

Financial Eligibility

1. The Applicant / Customer must provide proof of and maintain sufficient financial eligibility to meet its duties under the Storage Contract or in connection therewith.
2. The Applicant shall supply said proof upon registration as stated in Article 2 GTC. Once proven, the Customer shall maintain financial eligibility for the entire duration of the Storage Contract.
3. If in doubt, the Storage Operator is entitled to invite the Customer in writing to update the status of its financial eligibility with a 14-day deadline for the provision of required documentation. If the Customer fails to submit documentation proving its sufficient financial eligibility within 5 business days of receiving a second notice to do so, the Storage Operator shall be entitled to withdraw from the Storage Contract.
4. Financial eligibility requirements shall be deemed complied with if either one of the two following conditions is met:
 - a) The Customer meets the following five conditions:
 - debt \leq 0.8 x equity,
 - debt \leq 3 x EBITDA,
 - R index \leq 280 or the long-term Customer rating by Standard & Poor's of at least BB or the long-term rating of at least Ba2 by Moody's of at least B3 or the long-term Fitch rating of at least B-,
 - CE \leq 0,2 x equity, and
 - the Customer is a corporate body with audited financial statements;

where individual terms have the following meaning:

“debt” means the Customer's interest-bearing loan capital;

“EBITDA” means the Customer's earnings before interest, taxes, depreciation and amortization, including interest costs and write-offs for the previous business year;

“CE” means the Storage Operator's credit exposure toward the Customer, which equals the Storage Price per month (the monthly price), included VAT of the relevant Storage Year.

To substantiate compliance with the above-mentioned requirements, the Applicant (Customer) shall submit its financial statements audited by an auditor which are not older than 15 months.

or

- b) The Customer has submitted original bank guarantee to the Storage Operator on the basis of which the Storage Operator's claim shall be settled without objections in a sum up to at least double the amount of CE as defined in clause a) above, provided the Storage Operator notifies the bank of the Customer's failure to fulfil its obligations under the relevant Storage Contract. The bank guarantee must remain effective for the duration of the relevant Storage Contract, extended by 30 calendar days.

In the event of long-term contracts regulating storage services in duration of more than one year, the submitted bank guarantee can have a shorter validity period. However, any such bank guarantee shall be at least one year in duration and be accompanied by a statement of the Applicant / Customer to the effect that it will be renewed at least 30 days prior to its expiry or replaced with a new guarantee. If the Applicant / Customer fails to renew or replace the bank guarantee within said period, the Storage Operator shall be entitled to withdraw from the Storage Contract with immediate effect.

5. The Customer shall immediately notify the Storage Operator of any changes which may materially affect its credit worthiness, especially the termination of any contract of profit or loss transfer pursuant to Article 291 of the Act on Joint-Stock Companies. The Storage Operator shall also be entitled to request the credit worthiness assessment to be carried out on an annual basis if further deterioration thereof can be expected. For this purpose, the storage user shall supply the Storage Operator with updated documents presented during the previous assessment of credit worthiness.
6. The Storage Operator shall be entitled to either carry out the credit worthiness assessment internally or have a third party to do so.