

**ZEEBRUGGE HUB  
NATURAL GAS TRADING  
TERMS AND CONDITIONS  
(ZBT 2004)**

## **ZEEBRUGGE HUB NATURAL GAS TRADING TERMS AND CONDITIONS**

### **("ZBT 2004")**

#### 1 Definitions and Interpretation

1.1 The following words or phrases, where they appear in these Terms and Conditions or in a Confirmation, shall have the meanings respectively ascribed to them:

"Affiliated Company" shall mean:

- a) any company which directly or indirectly holds fifty (50) per cent or more of the share capital or the votes in a Party hereto; or
- b) any company in which one of the Parties hereto directly or indirectly holds fifty (50) per cent or more of the share capital or the votes; or
- c) any company in which fifty (50) per cent or more of the share capital or votes are held directly or indirectly by one or more companies which hold directly or indirectly fifty (50) per cent or more of the share capital or the votes in a Party hereto.

"Automatic Back-up" shall have the meaning specified in the Hub Services Agreement.

"Automatic Offtake" shall have the meaning specified in the Hub Services Agreement.

"Buyer" shall mean the Party specified as such in the relevant Transaction.

"Confidential Information" shall have the meaning attributed to it in Clause 11.

"Confirmation" shall mean a document that incorporates these Terms and Conditions by reference and confirms the details of the Transaction. The Confirmation shall be substantially in the form of the Confirmation attached hereto.

"Contract Price" shall be the price as agreed under the Transaction between the Parties exclusive of VAT and any applicable Taxes.

"Defaulting Party" shall have the meaning attributed to it in Clause 9.6.

"Daily Quantity" means the Quantity agreed under the Transaction between the Parties for a given Day.

"Day" shall mean a period beginning at 0600 hours on a day and ending at 0600 hours on the following day and the date of any Day shall be the date of its beginning as defined herein.

"Dow Jones" shall mean Dow Jones Newswires Inc. or any successor thereof.

"Due Date" shall have the meaning attributed to it in Clause 9.3.

"Early Termination Payment" shall have the meaning attributed to it in Clause 13.4.

"EUR" shall mean Euro.

"Fluxys Transmission System" shall mean the Natural Gas transmission system in Belgium that is operated by Fluxys S.A. which for the avoidance of doubt excludes the Interconnector Zeebrugge terminal.

"Force Majeure" shall have the meaning attributed to it in Clause 10.

"Hourly Quantity" or "HQ" means the Quantity agreed under the Transaction between the Parties for a given hour of a given Day.

"Hub Operator" shall mean HUBERATOR S.A. or any of its successors or assignees in its role as operator of the Zeebrugge Hub.

"Hub Services Agreement" shall mean the HSA 2001 agreement as such agreement may be amended from time to time in accordance with the terms thereof or any replacement thereof between the Hub Operator and the Buyer and the Seller respectively, which provides inter alia for the dispatching, matching and allocation services at the Zeebrugge Hub.

"Interconnector" shall mean the Natural Gas transmission system from and including the Interconnector Bacton terminal to and including the Interconnector Zeebrugge terminal.

"Interconnector Zeebrugge Terminal Fluxys" or "IZTF" shall mean the terminal, part of the Fluxys Transmission System, immediately downstream of the Interconnector when the Natural Gas flows from the Interconnector to the Fluxys Transmission System.

"Joule" or "J" shall be identical with the definition of the derived "SI Unit of quantity of heat" as defined in ISO 1000 SI units and recommendations for the use of their multiples and of certain other units and "Megajoule" or "MJ" shall mean one million (1 000 000) Joules and "Gigajoule" or "GJ" shall mean one thousand (1 000) Megajoules.

"Month" shall mean a period beginning at 0600 hours on the first day of a calendar month and ending at 0600 hours on the first day of the next succeeding calendar month.

"Loss" shall have the meaning specified in Clause 13.4.2.

"Monthly Statement" shall have the meaning as referred to in Clause 9.1.

"Natural Gas" shall mean any hydrocarbon or mixture of hydrocarbons and non-combustible gases which, when extracted from the subsoil of the earth in its natural state separately or together with liquid hydrocarbons, is in the gaseous state.

"Net Buyer" and "(Net) Buyer" shall have the meaning attributed to those terms in Clauses 7.1.1 b) and c).

"Net Seller" and "(Net) Seller" shall have the meaning attributed to those terms in Clauses 7.1.1 b) and c).

"Net Daily Quantity" shall have the meaning attributed to it in Clause 7.1.1 b).

"Net Hourly Quantity" or "NHQ" and "(Net) Hourly Quantity" and "(N)HQ" shall have the meaning attributed to those terms in Clauses 7.1.1 b) and c).

"Non-Defaulting Party" shall have the meaning attributed to it in Clause 9.6.

"Notice Period" shall have the meaning specified in Clause 13.2.

"Office Hours" shall mean the period between 0900 and 1700 hours on a Working Day.

"Option Transaction" shall have the meaning specified in the Option Transactions Annex.

“Option Transactions Annex” shall mean the Option Transactions Annex attached to and forming part of these Terms and Conditions.

"Party" shall mean either the Buyer or the Seller.

"Performance Assurance" means a security to cover the performance of a Party's financial obligations under all outstanding Transactions which may be provided by such Party in the form of a letter of credit, cash, or other security (including a bank or parent guarantee), in a form, amount and from an entity reasonably acceptable to the requesting Party;

"Quantity" shall mean a quantity of Natural Gas expressed in Gigajoule under the Transaction.

"Reasonable and Prudent Operator" as used herein to describe the standard of care to be exercised by a Party in performing its obligations hereunder shall mean that degree of diligence, prudence and foresight reasonably and ordinarily exercised by experienced operators engaged in the same line of business under the same or similar circumstances and conditions having due consideration to the interest of the other Party under the Transaction.

"Seller" shall mean the Party specified as such in the relevant Transaction.

