, the Civil Code, as amended, by remitting funds to the Storage Operator's account to secure payment of the contract price and any contractual penalty or other liabilities of the Storage User constituting a sanction or reparation by nature (hereinafter also referred to as the "Security") deriving from the Agreements and any other contractual arrangements between the Storage Operator and the Storage User, the list of which shall be updated by the Parties by way of the procedure laid down in paragraph 2 of this Article. The Security shall be lodged within two working days of execution of the present Agreement or of conclusion of other contractual arrangements between the Storage Operator and the Storage User. As at the date of conclusion of the present Agreement, the amount of the Security is
2. If other contractual arrangements are concluded between the Storage Operator and the Storage User following the conclusion of the present Agreement and liabilities deriving from such contractual arrangements are to be covered by a Security, the Storage Operator shall send the Storage User the amount of the Security currently required, accompanied by a list of the contractual arrangements for which the Security is provided, to the email address stated in the Storage User's Manner of acting dated (hereinafter also referred to as the "Manner of acting"). The Storage User shall thereafter confirm the correctness of the amount of the Security to the email address gs.info@rwe.com (hereinafter also referred to as the "Security Confirmation") without undue delay in the manner provided for in the Manner of acting. For the avoidance of all doubt, the Parties confirm that they deem such method of action to be sufficient for a change to the scope of the Security provided pursuant to the present Agreement.

III. Parties' Rights and Obligations

1. The Storage Operator shall be entitled to use the Security, including interest earned and other accruals, unilaterally and without prior notification to the Storage User to cover the payment of outstanding and overdue claims to the payment of the contract price and to cover other outstanding and overdue liabilities of the Storage User arising in connection with the present Agreement (hereinafter also referred to as "Claims"). The Storage Operator shall also be entitled to set off Claims against the Storage User's claim to the refund of the Security.
2. The Storage User shall top up the Security in the Storage Operator's account to the original amount if the Storage Operator legitimately draws on the Security, such being within 10 days of the date of service of a written demand (hereinafter also referred to as the "Demand"). A Demand emailed to the email address of the Storage User indicated in the present Agreement, or to the email address indicated in the Storage User's written notification of a change of such details, shall also be regarded as a Demand. A Demand sent by a means of remote data transmission under this paragraph shall be deemed to have been served on the date of dispatch. If the Storage User is sent multiple Demands (e.g. due to the concurrent use of multiple methods of service), the Demand served on the Storage User first shall be regarded as the decisive Demand.
3. The Storage User shall be entitled to increase the Security in the Storage Operator's account. The Storage User shall serve notification of an increase in the Security on the Storage Operator without undue delay. The terms and conditions governing the service of a Demand under paragraph 2 of this Article shall apply mutatis mutandis to a Storage User's written notification under the present paragraph. The Security shall be regarded as increased when the corresponding amount is credited to the Storage Operator's account.
4. Upon termination of the effect of the present Agreement and settlement of any and all liabilities hereunder, the Storage Operator shall refund the Security, plus any interest earned and other accruals, to the Storage User or the Storage User's successor in title, unless the Security has been legitimately used in accordance with paragraph 1 of this Article, within 30 days.
5. The Storage User shall be entitled to request the Storage Operator for a reduction in the Security by a particular amount or for the refund of the Security in its entirety only if, following such reduction or refund of the Security, the Storage User will continue to comply with the terms and conditions of financial capacity. In such an eventuality, the Storage Operator shall refund the requested part of the Security or the Security in its entirety to the Storage User within 30 days of service of the Storage User's written request.
6. The Storage User shall be entitled, within 30 days of expiry of each 12-month interval of the duration of the present Agreement, to request the payment of interest earned in the past year. The Storage Operator shall pay such funds to the Storage User within 30 days of the date of service of that request. The terms and conditions under paragraph 2 of this Article shall apply mutatis mutandis to a Storage User's written request under the present paragraph.
7. By executing the present Agreement, the Storage User acknowledges that, in accordance with this Agreement, the Security shall also secure the obligation to pay interest on outstanding and due Claims where the interest rate exceeds the statutory interest rate.
8. Any and all transfers of funds under the present Agreement shall be cashless.
9. The offsetting of claims by the Storage User by way of a unilateral declaration shall not be admissible.

IV. Interest

The Storage Operator undertakes to accurate interest on the Security at the interest rate in the amount provided by the bank for the relevant security account. The valid interest rate is stated on the Storage Operator's website in section "Products and Services". Interest is payable annually or on the Security refund date.

V. Effect

The present Agreement shall enter into force and take effect upon execution by both Parties.

VI. Final Provisions

1. The conclusion of the present Agreement shall result in the cancellation of any agreements, the object of which is the same or similar to the object hereof, which have been concluded prior to the execution of the present Agreement. The present Agreement and shall supersede any and all agreements referred to in the preceding sentence.
2. The present Agreement is in the case of signing printed contracts drawn up in two counterparts; each of the Parties shall receive one counterpart.
3. Should any provision of the present Agreement be or become invalid or ineffective, this fact shall not result in the invalidity or ineffectiveness of any other provision hereof, provided that such a provision is severable from the rest of the content hereof. The Parties shall replace any invalid or ineffective provision of the present Agreement with a provision that best corresponds, in content and purpose, to the invalid or ineffective provision. Until such replacement under the preceding sentence, the corresponding legislation of general application shall apply.
4. The present Agreement, with the exception of Article II.2, may be amended solely by means of written addenda, numbered in ascending order, concluded by the authorized representatives of both Parties.
5. The Parties declare that they have entered into the present Agreement as enterprises in the course of their business within the meaning of Section 1797 of Act No 89/2012, the Civil Code. As holders of licenses to do business in the gas industry, the Parties declare that neither of them constitutes a "weaker party" within the meaning of Act No 89/2012, the Civil Code, and that each of them assumes the risk of a change in circumstances.
6. The Parties declare that Sections 433, 1799, 1800 and 1805(2) of the Civil Code shall not apply to the present Agreement.
7. The Parties jointly declare that they have apprised themselves in detail of the present Agreement, including the Rules of the Gas Storage Facility Operator RWE Gas Storage CZ, s.r.o., that they understand the present Agreement and agree with the content hereof, and that the present Agreement does not derogate from normal terms and conditions negotiated in similar cases, in witness whereof, in accordance with their free and earnest will, the Parties' authorized representatives hereunto set their hands.

In....., dated

In....., dated

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Storage User

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RWE Gas Storage CZ, s.r.o.

SAMPLE