

GSA LLC

(Hereinafter referred to as “the Company”)

Compliance Officer’s Report

Year 2016

Moscow, 30 June 2017

## **1 Introduction**

According to the section 4 of the clause 2 of the paragraph 107 Gaswirtschaftsgesetz 2011 (hereinafter referred to as GWG), the Compliance officer of the Storage System Operator (hereinafter referred to as the SSO) shall provide to the regulating body (Energie-Control, Austria, hereinafter referred as E-Control) with the annual reports on the measures taken to ensure transparent and non-discriminatory conduct of business operations of the SSO (hereinafter referred to as the Report).

Providing this Report the SSO of UGS Haidach fulfills its obligations for the reporting for the year 2016.

The Report considers only the measures undertaken in the year 2014,2015 and 2016.

## 2 Company business organization

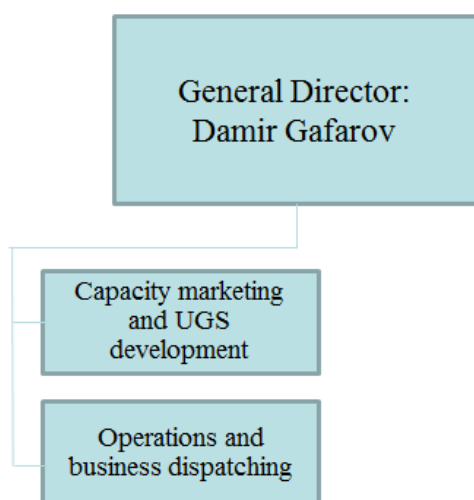
### 2.1 Unbundling of the Company

The Company was organized as an independent SSO on the 23.10.2014. The Company is independent in terms of its legal form, organization and decision-making from other parts of the vertically integrated gas company Gazprom export LLC (hereinafter referred as VIGC) that perform activities related to the gas trading. All rights and obligations under storage contracts in UGS Haidach have been assigned from VIGC to the Company.

The Company has its separate office located at Udaltsova street 1A, 119415, Moscow, Russia.

### 2.2 Company's organizational structure

#### Company management



The General Director of the Company is fully independent of the VIGC and takes the commercial and investment decisions at his own risk and responsibility. The General Director has signed a confidentiality agreement which regulates the handling of economical-sensitive and confidential information and sets responsibility for violations.

Business Dispatching has been organized in the Company as the separate function to avoid the transfer client's confidential information to VIGC or third parties.

## 2.3 The dispatching and technical operation services provided by the third parties

### Dispatching and technical operator

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Dispatching  
astora GmbH & Co. KG.

Technical operator of  
UGS:  
RAG

#### 2.3.1 Dispatching

- Dispatching services are provided by astora GmbH & Co. KG. (hereinafter referred to as astora) in virtue of Agreement about the performance of Dispatching Services in Support of the operation of the Storage Facility Haidach;
- astora's employees working directly with Company are informed about maintenance of confidentiality regarding confidential and economically-sensitive information;
- The confidentiality agreement with astora has been settled considering the provisions of the paragraph 6a of German Energy Industry Act.

#### 2.3.2 Technical Operator

- Technical operator of UGS Haidach is Rohöl-Aufsuchungs Aktiengesellschaft (hereinafter referred to as RAG);
- GSA LLC is accurately controlling the information transfer to RAG. RAG is supposed to receive only aggregated data about the injections and withdrawals;
- RAG's employees working directly with the Company are informed about maintenance of confidentiality regarding confidential and economically-sensitive information;
- The confidentiality agreement with RAG has been settled considering the provisions of the paragraph 6a of German Energy Industry Act.

### **3 Measures taken to exclude the non-discriminatory conduct of the business of the Company.**

#### 3.1 Transparency measures

The Company provides to all the third parties non-discriminatory and equal access to the information about offered storage products, their characteristics, accessibility and price. The information is published on the Company's website.

The Company's website also contains the information of current injections/withdrawals and maintenance plan with indication of capacity decline.

General Terms and Conditions to Access to the Haidach Natural Gas Storage Facility (hereinafter referred to as the GTC) as well as Operating Agreement, Non-Discriminatory Program of the Company and information about Capacity Allocation Procedures are available and free to download on the Company's website. The GTC entitles Company's clients to wholly or partially sublet its Storage Capacities to the third parties.

#### 3.2 Measures on non-discriminatory observance

Persons responsible for the management of the Company do not participate, directly or indirectly, in organizational structures of VIGC. The Company has real decision-making rights in regard to the assets needed for the operation, maintenance and development of the gas storage facilities whose exercise is independent of the VIGC.

All the employees of the Company act independently and responsibly. All the employees of the Company have signed a confidentiality agreement which regulates the handling of economical-sensitive and confidential information and sets responsibility for violations.

Compliance officer in 2015 hold several meetings with the employees of GSA to clarify all the issues of Non Discriminatory Program (NDP)

In order to ensure implementation and supervision of the NDP the Compliance Officer is obliged to:

- supervise implementation of the NDP;
- verify whether performance of the licensed activity by the Company is in accordance with the NDP;

- monitor legislative and regulatory changes;
- answer employees' questions regarding the NDP;
- educate employees about the NDP's principles;
- coordinate communication with Energie-Control Austria (hereinafter referred to as the E-Control) and any other competent bodies, in regard to compliance with the NDP, and submit a report on implementing the NDP.

The Compliance Officer reports directly to the General Director of the Company.

### **3.3 Confidential and economically-sensitive information (CESI)**

One of the key measures to secure the provision of information in a fair and non-discriminatory way is to determine the conditions for maintaining confidentiality. The duty not to disclose CESI is contained in confidentiality agreements or confidentiality provisions included within labor contracts with Company's employees. Based on these confidentiality provisions or agreements, the Company's employees and executive bodies are obliged to maintain confidentiality about all facts they become aware of when performing their duties.

The Company also ensures the maintenance of confidentiality regarding CESI in contracts with third parties.

Based on the above, these basic rules and specific follow-up measures shall be determined for the Company employees:

- Ban on the provision of CESI to the third parties;
- Ban on discrimination as concerns the duty to enable third party access to gas storage facilities;
- Securing the protection of CESI;

#### **CESI shall contain but shall not be limited to:**

- **Specific client information**

Specific client information is – the name of client, and any contractual and business details of separate clients having their source in the storage agreements and clients business behavior. The contract terms, contract types, chosen products, prices, credit status, information about auctions participation, nominations and stored gas volumes. This type of information is considered CESI according to the NDP if it is linked to the name of the client and can be used to define the client

- **Information about the storage marketing of the Company**

Information about the storage marketing is the information that can provide the VIGC competitive advantage in the sphere of gas trading. This information is but not limited to: information about the storage auctions, product change, tariff change, or other conditions change, about possible outages of UGS and new products

- **Information about the planned investments**

Information about the planned investments – this is information about the investments in current or new projects, about the projects termination or closure, which can provide the VIGC competitive advantage in the sphere of gas trading

- **Any information received by Company, its staff members or third parties, which ownership or transfer can provide the VIGC or third parties competitive advantage in the sphere of gas trading**

- **Any information which is considered confidential in accordance with local normative acts of the Company.**

#### **4. REMIT Reporting**

On 10th of August 2016 GSA LLC was registered in accordance with Article 9 the Regulation №1227/2011 (REMIT) with registered number A0012878Y.AT. and started providing the REMIT reporting.

#### **5. GIE registration**

In 2016 GSA LLC registered at GIE as a market participant.