"Supply Period" shall mean the period as agreed under the Transaction between the Parties.

"Tax" means any royalty, tariff, tax, levy, duty, impost or analogous tax or import/export tax (other than value added tax or any tax analogous to value added tax) on Natural Gas or on the processing, sale, transportation or supply of Natural Gas but excluding any tax on net income, profits or gains.

"Terminating Party" shall have the meaning ascribed to it in Clause 13.1.

"Terms and Conditions" means these Zeebrugge Hub Natural Gas Trading Terms and Conditions set out herein including the Option Transactions Annex.

"Trade Nomination" shall have the meaning specified in the Hub Services Agreement.

"Transaction" shall mean an oral or written agreement or an agreement made through an electronic trading platform for the sale and purchase of a Quantity of Natural Gas such agreement to include, inter alia, these Terms and Conditions, the Supply Period, the Daily Quantity, the Hourly Quantity and the Contract Price.

"Week" shall mean a period of seven (7) Days beginning at 0600 hours on any Monday and ending at 0600 hours on the next Monday.

"Weekday" shall mean any Day that is a Monday, Tuesday, Wednesday, Thursday or Friday.

"Working Day" shall mean any day other than a Saturday, Sunday, December 25 and January 1.

"Zeebrugge Hub" shall be a point marked as such within the IZTF located downstream of the metering facilities within the IZTF when the Natural Gas flows from the Interconnector into the Fluxys Transmission System.

"ZIG Day-ahead" means the Zeebrugge Day-ahead Base Index for Natural Gas expressed in EUR/GJ or such other currency or unit which the Parties may agree, as published by Dow Jones. It shall be the

applicable index in relation to a breach occurring in respect of any hour on a Weekday except if any such Day is a Friday or a Monday which is a public holiday in England and Wales.

"ZIG Weekend" means the Zeebrugge Weekend Base Index for Natural Gas expressed in EUR/GJ or such other currency or unit which the Parties may agree, as published by Dow Jones. It shall be the applicable index in relation to a breach occurring in respect of any hour on a Saturday or Sunday or on a Friday or Monday which is a public holiday in England and Wales.

"ZIG Member" shall mean a Party who has entered into an agreement with Dow Jones for the provision of trading data, which will be used to calculate the value of the ZIG Day-ahead and the ZIG Weekend.

- 1.2 The Clause headings in these Terms and Conditions are for convenience only and shall not affect the interpretation or construction of these Terms and Conditions.
- 1.3 A reference to the singular in these Terms and Conditions includes a reference to the plural and vice versa unless the context otherwise requires.
- 1.4 Any reference to time shall be construed as the time being in force at the Zeebrugge Hub.
- 1.5 Any reference in these Terms and Conditions to a Transaction includes any permitted assignment, novation, supplement or amendment to the Transaction.
- 1.6 In the event of conflict between the terms of a Transaction and these Terms and Conditions, the Transaction shall prevail and in the event of

a conflict between the terms of a Transaction and a Confirmation, the terms of the Transaction shall prevail.

- 1.7 Where there are references made to laws and agreements these are the ones applicable at the time of delivery.

## 2 Sale and Purchase Agreement

The Seller agrees to sell and deliver and the Buyer agrees to buy and take a Quantity of Natural Gas at the Zeebrugge Hub in accordance with the provisions of the Transaction.

## 3 Entitlement and Risk

- 3.1 The Seller warrants to the Buyer that it has the right to transfer (or cause to be transferred) to the Buyer full entitlement to the Natural Gas sold under a Transaction.

- 3.2 Risk associated with all Natural Gas sold and purchased under a Transaction shall pass from the Seller to the Buyer at the Zeebrugge Hub.

## 4 Quality

Any Natural Gas delivered at the Zeebrugge Hub under a Transaction shall be deemed to comply with the operating conditions and quality requirements applicable at IZTF.

## 5 Confirmation Procedure

- 5.1 The Parties may within three (3) Working Days of an oral or electronic Transaction being entered into, send by facsimile or another agreed reliable written means of communication to each other a signed

Confirmation detailing their understanding of the terms of the oral or electronic Transaction.

- 5.2 If a Party receives a Confirmation, it shall promptly review the terms of such Confirmation. If the Party receiving the Confirmation is not satisfied that the Confirmation accurately reflects the terms of the Transaction, it shall notify the other Party of any inconsistency as soon as reasonably practicable and in any event within five (5) Working Days of receipt of the Confirmation. The issuing Party shall upon resolving the inconsistency issue a new Confirmation. If the inconsistency cannot be resolved the provisions of Clause 5.4 shall apply.
- 5.3 If both Parties send a Confirmation and their terms contradict, then each such Confirmation shall be deemed to be a notice of objection to the terms of the other Party's Confirmation. If the contradiction cannot be resolved the provisions of Clause 5.4 shall apply.
- 5.4 In the event of a dispute about the details of an oral Transaction the telephone recording of such Transaction shall be used as primary evidence by the Parties in order to resolve the dispute. In the event of inconsistency between the telephone recording and the respective Confirmation, the telephone recording shall prevail. In the event of any dispute about the details of an electronic Transaction, the data saved and made available to the Parties by the provider of the electronic trading platform shall be used as primary evidence by the Parties in order to resolve the dispute, notwithstanding the dispute resolution provisions of such provider.
- 5.5 The Parties hereby consent to the recording of telephone conversations in respect of all Transactions.

5.6 Failure by the Seller or the Buyer to notify the other Party of any inconsistency in a Confirmation pursuant to Clause 5.2 shall not be a material breach of the Transaction.

## 6 Representations and Warranties

6.1 Each Party represents and warrants to the other that:

a) it has obtained and will maintain at all times during the Supply Period any licences, authorisations, permits, consents and other approvals necessary to enable it to fulfil its obligations under the Transaction, and

b) it has entered into and subject to Clause 6.2 will remain a Party to a Hub Services Agreement with the Hub Operator to enable it to fulfil its obligations under the Transaction.

