

### **Applicant's creditworthiness**

As part of providing storage services, SSO requires the gas network users to provide appropriate guarantees of financial credibility.

For this purpose, the Applicant shall submit the relevant documents together with the application for SSA to demonstrate its creditworthiness.

An Applicant that has obtained and demonstrates a credit rating of at least:

- Baa2 for Moody's, or
- BBB for Standard and Poor's, or
- BBB for Fitch,

shall not be required to present any additional performance security instruments to demonstrate its creditworthiness.

In case when the Applicant does not have the credit rating referred above, it shall be required to demonstrate its creditworthiness by providing appropriate financial documents and a financial security instrument.

For the purposes of determining the level of the security instrument, the SSO shall verify the Applicant's creditworthiness in accordance on the basis of the financial documents presented by the Applicant.

In order to enable the verification, together with the application for a SSA, the Applicant shall submit the approved separate financial statements for the last financial year together with the auditor's opinion, if the financial statements were subject to an audit, and the most current separate financial statements signed by authorised representatives of the Applicant.

For the purposes of determining the value of the security, the following items from the financial statements shall be taken into account by the SSO:

- value of current assets;
- equity;
- retained earnings;
- liabilities and provisions for liabilities;
- short-term liabilities;
- sales revenues;
- operating profit/loss.

If any of the above-mentioned items are missing from the financial statements, the Applicant shall in addition submit a written declaration, signed by its authorised representatives, supplementing the above-mentioned information which are not presented in the financial statements. The declaration shall only be a supplement to the separate financial statements. In case of the failure by the Applicant to present the financial documents referred to above, the value of the security instrument for a Long-Term SSA may be set at the maximum level

The maximum value of the security instrument shall not exceed:

- in case of a Long-Term SSA
  - two times the average monthly value (inclusive of VAT) of the financial obligations under the SSA being subject to the application, for a given Storage Year in case of the Storage Facility of UGS Wierchowice, GSF Sanok and GSF Kawerna, determined on the basis of the payment due in respect of the ordered Storage Capacity,
  - two times the average monthly value (inclusive of VAT) of the financial obligations under the SSA being subject to the application, for the consecutive 12 gas months which do not correspond to Storage Years in case of GSF Kawerna, determined on the basis of the payment due in respect of the ordered Storage Capacity,

- in case of a Short-Term SSA – 17% of the value (inclusive of VAT) of the party's financial obligations to the SSO during the provision of Storage Services, determined on the basis of the payment due in respect of the ordered Storage Capacity,
- in case of a Day-Ahead SSA – shall be equivalent to PLN 20,000,
- in case of a SSA related to new Storage Capacity not covered by the Tariff – the value of the required financial security shall be determined on the basis of the tariff rates applicable to the Storage Capacity covered by the Tariff, as appropriate for the Storage Services indicated by the Applicant in the Application for a SSA.

The SSO shall inform the Storage Customer of the new value of the security instrument within 7 business days from the moment of the approval of the Tariff for new Storage Capacity. In such case, the SSO may demand that the value of the security instrument be increased or the Storage Customer may demand that the value of the security instrument be reduced, as the case may be, within 30 business days.

The security instrument may be presented in the following forms:

- a cash deposit in a bank account designated by the SSO,
- an irrevocable, unconditional bank or insurance guarantee payable upon first the SSO's demand (standard form is published on the OSM website) ,
- a suretyship covering the liabilities of the Applicant or the Storage Customer, issued by a surety which has and will document the above-mentioned financial rating (standard form is published on the OSM website).

In case when a Long-Term SSA is executed, the SSO shall have the right to repeat, from time to time, the assessment of the Applicant's creditworthiness at least once a year. For this purpose, the Applicant shall be required to present current financial statements the above-mentioned within 14 business days of being requested by the SSO to do the same. If the result of the creditworthiness assessment referred to above justifies an adjustment of the value of the security instrument by at least 10%, the SSO shall notify the Storage Customer thereof and request the Storage Customer to pay the outstanding amount due under the required security instrument, or release any surplus amounts under the security instrument – within 14 business days of the delivery of the relevant notification to the Storage Customer against a confirmation of receipt.

Within 14 business days of the loss of the financial rating referred to above, the Storage Customer shall be obliged to inform the SSO thereof and to present appropriate financial statements the above mentioned in order to enable the assessment of the Storage Customer's creditworthiness.

In the event that the SSO finds out by itself about the loss of the financial rating the above mentioned, the SSO may call upon the Storage Customer to present the financial statements the above mentioned within 14 business days of the SSO's request. Once the assessment the Storage Customer's creditworthiness is completed, the SSO shall inform the Storage Customer of the results of such assessment and the value of the required security instrument, and shall call upon the Storage Customer to present the required security document within 14 business days of the delivery of the respective notice to the Storage Customer.

In case when, during the term of the SSA, the Storage Customer obtains the credit rating such Storage Customer may request a waiver of the obligation to maintain the security instrument, provided that it presents the relevant documents evidencing that the required rating has been obtained. In such case, the SSO shall release the security instrument to the Storage Customer within 14 business days of receiving such documents.

Detailed information concerning Applicant's creditworthiness and security instrument is covered in Storage Code and General Terms and Conditions of the Storage Services Agreement available on website of SSO.