6.2 Clause 6.1 b) shall not apply when the Hub Operator exercises its rights of termination pursuant to Article 6.1 of the Hub Services Agreement. The representation and warranty made in Clause 6.1 b) is without prejudice to the right of each Party to terminate the Hub Services Agreement pursuant to Article 6.2 thereof.

## 7 Transactions

### 7.1 Trade Nominations

7.1.1 a) Subject to Clauses 7.1.1b) and d), each Party shall in respect of each Day and each hour within the Supply Period for which the Daily Quantity is greater than zero make a Trade Nomination to the Hub Operator for the Daily Quantity and the Hourly Quantity.

- b) Where in respect of any Day there is more than one Transaction between the Parties, each Party shall be deemed to have fulfilled its obligation to make a Trade Nomination under each Transaction provided it has made a net Trade Nomination to the Hub Operator, in accordance with the rounding and conversion provisions defined in Clause 20, which is the aggregated net result of all Daily Quantities (hereinafter known as the "Net Daily Quantity") and of all Hourly Quantities for each hour (hereinafter known as the "Net Hourly Quantity" or "NHQ") being bought and sold under all relevant Transactions between the Parties. The Net Hourly Quantity shall be nominated to the Hub Operator by one Party as the net seller, being the Party delivering Natural Gas ("Net Seller") and nominated by the other Party as the net buyer, being the Party offtaking Natural Gas ("Net Buyer").
  
- c) Subject to whether in respect of any Day or any hour there is one Transaction between the Parties or more than one, references in this Clause 7 to the "(Net) Seller" shall mean either the Seller or Net Seller, as applicable, references to the "(Net) Buyer" shall mean either the Buyer or Net Buyer, as applicable, and references to "(Net) Hourly Quantity" or "(N)HQ" shall mean either the Hourly Quantity or the Net Hourly Quantity, as applicable.
  
- d) Neither Party shall make a Trade Nomination in respect of any hour in any Day where the Net Hourly Quantity for that hour is equal to zero.

7.1.2 The fact that the Trade Nominations of both Parties are being deemed equal to zero in accordance with the Hub Services Agreement shall be without prejudice to the provisions of Clause 7.1.3.

7.1.3 Save where Clause 7.1.1 d) applies, where in respect of a Day the Trade Nominations submitted by the Parties pursuant to the

Transaction(s) are being deemed equal to zero in accordance with the Hub Services Agreement:

- a) a breach by the (Net) Buyer shall be deemed to have occurred if the last correct Trade Nomination in respect of the Transaction, including the rounding service provided by the Hub Operator, if any, was made by the (Net) Seller; or
- b) a breach by the (Net) Seller shall be deemed to have occurred if the last correct Trade Nomination in respect of the Transaction, including the rounding service provided by the Hub Operator, if any, was made by the (Net) Buyer, or
- c) where neither Party has submitted a correct Trade Nomination or if the Hub Operator has not matched the Trade Nominations in accordance with the Hub Services Agreement a breach by both Parties shall be deemed to have occurred and neither Party shall be liable to the other for any costs, losses, expenses or liabilities in relation to such breach.

7.1.4 Where the Hub Operator has confirmed a match (including the rounding service if applicable) with regard to a Trade Nomination as provided in the Hub Services Agreement, neither Party shall, unless otherwise agreed by the Parties, amend or withdraw such Trade Nomination.

## 7.2 Breach by the (Net) Buyer

Save and except in respect of an event of Force Majeure, if for any hour of the Day the (Net) Buyer is in breach of Clause 7.1.1 or 7.1.4, or is deemed to be in breach in accordance with Clause 7.1.3 a), the (Net) Buyer shall pay, for each such hour, to the (Net) Seller the result, if positive, of  $(CPD - GSP) \times QN_s$ .

GSP shall be 0.5 times the ZIG Day-ahead or the ZIG Weekend, as applicable. For the calculation of the GSP either the ZIG Day-ahead or the ZIG Weekend that was last published prior to the Day on which the breach started to occur shall be relevant, even if the breach lasts for more than one Day. If, however, a breach lasts for more than three (3) consecutive Days, the ZIG Day-ahead (and not the ZIG Weekend) that was last published prior to the Day on which such breach started to occur shall apply. For the avoidance of doubt, in relation to a breach occurring in respect of any hour on a Tuesday, Wednesday or Thursday which is a public holiday in England and Wales, the applicable index shall be the ZIG Day-ahead that was last published prior to the Day on which such breach started to occur.

QN<sub>s</sub> shall be the Hourly Quantity under the relevant Transaction or, where there is more than one Transaction between the Parties in respect of that hour, the Net Hourly Quantity nominated for such hour under the correct Trade Nomination of the Net Seller.

CPD shall be the Contract Price under the relevant Transaction or, where there is more than one Transaction between the Parties in respect of that hour, CPD shall be the energy weighted average of the Contract Prices under the Transactions for that hour in which the Net Buyer is the Buyer.

Subject to a Party's rights under Clause 13, application of the provisions of Clause 7.2 shall be in full and final satisfaction of the rights of the (Net) Seller and save in case of fraud, intentional default or gross negligence the sole remedy available to the (Net) Seller in respect of a breach by the (Net) Buyer of Clauses 7.1.1 or 7.1.4 or where the (Net) Buyer is deemed to be in breach in accordance with Clause 7.1.3.a) howsoever caused.

### 7.3 Breach by the (Net) Seller

Save and except in respect of an event of Force Majeure, if for any hour of the Day the (Net) Seller is in breach of Clauses 7.1.1 or 7.1.4, or is deemed to be in breach in accordance with Clause 7.1.3.b), the (Net) Seller shall pay, for each such hour, to the (Net) Buyer the result, if positive, of  $(GSP - CPD) \times QN_B$ .

GSP shall be 1.5 times the ZIG Day-ahead or the ZIG Weekend, as applicable. For the calculation of the GSP either the ZIG Day-ahead or the ZIG Weekend that was last published prior to the Day on which the breach started to occur shall be relevant, even if the breach lasts for more than one Day. If, however, a breach lasts for more than three (3) consecutive Days, the ZIG Day-ahead (and not the ZIG Weekend) that was last published prior to the Day on which such breach started to occur shall apply. For the avoidance of doubt, in relation to a breach occurring in respect of any hour on a Tuesday, Wednesday or Thursday which is a public holiday in England and Wales, the applicable index shall be the ZIG Day-ahead that was last published prior to the Day on which such breach started to occur.

$QN_B$  shall be the Hourly Quantity under the relevant Transaction or, where there is more than one Transaction between the Parties in respect of that hour, the Net Hourly Quantity nominated for such hour under the correct Trade Nomination of the Net Buyer.

CPD shall be the Contract Price under the relevant Transaction or, where there is more than one Transaction between the Parties in respect of that hour, CPD shall be the energy weighted average of the Contract Prices under the Transactions for that hour in which the Net Seller is the Seller.

Subject to a Party's rights under Clause 13, application of the provisions of Clause 7.3 shall be in full and final satisfaction of the rights of the (Net) Buyer and save in case of fraud, intentional default or gross negligence, the sole remedy available to the (Net) Buyer in respect of a breach by the (Net) Seller of Clauses 7.1.1 or 7.1.4 or where the (Net) Seller is deemed to be in breach in accordance with Clause 7.1.3.b) howsoever caused.

#### 7.4 Deliveries and offtakes

7.4.1 The (Net) Seller shall in respect of any hour of a Day within the Supply Period make available at the Zeebrugge Hub for offtake by the (Net) Buyer the (Net) Hourly Quantity of Natural Gas.

7.4.2 The (Net) Buyer shall in respect of any hour of a Day within the Supply Period offtake at the Zeebrugge Hub the (Net) Hourly Quantity of Natural Gas made available by the (Net) Seller.

#### 7.5 Failure to offtake by the (Net) Buyer

Save and except in respect of an event of Force Majeure, if for any hour of a Day the (Net) Buyer does not offtake the (Net) Hourly Quantity made available by the (Net) Seller under Clause 7.4.1 the (Net) Buyer shall:

- a) For the period, if any, starting at the end of the Automatic Offtake period until the end of the Day immediately following the start of the said period, pay to the (Net) Seller, for each hour in the said period, the result, if positive, of  $(CPD - GSP) \times ((N)HQ - Q)$ . GSP shall be as defined in Clause 7.2. Q shall be the quantity of Natural Gas offtaken by the (Net) Buyer during said hour of the Day as determined under the Hub Services Agreement. CPD shall be as defined in Clause 7.2.

b) For the period, if any, starting immediately after the end of the period defined under a) hereabove until the (Net) Buyer shall cease to be in breach as specified above pay to the (Net) Seller, for each hour in the said period, the result, if positive, of  $(CPD - GSP) \times ((N)HQ - Q)$  where the (Net) Seller shall be at liberty to determine the GSP for the entire period under this sub-paragraph b) to either be:

- i) equal to the GSP as defined under a) above; or
- ii) the actual unit proceeds of the sale of Natural Gas for the relevant hour(s) or Day(s) in respect of which the (Net) Buyer is in breach, due to be received by the (Net) Seller, provided that the (Net) Seller shall be under an obligation to act as a Reasonable and Prudent Operator in entering into the sale with a third party.

Q and CPD shall be as defined under a) hereabove.

Subject to a Party's rights under Clause 13, application of the provisions of Clause 7.5 shall be in full and final satisfaction of the rights of the (Net) Seller and save in the case of fraud, intentional default or gross negligence, the sole remedy available to the (Net) Seller in respect of a breach by the (Net) Buyer of Clause 7.4.2 howsoever caused.

#### 7.6 Failure to make available by the (Net) Seller

Save and except in respect of an event of Force Majeure, if for any hour of a Day the (Net) Seller does not make available the (Net) Hourly Quantity for offtake by the (Net) Buyer under Clause 7.4.2 the (Net) Seller shall:

- a) For the period, if any, starting at the end of the Automatic Back-up period until the end of the Day immediately following the start of the said period, pay to the (Net) Buyer, for each hour in the said period, the result, if positive, of  $(GSP - CPD) \times ((N)HQ - Q)$ . GSP shall be as defined in Clause 7.3. Q shall be the quantity of Natural Gas made available by the (Net) Seller during said hour of the Day as determined under the Hub Services Agreement. CPD shall be as defined in Clause 7.3.
- b) For the period, if any, starting immediately after the end of the period defined under a) hereabove until the (Net) Seller shall cease to be in breach as specified above pay to the (Net) Buyer, for each hour in the said period, the result, if positive, of  $(GSP - CPD) \times ((N)HQ - Q)$  where the (Net) Buyer shall be at liberty to determine the GSP for the entire period under this sub-paragraph b) to either be:
- i) equal to the GSP as defined under a) above; or
  - ii) the actual unit cost of replacement Natural Gas for the relevant hour(s) or Day(s) in respect of which the (Net) Seller is in breach, due to be paid by the (Net) Buyer, provided that the (Net) Buyer shall be under an obligation to act as a Reasonable and Prudent Operator in entering into the purchase from a third party.

Q and CPD shall be as defined under a) hereabove.

Subject to a Party's rights under Clause 13, application of the provisions of Clause 7.6 shall be in full and final satisfaction of the rights of the (Net) Buyer and save in the case of fraud, intentional default or gross negligence, the sole remedy available to the (Net) Buyer in respect of a breach by the (Net) Seller of Clause 7.4.1 howsoever caused.

## 7.7 Payment of compensation

Any amount due under Clauses 7.2, 7.3, 7.5 and 7.6 shall be included in the Monthly Statement rendered in accordance with Clause 9 unless otherwise agreed by the Parties.

## 8 Payment obligation and Taxes

In respect of a Transaction:

- 8.1 the Buyer shall for any given Month pay the Seller in arrears the amount calculated by multiplying the Contract Price, expressed in EUR /GJ or such other currency or unit which the Parties may agree, by the sum of the Quantity of Natural Gas actually offtaken by the Buyer during said Month as determined under the Hub Services Agreement and any part of the Quantity of Natural Gas which was sold by the Seller to the Buyer during said Month but was not nominated because it was the subject of a net Trade Nomination in accordance with Clause 7.1.1b) or because no Trade Nomination was required pursuant to Clause 7.1.1d).
- 8.2 the Buyer shall pay any VAT (if applicable by law) on receipt of appropriate tax invoices from the Seller and shall ensure that all Taxes legally payable by the Buyer arising as a result of each Transaction are paid.
- 8.3 the Seller shall ensure that all Taxes legally payable by the Seller arising as a result of each Transaction are paid.

9 Billing and Payment

9.1 On or before the tenth (10<sup>th</sup>) day of the Month following each Month which is wholly or partly in the Supply Period the Seller shall send to the Buyer a statement ("Monthly Statement") which shall show, in respect of each Transaction, for the preceding Month:

9.1.1 the Quantity of Natural Gas in respect of which the Contract Price is payable for that Month (being (i) in the case of the Net Buyer based on the Daily Quantities, and (ii) in the case of the Net Seller, based on the Daily Quantities subject to adjustment as a result of the allocation performed by the Hub Operator under the HSA) and the resultant sum owing to the Seller;

9.1.2 the Contract Price;

9.1.3 any amounts due from one Party to the other, together with any applicable quantities of Natural Gas, pursuant to Clauses 7.2, 7.3, 7.5 or 7.6;

9.1.4 the net amount payable from one Party to the other after taking into account all the matters set out above; and

9.1.5 VAT, if applicable, and any applicable Taxes.

9.2 For the avoidance of doubt, it is acknowledged that each Monthly Statement shall be based upon the Daily Quantities and Hourly Quantities agreed by the Parties pursuant to each Transaction and not the Net Daily Quantities and Net Hourly Quantities which are used (when applicable) to calculate the net Quantities to be nominated, made available and offtaken by the Parties pursuant to Clauses 7.1 and 7.4, after aggregating all Transactions between the Parties for the relevant hour and Day. It is further acknowledged that to the extent there is a

breach by the Net Buyer under Clause 7.2 or 7.5, then the Quantity which the Net Buyer has failed to nominate or offtake, as applicable, for the relevant hour, as determined pursuant to Clause 7.2 or 7.5, as applicable, shall be allocated, for the purpose of invoicing, to the Transaction between the Parties in which the Net Buyer is the Buyer or, where there is more than one such Transaction, on a pro rata basis to those Transactions in which the Net Buyer is the Buyer. Such allocation shall be calculated by the Net Seller. The Quantity which the Net Buyer has failed to offtake shall be taken from the relevant monthly allocation form provided by the Hub Operator. To the extent there is a breach by the Net Seller under Clause 7.3 or 7.6, then the Quantity which the Net Seller has failed to nominate or make available, as applicable, for the relevant hour, as determined pursuant to Clause 7.3 or 7.6, as applicable, shall be allocated, for the purpose of invoicing, to the Transaction between the Parties in which the Net Seller is the Seller or, where there is more than one such Transaction, on a pro rata basis to those Transactions in which the Net Seller is the Seller. Such allocation shall be calculated by the Net Seller. The Quantity which the Net Seller has failed to make available shall be taken from the relevant monthly allocation form provided by the Hub Operator.

9.3 On or before the twentieth (20<sup>th</sup>) day of the Month in which the Monthly Statement is received by the Buyer or on or before the tenth (10<sup>th</sup>) day after receipt, whichever is the later (“the Due Date”), the Buyer or the Seller, as the case may be, shall pay to the other Party the amount payable in accordance with the Monthly Statement. If the Due Date is not a Working Day, then payment shall be made on the last Working Day prior to the Due Date.

9.4 All payments shall be made in the currency in which the Contract Price was agreed and shall be credited in full by the appropriate Due Dates to the bank account as designated by the payee. For the avoidance of doubt a remitter shall pay its own bank charges.

The bank account to be designated by the payee shall be so designated by adequate prior notice and shall be with banks at major banking places in Western Europe.

9.5 If a Party in good faith disputes any sum shown in the Monthly Statement as being payable by that Party, it shall make payment of the undisputed amount, on or before the Due Date and shall give notice of the amount in dispute and the reasons therefore to the other Party. The Parties shall seek to settle the disputed amount as soon as possible. Any sum (or part thereof) which was the subject of a dispute between the Parties and which is subsequently agreed or determined to be due, shall bear interest in accordance with Clause 9.6.1.

9.6 If a Party (the “Defaulting Party”) fails to pay to the other Party (the “Non-Defaulting Party”) by the Due Date any amount due (except if such sum is the subject of a dispute between the Parties pursuant to Clause 9.5):

9.6.1 interest shall be paid on that amount for the period starting from and including the Due Date and ending on but excluding the value date of the payment, on the basis of an annual rate corresponding to the one (1) month EURIBOR or LIBOR rate (as applicable) as published by the Financial Times, London, on the Due Date plus two hundred (200) base points;

9.6.2 the Non-Defaulting Party may terminate all (but not some only) Transactions in accordance with Clause 13.2.2;

9.6.3 the Non-Defaulting Party may upon giving three (3) Working Days’ written notice to the Defaulting Party (provided that payment has not been received by the expiry of such notice and provided that such sum is not subject to a dispute between the Parties pursuant to Clause 9.5)

suspend the making of Trade Nominations and the delivery or offtake (as applicable) of Natural Gas under all (but not some only) Transactions and (provided that the Non-Defaulting Party has already exercised any rights available to it to set off its obligations to make payments under the Transactions to the Defaulting Party against any amounts owed by the Defaulting Party to it) the Non-Defaulting Party shall have the right to withhold payments owed by it to the Defaulting Party under the Transactions until such time as payment is received without incurring any liability towards the Defaulting Party; if the Non-Defaulting Party chooses to suspend performance in the circumstances described in this Clause 9.6.3, such election is without prejudice to any other rights or remedies which may be available to the Non-Defaulting Party against the Defaulting Party in respect of the circumstances giving rise to the suspension.

9.7 The Party to whom an amount is due under a Transaction shall be entitled to set off against any undisputed amounts which it is due to pay to the other Party in respect of any or all Transactions with such Party, any undisputed amounts that it is due to receive from such Party, in respect of any Transactions.

9.8 Any invoice not disputed within twenty-four (24) months after the Due Date shall be considered as final between the Parties.

10 Force Majeure

10.1 The expression "Force Majeure" shall mean any event or circumstances beyond the control of a Party acting as a Reasonable and Prudent Operator which causes or results in a failure by such Party to fulfil any obligation under the Transaction, other than the obligation to make money payments hereunder.

Events which, provided they fulfil the requirements stated in the preceding sentence, constitute Force Majeure, shall include, but shall not be limited to: forces of nature, strikes, lock-outs, acts of Government or any governmental authority or representative thereof (whether or not legally valid), wars, insurrections, riots, landslides, fires, floods, earthquakes, explosions, breakage or accidents to any transportation facilities immediately upstream or downstream of the Zeebrugge Hub or other transporter's plant or equipment necessary for the implementation of the Transaction. For the avoidance of doubt any force majeure event affecting the Interconnector shall not be Force Majeure for the purpose of these Terms and Conditions.

Any labour dispute shall be settled at the sole discretion of the Party having such dispute.

For the avoidance of doubt any failure by a Party to fulfil any obligation under the Transaction which is due to said Party having granted a contractual right to a third party to restrict the availability of transportation or production capacity required for that Party to fulfil any of its obligations under the Transaction shall not constitute Force Majeure under the Transaction.

For the avoidance of doubt Force Majeure shall not include loss of the Buyer's markets or the Seller's sources of supply or the Buyer's inability to use or resell Natural Gas purchased hereunder.

- 10.2 If by reason of Force Majeure either Party is rendered unable wholly or in part to carry out its obligations under a Transaction, then the obligations of the Party concerned, as long as and to the extent that the obligations are affected by such Force Majeure, as well as the corresponding obligations of the other Party, shall be suspended.

10.3 In the event of Force Majeure, the Party not claiming Force Majeure may terminate all (but not some only) affected Transactions by giving three (3) Working Days notice to the other if Force Majeure in respect of each such Transaction continues or in the reasonable opinion of the Party not claiming Force Majeure is foreseen to continue for:

- a) a period of seven (7) consecutive Days or more, such period being at least twenty-five (25) per cent of the remainder of the Supply Period; or
- b) a period of sixty (60) consecutive Days or more.

10.4 A Party claiming relief on account of Force Majeure shall:

- a) forthwith notify the other Party of the event or circumstances constituting Force Majeure and shall with reasonable diligence furnish all available information on the cause of the event and estimate the time required to remedy the Force Majeure situation; and
- b) forthwith take all reasonable practicable steps to rectify the circumstances preventing the performance of its obligations immediately after those circumstances arise and to minimise the damage caused thereby.

## 11 Information and Confidentiality

The terms and conditions of the Transaction and all information provided thereunder shall be Confidential Information and shall not be disclosed without the prior written consent of the other Party, save that consent shall not be required for disclosure:

- 11.1 to the supervisory board, to (the board of) directors, employees or Affiliated Companies of either Party, provided that they in turn are required by that Party to treat the information disclosed as confidential;
- 11.2 to persons professionally engaged by either Party, provided that they in turn are required by that Party to treat the information disclosed as confidential;
- 11.3 to any government department or agency having jurisdiction over that Party in respect of the Transactions;
- 11.4 to any bank or other financial institution in relation to the financing of either Party's business activities, provided that the bank or other financial institution, as the case may be, is required by that Party to treat the information disclosed as confidential;
- 11.5 to the extent required by any applicable laws, judicial process or the rules and regulations of any recognised stock exchange;
- 11.6 to any intending assignee of the rights and interests of either Party under the Transaction provided that such intending assignee in turn is required by that Party to treat the information disclosed as confidential;
- 11.7 to the Hub Operator for the performance of the Transaction;
- 11.8 to the extent that such information is in or lawfully comes into the public domain other than by breach of this Clause 11; or
- 11.9 to price reporting agencies in respect of Contract Price, Supply Period, flexibility and Daily Quantity only. For the avoidance of doubt the other Party's identity will not be disclosed save for reporting to Dow Jones in respect of the ZIG Day-ahead or ZIG Weekend where the other Party's identity will be disclosed if that Party is also a ZIG Member.

## 12 Assignment

Neither Party shall assign to any person any of its rights or obligations in respect of a Transaction without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed.

## 13 Term and Termination

13.1 A Party (the "Terminating Party") may terminate all (but not some only) outstanding Transactions forthwith by giving written notice to the other Party:

13.1.1 in the event of the other Party becoming insolvent, ceasing to trade or having a receiver, liquidator, administrator, administrative receiver or the equivalent thereof appointed over some or all of its assets or if, without prejudice to any of the foregoing events, proceedings are commenced for its dissolution or winding up (other than a voluntary winding up for the purposes of solvent amalgamation or reconstruction) and such proceedings are not withdrawn, stayed or discharged within fifteen (15) Working Days of their commencement; or

13.1.2 in the event of the other Party being in breach of Clause 6; or

13.1.3 in the event a material adverse change has occurred with respect to the financial standing of the other Party when compared to such Party's financial standing as at the date of any Transaction which change affects its ability to perform its financial obligations in respect of the Transaction, on condition that such Party fails to provide Performance Assurance within five (5) Working Days of the Terminating Party's request therefore; or

- 13.1.4 where the Parties have entered into one or more Option Transactions, in accordance with Article 6.2 (ii) of the Option Transactions Annex.
- 13.2 The Terminating Party may also terminate all (but not some only) outstanding Transactions by giving five (5) Working Days' notice (the "Notice Period") to the other Party in the event that the other Party:
- 13.2.1 is materially in breach of any of its obligations (other than any other breach expressly covered by these Terms and Conditions) under any Transaction provided that the Party in breach has not remedied the breach within the Notice Period and in the case of a breach being remedied before the expiry of the Notice Period, the notice is deemed not to have been given; or
- 13.2.2 fails to pay the amount specified in the Monthly Statement in accordance with Clause 9 provided that the Party in breach has failed to remedy the breach before expiry of the Notice Period. In the case of the breach being remedied before the expiry of the Notice Period, the notice is deemed not to have been given; or
- 13.2.3 fails to provide or maintain security for performance of its financial obligations as agreed at the date of any Transaction provided that the Party in breach has failed to remedy the breach before expiry of the Notice Period. In the case of the breach being remedied, the notice is deemed not to have been given.
- 13.3 The termination of any Transaction, however occurring, shall not affect any rights or obligations that may have accrued to either Party due to the execution of the Transaction prior to termination and any sums which have accrued but which are not yet due shall be deemed to be due on the date of termination.

13.4 Upon termination of all Transactions, the Terminating Party shall as soon as reasonably practicable calculate for every Transaction an amount, which may be positive or negative (the “Early Termination Payment”) as follows:

13.4.1 (MV-RV)-I where the Terminating Party is the Buyer, or  
(RV-MV)-I where the Terminating Party is the Seller

where:

(MV-RV) or (RV-MV) respectively shall be applicable whether positive or negative and where

"MV" is the market value of the Transaction calculated as follows:

$$(D \times DQ) \times GSPT$$

where:

"D" is the number of Days from and including the date of termination to the end of the Supply Period

"DQ" is the Daily Quantity agreed upon for each Day or part thereof;

"GSPT" is the Gas Settlement Price, which shall be the time weighted average of the arithmetic average of at least three (3) representative price quotes, taking respectively the bid or offer quotes as relevant for the situation of the Terminating Party, published on or in respect of the Day of termination under Clause 13 for the remainder of the Supply Period in respect of which the breach occurs, by different independent and reliable, regular publications (that have been publishing the relevant prices for the Zeebrugge Hub for a minimum of three (3) months prior to the date of such termination).

"RV" is the remaining contract value of the Transaction calculated as follows:

$$(D \times DQ) \times CPT$$

where:

"D" is the number of Days from and including the date of termination to the end of the Supply Period;

"DQ" is the Daily Quantity agreed upon for each Day or part thereof;

"CPT" is the Contract Price under the terminated Transaction.

"I" is the amount by which (MV-RV) or (RV-MV), as applicable, are discounted to reflect the present day value as at the termination date. The annual rate of interest for the purpose of this calculation shall be the one (1) month EURIBOR rate or the one (1) month LIBOR rate, as applicable, as published by the Financial Times, London as quoted at the date of termination or the first Working Day after the date of termination and I shall be calculated from the Due Date for payment of each future invoice and the deemed Due Date for payment of future invoices shall be the twentieth (20<sup>th</sup>) of each month.

13.4.2 If the price quotes necessary for the calculation of GSPT under 13.4.1 are not available or the use of the available price quotes (as determined in good faith by the Terminating Party) would not produce a result reflecting the market value of representative transactions at the Zeebrugge Hub in calculating the remaining market value, the following shall apply:

- (i) Where replacement transactions are entered into by the Terminating Party acting as a Reasonable and Prudent Operator, GSPT shall be the actual unit cost of replacement

for the remainder of the Supply Period when the Terminating Party is the Buyer or the actual unit proceeds of sale for the remainder of the Supply Period when the Terminating Party is the Seller, provided always that the Terminating Party shall be under no obligation to enter into any replacement transaction in order to determine the value of GSPT, whether such replacement transaction is available or not; or

- (ii) if the Terminating Party has not entered into a replacement transaction then the Early Termination Payment for a Transaction shall be an amount equal to the Terminating Party's Loss in respect of the applicable terminated Transaction plus the Terminating Party's reasonable out of pocket expenses incurred in terminating such Transaction; and

"Loss" means an amount that the Terminating Party reasonably determines in good faith to be its total losses and costs (or gains in which case expressed as a negative number) in connection with the termination of the Transaction, including any loss of bargain, cost of funding or, at the election of the Terminating Party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or re-establishing any hedge or related trading position (or any gain resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made and not made on or before termination. The Terminating Party will determine its Loss as of the date of termination, or if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable.

13.5 Following termination in accordance with Clauses 13.1 or 13.2 all Early Termination Payments in respect of each Transaction, together with all other amounts (if any) due and payable at the termination date between the Parties in respect of all Transactions, shall be netted to produce a single net amount which is to be paid by the Party owing such net amount to the other and the Party owing such net amount shall pay such net amount within five (5) Working Days of notification by the Terminating Party. For the avoidance of doubt, if the Early Termination Payment is a negative figure, it shall be paid by the Terminating Party and if it is a positive figure it shall be paid by the other Party.

#### 14 Liabilities

Except as otherwise expressly provided herein and save in case of fraud, intentional default or gross negligence, neither Party shall be liable to the other, for any loss of use, profits, contracts, production, revenue or for business interruption or for any consequential or indirect loss or damage of whatsoever nature and howsoever arising.

#### 15 Waiver

No waiver by either Party of any breach by the other in respect of a Transaction shall operate or be construed as a waiver of any other breach.

#### 16 Variation

No variation to the provisions of a Transaction shall be valid unless it is in writing and signed by an authorised representative of each Party.

17 Entirety

The terms of the Transaction shall be the entire agreement between the Parties and shall supersede and extinguish any provisions and representations previously given or agreed upon between the Parties, whether orally or in writing.

18 Severability

If any provision or part of a provision of the Transaction is found to be void or unenforceable, such provision or part thereof shall be deemed to be deleted from the Transaction and the remaining provisions shall continue in full force and effect. The Parties shall in such event negotiate in good faith and seek to agree upon a valid and enforceable provision or part of a provision to replace the provision or part thereof found to be void or unenforceable.

19 Notices

19.1 Any notice or other communication to be given or made in respect of a Transaction by one Party to the other shall be given or made in writing to the other at that Party's registered office or such other address or contact number as that Party shall notify in writing to the other from time to time and shall be deemed to have been received:

19.1.1 if delivered by hand, on the Working Day delivered or on the first Working Day following the date of delivery if delivered on a day other than a Working Day or outside Office Hours;

19.1.2 if sent by registered post, on the third Working Day after the day of posting or, if sent from one country to another, on the fifth Working Day following the day of posting;

19.1.3 in the case of a facsimile transmission, on the day of transmission if that day is a Working Day or on the first Working Day after transmission if that day is not a Working Day or transmission took place outside Office Hours and provided that a valid transmission report confirming good receipt is generated.

Where a notice is sent by facsimile, the Party giving the notice shall (but without prejudice to Clause 19.1.3 first paragraph), if so requested by the other Party, re-send such notice as soon as reasonably practicable by registered post.

19.2 Parties may agree upon using other forms of communications than those above.

## 20 Rounding

All trades at the Zeebrugge Hub are performed in GJ/hour (GCV at 25°C) with two decimal places.

In order to reduce rounding errors and provided there are no within-Day, part-Day or hourly profiled trades, the following procedure shall be applied:

- a) First determine the overall net daily quantity between two Parties in each of the original trade units.
- b) Convert if necessary to GJ (25°C) by applying the appropriate conversion factor as indicated in the table hereunder and add the overall net daily quantity in GJ (25°C) if any on top.
- c) Divide the total net daily quantity, expressed in GJ (25° C) by 24.

d) All rounding calculations made pursuant to this Clause 20 shall be made to seven (7) places of decimals and with rounding off. A figure of five (5) or more in the eight (8<sup>th</sup>) decimal place shall cause a rounding up of the seventh (7<sup>th</sup>) decimal place. The quantity so determined shall be rounded to two (2) places of decimal for nomination purposes. By this rounding a figure of fifty thousand (50 000) or more in the last five (5) of the seven (7) places of decimal shall cause a rounding up of the second (2<sup>nd</sup>) decimal place.

In the event of within-Day, part-Day or hourly profiled trades, the Parties will agree (not less than three (3) hours prior to the start of the within-Day, part-Day or hourly profiled trades) the Net Hourly Quantities to achieve the necessary traded profile and will then match to these quantities.

#### TEMPERATURE CONVERSION FACTORS

		GROSS CALORIFIC VALUE MULTIPLY ENERGY BY		
		to 0°C	15°C	25°C
from	0°C	1	0.9984	0.9974
	15°C	1.0016	1	0.9990
	25°C	1.0026	1.0010	1

#### UNITS CONVERSION FACTORS (BASED ON 25°C)

		to		
		GJ	kWh	therm
from	GJ	1	277.777778	9.478170
	kWh	0.003600	1	0.03412141
	therm	0.1055056	29.30711	1

21      Applicable Law

The Transaction shall be governed by and construed in accordance with Belgian Law.

22      Disputes

All claims, disputes and other matters arising out of or relating to the Transaction which, in the opinion of one of the Parties, the Parties are unable to resolve by mutual agreement, shall exclusively and finally be settled by arbitration in Geneva, Switzerland, in accordance with the Rules of Arbitration of the International Chamber of Commerce in Paris as from time to time in effect, or in the absence of any applicable rule, with the procedural laws of the Canton of Geneva, Switzerland.

Unless otherwise agreed by the Parties such arbitration shall be conducted by three (3) arbitrators, one (1) selected by each Party and the third arbitrator nominated by the arbitrators so selected within thirty (30) days after the appointment of the second arbitrator. The third arbitrator shall act as chairman of the board of arbitration and shall be a fully qualified and trained lawyer.

The arbitration proceedings shall be conducted in the English language. Any arbitral award shall be enforceable in accordance with the rules of the New York convention of 1958 on the recognition and enforcement of foreign arbitral awards.

Judgement upon the awards rendered may be entered in any court or other authority having jurisdiction, or application may be made to said courts or other authority for a judicial acceptance of the award and an order of enforcement, as the case may be.

CONFIRMATION

[Name of Party] hereby confirms the details of a Transaction in accordance with the Zeebrugge Hub Natural Gas Trading Terms and Conditions (Ref. ZBT 2004) and the Hub Services Agreement.

SELLER: -----  
(including Hub Code) -----  
BUYER: -----  
(including Hub Code) -----  
SUPPLY PERIOD: -----  
HOURLY QUANTITY: ----- GJ/hour <sup>(2)</sup> <sup>(3)</sup>  
DAILY QUANTITY <sup>(1)</sup>: ----- GJ/Day <sup>(2)</sup>  
CONTRACT PRICE: ----- EUR/GJ <sup>(2)</sup>  
SPECIAL CONDITIONS: -----

Date and time of Transaction: -----  
Signed and dated

.....  
Duly authorised representative of the Seller/Buyer [as applicable]

.....  
Accepted by duly authorised representative of the Seller/Buyer [as applicable]

- (1) shall be the Hourly Quantity multiplied by the number of hours during the Day unless agreed otherwise.
- (2) unless agreed otherwise.
- (3) Hourly Quantities shall be in GJ with two decimal places.